



Washington, D.C. 20548

## Decision

Matter of: Dunn Electric Co., Inc.

File: B-260299.2

Date: July 31, 1995

Carl T. Hahn, Esq., and Brian J. Vella, Esq., Smith, Pachter, McWhorter & D'Ambrosio, for the protester. Daniel J. Dowling, Esq., for Montage, Inc., an interested party.

Stephen T. Orsino, Esq., and Diane D. Hayden, Esq., Department of the Navy, for the agency.

Charles W. Morrow, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

### DIGEST

Procuring agency properly allowed the correction of clerical errors involving the misplacement of decimal points in bid unit prices in three invitation for bids line items, which requested discount and burden rates to be expressed in the form of a percentage for the supply of materials under an indefinite quantity construction contract, where the erroneous percentages reflected obvious errors, and the nature of the errors and the intended bid are substantiated by clear and convincing evidence apparent from the bidder's bidding pattern, the government estimate, and the bid unit prices of the other bidders.

### DECISION

Dunn Electric Co., Inc. protests the award of a contract to Montage, Inc. under invitation for bids (IFB) No. N62477-95-B-3002, issued by the Department of the Navy, for multi-trade construction work at various Naval facilities in Maryland. Dunn contends that Montage was improperly permitted to correct a mistake in its bid.

We deny the protest.

The IFB contemplated an indefinite quantity contract for repair, maintenance, and construction tasks to be ordered by the Navy. The bidding schedule contained three groups of line items for which unit and extended prices were requested. The schedule first requested hourly and extended prices for 30 line items of labor crafts, each with a

designated man-hour estimate. The schedule next contained four items of materials for which bidders were to offer a percentage discount in decimal form to be subtracted from 1.00, and the discounted amount multiplied by the designated estimated material cost to arrive at the government's net material cost (extended price) for each line item. Finally, the schedule contained two line items for special materials and equipment, for which bidders were to offer a percentage burden rate that would be added to 1.00 and the sum multiplied by the designated estimated material/equipment cost to arrive at the government's net material/equipment cost for each line item. The sum of the extended prices for the three groups of line items represented the total bid price.

Eight bids were received by bid opening. Montage submitted the apparent low bid of \$2,705,790, and Dunn submitted the second low bid of \$2,752,455. In reviewing Montage's bid, the Navy identified apparent mathematical errors in three line items, item 0002AC, "[a]ll other materials discount," item 0003AA, "[s]pecial materials fixed burden rate," item 0003AB, "[s]pecial equipment fixed burden rate" as follows:

ITEM	EST. AMT.	DISCOUNT/BURDEN RATE	EXTENDED AMOUNT
0002AC	\$500,000	.6	\$470,000
0003AA	\$400,000	.5	\$420,000
0003AB	\$ 25,000	.5	\$ 26,250

The extended amounts were consistent with the total bid price indicated in Montage's bid. If the discount or burden rate actually stated in the bid were extended, the extended amounts would be \$200,000 for item 0002AC, \$600,000 for item 0003AA, and \$37,500 for item 0003AB, i.e., \$78,750 less than represented in the total extended amounts and total bid price.

The Navy requested verification of the intended bid, in response to which Montage advised that the bid total was correct, but that decimal percentages on the foregoing three line items were incorrect; Montage stated that it had made a decimal error and the percentages for the line items should have been .06, .05, and .05, respectively. Montage requested correction and submitted certified worksheets to support its mistake claim. The Navy permitted correction in accordance with Federal Acquisition Regulation (FAR) § 14.406-3(a), finding that both the existence of the mistake and the intended bid were substantiated by clear and convincing evidence, given the magnitude of the error when compared to the percentages bid by the other bidders for these line items and the government estimate. Award was made to Montage, and this protest followed.

Dunn asserts that the correction of Montage's bid was improper because the bid amount is ambiguous, rendering the bid nonresponsive.

Obviously erroneous unit prices generally do not render a bid nonresponsive or unacceptable if the errors are correctable under authorized mistake in bid procedures. See FAR § 14.406; Jettison Contractors, Inc., B-242792, June 5, 1991, 91-1 CPD ¶ 532; Grove Roofing, Inc., B-233747, Feb. 23, 1989, 89-1 CPD ¶ 196. Even if solicitation provisions give precedence to unit prices, an obviously erroneous unit price can be corrected to correspond to an extended total price where the corrected unit price is the only reasonable interpretation of the bid. The correction of an obvious mistake is authorized, notwithstanding the displacement of lower bidders, if the mistake involves either an apparent clerical mistake, such as the obvious misplacement of a decimal point, or the existence of the mistake and the intended price are apparent from the face of the bid. See FAR §§ 14.406-2(a) and 14.406-3(a).

Although Dunn argues that Montage's bid is ambiguous, we find that the unit price bids for the three line items were obviously erroneous and the result of decimal errors. Given the nature of the errors and the stated extended bid amounts, the amount of the intended bid is also obvious from the face of the bid. The evidence in the record authenticates the mistakes, as well as the intended unit prices. The government estimates for line items 0002AC, 0003AA, and 0003AB were 7, 9, and 9 percent, respectively, and the other bidders' unit prices for these line items ranged from 0 to 20 percent, 5 to 20 percent, and 0 to 20 percent, respectively. The percentage amounts in Montage's bid of 60, 50, and 50 percent, respectively, are well outside of the range of the other bid percentages and inconsistent with the government estimates, whereas the intended percentage amounts of 6, 5, and 5 percent, respectively, are entirely consistent with the other bids and the government estimate. Further, the extended totals for each IFB line item when added equal Montage's total bid. Under the circumstances, Montage's bid is susceptible to only one reasonable interpretation, such that Montage's

intended bid amounts can easily be determined by shifting the decimal points without resort to extraneous documentation, and the bid was therefore properly corrected and was responsive.<sup>1</sup> See Action Serv. Corp., B-254861, Jan. 24, 1994, 94-1 CPD ¶ 33.

The protest is denied.

*Mustine S. Melody*

*for* Robert P. Murphy  
General Counsel

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<sup>1</sup>While Dunn maintains that the agency should not have considered Montage's worksheets, the intended bid was clearly determinable without resort to Montage's worksheets.