

DECISION



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

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FILE: B-184911, B-185174

DATE: June 1, 1976

MATTER OF: Keco Industries, Inc.

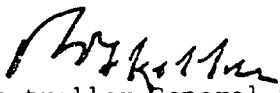
DIGEST:

It is not appropriate for GAO to take exception to contract award involving payments from nonappropriated funds merely because appropriated funds may be used by procuring agency merely for processing and administering contract.

In Keco Industries, Inc., B-184911, B-185174, February 25, 1976, we declined to consider Keco's protests since we could not render an authoritative decision because the procurements were conducted pursuant to the Foreign Military Sales Act and did not involve payments from appropriated funds. Keco now alleges that " * * * it appears clear that procurement processing and contract administration by U.S. Navy agencies and personnel involve very substantial costs to our Government."

Our bid protest function is based upon our authority to adjust and settle the Government's accounts and to certify balances in the accounts of accountable officers, pursuant to which we could, if necessary, take exception to the contract payment. 31 U.S.C. §§ 71, 74 (1970). Thus, we do not review contract awards which involve payments out of nonappropriated funds even if the procuring party is an instrumentality of the United States. B-178786, July 16, 1973; B-174324, January 12, 1972. We do not believe it would be appropriate for this Office to take exception to a contract award involving payments from nonappropriated funds merely because appropriated funds may be used by the procuring agency in connection with processing and administering the contract. In any event, we understand that the country-to-country agreement between Iran and the United States, pursuant to which the instant procurements were conducted, provides for the payment of administrative costs by Iran.

Accordingly, upon reconsideration, our prior dismissal of Keco's protest is sustained.


Deputy Comptroller General
of the United States