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DECISION



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

FILE: B-204063

DATE: August 12, 1981

MATTER OF: National Guard Bureau *name field*

DIGEST:

Despite absence of formally executed contract, bill for servicing copy machine under expired equipment maintenance agreement, using prices previously determined reasonable under expired contract, may be paid, if otherwise proper and correct, since Government received benefit of services and ratification may be implied from facts.

The Department of the Army and Air Force National Guard Bureau (Army), New Castle, Delaware, has requested an advance decision on behalf of its Signal Command Unit (unit) at Dover, Delaware, regarding the propriety of paying an invoice for the repair of a Pitney-Bowes (Pitney) copy machine by a Pitney service representative.

The Army authorized the unit to contract for an equipment maintenance agreement with Pitney for fiscal year 1979 to cover repairs to the machine. Although it was apparently the unit's belief that the service contract would be automatically renewed each year for the duration of the machine's use, no request by the unit was made for renewal and the Army did not renew the maintenance contract for fiscal year 1980. Without knowing this, the unit arranged for needed service and repair by a Pitney service representative in the summer of 1980. Pitney billed for \$156 under the expired 1979 agreement for the repairs.

Although no formally executed contract existed between the unit and Pitney, in appropriate circumstances, payment may be made for services rendered on a quantum meruit basis (the reasonable value of work or labor). 40 Comp. Gen. 447, 451 (1961). Recognition of a right to payment on that basis requires a showing that the Government received a benefit and ratification by an authorized contracting official of the Government.

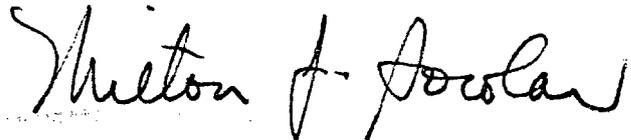
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Markwell & Hartz Company, B-201987, June 24, 1981, 81-1 CPD 527; Potter Instrument Company, B-189431, July 18, 1977, 77-2 CPD 35.

Here, the Army reports that the repairs were required, and the Government received a benefit. The Army requests and recommends that we authorize payment of the bill.

Regarding the reasonableness of the price, we note that Pitney billed under the authorized maintenance agreement for fiscal year 1979, now expired. Therefore, the cost of such repairs had previously been established as reasonable under the 1979 contract.

Since the Government received a benefit and ratification may be implied from the facts, payment on a quantum meruit basis for \$156 may be allowed, if otherwise proper and correct.



Acting Comptroller General
of the United States