

Bond Case Briefs

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PUBLIC PROCUREMENT - MASSACHUSETTS

A.L. Prime Energy Consultant, Inc. v. Massachusetts Bay Transportation Authority

Supreme Judicial Court of Massachusetts, Suffolk - May 2, 2018 - 479 Mass. 419 - 95 N.E.3d 547

Fuel supplier brought action against Massachusetts Bay Transportation Authority (MBTA) for breach of contract and breach of the implied covenant of good faith and fair dealing.

The Superior Court Department denied MBTA's motion to dismiss, but reported a question to the Appeals Court. The Supreme Judicial Court granted MBTA's application for direct appellate review.

The Supreme Judicial Court of Massachusetts held that:

- As a matter of first impression, federal law does not supplant Commonwealth law regarding termination for convenience clauses in public procurement contracts;
- MBTA did not breach contract by invoking termination for convenience clause; and
- MBTA did not breach covenant of good faith and fair dealing.