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Dormitory Authority v. Samson Construction Co.

Court of Appeals of New York - February 15, 2018 - N.E.3d - 2018 WL 889524 - 2018 N.Y. Slip Op. 01115

City and Dormitory Authority of the State of New York (DASNY) brought action against architect, alleging, inter alia, breach of contract and negligence with respect to construction of forensic biology laboratory for Office of the Chief Medical Examiner.

The Supreme Court, New York County, granted in part and denied in part architect's motion for summary judgment and denied plaintiffs' motion to reargue. The Supreme Court, Appellate Division, affirmed as modified, and certified architect's question of whether order of Appellate Division properly made.

The Court of Appeals held that:

- City was not intended third-party beneficiary of contract, and
- Negligence claim was duplicative of breach of contract cause of action.

City was not intended third-party beneficiary of contract between Dormitory Authority of the State of New York (DASNY) and architect with respect to construction of forensic biology laboratory for Office of the Chief Medical Examiner, and thus city was precluded from asserting breach of contract claim against the architect; city was not the only entity that could recover under the contract, contract did not expressly name city as intended third-party beneficiary nor authorize the city to enforce any obligations thereunder, and contract expressly reserved third-party enforcement rights to the city.

Negligence claim asserted by City and Dormitory Authority of the State of New York (DASNY) against architect was merely restatement of implied contractual obligations asserted in cause of action for breach of contract with respect to construction of forensic biology laboratory for Office of the Chief Medical Examiner, and thus negligence claim was duplicative of breach of contract cause of action; factual allegations set forth in each cause of action were identical except that negligence claim was framed in terms of architect's failure to comply with professional standards of care, only damages alleged under either theory of recovery were additional expenses required to complete the project, including costs to repair damage to adjacent structures, and in contract itself, parties contemplated architect's responsibility for additional costs of expenses incurred by DASNY as result of architect's design error and omission, and addressed it in contract terms.