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**DECISION**



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

*[Request for Increase in Contract Price]*

FILE: B-194610

DATE: April 1, 1980

MATTER OF: Andy Electric Company

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**DIGEST:**

1. Where contracting officer did not know that Government estimate was erroneous when bidder was requested to verify low bid based on estimate and other bids received, verification request was sufficient.
2. Award to low bidder after bid verification was not unconscionable, notwithstanding second low bid was about 130 percent more than low bid, since it is not established that contracting officer knew that Government was "essentially 'getting something for nothing.'"

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Andy Electric Company (Andy) has requested that contract No. DACA21-77-C-0062 awarded February 18, 1977, for alteration of various fire alarm systems at Hunter Army Airfield be increased by \$34,642 to \$61,221.20 because of an error in bid alleged 5 months after completion of the work and before final settlement of the contract.

Prior to award of the contract, Andy was advised that the Government cost estimate for the work was \$37,201 and that the two other bids received were \$61,223 and \$81,565. Andy consequently was requested to verify its low bid of \$26,579.20. Andy verified the bid. As a result of Andy's present claim for an increase in the contract price, the Government estimate was reviewed and has been revised upward to \$53,508. Andy contends that in verifying the bid it relied upon the closeness of the then-reported Government estimate and discounted the significance of the higher bids. Andy states that, if it had been presented with a correct Government cost estimate, it would have made a thorough examination of all the bid computations and discovered the error prior to award. Because the erroneous Government estimate allegedly was responsible for the verification, Andy

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contends the verification request was improper and that, therefore, it should be allowed to recover the actual cost of the work. If recovery is not allowed on this basis, Andy suggests that it be on the basis that it is unconscionable to hold Andy to the contract price.

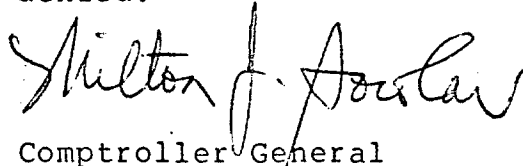
We have recognized that a narrow gap between a low bid and a Government estimate might logically instill confidence in a bidder as to the validity of its price. Frank Black, Jr., Incorporated, B-191647, June 26, 1978, 78-1 CPD 463. However, we have recognized also the inexact nature of Government estimates. Schottel of America, Inc., B-190546, March 21, 1978, 78-1 CPD 220. Further, advice to a bidder as to the amount of a Government estimate and the next low bid is only for the purpose of alerting the low bidder as to why the contracting officer thinks there may be an error in the low bid. It is not a representation or guarantee of the accuracy of the Government estimate or next low bid. A low bidder has no right to assume that a Government estimate is any more accurate than any of the other bids. The Government estimate and the amounts bid by bidders are dependent upon the respective perceptions and judgments of the work involved and are also susceptible to errors in preparation. When the contracting officer seeks verification, the contracting officer is not indicating to the low bidder that the Government estimate and other bids are right; only that the low bid is out of line with those amounts and that the bidder should review its bid to ascertain whether it made an error. How the bidder chooses to use that information in deciding the extent to which it will undertake a review of its bid is a matter of judgment with concurrent risks. In that regard, we have indicated that, when the bidder knows the information upon which the contracting officer's request for verification is made, "the primary duty for assuring that bid prices are correct rests with the bidder." Atlas Builders, Inc., B-186959, August 30, 1976, 76-2 CPD 204.

In this case, the contracting officer had no knowledge that the Government estimate was erroneous when Andy was advised of the estimate and when the award was made. It is unfortunate that Andy chose to rely upon the closeness of its bid to the Government

estimate instead of the larger difference between its bid and the other bids in deciding not to make a thorough review of the bid. However, as indicated above, the responsibility for undertaking an examination of the bid to assure its accuracy after being advised by the contracting officer as to the possibility of error rests with the bidder.

Moreover, since the contracting officer did not know at the time of verification and award that the Government estimate was erroneous, it is not established that the contracting officer knew that the Government was "essentially 'getting something for nothing'" when the contract was consummated. Porta-Kamp Manufacturing Company, Inc., 54 Comp. Gen. 545 (1974), 74-2 CPD 393. Where that element was missing, we have considered the record to be insufficient to find a contract to be unconscionable when the second low bid was as much as 200 percent more than the contract price. Reaction Instruments, Inc., B-189168, November 30, 1977, 77-2 CPD 424. Here, the second low bid was only about 130 percent more than Andy's bid. Therefore, the award to Andy is not unconscionable.

Accordingly, Andy's claim for an increase in the contract price is denied.



For the Comptroller General  
of the United States