

DECISION

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

7539

FILE B-192012

DATE: September 5, 1978

MATTER OF: East Bay Auto Supply, Inc.

DIGEST:

Where extended bid price does not agree with unit price for number of items involved because of apparent clerical decimal point error, unit price is totally unreasonable whereas extended price is not, and bidder furnishes worksheet verifying surmised intended bid, contracting officer had reasonable basis for correction and did not exceed authority by allowing correction.

East Bay Auto Supply, Inc. (East Bay), has protested against award being made to Hust Brothers, Inc. (Hust), under Castle Air Force Base invitation for bids No. F04604-78-B-0011 on the basis that the Hust bid is not the low bid.

Hust bid a total price of \$133,917.82 (if the extended total prices for each item are added as Hust recorded them). East Bay bid a total price of \$134,451.29.

During the evaluation of bids, the contracting officer noticed that the Hust unit price bid on item No. IIIC (\$29.35) for 1,200 line items did not multiply out to the extended total price of \$3,522 bid by Hust on that item, that an extension of the \$29.35 unit price resulted in a total price of \$35,220, and that a unit price of \$2.935 would have had to have been used to reach the total bid price on that item of \$3,522. East Bay and the only other bidder on the procurement bid unit prices of \$2 and \$8, respectively, on the item. Believing the Hust bid of \$29.35 to be an obvious clerical mistake, the contracting officer, pursuant to paragraphs 2-406.1 and 2-406.2 of the Armed

Services Procurement Regulation (ASPR) (1976), requested HUST to furnish written verification of its intended bid.

In support of its position that it intended to bid a unit price of \$2.935, HUST furnished its worksheet for the bid. The contracting officer determined that the mistake was a clerical error in placing a decimal point entitled to correction under ASPR § 2-406.2 upon verification from the bidder of the intended bid.

Paragraph 2(c) of the "Solicitation Instructions and Conditions" provides:

"***In case of discrepancy between a unit price and extended price, the unit price will be presumed to be correct, subject, however, to correction to the same extent and in the same manner as any other mistake."

In view of this provision, East Bay contends that the unit price of \$29.35 should govern in determining the amount of the HUST bid and that the extended total price should be corrected to \$35,220. On this basis, the HUST total bid price would not be the lowest received. However, we note that the unit price is not to be applied blindly. Paragraph 2(c), supra, states that the unit price is subject to correction to the same extent and in the same manner as any other mistake.

Further, even assuming that an error exists on the face of the HUST bid, it is contended that the error is in the extended total price and not in the unit price (it is, allegedly, improper to compare the HUST unit price with the unit prices of the other bidders and to conclude that the error lies in the HUST unit price). However, in Federal Aviation Administration - Bid Correction, B-197220, October 8, 1976, 75-2 CPD 326, it was stated:

"Generally, when there is a discrepancy between a unit price and the extended price and the bid would be low on the basis of one price but not the other, correction is not allowed because the discrepancy cannot be resolved without resort to evidence which is

extraneous to the bid and has been under the control of the bidders. 51 Comp. Gen. 283 (1971); 49 id. 107 (1969); 49 id. 12 (1969). However, where it is clear from the bid itself what price was actually intended, or where on the basis of logic and/or experience, it can be determined that one price makes sense while the other does not, correction of a bid and displacement of another bidder is allowed."

See also Value Precision, Inc., B-191563, August 7, 1978. Thus, since Hust's unit price was grossly out of line with the other bid prices for the item and was considered unreasonable for the service involved, there was a basis for the contracting officer to conclude that the unit price was erroneous and that the extended price which was in line with the other bids was correct. Hust's worksheet furnished in verification of the bid confirms the bidder's intention.

It is provided in ASPR § 2-406.3(3) that, in the event correction would result in displacing the low bidder, the determination shall not be made unless the evidence of the mistake and the bid actually intended are ascertainable substantially from the invitation and the bid itself. Since correction of Hust's bid results in a displacement of the East Bay bid, East Bay contends that the correction is in violation of ASPR § 2-406.3(3). However, that paragraph applies to "Other Mistakes." ASPR § 2-406.2 applies to "Apparent Clerical Mistakes." It is stated in the latter paragraph that an example of such an apparent mistake is the "obvious error in placing [a] decimal point." It is obvious here that the error was in placing the decimal in the unit price. To permit correction of an apparent clerical mistake in bid prior to award, ASPR § 2-406.2 requires that the mistake be obvious on the face of the bid. Therefore, the standard for "Other Mistakes" in cases of displacement is essentially the same as that for "Apparent Clerical Mistakes" in all situations. In any event, in Value Precision, Inc., supra, we found that where a unit price was grossly out of line with the Government's estimate and the other bid prices, so that there can be no doubt that the unit price was in error, the mistake was obvious on the face of the bid and the contracting officer could ascertain the intended bid by referring to the extended bid price which appeared to be correct and in line with

the estimate and other bids. Thus, the mistake and the intended bid are determined from the face of the bid where the unit price is totally unreasonable and the extended price is not.

Further, it is contended that Hust meant to bid a unit price of \$29.35 since at bid opening the Hust representative did not object when the contract administrator extended the unit price to \$35,220 and since it is not common or consistent with trade practice to bid on services using \$0.005 increments. However, the Hust representative who attended the bid opening was not the individual who signed the bid and under the circumstances it does not appear that he was in attendance as any more than an observer. Also, while it may not be usual to bid in thousandths for services, there is nothing that precludes bidding on that basis. Moreover, as indicated above, a bid of \$29.35 would be unreasonable and the worksheet supports an intention to bid \$2.935.

Finally, it is contended that Hust intended the high unit price of \$29.35 to make up for its low prices on other items in its bid in its attempt to "buy in" the procurement and that thus no mistake in the unit price exists. However, the alleged intent is not apparent from the bid and the worksheet substantiates the intention to bid the low prices on other items and \$2.935 on the item in question. Therefore, the worksheet confirms the contracting officer's surmise that \$2.935 was the intended unit price.

Since the unit price of \$29.35 is grossly out of line with the other bidders' unit prices for the service and results in an extended price (\$35,200) for the service charge that is equal to the price bid for the parts themselves, it is apparent on the face of the bid that a mistake was made in the unit price. Likewise, the intended price is apparent from the extended price on the face of the bid. Moreover, the contracting officer has obtained verification of the surmised mistake and intended bid as required by ASPR. Accordingly, we conclude that there was a reasonable basis for the correction and that the contracting officer did not exceed her authority by allowing

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correction. Value Precision, Inc., supra; Alector, Inc., B-189038, July 26, 1977, .77-2 CPD 53.

Thus, the protest is denied.

R. G. Kelly

Deputy Comptroller General
of the United States