



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

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Released

B-189514

FEB 17 1978

Mr. Karl Kabeiseman  
Counsel, Defense Logistics Agency  
Cameron Station  
Alexandria, Virginia 22314

Dear Mr. Kabeiseman:

This is in reply to your letter of January 31, 1978, relative to our decision in Colonial Oil Industries, Inc., B-189514, December 7, 1977, 77-2 CPD 437. You request this Office reconsider the recommendation made therein to resolicit for the requirements awarded to Colonial at an erroneous bid price.

You state that prior to our decision the solicitation for the new contract year beginning April 1, 1978 was issued on November 1, 1977. This calls for proposals to supply approximately 1800 line items for many Government facilities, including the items covered in our decision. You state that an additional procurement for the items discussed in our decision would seriously disrupt your procurement process.

On the basis of your advice that an interim award before April is not possible, no further action is required to effect our recommendation.

Your letter correctly observes that the underlying premise to our recommendation of resolicitation was the relative ease with which the Colonial contract could be rescinded. It remains our position that where award of a requirements contract or indefinite quantity type contract has been made with actual or constructive notice of mistake, rescission and resolicitation ordinarily is the preferred remedy. We think it is unfair to other bidders and detrimental to the integrity of the competitive procurement system to retain such a contractor without regard to the standards normally required for correction of mistakes. We consider reformation in such circumstances to be the least desirable solution and we would recommend for future cases consideration of possible alternatives such as revival of the otherwise low bid.

Sincerely yours,

R.F. KELLER

Deputy Comptroller General  
of the United States