

01243

DECISION



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

FILE: B-187488

DATE: October 22, 1976

MATTER OF: American Railroad Industries, Inc.

DIGEST:

Where, after award, contractor alleges mistake in bid price which was only 7 percent lower than Government estimate and 12 percent lower than next lowest bid, such disparities were not so great as to have placed contracting officer on constructive notice of possibility of mistake and no relief may be granted from valid and binding contract.

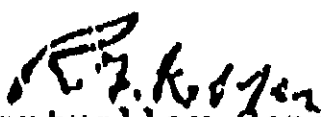
American Railroad Industries, Inc. (ARI) requests relief from a mistake in bid, resulting from an error in addition, which was not discovered until after it was awarded contract No. DAKF23-76-C-0407. The Government estimate for the railroad repairs involved was \$57,497.00. ARI's bid was \$53,339.00; the second lowest bid was \$60,600.00.

Where, as here, a mistake in bid has been alleged after award of contract, this Office may grant relief only if such mistake was mutual or if the contracting officer had actual or constructive notice of the error prior to award. 45 Comp. Gen. 700, 706 (1966). The contracting officer will be charged with constructive knowledge of such error only where the bid price deviates significantly from the other bids received or from the Government's estimate. B-176517, September 6, 1972. The test is one of reasonableness; whether under the facts and circumstances of the particular case, there are factors which could have raised the presumption of error in the mind of the contracting officer. Wender Presses, Inc. v. United States, 170 Ct. Cl. 483, 486 (1965); B-176772, May 23, 1973. Generally, a contracting officer has no reason to suspect error where a low bid is in line with other bids received and with the Government estimate. B-179725, October 30, 1973.

In the instant case, the bid price of ARI was only 7 percent below the Government's estimate and 12 percent below the second lowest bid. We believe that these differences were not so great

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as to have placed the contracting officer on constructive notice of the possibility of error. See Montana Electric Supply, B-184730, October 24, 1975, 75-2 CPD 253; B-178731, August 3, 1973. Consequently, acceptance of ARI's bid in these circumstances created a valid and binding contract from which this Office may not grant relief.


Deputy Comptroller General
of the United States