

E. Fitzmaurice
Pract

DECISION



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

8851

FILE: B-188454

DATE: January 15, 1979

MATTER OF: Molitor & Grayson

DIGEST:

Payment for management and technical assistance services provided small business concerns under expired SBA contract may be made on quantum meruit basis since Government received benefit and unauthorized action has been implicitly ratified.

The Small Business Administration (SBA) has requested our decision on whether Molitor & Grayson (M&G), a Seattle, Washington, Certified Public Accounting firm, is entitled to payment of \$5,456.85 for services rendered after its contract with SBA had expired. DLG 00599

On February 24, 1977, M&G was awarded a 1-year contract by SBA to provide management and technical assistance services to eligible small business concerns. The services required under this contract were to be provided whenever the SBA Program Manager issued a task order. However, due to administrative error, the SBA Program Manager continued to issue task orders after the expiration of M&G's contract. Having been informed orally that the contract had been extended, M&G did not question these additional task orders and continued to perform. M&G now claims \$5,456.85 as the reasonable value for the services it provided beyond the term of the contract.


Although the United States cannot be bound beyond the actual authority conferred upon its agents by statute or regulation, see United States v. Crance, 341 F.2d 161, 166 (1965), the courts and our Office have recognized that in appropriate circumstances payment may be made for services rendered on a quantum

[Payment for Services Rendered
AFTER Contract Expiration) ~~003230~~

meruit basis (the reasonable value of work or labor), or for goods furnished on a quantum valebat basis (the reasonable value of goods sold and delivered). 40 Comp. Gen. 447, 451 (1961). Recognition of a right to payment on this basis, however, requires a showing (1) that the Government received a benefit and (2) that the unauthorized action has been expressly or impliedly ratified by authorized contracting officials of the Government. Defense Mapping Agency, B-183915, June 25, 1975, 75-2 CPD 15; The Singer Company, B-183878, June 20, 1975, 75-1 CPD 406; B-166439, May 2, 1969.

Here, M&G acted in good faith when it continued to perform after the expiration of the contract since it did so upon the request of the Government and under the belief that the contract had been extended. The record also indicates that the Government has received a benefit and that the amount claimed is considered reasonable. Moreover, an implied ratification may be inferred from both the Government requests and the referral to our Office seeking relief for the contractor.

Accordingly, payment on a quantum meruit basis for the amount claimed may be allowed if otherwise proper and correct.


Deputy Comptroller General
of the United States