



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Department of the Navy -- Texas Instruments
Claim for Services

File: B-237825

Date: April 27, 1990

DIGEST

Claimant may be paid on a quantum meruit basis for services provided to the government without a written contract since the government could properly have acquired the services, the government received and accepted the benefit of the services, and the claimant acted in good faith. Payment should be made in the amount the agency determines to be the reasonable value of the benefit to the government.

DECISION

The Department of the Navy asks whether it may pay three claims totaling \$334,009 submitted by Texas Instruments, Inc. (TI), for field engineering services provided to the Navy without contractual coverage. For the reasons given below, the Navy may pay the claims, limited to the amount it determines to be the reasonable value of the benefit to the government.

The record shows that TI had a series of contracts with the Naval Air Systems Command for equipment to be installed in the P-3 Orion aircraft. These contracts were normally followed with contracts to provide field engineering support for the installation of the equipment at the aircraft manufacturer's plant. The latter contracts contained line items for support for specific pieces of equipment.

TI asserts that because negotiations for the support services contracts frequently extended into the contract year, a pattern was established whereby TI provided continuing services while the contract was still being definitized and before orders were actually issued for specific line items. TI states that it continued to provide the services in the expectation that orders for these services would be forthcoming, based on advice from the Navy that the services were needed and requisitions were in

048462 / 141 721

process. The contracting officer recommends that the claims be approved for payment.

The first claim, in the amount of \$108,847, covers support services TI provided over the period from January 16, 1986, through January 15, 1987. The claimed amount is the amount negotiated for the support services contract covering this period; the contract was never definitized because the Navy either lost the signature page or never signed the justification and approval for the noncompetitive acquisition of the services from TI.

The second claim, in the amount of \$74,001, is for the same services over the period from January 16, 1987, through October 1987. Although the 1986 contract had not even been definitized yet, TI was asked to continue performing the services for purposes of the anticipated 1987 contract, which appears to have been in negotiations at the time. The Navy halted the services in October 1987 when it determined that it could not prepare a retroactive justification and approval for the noncompetitive acquisition of the services from TI.

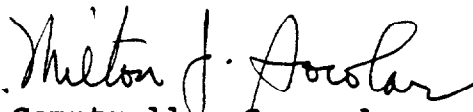
The final claim, in the amount of \$151,161, represents services TI provided to the Navy for other equipment used in the P-3 aircraft. These services were provided from February 1985 to September 1986 in conformity with two line items in a contract awarded to TI in 1985. The Navy never completed processing of the actual orders for these services, however.

Our Office may authorize payment on a quantum meruit basis for work performed for the government without a valid written contract. 64 Comp. Gen. 727 (1985). The essential elements involved in a determination to authorize payment are whether: 1) the government could properly have acquired the services had the appropriate procedures been followed; 2) the government received and accepted the benefit of the services; 3) the claimant acted in good faith; and 4) the amount claimed represents the reasonable value of the benefit obtained. See Department of the Navy - Raytheon Claim for Repair Services, B-234321, Mar. 20, 1989.

It is apparent that the Navy could legally have procured these types of services had it followed the appropriate procedures, and that the government received and accepted the benefits of the services. Also there is no evidence that TI ever acted in anything other than good faith. Consequently, the first three criteria are satisfied for all of TI's claims.

There is no explicit determination by the Navy that the amount claimed represents the reasonable value of the benefits received, however. Moreover, the record does not afford us the basis to make such a determination. On the other hand, the contracting officer's recommendation that the claims be paid suggests that if they have not specifically been determined to be reasonable, the amounts are at least close to what the Navy would consider reasonable. It seems, therefore, that the Navy should have little difficulty in expeditiously determining the reasonableness of the amount to be paid.

Accordingly, we conclude that the Navy may pay TI the amount the Navy determines to be the reasonable value of the benefits received. See Markwell & Hartz Co., B-201987, June 24, 1981, 81-1 CPD ¶ 527.


Acting Comptroller General
of the United States