



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

B-223223

June 24, 1986

Mr. Martin J. Willis, President  
White Mountain Electric, Inc.  
P.O. Box 1037  
Gardnerville, NV 89410

Dear Mr. Willis:

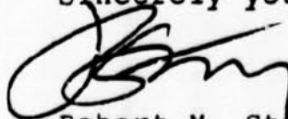
We refer to your letter received at the General Accounting Office on May 9, 1986 in which you, as the sub-contractor on the California 90-4 Housing and Urban Development Project, request our assistance in securing \$16,000.00 owed to you from the general contractor, the E.R. Cummins Construction Co., Inc., for the completion of the project's electrical construction.

However, there is no action that we can properly take to require settlement of the unpaid account. The settlement of obligations between contractors and those furnishing labor and material is a matter outside the jurisdiction of our Office, there being no privity of contract between such persons and the United States. See Pyramid Stone Co., B-203736, July 31, 1981, 81-2 C.P.D. ¶ 79, and H. A. Sack Co., Inc., B-203291, June 15, 1981, 81-1 C.P.D. ¶ 489, and cases cited therein.

The Miller Act payment bond, 40 U.S.C. § 270a (1982), is the only protection provided by the government for persons supplying labor or material in the prosecution of the work provided for in a government construction contract. In the event that a person supplying labor or material is unable to work out an adjustment of an unpaid account with the contractor or its surety, a suit to enforce collection under the payment bond may be brought under the Miller Act, 40 U.S.C. § 270b (1982), in the United States District Court for the district in which the

contract was performed and executed 90 days after the last labor or material was furnished, but no later than 1 year after the date the last labor or material was furnished.

Sincerely yours,



Robert M. Strong  
Deputy Associate  
General Counsel