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DECISION



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

FILE: B-189681

DATE: November 14, 1977

MATTER OF: Friedrich Air Conditioning and
Refrigeration Company

DIGEST:

United States' purchase on behalf of foreign government under section 22 of the Arms Export Control Act, as amended, does not involve obligating of appropriated funds. Therefore, purchase is not subject to General Accounting Office's settlement authority and protest is dismissed.

Friedrich Air Conditioning and Refrigeration Company (Friedrich) protests the award of a contract to Fedders Corporation under invitation for bids No. DACA87-77-R-0109 issued by the Department of the Army, Corps of Engineers.

The procurement of air conditioning equipment was undertaken on behalf of the Government of Saudi Arabia under the authority of the Arms Export Control Act, 22 U.S.C. § 2762 (Supp. V, 1976), as amended. In this case, advance payment has been made by Saudi Arabia to cover the contract costs. No appropriation of the United States is to be charged.

Our bid protest jurisdiction is predicated upon the authority of the General Accounting Office to settle accounts of agencies of the Federal Government. See 4 C.F.R. § 20.1(a) (1977). We do not render decisions on the propriety of contract awards where no appropriated funds are obligated. B-171067, March 18, 1971; ACS Construction Company, Inc., B-183034, April 18, 1975, 75-1 CPD 238. Since the procurement in the instant case does not involve a charge to an appropriation account that is subject to settlement by this Office, we could not take any remedial action even if we should find the procurement improper under the rules generally applicable to Government procurements. Accordingly, we must conclude that no useful purpose would be served by our consideration of the matter, Tele-Dynamics, 55 Comp. Gen. 674, (1976), 76-1 CPD 60, and the protest is dismissed.

However, we note that the agency agrees that improper award procedures were used in this case. The agency states that no option quantities will be ordered under the contract but that since the basic quantity is urgently needed, it does not intend to disturb the award for the basic quantity.

Paul G. Dembling
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General Counsel