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DECISION



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

50505

FILE: B-182996

DATE: February 4, 1975

MATTER OF: Air and Power Tools Company/A and P Industrial
Rentals

DIGEST:

In sale of surplus Government property where purchaser's bid for two items exceeded acquisition prices by 152.47 percent and 518.48 percent respectively, and were far above next closest bids, contracting officer was on constructive notice of possible error in bids. In these circumstances, and in the absence of bid verification, contract may be reformed by deleting items.

Invitation for bids 41-5138 was issued by the Defense Property Disposal Region, Ogden, Utah, for sale of surplus property. Bids were opened on November 5, 1974. Air and Power Tools Company/A and P Industrial Rentals (APT) was high bidder on item 66 (a quantity of 121 canvas bags) and item 110 (47 wire rope clamps). APT entered a unit bid price of \$12.50 for item 66 and \$38.50 for item 110. It did not enter a bid price in the "total price" column, although instructed to do so. On November 8, 1974, APT was awarded items 66 and 110, among others (contract No. 41-5138-209). By letter dated November 18, 1974, APT alleged a mistake in bid. Its bids for items 66 and 110 were allegedly total prices and not unit prices.

In view of the fact that the bid on item 66 represents 152.47 percent of the acquisition cost and the bid on item 110 represents 518.48 percent of the acquisition cost, the Defense Supply Agency (DSA) recommends that the contract be reformed by deleting items 66 and 110.

In the instant case, APT's unit price bids were far above the next closest bids: \$12.50 v. \$2.01 (item 66) and \$38.50 v. \$2.00 (item 110). The current market appraisal for the same items were \$0.05 and \$1.00, respectively. Additionally, as noted, supra, APT's bids exceeded the acquisition price by 152.47 percent and 518.48 percent, respectively.

In view of the magnitude of the range in bids and the fact that the bid price greatly exceeded the acquisition price, we

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agree with DSA that the contracting officer was on constructive notice of possible error in bid and should have requested verification prior to award. See Matter of Robert Clayton Evans, B-182652, December 16, 1974, and cases cited therein.

Accordingly, the contract may be reformed by deleting items 66 and 110 therefrom, as administratively recommended.


Deputy Comptroller General
of the United States