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Fitzmaurice,  
P.L. II

**DECISION**



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

FILE: B-190924

DATE: January 17, 1978

MATTER OF: Cargill, Inc.

**DIGEST:**

Contract awarded may be rescinded where contracting officer should have suspected error in bid but failed to request verification.

The General Services Administration (GSA) has requested our decision concerning a mistake in bid alleged after award by Cargill, Inc. (Cargill).

The GSA issued an Invitation for Bids (IFB) for Bulk Sodium Chloride for the period November 1, 1977 through October 31, 1978, and Cargill was the successful bidder on item 13 of contract No. GS-07S-02242--rock salt to be delivered to Homestead Air Force Base, Florida. The bid that Cargill submitted was \$20.25 per ton. Shortly after award, however, Cargill informed GSA that there had been a mistake in bid and that it actually had intended to bid \$30.25 per ton.

The general rule applicable to a mistake in bid alleged after award is that the sole responsibility for preparation of a bid rests with the bidder, and where a bidder makes a mistake in bid it must bear the consequences of its mistake unless the mistake is mutual or the contracting officer was on actual or constructive notice of error prior to award. Reaction Instruments, Inc., B-189168, November 30, 1977, 77-2 CPD 424; Peterman, Windham & Vaughn, Inc., B-186359, January 12, 1977, 77-1 CPD 20. If a contracting officer suspects a mistake, Federal Procurement Regulations (FPR) § 1-2.406.1 requires that a request for bid verification be made and that the bidder be informed why this request is being made. In those cases where the contracting officer knew or should have known of the probability of error, but neglected to take the proper steps to verify the bid, our Office has held that no valid and binding contract has been consummated. Hearin Forest Industries, B-199297, July 19, 1977, 77-2 CPD 36; General Electric Company, J-185200, January 12, 1976, 76-1 CPD 19.

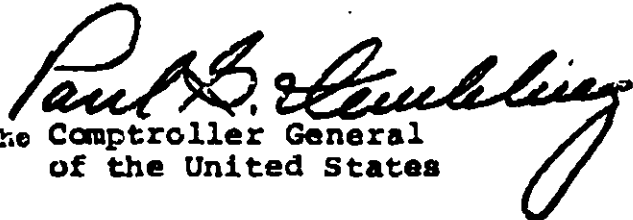
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The evidence produced in support of Cargill's mistake claim consists of:

1. A copy of a telegram sent prior to bid opening from the bid originator to the GSA regional manager stating the intended bid price on item 13 as \$15.90 per ton plus truck rate.
2. A copy of a note dated prior to bid opening in the regional manager's file of intended bid price of \$15.90 per ton plus truck rate.
3. A computerized truck rate of 71.7 cents per cwt or \$14.35 per ton in effect at the time of the bid.
4. Cargill's original worksheets for both the 1976 and 1977 bid prices.
5. The published FOB terminal price list in effect at the time of the bid.

The contracting officer's post award review of these documents has led to the conclusion, with which we agree, that Cargill has shown that it intended to bid a much higher price. Moreover, the bid price differential between Cargill and the next low bidder was 29 percent. The contracting officer states that he should have been aware of a mistake prior to award and in the circumstances we agree.

Therefore, since Cargill has presented documentation which clearly indicates that a mistake had been made, and since we agree that the contracting officer failed in his verification duty, item 13 of the contract should be rescinded. The requirements should be readvertised if such action is determined to be in the Government's best interests.

  
For the Comptroller General  
of the United States