



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

## Decision

**Matter of:** J&J Maintenance, Inc.

**File:** B-251355

**Date:** March 1, 1993

Donald E. Barnhill, Esq., and Joan K. Fiorino, Esq., East & Barnhill, for the protester.  
Dennis E. Jontz, Esq., Civerolo, Wolf, Gralow & Hill, for Phillips National, Inc., an interested party.  
Thomas A. Mason, Jr., Esq., Department of Transportation, for the agency.  
Andrew T. Pogany, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

### DIGEST

Where bid contains a discrepancy between the unit and extended prices for an item, the bid may be corrected downward to reflect a unit price that is consistent with the extended price if the unit price clearly is out of line with both the government estimate and the prices offered by the other bidders, and only the extended price reasonably can be regarded as having been the intended bid.

### DECISION

J&J Maintenance, Inc. protests the proposed award of a contract to Phillips National, Inc. under invitation for bids (IFB) No. DTCG41-93-B-QWE201, issued by the United States Coast Guard, Department of Transportation, for facilities maintenance and support services. J&J contends that the contracting officer improperly permitted Phillips to correct a line item unit price to make it compatible with the extended price in violation of the terms of the solicitation and competitive bidding procedures.

We deny the protest.

The bid schedule solicited prices for numerous line items for 1 base year and 4 option years. Each line item included columns for unit prices and corresponding extended prices. In addition, the schedule requested each bidder to provide its total price for each year.

Phillips submitted a total bid of \$8,387,882 and was initially determined to be the apparent low bidder.<sup>1</sup> J&J, initially determined to be the second low bidder, submitted a total bid of \$8,392,364. In reviewing Phillips's bid, the contracting officer discovered a mistake in line item No. 0001A11, which called for a monthly unit price for refuse collection and disposal services and a corresponding extended price based on a stated "quantity" of 12 months. Specifically, Phillips bid a unit price of \$54,000 per month and an extended price of \$64,800 for the 12-month period. The unit prices bid by the eight other bidders for this line item ranged from \$3,468 to \$15,433. The government estimate was \$7,508 per month, and the current prices being paid for these services by the agency was \$4,978 per month. Since Phillips bid a unit price of \$5,400 and an extended price of \$64,800 for each of the corresponding option year line items for refuse collection services, and in view of the fact that the highest bid received for this line item from any bidder was \$15,433, the contracting officer made a determination to allow downward correction of the unit price to \$5,400 on the basis of a clerical mistake, after receiving verification of the intended bid price from Phillips. This protest followed.

The solicitation provides that if there is a discrepancy between a unit price and extended price, the unit price is presumed to be correct, subject to correction to the same extent and manner as any other mistake. In view of this provision, J&J contends that the unit price of \$54,000 must be presumed to be correct, so that Phillips's total bid should be \$8,971,082, which would make J&J the low bidder. J&J argues that a unit price of \$54,000 is reasonable considering that Phillips is not the incumbent and therefore will have substantial start-up costs for equipment. J&J also argues that since Phillips's bid contains two prices for the item, only one of which would make Phillips low, the bid is ambiguous and should have been rejected by the agency.

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<sup>1</sup>Phillips's total bid amount of \$8,387,882 reflects the upward correction by the agency of Phillips's bid due to several minor arithmetic errors in the amount of \$2,880. These arithmetic corrections were recorded in the bid abstract and raised Phillips's total bid from \$8,385,002 to \$8,387,882. The record shows that these minor arithmetical corrections were not material since they had no effect on the standing of bidders. We will not discuss them further.

The agency asserts that the intended unit price of \$5,400 for item No. 0001A11 is evident from Phillips's bid itself because 12 times the unit price noted on the bid would equal an amount far in excess of the other bid amounts and the government estimate, and because the total of the bid reflects the extended amount of the intended unit price. The agency also states that refuse collection services are typically subcontracted locally and require no start-up costs.

We agree that it is apparent on the face of Phillips's bid that a mistake was made in the unit price.<sup>2</sup> Where it is clear from the bid itself what price was actually intended, or where on the basis of logic and experience it can be determined that one price makes sense while the other does not, correction of a bid and displacement of another bidder is allowed. Frontier Contracting Co., Inc., B-214260.2, July 11, 1984, 84-2 CPD ¶ 40. The factors that go into such a determination may include comparison with the other bid prices and the government estimate. See Federal Aviation Administration--Bill Correction, B-187220, Oct. 8, 1976, 76-2 CPD ¶ 326.

Phillips's unit price of \$54,000 is totally out of line with the other bidders' unit prices and would result in an extended price that is approximately seven times the government estimate. In such a situation, correction of a unit price to correspond to an extended price is proper, notwithstanding the standard solicitation provision that a unit price governs where there is a discrepancy with the extended price, since the latter represents the only reasonable interpretation of the intended bid. Ideker, Inc., B-194293, May 25, 1979, 79-1 CPD ¶ 379.

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<sup>2</sup>J&J also argues that the agency, in requesting Phillips to verify its bid, "went beyond seeking a verification and sought the advice of Phillips," and that Phillips, in response, "launche[d] into an explanation and clarification of the particular line item in question." In view of our conclusion that Phillips's clerical mistake was apparent on the face of its bid, the extent and manner of verification is not material.

Phillips's extended bid price, which corresponds to its total bid, obviously was the firm's intended offer to the government. Therefore, the contracting officer properly allowed correction. See DaNeal Constr., Inc., B-208469, Dec. 28, 1982, 82-2 CPD ¶ 584.

The protest is denied.

  
for James F. Hinchman  
General Counsel