

CLIENT ALERT

Contracts Mean What They Say: Contractor Entitled to Invoice for Total Hours Worked under Labor Hours Contracts

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In *GaN Corp.* (July 13, 2012), the government argued that the Payments Under Time-and-Materials and Labor-Hour Contracts clause permitted the contractor to bill on the labor-hour task orders at issue only those hours for which salaried exempt employees had been "paid" by the contractor, not for so-called "uncompensated overtime" hours worked by those salaried employees. It is not clear from the decision how the government proposed to determine the number of hours for which the salaried employees were not "paid," but what is clear is that the Board rejected the argument and held that under the plain meaning of the clause the contractor was entitled to invoice for the total number of hours actually worked by each employee at the hourly rate specified in the contract for that employee, regardless of the amount paid to the employee. For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.