

CLIENT ALERT

Take Care to Preserve Ordering and Option Rights

Feb.23.2011

In a 2-1 decision in *Mabus v. Gen. Dynamics C4 Sys., Inc.* (Feb. 4, 2011), the Federal Circuit held that GD was equitably estopped to void an order exercise by the government due to the wrong transmission method because it had repeatedly accepted that method during prior performance. The lesson for contractors is to scrutinize each order and option exercise and, if it is deficient in any way but is still desirable, to put the government on notice that it is being accepted despite the noted deficiency and without prejudice with regard to future exercises.

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

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