

# DECISION



## THE COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20546

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95274

FILE: B-180613

DATE: July 5, 1974

MATTER OF: General Time Corporation

**DIGEST:** Bidder's request for contract modification some 16 months after award of contract to cover material costs for component of end item, the price for which had been inadvertently omitted from its bid, cannot be granted since contracting officer adequately discharged his bid verification duty prior to acceptance by calling to bidder's attention noticeable variance in its total bid and next low bid; furthermore, identification of error as being omission of component price in item 1 of several line items was not possible since IFB did not separately list prices for each component under item 1.

Solicitation WA5M-2-7715B1 was issued April 12, 1972, on a two-step formal advertising basis by the Department of Transportation, Federal Aviation Agency (FAA), for video mapping systems (5 channel), replaceable printed circuit boards, and ancillary software and training items.

General Time Corporation (GTC) and Spartan Electronics Corporation (Spartan) submitted technically acceptable step-one proposals. Step two bids were sought from each firm by issuance of an invitation for bids (IFB) on June 8, 1972. At bid opening on June 15, 1972, GTC was found to be the lowest responsive bidder at \$1,261,844. Spartan's bid was \$1,729,838.

The contracting officer, upon reviewing the bids on the date of opening, noticed that GTC's quoted prices were much lower than Spartan's, and therefore requested that GTC verify its quoted prices as being accurate and correct in order to avoid any mathematical or clerical error prior to acceptance. GTC responded by telegram on the same day confirming that its prices were accurate and correct. Consequently, on June 30, 1972, award was made to GTC.

Some 16 months thereafter, by letter of October 10, 1973, GTC notified FAA of a mistake in its bid. The video map selector switch, one of several components comprising the unit price of item 1, the video mapping system, had been inadvertently omitted. GTC stated that since the price of the selector switch, which was small in comparison to the price of the entire video mapping system, was not listed as a separate line item in the IFB, its omission from the unit price of item 1 was not detected prior to submission of GTC's bid. As a result, the amount of \$61,032.72 for the 12 selector switches required for each of the 119 video mapping systems under contract had not been included in GTC's bid as evidenced by supportive materials submitted to FAA on December 5, 1973. Additionally, GTC asserts that its previous practice had been to list the selector switches as separate line items. Consequently, the error went undetected throughout the bidding, award and procurement phases of the contract, and was not discovered until a routine internal audit was performed by GTC sometime in September 1973. GTC now seeks to recover these material costs omitted from its bid by modification of its contract.

In response to GTC's claim for relief, the contracting officer recommended that no change be made in the contract price of the video mappers pursuant to paragraph 1-2.406-4 of the Federal Procurement Regulations (FPR), since the contractor, after being notified of a possible mistake in bid at opening, verified its prices as being accurate and correct.

Generally, when a bidder is requested to and does verify its bid, the subsequent acceptance of the bid consummates a valid and binding contract. Nevertheless, the contracting officer cannot discharge his verification duty merely by requesting confirmation of the bid price--the Government must apprise the bidder of the mistake which is suspected and the basis for such suspicion. See 44 Comp. Gen. 383, 386 (1965); B-167954, October 14, 1969; and B-180285, January 25, 1974. Paragraph 1-2.406-1 of the FPR provides that:


"\* \* \* In cases of apparent mistakes and in cases where the contracting officer has reason to believe that a mistake may have been made, he shall request from the bidder a verification of the bid, calling attention to the suspected mistake. \* \* \*"

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In the instant case, the contracting officer suspected that there might be an error in GTC's bid since there was a noticeable difference between its bid prices and Spartan's bid prices. However, since the IFB did not provide for separate entries of prices for each of the components of item 1, the video mapper system, it was impossible for the contracting officer to specifically identify the error as being the omission of the price of a component under item 1, namely the selector switches. Therefore, the contracting officer was not placed on constructive notice of the nature of the error in GTC's bid beyond the noticeable variance between its total bid price and Spartan's total bid price. As a result, the contracting officer adequately discharged his verification duty by directing the attention of GTC to a possible error in its bid.

We find, therefore, that the acceptance of the bid of GTC, after the contracting officer had discharged his verification duty, was made in good faith and constituted a valid and binding contract. 47 Comp. Gen. 616 (1968).

Accordingly, there is no legal basis for granting the relief requested.

  
Deputy Comptroller General  
of the United States