

PRESS RELEASE

Wiley Secures Major Victory in High-Stakes Subcontractor Dispute

November 5, 2024

Wiley secured a favorable verdict on behalf of BAE Systems Norfolk Ship Repair Inc. following a high-stakes breach-of-contract trial in the U.S. District Court for the Eastern District of Virginia's Norfolk division. BAE Systems hired a subcontractor through a firm-fixed-price subcontract worth under \$2 million to support its U.S. Navy (Navy) contract to rehabilitate the U.S.S. Vicksburg, a decommissioned Navy vessel. The subcontractor sought nearly \$8 million in damages against BAE Systems on various contract theories.

In a decision that followed a four-day trial, the court rejected the subcontractor's contentions that BAE Systems constructively changed the subcontract's scope of work or delayed the subcontractor's progress in violation of express or implied contractual duties. The court also substantially rejected the subcontractor's claim for constructive acceleration during the COVID-19 pandemic, awarding only \$5,757, less than 1% of the \$863,000 sought.

The court's verdict marks the conclusion of a series of favorable decisions Wiley obtained for BAE Systems throughout the litigation, including prior dismissals of delay-only, stop-work, and rework claims, and an additional \$700,000 in improperly claimed damages.

The Wiley team representing BAE Systems was led by Rebecca J. Fiebig and Krystal B. Swendsboe, both of counsel in the firm's Litigation Practice.

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Class Action

Eastern District of Virginia: The Rocket
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