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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

FILE: B-187693

DATE: November 23, 1976

MATTER OF: Frankel Co., Inc.

DIGEST:

Sales contract for surplus property may be reformed by deletion of item as recommended by agency where mistake in bid is alleged after award notwithstanding bidder's affirmation of unit price after request for verification since contracting officer in requesting verification did not advise bidder that bid was 2.12 times higher than second high bid and 2.91 times higher than Government's current market appraisal.

Frankel Co., Inc. (Frankel), has requested rescission of item 249 from sales contract No. 31-6705-178 awarded by the Defense Supply Agency (DSA), Defense Property Disposal Region, Memphis, Tennessee.

Item 249 consisted of 24,000 pounds of high temperature alloy scrap. Frankel submitted the high bid of \$0.7879 per pound and a total bid of \$18,809.60.

Prior to award, the contracting officer contacted Frankel for verification of its bid for item 249 since the unit price was extended erroneously to \$18,809.60 rather than \$18,909.60 and was excessively high. Frankel confirmed the unit price and requested that the total price be corrected to reflect a proper extension. Item 249 was awarded to Frankel in the amount of \$18,909.60. After award, Frankel alleged a mistake in bid stating that the unit price of \$0.7879 was intended for item 250 which consisted of nickel base alloy scrap.

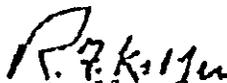
The contracting officer in requesting verification of Frankel's suspected erroneous bid advised the firm that the unit price was extended incorrectly and was excessively high. However, the contracting officer did not apprise Frankel that the unit price was

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2.12 times higher than the second high bid of \$0.3713 and 2.91 times higher than the current market appraisal for the property. Under these circumstances, DSA contends that inadequate bid verification was obtained in that Frankel was not informed of the nature of the suspected error or of the disparity in the bids. Therefore, it recommends that the contract be rescinded.

We agree that the verification was inadequate and concur with DSA's recommendation that contract No. 31-6765-178 be reformed by deletion of item 249. See Seaside Surplus, B-182893, January 17, 1975, 75-1 CPD 38.

Deputy


Comptroller General
of the United States