



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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MAY 23 1973

The Honorable Robert F. Froehke
The Secretary of the Army

Dear Mr. Secretary:

Reference is made to a letter dated April 30, 1973, DAJA-PL 1973/6226, with enclosures, from the Chief, Logistics and Contract Law Team, Procurement Law Division, Office of the Judge Advocate General, submitting for our approval the [settlement of a breach of contract claim] by Meadow Gold Dairies, Hawaii, Ltd. (Meadow Gold), in the amount of \$3,365.50 filed by that firm in connection with contract No. DAJBI7-67-D-0347 entered into on March 18, 1967, with the United States Army Procurement Agency, Japan, for the operation of Army Milk Plants in the Republic of Viet Nam.

Under Paragraph 2 of Appendix I of the contract the Government was required to furnish, maintain and provide security guards for the plant compounds. One of these plants was located at Cam Ranh Bay, Viet Nam. This plant was not supplied with guards until April 5, 1972, after thieves broke into the locked compound during the night of April 1-2, 1972, and, cutting the lock or locks on a warehouse door, stole five hundred bags of granulated sugar, each weighing one hundred pounds.

It is the opinion of your Judge Advocate General's office that the claimant's damages, the amount of which is not disputed and is reasonably evidenced by the record, are a direct result of the breach of the contract by the Government in not supplying the required security guards for the plant. Since there is no provision in the contract for settlement of such matters, the proposed settlement was submitted to our Office for approval pursuant to our decision, 44 Comp. Gen. 353 (1964).

We believe the facts of record support the conclusion expressed in the letter of April 30 that the contractor's loss may be regarded

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as being directly attributable to the Government's breach of its contractual obligations and, since the amount is reasonably established and mutually acceptable to the contracting parties, we will not object to the payment of \$3,366.50 to Meadow Gold in full and final disposition of this matter. A copy of this decision should be attached to the records retained by your Department in support of the payment.

The file furnished with the letter of April 30 is returned.

Sincerely yours,

PAUL G. DEMBLING

For the Comptroller General
of the United States