

DOCUMENT RESUME

02198 - [A1332307]

[Reconsideration of Denial of Claim to Prompt Payment Discounts]. B-184999. May 6, 1977. 2 pp.

Decision re: Astrodyne, Inc.; by Paul G. Dembling, Acting Comptroller General.

Contact: Office of the General Counsel: Procurement Law I.
Budget Function: National Defense: Department of Defense -
Procurement & Contracts (058).

Organization Concerned: Defense Supply Agency.

Authority: A.S.P.R. 7-104.76. A.S.P.R. 19-208.3.

Claimant requested reconsideration of the decision denying its claim to prompt payment discounts taken by the agency. The earlier decision was affirmed since the claimant failed to show that the payment was received after the discount period, even though it was mailed to the wrong address, and since the evidence indicated that the agency required strict compliance with the contract terms. (Author/SC)

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A. Boman
P. J. Ti

DECISION



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

FILE: B-184999

DATE: May 6, 1977

MATTER OF: Astrodyne, Inc.--reconsideration

DIGEST:

Earlier decision denying claim of contractor to prompt payment discount is affirmed where claimant fails to show that payment was received after discount period, though mailed to wrong address, and where evidence indicates that agency required strict compliance with contract terms.

Astrodyne, Inc. requests reconsideration of our decision in Astrodyne, Inc., B-184999. April 27, 1976, 76-1 CPD 282, in which we denied its claim to \$530.40 in prompt payment discounts taken by the Defense Supply Agency (DSA) in connection with contract No. N00104-74-D-3103.

In our earlier decision we held that it was proper for the contracting agency to toll the prompt payment discount period until the contractor furnished evidence of shipment in the form of a signed copy of the commercial bill of lading as required by the contract clause of Armed Services Procurement Regulation (ASPR) § 7-104.76 (1976 ed.), which at that time was incorporated in the contract pursuant to ASPR § 19-208.3. We rejected Astrodyne's contention that the less onerous contract clause "J-12 Invoicing Instructions," superseded the ASPR provision since both requirements may be read together without contradiction. In our earlier decision, we also held that, where the record failed to show that payments were forwarded by the Postal Service to the contractor's correct address after the discount period, the fact that they were mailed to the wrong address, of itself, did not justify reimbursement for amounts withheld. We did not foreclose the possibility of payment, however, and advised Astrodyne to present to DSA any additional evidence of late forwarding by the Postal Service for appropriate action consistent with our decision.

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In its request for reconsideration, Astrodyne does not indicate that it has endeavored to recover from the agency, nor does it submit evidence of late forwarding for our consideration. Rather, the company's request for reconsideration is based on its contention that the contracting agency knew or should have known the company's correct address and that payment had been made under contracts containing the identical clauses on prior occasions without the additional documentation required by the agency in the instant case.

Neither of the contentions furnishes a legal basis for reimbursement. As we indicated in our earlier decision, the mailing of payments to the wrong address, in itself, did not prejudice Astrodyne unless the payments were forwarded by the Postal Service after the time when the prompt payment discount could be obtained. On this point, however, Astrodyne's request is silent. As to Astrodyne's contention that, on prior occasions, payments had been made without the original bills of lading under contracts containing identical clauses, we concluded, as explained in our prior decision, that the agency's insistence on compliance with the contract terms was not improper.

Accordingly, our decision of April 27, 1976 is affirmed.


Acting Comptroller General
of the United States