



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

GRANTED IN PART: April 10, 2008

CBCA 18, 1146

L.C. HARRICO, INC.,

Appellant,

v.

DEPARTMENT OF VETERANS AFFAIRS,

Respondent.

William T. Street of Klimaszewski & Street, Saginaw, MI, counsel for Appellant.

Merilee Rosenberg, Philip Kauffman, and Phillipa L. Anderson, Office of the General Counsel, Department of Veterans Affairs, Washington, DC, counsel for Respondent.

Before Board Judges **STERN**, **SHERIDAN**, and **WALTERS**.

WALTERS, Board Judge.

ORDER

Appellant, L.C. Harrico, Inc. (Harrico), and respondent, the Department of Veterans Affairs (VA), were parties to a franchise contract through the Veterans Canteen Service (contract) for the furnishing of cafeteria food services at the VA Medical Center, Saginaw, Michigan.

The contract was terminated under a special no-fault termination provision contained in the contract, by letters to Harrico from the VA contracting officer dated March 15 and June 1, 2006. The termination was initially the subject of an appeal to one of this Board's predecessors, the VA Board of Contract Appeals (VABCA), and the appeal was docketed

as VABCA 7590. Upon consolidation of the VABCA into the Civilian Board of Contract Appeals (CBCA), on January 6, 2007, the appeal under VABCA 7590 was re-docketed by this Board as CBCA 18. Subsequently, Harrico submitted to the VA contracting officer a certified claim in the amount of \$154,000, as breach damages for alleged bad faith termination. That claim was denied by the contracting officer and the denial was appealed to this Board and docketed as CBCA 1146. Pursuant to the parties' joint request, the two Harrico appeals have been consolidated, by order dated April 9, 2008.

On March 11, 2008, the parties filed with the Board a stipulation of settlement and a joint motion for judgment on the stipulated settlement agreement. The stipulation of settlement calls for the entry of judgment in favor of the appellant in the amount of \$24,000, and for the payment of said amount to Harrico from the permanent indefinite judgment fund, 31 U.S.C. § 1304 (2000). The stipulation provides that "Contract Disputes Act interest" on the judgment amount will begin to accrue on April 1, 2008, and will continue to accrue until payment is issued. The stipulation also states: "It is expressly understood that neither party will seek reconsideration of, or relief from, the Board's decision under Rules 26 and 27, respectively, and neither party will appeal the Board's decision."

Based on the parties' joint request, the stipulation and joint motion, originally submitted in CBCA 18, are being considered and applied by the Board to both of the consolidated appeals.

Decision

These appeals are **GRANTED IN PART**. In accordance with the parties' stipulation of settlement, the Board awards appellant the sum of \$24,000, plus interest on said amount under the Contract Disputes Act of 1978, 41 U.S.C. § 611 (2000), beginning on April 1, 2008, until payment is issued. Payment is to be made from the permanent indefinite judgment fund, 31 U.S.C. § 1304.

RICHARD C. WALTERS
Board Judge

We concur:

PATRICIA J. SHERIDAN
Board Judge

JAMES L. STERN
Board Judge

