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J. Jacobson . PL I

DECISION



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

FILE: B-191029

DATE: March 30, 1978

MATTER OF: Louisiana-Pacific Corporation

DIGEST:

Where Government received benefit from claimant's performance, action was ratified by authorized Government contracting officials and payment was recommended by Forest Supervisor as representing reasonable value of goods and services received, claimant is entitled to receive payment on quantum meruit/quantum valebant basis for work performed under an oral agreement.

This decision is in response to a request from Mr. D. W. Raaka, Authorized Certifying Officer, Forest Service, United States Department of Agriculture, for a ruling by our Office as to the propriety of payment of an invoice for \$17,878 submitted on behalf of Louisiana-Pacific Corporation to the Forest Service. The invoice is for work performed on the River Road (20N01) for the period January 1, 1974, to December 31, 1976, pursuant to oral arrangements prior to execution of a written maintenance plan required under the terms of a Road Maintenance Agreement dated June 21, 1972. The maintenance plan required by section VI of the agreement for work performed during this period was not executed until August 22, 1977. On the basis of the information contained in the Certifying Officer's submission and the supporting documentation, the facts concerning this matter are as follows.

A Road Maintenance Agreement between the United States through the Forest Service, Department of Agriculture, and Georgia-Pacific Corporation (apparently the predecessor in interest to the claimant, Louisiana-Pacific Corporation) was executed on June 21, 1972. The Agreement provided the basis for defining terms, identifying the types of work to be performed, the need for extraordinary repairs, payments and other

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administrative concerns. Additionally, a provision was included to provide for the development of annual written maintenance plans describing work to be performed and the share of costs to be borne by each party.

From the date of execution of the road maintenance agreement until December 31, 1973, road 20N01 was under repair with limited traffic. Each party performed its share of the maintenance without a written maintenance plan, such plan being deemed unnecessary.

In the spring of 1974, Louisiana-Pacific and the Forest Service agreed on the work for that year with the Forest Service agreeing to pay \$2,010 for storm repair. The work was accomplished without a written maintenance plan.

Similar agreements were made in 1975. In August 1975, the Forest Service documented the 1974 and 1975 plan and sent it to Louisiana-Pacific for review. The plan was not signed as disagreements arose between the parties as to the sharing of storm repair, the estimates for public traffic units and the changes between the 1974 and 1975 plans. Nevertheless, the work agreed to by both parties was accomplished.

In April 1976, the parties orally agreed on the work to be performed for that year. During November, the Forest Service prepared a revised maintenance plan reflecting additional data compiled during the year. During the first half of 1977, the parties met to negotiate those areas where disagreement had occurred under the oral version of the plans for 1974-1976. On August 22, 1977, a maintenance plan for 1974-76 was finally agreed upon and signed by both parties.

In the meantime, a maintenance plan for 1977 was negotiated and signed. Additionally, the Forest Service and Louisiana-Pacific have agreed that all future work will be done under agreements that are signed before the work begins as prescribed in the road maintenance agreement.

It is well established that where goods are furnished or services rendered on the request or order of an officer authorized to contract for the United States, there is

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recognized an obligation on the United States to pay the value of such goods and services actually furnished as upon an implied contract for quantum valebant or quantum meruit. 33 Comp. Gen. 533, 537 (1954). Our Office has permitted such payment on a quantum valebant or quantum meruit basis if the Government received a benefit therefrom and if the acquisition of the goods and services was ratified by the cognizant contracting officials. B-177607, March 7, 1973. This right to payment is predicated on the theory that it would be inequitable for the Government to retain the benefit of the labor of another without recompense. 46 Comp. Gen. 348 (1966). The amount may be approved as administratively recommended where the amount involved is reasonable. Defense Mapping Agency, B-183915, June 25, 1975, 75-2 CPD 15.

In his submission, the Authorized Certifying Officer states that the Government received a benefit from the work performed by the claimant. The Forest Service Supervisor recommended payment since work was performed which was found to benefit the Government. Such determinations are supported by the record.

For the above reasons, the claimant is entitled to payment on a quantum valebant/quantum meruit basis for the reasonable value of the goods and services rendered. The record indicates that such reasonable value is the amounts agreed upon by the parties in their oral agreements and stated in the invoice presented by Louisiana-Pacific Corporation.

Accordingly, payment of the claim in the amount of \$17,878 may be made to Louisiana-Pacific Corporation as recommended by the Forest Supervisor if it is determined that such payment will also result in a valid acquittance of any claim by Georgia-Pacific Corporation.

Deputy


Comptroller General
of the United States