

COMMONWEALTH COURT OF PENNSYLVANIA

Department of Labor & Industry, Bureau of Workforce Development Partnership v. Dean Institute of Technology, Inc.

88 A.3d 317 (Pa. Commw. Ct. 2014) · Decided March 27, 2014

SUMMARY

The Pennsylvania Commonwealth Court affirmed a Board of Claims judgment awarding Dean Institute of Technology payment for 64 of 83 disputed invoices under a Trade Adjustment Assistance contract with the Department of Labor and Industry. The court held that Dean Tech’s March 23, 2009 letter constituted its administrative claim under the Procurement Code and that its August 5, 2009 statement of claim was timely. The court also upheld the Board’s conclusions concerning the applicable invoice-submission deadline and the mailbox rule.

CASE DETAILS

COURT	Commonwealth Court of Pennsylvania
WRITING FOR THE COURT	Judge McCullough; Leadbetter; Leavitt; McCullough
JURISDICTION	Pennsylvania
DECIDED	March 27, 2014
DISPOSITION	affirmed
PROCEDURAL POSTURE	The Department petitioned for review of the Board of Claims' order entering judgment for Dean Institute on sixty-four of eighty-three disputed invoices under Commonwealth procurement contracts.
STANDARD OF REVIEW	The court's scope of review was limited to determining whether constitutional rights were violated, an error of law was committed, or the Board's findings of fact were supported by substantial evidence.
PRECEDENTIAL VALUE	Published opinion of the Commonwealth Court of Pennsylvania
PARTIES	Department of Labor and Industry, Bureau of Workforce Development Partnership v. Dean Institute of Technology, Inc.

TOPICS

[government contracts](#)[contract disputes act](#)[administrative law](#)[appellate procedure](#)[statutory interpretation](#)

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether Dean Institute's January 20, 2009 letter constituted an administrative claim under section 1712.1 of the Pennsylvania Procurement Code.
2. Whether the Department's February 11, 2009 letter was a final determination triggering the fifteen-day period for filing a Board of Claims statement of claim.
3. Whether Dean Institute's March 23, 2009 letter constituted a timely administrative claim and whether its August 5, 2009 statement of claim was timely under section 1712.1(e).
4. Whether the Board of Claims had jurisdiction over Dean Institute's contract claim.

HOLDINGS

1. The January 20, 2009 letter was not an administrative claim under section 1712.1 because it was not addressed to the contracting officer and did not state all grounds upon which Dean Institute asserted that a contract controversy existed.
2. The February 11, 2009 letter was not a final determination under section 1712.1(d) because Dean Institute had not yet filed an administrative claim.
3. The March 23, 2009 letter constituted Dean Institute's administrative claim because it was addressed to the contracting officer and stated with particularity all grounds for the asserted contract controversy.
4. The Board of Claims had jurisdiction, and Dean Institute's August 5, 2009 statement of claim was timely because it was filed within 135 days after the March 23, 2009 administrative claim.

KEY QUOTATIONS

“Moreover, in order for a written letter to constitute an administrative claim, it must “state all grounds upon which the contractor asserts a controversy exists.”” (at 326)

“A statement of claim must be filed with the Board “[w]ithin 15 days of the mailing date of a final determination denying a claim or within 135 days of filing a claim, if no extension is agreed to by the parties, whichever occurs first....”” (at 327)

FACTUAL BACKGROUND

Dean Institute entered into a five-year agreement with the Department to provide Trade Adjustment Assistance training to displaced workers, later amended to impose a sixty-day invoice-submission deadline for applicable services. Dean Institute prepared eighty-three disputed invoices between 2003 and 2005 but did not submit them to the Department until 2007 or later, and many were sent to an address for the defunct Office of Employment Security rather than the address specified in the agreements. After the Department denied payment, Dean Institute sent correspondence in January and March 2009 and filed a Board of Claims action on August 5, 2009.

PROCEDURAL HISTORY

Dean Institute filed a statement of claim with the Pennsylvania Board of Claims seeking payment for vocational-training invoices under a 2002 Master Agreement and a 2003 Amendment with the Department. The Board concluded that Dean Institute's March 2009 letter was its administrative claim, that the claim was timely, and that the Department had not issued a final determination; it entered judgment for Dean Institute on sixty-four invoices, awarding principal, prejudgment interest, and post-judgment interest. The Commonwealth Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Schmidt v. Commonwealth, 495 Pa. 238, 433 A.2d 456 (1981)
- Wayne Knorr, Inc. v. Department of Transportation, 973 A.2d 1061 (Pa. Cmwlth. 2009)
- In re Appeal of Borough of West View, 93 Pa. Cmwlth. 380, 501 A.2d 706 (1985)
- Department of General Services v. Pittsburgh Building Company, 920 A.2d 973, 981 n. 11 (Pa. Cmwlth. 2007)