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**DECISION**



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

**FILE:** B-209173

**DATE:** January 17, 1983

**MATTER OF:** Honeywell, Inc.

**DIGEST:**

Despite the absence of a formally executed contract, invoices for maintaining data processing systems may be paid on a quantum meruit basis since the Government received a benefit. Appropriation available at the time the services were rendered is chargeable.

The Department of the Navy requests our advance decision as to the legality of certification for payment to Honeywell, Inc. (Honeywell), for services rendered maintaining data processing systems from June 14 to September 30, 1980. The Navy and Honeywell did not enter into a formally executed contract covering Honeywell's services during this period. If authority for payment is available, the Navy also requests our decision as to the proper fiscal year appropriation to be charged.

The General Services Administration (GSA) and Honeywell executed a fixed-price requirement contract on October 15, 1971, for an 8-year term to expire on November 25, 1979, providing for the delivery and installation of data processing systems, maintenance, training, and technical support. However, due to three extensions, the contract expiration date was June 14, 1980. Honeywell continued to provide the services called for from June 14 to September 30, 1980, because the Navy had requested Honeywell to continue its performance and had assured Honeywell that the contract would be extended to cover Honeywell's performance. Due to technical irregularities and confusion in the Navy's procurement process, no express contract arose between the Government and Honeywell covering Honeywell's performance from June 14 to September 30, 1980. Honeywell has submitted invoices for payment in the amount of \$391,556.55 for the above period.

Although no formally executed contract existed between the Navy and Honeywell, in appropriate circumstances,

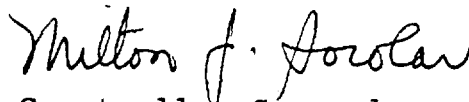
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payment may be made for services rendered on a quantum meruit basis (the reasonable value of work or labor). 40 Comp. Gen. 447, 451 (1961). Recognition of a right to payment on that basis requires a showing that the Government received a benefit and contracting for the services was not prohibited by statute or regulation.

Here, the Navy reports that it requested and received the benefit of the services rendered. An authorized contracting official of the Navy recommends that we authorize payment of the invoices submitted by Honeywell. The contracting officer also considers the payment requested by Honeywell to reflect the reasonable value of the services rendered.

There remains the question of the proper appropriation account to be charged with the payment. Under 31 U.S.C. §§ 665(a) and 712a (1976), where payment is on a quantum meruit basis, the only proper appropriation would be the fiscal year appropriation current when liability for the payment arose. CDM-Water Resources Engineers, B-197344, August 21, 1980. Liability for the payment arose when Honeywell rendered services at the Navy's request. Therefore, the 1980 fiscal year appropriation is the proper appropriation to be charged.

Thus, payment on a quantum meruit basis for \$391,556.55 may be allowed.

for   
Comptroller General  
of the United States