



DATE: January 07, 2014

TO: Procurement Directors



FROM: Director
Contract and Financial Assistance Policy Division
Office of Policy
Office of Acquisition and Project Management

**SUBJECT: ACQUISITION LETTER 2014-03:
ALLOWABILITY OF CONTRACTOR LITIGATION
DEFENSE AND SETTLEMENT COSTS**

SUMMARY: The subject Acquisition Letter's purpose is to provide guidance to Contracting Officers on allowability of contractor litigation defense and settlement costs in light of Secretary of the Army v. Tecom. The guidance applies to legal costs related to allegations of discrimination where the discrimination is prohibited by the terms of the contract, such as those covered by FAR 52.222-26 (Equal Opportunity), FAR 52.222-35 (Equal Opportunity for Veterans), and FAR 52.222-36 (Affirmative Action for Workers With Disabilities).

This Flash will be available online at the following website:
<http://energy.gov/management/office-management/operational-management/procurement-and-acquisition/policy-flashes>.

Questions concerning this policy flash should be directed to Michael Righi of the Contract and Financial Assistance Policy Division, Office of Policy, Office Acquisition and Project Management at (202) 287-1337 or at Michael.Righi@hq.doe.gov.

Attachment