

CLIENT ALERT

T4C, IDIQ Clauses Are No Safe Harbor Against Breach Damages

September 12, 2006

The AGBCA in *Ardco, Inc.* (Aug. 2, 2006), grounded the government's attempt to resort to the termination for convenience clause to avoid lost profit damages for breach when it wrecked the contractor's aircraft and caused it to lose revenue for part of the contract term. Nor did the government's argument fly that the lack of a contractual guarantee of any further revenue under an IDIQ contract defeats a lost profits claim, as the contractor is free to prove what work it likely would have received as the basis for its breach damages

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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