



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

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B-178975

SEP 27 1973

Lieutenant General Wallace H. Robinson, Jr.
Director, Defense Supply Agency

Dear General Robinson:

This is in response to the letter dated June 19, 1973, from the Assistant Counsel, requesting a decision as to whether Commercial Metals Company (Commercial) may be relieved of its obligation to perform under contract No. 46-3036-046 because of an error allegedly made in computing its bid price upon which the contract is based.

Invitation for bids No. 46-3036 requested bids for the purchasing of all or any of the surplus Government property listed in the accompanying schedule. Commercial submitted a per unit bid price of \$0.3025 on item 30, or \$7,260 for 24,000 pounds of copper, lead-covered cable, scrap. Award was made to Commercial as the highest bidder on item 30. Thereafter, Commercial advised the Defense Surplus Sales Office that it had made a typographical error in its bid on item 30 in that its bid should have been \$0.2025 rather than \$0.3025 per pound. Consequently, it requested that it be excused from the contract obligation, or, alternatively, that it be allowed to correct its per unit bid price to \$0.2025.

The sales contracting officer states that he should have been on constructive notice of the error in bid since the current market value of item 30 was established at \$0.25 per pound. Furthermore, item 2 was descriptively similar to item 30 and its current market value was identical to that of item 30, \$0.25 per pound. Commercial had submitted a unit price of \$0.2525 on item 2.

From the foregoing, it may be concluded that the mistake of Commercial was so apparent that it placed the contracting officer on constructive notice of error and that the bid should have been verified prior to award. We agree, therefore, with the administrative recommendation that the contract awarded to Commercial Metals Company on item 30 be rescinded without liability to that firm.

Sincerely yours,

Paul G. Dembling

Acting Comptroller General
of the United States

O [Request for Review]

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