

US SENATE - OFFICIAL

JULY 18 1963

Indians

MR. DONALD A. SMITH
S&B CONSTRUCTION CO.
2003 SHERIDAN ROAD
LAWTON, OKLAHOMA

PLEASED TO ADVISE COMPTROLLER GENERAL HAS INFORMED SECRETARY OF
INTERIOR CONTRACT WITH BUREAU INDIAN AFFAIRS MAY BE AMENDED TO
PROVIDE FOR AGGREGATE TOTAL PRICE OF \$15,393.35 FOR WORK DONE AT
FORT SILL INDIAN SCHOOL.

A. S. MIKE MONRONEY, USS



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON 25

B-151633

July 17, 1963

Dear Senator Monroney:

Further reference is made to your communication dated May 23, 1963, and enclosure from Mr. Donald A. Smith, Partner, S & B Construction Company, 2003 Sheridan Road, Lawton, Oklahoma, concerning an error alleged by the company to have been made in its bid which is the basis of contract No. 14-20-0200-1320, with the Bureau of Indian Affairs, Anadarko, Oklahoma.

There is enclosed a copy of our decision of today, B-151633, advising the Secretary of the Interior that upon the evidence presented the contract with the S & B Construction Company may be amended to provide for an aggregate total price of \$15,393.35 for the work involved.

The enclosure submitted with your communication is returned, as requested.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Joseph P. Cury", is written over the typed name.

Comptroller General
of the United States

Enclosures - 2

The Honorable A. S. Mike Monroney
United States Senate



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON 25

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B-151633

JUL 17 1963

Dear Senator Monroney:

Further reference is made to your communication dated May 23, 1963, and enclosure from Mr. Donald A. Smith, Partner, S & B Construction Company, 2003 Sheridan Road, Lawton, Oklahoma, concerning an error alleged by the company to have been made in its bid which is the basis of contract No. 14-20-0200-1320, with the Bureau of Indian Affairs, Anadarko, Oklahoma.

There is enclosed a copy of our decision of today, B-151633, advising the Secretary of the Interior that upon the evidence presented the contract with the S & B Construction Company may be amended to provide for an aggregate total price of \$15,393.35 for the work involved.

The enclosure submitted with your communication is returned, as requested.

Sincerely yours,

JOSEPH CAMPBELL

Comptroller General
of the United States

Enclosures - 2

The Honorable A. S. Mike Monroney
United States Senate

May 23, 1963

Mr. Donald A. Smith
S&B Construction Co.
2003 Sheridan Road
Lawton, Oklahoma

Dear Mr. Smith:

This will acknowledge receipt of your letter regarding an error of \$2,869.57 on your successful bid to remodel kitchens and bathrooms at the Fort Sill Indian School.

There is no reason to doubt that this was an honest mistake, but had your bid been submitted at the correct figure, it is possible that it would not have been the successful one.

I am not in a position to judge a matter of this nature, however, so I am taking it up with the Comptroller General in accordance with your request.

With best regards and good wishes, I am

Sincerely yours,



COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON

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B-151633

JUN 14 1963

Dear Senator Monroney:

Further reference is made to your communication dated May 23, 1963, and enclosure from Mr. Donald A. Smith, Partner, S & B Construction Company, 2003 Sheridan Road, Lawton, Oklahoma, concerning an error alleged by the company to have been made in its bid which is the basis of contract No. 14-20-0200-1320, with the Bureau of Indian Affairs, Anadarko, Oklahoma.

Upon receipt of a letter dated May 20, 1963, from the company, we requested a complete report from the Department of the Interior. We have been advised informally that the report will be furnished within the next two weeks. When the report is received, we will give prompt consideration to the matter and advise you of the final action taken.

Sincerely yours,

Joseph Campbell

Comptroller General
of the United States

The Honorable A. S. Mike Monroney
United States Senate



COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON

MAY 24 1963

Dear Senator Monroney:

We have received and assigned for immediate attention your communication dated May 23, 1963, and enclosure from Mr. Donald A. Smith, Partner, S & B Construction Company, 2003 Sheridan Road, Lawton, Oklahoma, concerning an error in bid.

Sincerely yours,

Joseph Campbell

Comptroller General
of the United States

The Honorable A. S. Mike Monroney
United States Senate

S & B CONSTRUCTION COMPANY
2003 SHERIDAN ROAD
LAWTON, OKLAHOMA

May 20, 1963

The Honorable Mike Monroney
Senate Office Building
Washington, D.C.

Dear Sir:

I submitted a bid on Project MA-7017-78 on October 30, 1962 for remodeling Kitchens and Bathrooms at Fort Sill Indian School, Lawton, Oklahoma in the amount of \$12,523.78. I was advised in an award letter of November 8, 1962 that I was the successful bidder on referenced project.

Upon checking my work sheets I discovered I had made an addition error of \$2,869.57, thus, making my actual bid figure \$2,869.57 less than I had intended it to be.

I was advised that I should submit a claim to the Controller General for review and that if he felt this was an honest mistake I might be awarded the additional \$2,869.57. A copy of this letter is attached.

