

DECISION



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

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FILE: B-184487

DATE: September 16, 1975

MATTER OF: Texas Turbo Jet, Inc.

DIGEST:

Sales contract for surplus property may be reformed by deletion of item as recommended by agency where mistake in bid is alleged after award notwithstanding bidder's affirmation of bid after request for verification since contracting officer did not advise bidder of reasons for making request but suspected error because bid as submitted was 4.02 times higher than second high bid and 3.4 times higher than Government's current market appraisal value.

Texas Turbo Jet, Inc. (Turbo Jet), has requested rescission of item 94 from its contract awarded it under surplus sales invitation for bids (IFB) 41-5309, issued by the Defense Supply Agency (DSA), Defense Property Disposal Region, Ogden, Utah.

Item 94 consisted of unused and used aircraft engine components and accessories that had an initial total cost of \$15,487, and were described as being in good to fair condition. Turbo Jet submitted the high bid of \$6,898.99.

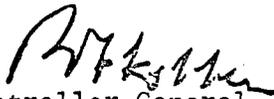
Prior to award, the contracting officer's assistant contacted Turbo Jet for verification of its bid for items 93 and 94, but did not inform it of the nature of a suspected error or the reason for requesting verification. It was only advised that its bid appeared to be high for both items. Turbo Jet confirmed its bid as submitted. Several days after the award Turbo Jet alleged a mistake in the bid for item 94 stating that the intended bid was \$689.99 instead of \$6,898.99.

The sales contracting officer stated that although there was notice of possible error, Turbo Jet verified its bid to be correct as submitted. A valid award was said to have been based on the bidder's certification; the additional fact that the bid as submitted was legible; and the total contract price shown on the face of the bid document was equal to the individual bids Turbo Jet submitted for all items awarded under its contract.

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DSA indicates that Turbo Jet's bid for item 94 was 4.02 times greater than the second high bid, about 3.4 times the current market appraisal of the property (\$2,000) and 44.55 percent of the acquisition cost. Consequently, DSA maintains that inadequate bid verification was obtained in that the bidder was not informed of the nature of the suspected error or of the disparity in the bids. Therefore, it recommends that the contract be rescinded.

We agree that the verification was inadequate and concur with DSA's recommendation that contract No. 41-5309-101 be reformed by deletion of item 94.


Deputy Comptroller General
of the United States