

Mr. Fogarty PLL
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DECISION



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

FILE: B-199533

DATE: August 25, 1980

MATTER OF: Department of the Army--Request
for Advance Decision

[Payment for Housekeeping Services Purchased by Army]
DIGEST:

1. Army's purchase of housekeeping services from nonappropriated fund instrumentality (NAFI) is tantamount to procurement from non-Governmental, commercial source so such purchases should be accomplished by contract or regular purchase order processed through contracting official.
2. Although Army acted improperly in purchasing services from NAFI without contract or regular purchase order, since Army has obtained and received benefit of services NAFI may be paid on quantum meruit basis provided purchase is ratified by Army contracting official.

This decision involves the propriety of certifying for payment a voucher in favor of a nonappropriated fund instrumentality (NAFI), specifically the Nellis Billeting Fund, Nellis AFB, Nevada.

The voucher in question, in the amount of \$1,452.00, represents the value of housekeeping services rendered (\$4.00 per person per day) while certain military personnel were quartered at the Nellis AFB VOQ/VAQ (Visiting Officers Quarters/Visiting Airmen's Quarters) during training exercises that were conducted in March 1980. The Finance and Accounting Officer (FAO) questions the propriety of an appropriated fund activity (the Army) obtaining these services from a NAFI without using a contract or purchase order processed through a contracting official.

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In Obtaining Goods and Services from Nonappropriated Fund Activities Through Intra-Departmental Procedures, 58 Comp. Gen. 94 (1978), 78-2 CPD 353 we stated that obtaining goods and services from a NAFI is tantamount to obtaining them from non-Governmental commercial sources. Consequently, we held that a regular purchase order rather than intra-agency orders should be used when services are furnished by a NAFI to an appropriated fund activity. We fail to see any distinguishing feature in the present case and we agree with the FAO that the purchase of these services should have been accomplished by a contract or regular purchase order processed through a contracting official.

However, since the Army has obtained the benefits of these services, the NAFI may be paid on a quantum meruit basis provided the purchases are ratified by an appropriate contracting official of the Army. See 58 Comp. Gen. 94, supra.

Harry R. Van Cleave
For The Comptroller General
of the United States

GAO

United States General Accounting Office
Washington, DC 20548

Office of
General Counsel

In Reply
Refer to: B-199533

August 25, 1980

Department of the Army
Headquarters, XVIII Airborne Corps and Fort Bragg
Fort Bragg, North Carolina 28307

Attention: C.D. Preetorius
LTC, FI
Finance and Accounting Officer

Dear Colonel Preetorius:

Enclosed is our decision of today in response to your request for an advance decision concerning the propriety of certifying for payment a voucher for housekeeping services at Nellis AFB, Nevada.

As stated in our decision, since the Army has obtained the benefits of these services, Nellis Billeting Fund may be paid on a quantum meruit basis provided the purchases are ratified by an appropriate contracting official of the Army. Consequently, we are returning the voucher and receipts for possible payment.

Sincerely,



Ronald Berger
Assistant General Counsel

Enclosures

