

094-954

**DECISION**



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

*Request for Rescission of Contract Award*

*log number*

FILE: B-181622

DATE: July 17, 1974

40996 ?

MATTER OF: <sup>1</sup> Mitchell Machine Works, Inc. P. 3770

**DIGEST:** Sales contract may be rescinded where bid was more than six times amount of next high bid and almost three times Government established upset price since contracting officer was on constructive notice of error and bid should have been verified prior to award.

This decision concerns the request of Mitchell Machine Works, Inc., for rescission of the award of item 95 under surplus sales contract No. GS-03-DP-(S)-4-3781 because of mistake in bid alleged after award of the contract.

<sup>2</sup> The General Services Administration has <sup>17</sup> recommended that the contract be rescinded on the ground that Mitchell's bid, which was more than six times the amount of the next high bid and almost three times the Government established upset price, should have placed the contracting officer on notice of the error.

*Further*

We have reviewed the administrative file and, on the basis of the information contained therein, we agree that the contracting officer was on constructive notice of the error and that the bid should have been verified prior to award. Accordingly, the sales contract may be canceled without liability to Mitchell Machine Works, Inc. B-177612, March 9, 1973.

*R. F. [Signature]*  
Deputy Comptroller General  
of the United States

708462