



**Comptroller General  
of the United States**

Washington, D.C. 20548

**Decision**

**Matter of:** Sovran Construction Company, Inc.

**File:** B-242104

**Date:** March 18, 1991

James M. Talley, Esq., Fisher, Rushmer, Werrenrath, Keiner, Wack & Dickson, P.A., for the protester. Vicki O'Keefe and Paul M. Fisher, Esq., Department of the Navy, for the agency. Karen Turner and John Brosnan, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

**DIGEST**

Where bidder's prices for one base and one additive item increased cumulatively, contrary to solicitation instructions for additive pricing, agency's correction of the bid mistake was proper, although it resulted in the displacement of otherwise low bidder, since the mistake and bid prices actually intended are ascertainable from the bid when compared to other bid prices.

**DECISION**

Sovran Construction Company, Inc. protests the correction of H.J. High Construction Company's bid, and the resulting displacement of its bid under invitation for bids (IFB) No. N62467-87-B-0692, issued by the Naval Facilities Engineering Command, Southern Division, for the construction of an Electronics Training "A" School, Applied Instruction Building, at the Naval Training Center, Orlando, Florida. For the reasons discussed below, we deny the protest.

The IFB provided that bids were to be submitted on two items. Bid item No. 1 consisted of the basic work to be awarded under the solicitation and bid item No. 2 was an additive item which would be awarded if sufficient monies were available. The bid schedule did not provide for a total bid price. Bids were to be evaluated in accordance with the "Additive or Deductive Items" clause which provided in essence that the low bidder would be the firm offering the low aggregate amount for the first or base bid item, plus or minus (in order of priority listed in the schedule) those additive or deductive bid items providing the most features of the work within the funds

determined by the government to be available before bids were opened.

The following bids were received:

	<u>Bid Item 1</u>	<u>Bid Item 2</u>
H.J. High	\$8,528,700	\$8,648,700
Sovran Construction	\$8,596,000	\$ 60,000
David Bolland	\$8,783,000	\$ 73,000
Graham Construction	\$8,949,944	\$ 85,000
Demetree Central	\$8,968,000	\$ 68,000
J. Kokalacic	\$9,292,212	\$ 70,969

After bid opening, High informed the Navy that its bid price for item No. 2 was cumulative, rather than additive. High states that its bid for the two bid items should have been:

<u>Bid Item 1</u>	<u>Bid Item 2</u>
\$8,528,700	\$120,000

The Navy determined that High's error was obvious on the face of its bid and decided to permit High to correct its bid thus displacing Sovran's bid as low. In making his decision, the contracting officer stated that High "has submitted bid worksheets and a letter explaining and clarifying the basis of the bid. . . ."

Sovran objects to the correction of High's bid contending that the mistake is not apparent from the face of the bid because the contracting officer solicited evidence from High to verify the existence and nature of the alleged mistake. Sovran argues that the Navy's resort to "extraneous evidence" in the form of workpapers and a letter submitted to clarify the basis of High's mistake and intended bid, was improper, and demonstrates that the mistake was not apparent. Further, the protester argues that the correction should not be allowed as it would place High's bid within 1 percent of the bid submitted by Sovran.

The Federal Acquisition Regulation (FAR) provides for the correction of mistakes disclosed before award; however, a downward correction of a bid which results in displacement of a lower bid, the situation here, is permissible only where the existence of the mistake and the bid actually intended are ascertainable substantially from the solicitation and the bid itself. FAR § 14.406-3(a). The correction must admit to only one reasonable interpretation in light of the range of other bids and the contracting officer's logic and experience. Electronic Space Sys. Corp., B-236006, Oct. 26, 1989, 89-2 CPD ¶ 381. Our Office will review the contracting officer's

determination concerning bid correction to ensure it has a reasonable basis. Id.

When High's bid of \$8,647,700 for item No. 2 is compared to the other bids received on that item, which range from \$60,000 to \$85,000, the firm's mistake is obvious.<sup>1/</sup> It is clear that High's bid under item No. 2 is cumulative rather than additive as the solicitation instructs and, therefore, the amount of the intended bid for item No. 2 can be ascertained by simply subtracting the price inserted next to item No. 1 from the item No. 2 price. The nature of the error and the bid price actually intended for bid item No. 2 was ascertainable substantially from the bid itself, and therefore correction was proper even though Sovran's apparently lower bid was displaced. See J.O. Collins, Contractor, Inc., B-206252, June 8, 1982, 82-1 CPD ¶ 555.

It is true as the protester argues that a bid may not be corrected so that it displaces another lower bid if the discrepancy cannot be resolved without resort to evidence that is extraneous to the bid and under the control of the bidder, OTKM Constr., Inc.--Recon., 65 Comp. Gen. 202 (1986), 86-1 CPD ¶ 53, and that in this case High did submit a letter explaining the mistake and its worksheets to the contracting officer.

These submissions, however, were not needed to establish either the mistake or the bid intended. To the contrary, the nature of the mistake and the intended bid were clear from the face of High's bid. The fact that these materials were submitted does not prevent the correction from being made. See Willco Enter., Inc., B-237512, Feb. 20, 1991, 91-1 CPD ¶ \_\_\_\_.

Finally, the protester argues that the correction is objectionable because the corrected price is within 1 percent of the next low bid. Sovran evidently is raising an issue that is relevant when a bidder relies on workpapers to support its claim of mistake warranting an increase in price. Where an upward correction based upon bidder's worksheets results in a price which is extremely close to the next low bid, we will

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<sup>1/</sup> Also, it would make no sense for the firm to bid a total price over \$17 million (the total of items No. 1 and 2) on a project which the solicitation indicates will only be funded up to \$12,665,518.

closely scrutinize the workpapers and mistake claim. See  
Vrooman Constructors, Inc., B-226965.2, June 17, 1987, 87-1  
CPD ¶ 606. That issue is simply not relevant where, as here,  
the mistake and the intended bid price are clear from the  
face of the bid.

Accordingly, the protest is denied.

  
for James F. Hinchman  
General Counsel