



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

B-178336

May 10, 1973

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The Honorable John W. Warner
The Secretary of the Navy

Dear Mr. Secretary:

Reference is made to letter O9CA dated March 28, 1973, with enclosures, from Counsel for the Naval Facilities Engineering Command requesting our decision concerning a request by the F. R. Stanfield Company (Stanfield) for an upward price adjustment of \$28,800 as a result of an alleged mistake in bid after the award of contract No. N62474-72-C-0170 by the Western Division, Naval Facilities Engineering Command, San Bruno, California.

Solicitation No. N62474-72-B-0170, dated December 13, 1972, requested bids for extending piers and utilities at the Naval Submarine Support Facility, San Diego, California. Seven bids were received by February 8, 1973, the date set for bid opening. These bids were as follows:

Stanfield	\$323,313
Zinser-Furby Inc.	357,650
Horan H. Neumann	366,444
R. L. State Egr. Inc.	374,599 (Alternate)
Consen Constr. Corp.	387,727
Connally Pacific Co.	397,777
Hutton Co.	484,327

The Government estimate for the contract was \$335,000.

Award was made to Stanfield on February 20, 1973. On February 21, 1973, Mr. Stanfield called the contracting officer and stated that a mistake in the bid of the firm had been made and requested withdrawal of the bid. Mr. Stanfield was advised that the contract had been awarded the day before and the bid could not be withdrawn. Thereafter, the contract was executed by Stanfield and a request was made for the upward adjustment.

The alleged error occurred because of a mistake in multiplication in computing the price of the pier for the pier. The worksheets submitted by Stanfield show that 4,800 linear feet of pier was to be constructed. However, the 7 figure was entered as 4,800.

Procurement
Contract
Costs
Contract
Withdrawal
Request
Contract

[Request for Upward Price Adjustment After Award of Contract]

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as a result, the amount of \$4,800 was entered as the cost of the piles rather than the cost of \$33,600. The difference between the two figures is the amount of the requested relief, \$28,800.

The general rule regarding allowance of an upward price adjustment arising from an error in bid alleged after award is that acceptance of the bid results in a binding and valid contract unless the contracting officer had actual notice of bid error or such officer was on constructive notice of the probability of error prior to award, 45 Comp. Gen. 700 (1966). We do not believe that the difference between the bid of Stanfield and the second low bid and the Government estimate was so great as to have placed the contracting officer on constructive notice of error. Therefore, the acceptance of the bid in these circumstances constituted a valid and binding agreement from which relief may not be granted.

Sincerely yours,

PAUL G. DEMBLING

~~Acting~~ Comptroller General
of the United States