



Comptroller General
of the United States
Washington, D.C. 20548

Decision

Matter of: P.K. Painting Company

File: B-247357

Date: May 15, 1992

Sam Zalman Gdansk, Esq., for the protester,
James N. McCutcheon, Esq., and Paul M. Fisher, Esq.,
Department of the Navy, for the agency,
Daniel I. Gordon, Esq., and Paul I. Lieberman, Esq., Office
of the General Counsel, GAO, participated in the preparation
of the decision.

DIGEST

Agency properly allowed correction of a mistake in bid by
the low bidder where the existence of the mistake and the
intended bid price were clearly established from the
bidder's original bid preparation papers and the corrected
bid remains significantly below the next low bid.

DECISION

P.K. Painting Company protests the award of a contract to
Golden Eagle Contracting Corporation under invitation for
bids (IFB) No. N62470-90-B-4416, issued by the Department of
the Navy's Naval Facilities Engineering Command for exterior
improvements to a building. P.K. Painting contends that the
Navy improperly permitted Golden Eagle to correct its bid
price.

We deny the protest.

Of the four bids received at bid opening, Golden Eagle's bid
of \$142,450 was apparently low, and P.K. Painting's bid of
\$225,000 was next low. The government estimate for the
contract work was \$192,171.

Because Golden Eagle's bid was substantially lower than the
government estimate and the other bids received, the
contracting agency requested that Golden Eagle review its
bid worksheets for possible errors and then either withdraw
its bid or confirm it. Golden Eagle initially indicated its
intent to withdraw its bid but, upon further review,
indicated that it had found mathematical errors in its bid
and requested that the bid be corrected. Golden Eagle
submitted its original bid worksheets to the agency, as well
as a correction sheet highlighting the mathematical errors.

On his bid worksheets, the president of Golden Eagle had made errors in adding a column of numbers, leading to a subtotal that was \$368 larger than it should have been. In addition, in copying a subtotal of \$45,980.00 from one page to another where it was to be used in calculating a total, he had inadvertently dropped one zero, so that the total number was recorded as \$4,598.00. After overhead was added, the grand total was \$142,566, which the company's president reduced by \$116 on the original worksheet to reach a "rounder" figure of \$142,450, which was entered.

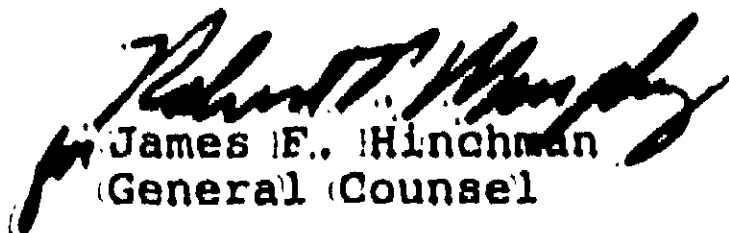
After reviewing the documentation submitted by Golden Eagle, the contracting agency concluded that the existence of the mathematical errors had been clearly established. Once those errors were corrected and the company's bid overhead rate was applied to the correct total, the bid became \$191,993.12. From that amount, \$116 was deducted to maintain the reduction that the president had made as an exercise of business judgment. As a result, the contracting activity concluded that, with the mistake corrected, the bid would have been \$191,877.12, still almost 15 percent lower than P.K. Painting's bid. Award was made to Golden Eagle for that amount.

Mistakes in a bid generally do not render the bid unacceptable if the errors are correctable under the Federal Acquisition Regulation (FAR) § 14.406 mistake in bid procedures. F.U. Washington Constr., Inc., IB-246080, Feb. 26, 1992, 92-1 CPD ¶ 230. Correction is proper if clear and convincing evidence establishes both the existence of the mistake and the bid actually intended, and the corrected bid does not displace other bidders. FAR § 14.406-3(a). Correction may be allowed, however, even though the intended bid price cannot be determined exactly, provided there is clear and convincing evidence that the amount of the intended bid would fall within a narrow range of uncertainty and would remain low after correction. J.C.K. Contracting Co., Inc., IB-224538, Jan. 9, 1987, 87-1 CPD ¶ 43. In those circumstances, correction is limited to increasing the contracting price only to the bottom end of the range of uncertainty. Price/CIRI Constr., IB-230603, May 25, 1988, 88-1 CPD ¶ 500.

We treat the question of whether the evidence of the mistake and the bid intended meets the clear and convincing standard as a question of fact, and we will not question an agency's decision in this regard unless it lacks a reasonable basis. Gunco, Inc., IB-238910, July 17, 1990, 90-2 CPD ¶ 46. Original worksheets can be used as evidence to establish the existence of the mistake and the intended bid price if they are in good order and there is no contravening evidence. Lash Corp., 68 Comp. Gen. 232 (1989), 89-1 CPD ¶ 120.

Here, the bidder's original worksheets clearly demonstrate that a mistake occurred. The mathematical errors in those worksheets are readily susceptible to correction, allowing a straightforward, mechanical recalculation of the bid. We view the agency's retaining the \$116 "rounding" reduction made by the bidder's president as an appropriate measure which effectively limits the increase in the corrected price only to the bottom end of a narrow range of uncertainty created by this reduction. Accordingly, we find that the agency had a reasonable basis to permit Golden Eagle to correct its bid price, since there was clear and convincing evidence which established that the bidder's intended price was \$191,877.12.

The protest is denied.


James E. Hinchman
General Counsel