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DECISION



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

FILE: B-185872

60669
DATE: March 24, 1976

MATTER OF: Arthur Painting Company

98456

DIGEST:

Where contracting officer suspects possible mistake in low bid and fails to adequately fulfill verification duty, and where bidder does not unequivocally verify bid price, there is not an adequate basis to support award and contract may be rescinded.

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Invitation for bids No. DACA01-75-B-0112 was issued by the Mobile District of the Corps of Engineers for maintenance and repair work at various United States Army Reserve Centers in the state of Florida. The three bid prices received and the Government price estimate for the work are as follows:

Arthur Painting Company (Arthur)	\$16,433
Fulford Construction Company, Inc.	17,497
Conrad Weihnacht Construction, Inc.	39,700
Government Estimate	34,406

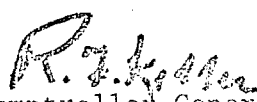
Because of the great disparity between the low bid and the Government estimate, the low bidder was contacted on June 27, 1975, and requested to verify its bid. The individual who had the authority to make such a verification was not available at that time, but it was promised that he would be contacted and advised of the request. On June 30 the low bidder was again contacted and reminded of the request for verification of the bid price. At this time the low bidder's representative stated that he thought the bid price was correct and would confirm in writing. Award (contract No. DACA01-75-C-0142) was made the same day since the funds would be lost if not obligated by June 30.

On July 11 Arthur telephonically notified the contracting activity that it had erred in computing its bid. By letter of the same date, Arthur confirmed the oral allegation, furnished the supporting work sheet, and requested permission to withdraw its bid. After studying the work sheet and error allegation the contracting officer concluded that a bona fide mistake had occurred and that Arthur had failed to include the cost for all the work in its bid. He, consequently, concluded that the Arthur contract should be rescinded.

Notwithstanding the small price difference separating the low bids, we believe that the contracting officer properly concluded that the possibility of mistake existed in view of the fact that the only other bid and the Government estimate were more than twice the Arthur bid. Once such a conclusion has been made, the contracting officer must request verification of the price from the bidder. Armed Services Procurement Regulation § 2-406.3(e)(1). In this connection, the regulation requires that in order that the bidder will be put on notice of the mistake suspected, the contracting officer should advise the bidder that his bid is so much lower than the other bid or bids as to indicate the possibility of error. If the bid is verified, it may be considered as submitted.

In the instant case, it does not appear that the contracting officer adequately fulfilled his verification duty and the bidder did not unequivocally verify the bid price. Therefore, there was not an adequate basis to award the contract on the basis of the bid as submitted.

Accordingly, we believe that the contract may be rescinded as administratively recommended.


Deputy Comptroller General
of the United States