

Arbitration Award 'Irrational' Because It Disregards Contract's Plain- Text to Reach a Just Result

The Ninth Circuit has ruled in a contract arbitration case that incorporated multiple Federal Acquisition Regulation clauses that govern the recovery of expenses in the event a contractor is terminated for convenience, i.e. required documentation and procedures.

Pepper Hamilton's **Constructlaw** blog discusses *Aspic Eng'g & Constr. Co. v. ECC Centcom Constructors LLC*, in which an arbitrator had awarded Aspic more than \$1 million. The arbitrator concluded that Aspic was not required to strictly comply with the FAR requirements based on several factors.

"The crux of the decision turns on whether the arbitrator's decision draws its essence from the contract. The Ninth Circuit also explained that whether the award directly conflicted with the subcontracts was insufficient—on its own—to vacate the award," the blog post explains.

Read the article.