

DECISION



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

8025

FILE: B-192921

DATE: October 17, 1978

MATTER OF: City Council of Reading, Pennsylvania

DIGEST:

Requests that propriety of contract awards under Federal grants be reviewed and considered by GAO under 40 Fed. Reg. 42406 (1975). However, where, as here, subject matter of request relates to matters of contract performance and grant administration, not to award of contract, it is outside scope of 40 Fed. Reg. 42406. Request is accordingly dismissed.

By letter to our Office dated September 7, 1978, the City Clerk of Reading, Pennsylvania, transmitted a copy of a resolution by the Reading City Council requesting our review of certain matters pertaining to a contract between the Redevelopment Authority of the City of Reading and Spotts, Stevens and McCoy, Inc. The contract was awarded under a grant from the Department of Housing and Urban Development (HUD).

The letter states that the City Council is concerned because the cost of the engineering services being procured has increased by over \$200,000 since the contract was awarded in 1973 without a formal change order or a significant increase in the scope of the services. The letter notes that HUD has been examining the matter, and states that the City Council questions how HUD can authorize expenditures without a formal change order.

In this regard, we have been furnished a copy of an August 24, 1978, letter from an official in the HUD Philadelphia area office to a member of the Redevelopment Authority, which states in part:

"In summary, we found the Redevelopment Authority's actions pertaining to the * * * Contract to be satisfactory in the administration of the contract and its amendments. We found no justification for * * * allegations that the Authority staff acted improperly."

Our reviews under 40 Fed. Reg. 42406 deal with the propriety of the procedures followed in the awarding of contracts by grantees, not (as in the present case) issues concerning contract performance and the Federal grantor agencies' administration of their grants. As we stated in 40 Fed. Reg. 42406:

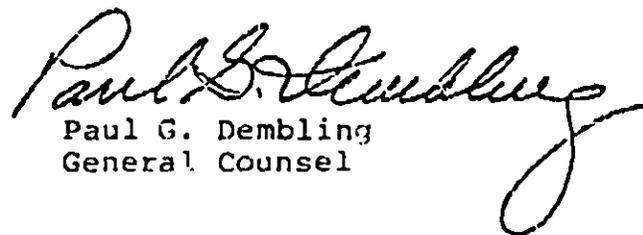
"It is not the intent of the General Accounting Office to interfere with the functions and responsibilities of grantor agencies in making and administering grants. * * *

* * * * *

"Agencies will continue to be responsible for assuring that grant administration functions adhere to the statutory requirements applicable to their grant programs."

See, in this regard, Ampex Corporation, B-184562, October 6, 1976, 76-2 CPD 311.

In view of the foregoing, the request is dismissed.


Paul G. Dembling
General Counsel