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DECISION

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

FILE: B-197262

DATE: March 28, 1980

MATTER OF: Allied Printing Company *DL604238*

DIGEST:

Contracting officer adequately discharged verification duty by directing bidder's attention to discrepancy in bid between per "M" rates for base and additional quantities; therefore, there is no legal basis for rescission of contract awarded after verification.

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The Government Printing Office (GPO) has requested our decision as to whether purchase order H2212 awarded to Allied Printing Company (Allied) may be rescinded because of a mistake in bid alleged after award.

The purchase order is for 408,000 (+ 250) data form pads. Allied's bid in the amount of \$80,184 was the low bid. The other eight bids ranged from \$95,000 to \$153,146. The contracting officer requested by telephone that the president of Allied verify the bid because the \$204.70/M additional rate bid by Allied for application to any purchase above 408,000 (+ 250) was larger than the \$196.57/M base rate. The president of Allied verified the base rate during the telephone conversation and stated that the additional rate should have been \$195.55/M. A written verification followed the oral verification. Award was subsequently made to Allied.

After the purchase order was awarded, Allied alleged that an error had been made in computing the base rate. The error was based on the fact that the bid was prepared on the basis that each pad would have 50 pages instead of the 100 required, resulting in a substantial underestimate of paper and manufacturing time. Allied furnished worksheets to support the error. Allied states its price should have been \$141,030.

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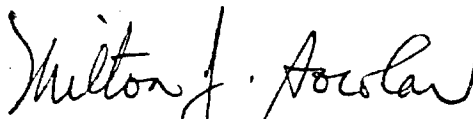
[*ALLEGATION INVOLVING Bid ERROR*]

GPO recommends against relief because the bid was verified before award and the contract price is in line with the \$69,938 price paid for 500,000 pads of the same form in 1977 and is not unconscionable. The recommendation is based on a representation that the contracting officer apprised the contractor of the possibility of a mistake and pointed to the disparity between its bid and the next low bid as the basis for his suspicion. The contractor denies that it was advised of the disparity between bids. The contracting officer's memorandum of the telephone call states that the contractor was contacted because the additional rate in the bid was higher than the base rate. No mention is made in the memorandum that the contractor was alerted to any disparity between its bid and the next low bid. The contracting officer has advised informally that he has no recollection of having furnished that information.

However, whether Allied was advised of the amount of the next low bid is not material. Since Allied's bid was between the prior price and the next low bid on the immediate procurement, the contracting officer had neither actual nor constructive notice of an error from that standpoint. The only error the contracting officer observed was the discrepancy in the per "M" prices in the Allied bid. Federal Procurement Regulations (FPR) § 1-2.406-1 (1964 ed.) provides that in cases of apparent mistake the contracting officer shall call the bidder's attention to the "suspected mistake" in seeking verification. The "suspected mistake" was the discrepancy between the per "M" rates in the Allied bid. The contracting officer brought this discrepancy to Allied's attention in seeking verification of the bid. Thus, the contracting officer adequately discharged the verification duty by directing Allied's attention to the area of the error. Cabarrus Construction Company, Inc., B-192710, September 13, 1978, 78-2 CPD 200.

Therefore, the acceptance of the bid after the verification by Allied resulted in a valid and binding contract. Cabarrus Construction Company, Inc., supra.

Accordingly, there is no legal basis to grant the relief requested.

A handwritten signature in cursive script, reading "Milton J. Fowler". The signature is written in dark ink and is positioned above the typed name.

For the Comptroller General
of the United States