

DECISION



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

40398

FILE: B-179632

DATE: January 31, 1974

MATTER OF: Space Age Engineering, Inc.

DIGEST: Claim for correction of contract rate for laborer service item for GSA depot on grounds of typographical error in bid upon which contract is based is denied, since contracting officer did not have actual notice of error prior to award and was not on constructive notice as individual item rate was only 6 percent higher than next low bid and 4 percent lower than next low aggregate bid and valid contract which fixed rights and liabilities of parties was consummated in circumstances. See decisions cited.

Space Age Engineering, Inc., has requested an increase in price in connection with an error alleged to have been made in the bid which is the basis of General Services Administration (GSA) contract GS-09S-28739.

Invitation for bids (IFB) 9PN-E-00321-72/E3 solicited bids for a requirements contract for laborer and forklift operator service for GSA depots in California for the period January 1, 1972, through December 31, 1972. The IFB provided:

"Award will be made in the aggregate for each Service Area. The aggregate bid price for a Service Area will be determined by multiplying the unit bid price of each service item by the weight factor for the item and totalling the sums. To be considered for award, bidder must quote prices on each item within a Service Area."

The Space Age bid, which included a rate of \$3.79 per hour for laborers for the Stockton, California area, was evaluated in the aggregate at \$8,304.00 for the area. Space Age was awarded the contract for the Stockton area, since the aggregate bid was the lowest for the area.

After receipt of the first order under the contract, Space Age notified the GSA Supply Depot at Stockton California, that the \$3.79 rate for laborers was incorrect. Space Age alleged that a typographical error had been made and that the correct rate should have been \$3.99 per hour. In support of the allegation

B-179632

of error, Space Age submitted the original worksheets. The Space Age claim for correction was denied by GSA on the grounds that the contracting officer had not been on constructive notice of error.

Our Office has held that a contracting officer has no obligation to compare bid prices on individual items when a contract is to be awarded in the aggregate. 47 Comp. Gen. 365 (1968). A review of the bids evaluated on an aggregate basis reveals that the Space Age aggregate bid was only 4 percent lower than the next low aggregate bid for the Stockton area. However, even a comparison of the rate bid by Space Age with the next lowest bid for laborers for the Stockton area is not significant, since the latter is only 6 percent higher than the former. We do not regard either of the foregoing differences in prices as indicative of the possibility of error in the bid.

The primary question involved is not whether an error was made in the bid but whether a valid and binding contract was consummated by its acceptance. At the time of acceptance, the contracting officer had received no notice or claim of error and, in view of the close prices in the low bids, we cannot say that the contracting officer should have been on notice of the likelihood of error in the Space Age bid. The acceptance of the bid in these circumstances consummated a valid and binding contract which fixed the rights and liabilities of the parties. See United States v. Purcell Envelope Company, 249 U. S. 313; and American Smelting and Refining Company v. United States, 259 U. S. 75.

Accordingly, no legal basis exists for increasing the contract price.


Deputy Comptroller General
of the United States