

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL SERVICES



MEMORANDUM

TO: DGS Contractors, Agency Division Directors, Contracting Officers Technical Representative

FROM: Keith A. Anderson
Director

DATE: January 4, 2019

SUBJECT: **Payment of Goods and Services Provided Without a Written Contract (Ratification)**

[Handwritten signature and date: 01/04/19]

The process by which the Department of General Services' ("DGS" or the "Department") Chief Procurement Officer ("CPO") has reviewed and approved or disapproved payment requests for goods or services provided pursuant to an oral agreement has been referred to as the "ratification process." Historically, the Department's position has been that vendors providing the goods or services without a valid written agreement shall be paid through a ratification process.

Since 2011, DGS' CPO has continued to receive ratification requests and has routinely ratified the request for payment based upon the premise that the District did in fact receive the goods or services; however, this process will no longer be the preferred recourse when services are rendered without a valid written contract. Pursuant to DGS Administrative Order No: 2017-004 Section 6.3 (the "the Order"):

A contractor who enters into an oral agreement to provide goods or services to the Department without a valid written contract does so at its own risk and shall not be paid.

Section 901 of the Procurement Practices Reform Act of 2010 ("PPRA"), as amended, effective April 8, 2011 (D.C. Law 18-371: D.C. Code §2-359.01(c) (2018)), provides:

Except as authorized under subsection (d) of this section, a contractor who enters into an oral agreement with a District employee to provide goods or services to the District government without a valid written contract shall not be paid. If the

oral agreement was entered into by a District employee at the direction of a supervisor, the supervisor shall be terminated.

Furthermore, D.C. Code §2-359.01(b) prohibits payment for goods or services received without a valid written contract, unless payment is required by a court order, a decision of the Contract Appeals Board, a settlement agreement, or an approval by the CPO. And, any employee who receives goods or services pursuant to an oral agreement may be terminated, and any supervisor who directs an employee to enter into an oral agreement may be terminated. D.C. Code §2-359.01(a) and (c).

Effective immediately, DGS is upholding the Order and Section 901 of the PPRA. Contractors who enter into an oral agreement with a Department employee, without appropriate and delegated authority, shall provide those goods and services at their own risk and shall not be paid. This letter serves as due warning to that effect.

For questions specific to this memorandum, please contact the Office of Contracting and Procurement at 202-727-2800.