Any assistance that you may be able to give me in this matter will be greatly appreciated. If you should need any additional information on this matter please contact me.

Sincerely yours,



Donald A. Smith, Partner
S & B Construction Company

Enclosure

**S & B CONSTRUCTION COMPANY
2003 SHERIDAN ROAD
LAWTON, OKLAHOMA**

May 20, 1963

**Honorable Joseph Campbell
Controller General of the United States
General Accounting Office
Washington 25, D.C.**

**Re: Remodel Kitchens & Bathrooms
Fort Sill Indian School
Project No. MA-7017-78
Contract No. 14-20-0200-1320
Inv. Bid AFM-32**

Dear Sir:

I completed the above referenced job for the Bureau of Indian Affairs at the Fort Sill Indian School, Lawton, Oklahoma about two months ago. This contract was awarded on November 8, 1963 in the amount of \$12,523.78. When I received the award letter with the contract I found that I had made an addition error on some bid items on my worksheet in the amount of \$2,869.57. When these mistakes were discovered I called Mr. John Siler, Anadarko Area Plant Management Officer, about this matter and was asked to confirm the conversation by letter which I did on November 14, 1963.

I made a Request for Claim on November 29, 1962. I was advised by letter on May 13, 1963 from Mr. Will J. Pitner, Contracting Officer, that my Request for Claim had been refused by the Deputy Administrative Assistant Secretary. I was also advised in this letter that I may file a claim directly with you.

I am a small business contractor and as this was my first job with the Government I was not familiar with the procedure in which things are handled. These were honest mistakes, justified by work sheets, and I feel that I am entitled to your review of this case and also feel that I am entitled to this claim.

I am forwarding my work sheets and tapes for you to review and I will appreciate your returning these to me after you have finished with them.

Your attention and help in this matter will be greatly appreciated.

Sincerely yours,

**Donald A. Smith, Partner
S & B Construction Company**



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON 25

B-151633

July 17, 1963

Dear Mr. Secretary:

Reference is made to a letter dated June 24, 1963, with enclosures, from the Assistant Secretary of the Interior, furnishing the report requested by our Office relative to an error which the S & B Construction Company, Lawton, Oklahoma, alleges it made in its bid on which contract No. 14-20-0200-1320 is based.

The Bureau of Indian Affairs, Anadarko Area Office, Branch of Plant Management, Anadarko, Oklahoma, by invitation No. APM-32 requested bids for furnishing labor and materials and for performing all work required for the remodeling of kitchens and bathrooms at the Fort Sill Indian School, Lawton, Oklahoma. In response the S & B Construction Company submitted a bid dated October 12, 1962, offering to perform the work for the aggregate total price of \$12,523.78. The bid of the company was accepted on November 8, 1962.

It appears that shortly after receiving the award, a representative of the company orally advised the contracting office that the company had made a mistake on its worksheets for the job. The company confirmed its verbal allegation of error by letter dated November 14, 1962.

By letter dated November 29, 1962, the S & B Construction Company requested that the contract price of the work be increased by \$2,869.57 to cover certain errors in addition made by the company on its worksheets. In support of its allegation of error, the company submitted its worksheets which show that errors in addition amounting to \$2,869.57 were made thereon.

The record indicates that the two other bidders on the work quoted aggregate total prices of \$16,267 and \$16,454 and that the Government estimate was \$15,700. Considering the fact that there is only a difference of \$187 between these two bids on a \$16,000 job and the additional fact that the aggregate bid of the S & B Construction Company is \$3,743.22 less than the lower of those aggregate bids, it appears that the contracting officer should have been aware of the probability of error in the company's bid of \$12,523.78 and, consequently, the bid should not have been accepted without requesting the company to verify its bid.

We agree with the statement of the Assistant Secretary that there is little room for doubt that the company made an error in its bid, as

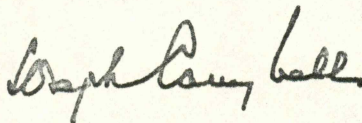
B-151633

alleged. Also, while we agree with his statement that there is no consistency in the method followed by the company in arriving at the insurance and profit amounts used by it on its worksheets, we are of the opinion that in view of the company's statement that it did not use a percentage but estimated the amounts for profit and insurance and the fact that this was the company's first Government job, correction of the company's bid to the requested amount should be permitted, particularly since such amount will still be below the amount of the next lowest bid received on the project. It is reported that all work under the contract has been completed but that final payment for such work has not been made. Accordingly, contract No. 14-20-0200-1320 may be amended to provide for an aggregate total price of \$15,393.35 for the work, as recommended by the contracting officer and payment for the work performed is authorized to be made on that basis.

A reference to this decision should be made on the amendment to the contract.

The documents submitted with the letter of June 24, 1963, are returned, as requested.

Sincerely yours,



Comptroller General
of the United States

Enclosures - 6

The Honorable
The Secretary of the Interior



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON 25

B-151633

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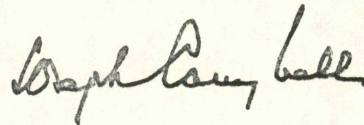
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Sincerely yours,



Comptroller General
of the United States

Enclosures - 6

The Honorable
The Secretary of the Interior