

DECISION



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

FILE: B-185152

DATE: November 14, 1975

MATTER OF: J. L. Southard, Inc.

DIGEST:

Although mistake in bid on item in surplus sale was alleged after award, item should be deleted from contract, since contracting officer admits that she suspected error but failed to verify bid price.

J. L. Southard, Inc. (Southard), has requested deletion from its surplus sales contract of an item for which it has alleged, after award, that a mistake was committed in the submission of its bid.

The Defense Property Disposal Service (DPDS), Columbus, Ohio, offered various items of scrap for sale in invitation for bids No. 27-5290. Southard submitted bids on numerous items and received an award, No. 27-5290-031, on April 30, 1975, for several items, including item 121, advertised as one lot of light and heavy unprepared scrap steel consisting of one barge estimated at 500 gross tons. By telephone conversation of May 5, 1975, and by letter of May 21, 1975, Southard advised the contracting officer that a mistake had been committed with regard to item 121 in that \$1,200 was intended instead of the \$12,000 bid.

The current market appraisal for item 121 was \$6000. Seven bids were received for the item ranging from \$1 to \$12,000 with the next highest bid being \$8500. The contracting officer states that she suspected an error in Southard's bid price but failed to verify the price prior to award.

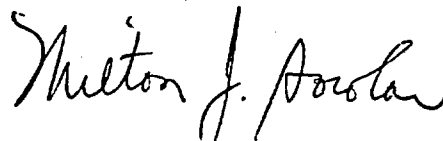
Our Office has held that if a bidder commits a unilateral mistake, he is bound by the contract as awarded; but if the contracting officer was actually or constructively on notice of the mistake, relief may be granted. 49 Comp. Gen. 199, 201 (1969). Further, in B-175734, June 1, 1972, we stated:

"With regard to item 121, the SCO has stated that he suspected an error in Horne's bid but proceeded to award without benefit of verification in the

B-185152

interest of expediency. However, we have often stated that acceptance of a bid by a contracting officer when he knew or should have known of the existence of an error in the bid does not result in a valid and binding contract absent verification. * * *

In light of the contracting officer's admission in this case, item 121 should be deleted from contract 27-5290-031 as administratively recommended.



Acting Comptroller General
of the United States