

Bond Case Briefs

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LEGAL SERVICES - ALABAMA

Fuston, Petway & French, LLP v. Water Works Board of City of Birmingham

Supreme Court of Alabama - June 30, 2021 - So.3d - 2021 WL 2678325

Law firm brought action against client, which was a city water works board, and asserted claims of breach of contract and breach of the covenant of good faith and fair dealing, which arose from board's vote to terminate contract pursuant to which law firm represented board.

The Circuit Court dismissed the claim of breach of the covenant of good faith and fair dealing and later entered summary judgment for the board on the claim of breach of contract. Law firm appealed.

The Supreme Court held that:

- Contractual provision requiring that there be a supermajority in order for board to terminate the contract was against public policy and therefore invalid, and
- The contract was for legal services as opposed to nonlegal services.

Contractual provision requiring that there be a supermajority in order for city water works board to terminate the three-year contract, pursuant to which a law firm provided legal services to board, was against public policy and therefore invalid.

Contract between law firm and city water works board was for legal services as opposed to nonlegal services, as was relevant to determining if contractual provision requiring that there be a supermajority in order for board to terminate the contract before the end of its three-year duration was against public policy; despite argument that agreement provided that law firm administer board's purported contract-compliance program, which allegedly would have been a nonlegal service so as to allow law firm to maintain breach-of-contract claim against board for terminating the contract as to the contract-compliance program's administration, nothing in the record showed that board adopted such a program.