

SPEARIN DOCTRINE DOESN'T APPLY TO PERFORMANCE SPECIFICATIONS, ONLY DESIGN SPECIFICATIONS

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When the government supplies a contractor (such as in a solicitation) with a defective design specification, the government is deemed to have breached an implied warranty that satisfactory contract performance will result from adhering to the specification. This is known as the “Spearin Doctrine” and arose in the case of *United States v. Spearin*, 248 U.S. 132 (1918). If the product or service produced by the contractor is not satisfactory, the government is in breach of that implied warranty, and the contractor is entitled to recover all costs proximately flowing from that breach. However, the Spearin implied warranty does not attach to performance specifications. Design specifications state exactly how a contract is to be performed and permit no deviations, while performance specifications specify the results to be obtained and leave it to the contractor to determine how to achieve those results. A key factor in distinguishing a design specification from a performance specification is the amount of discretion given to the contractor in implementation. *Sheffield Korte JV v. Sec’y of the Army*, (Fed. Cir. No. 2024-1134, May 22, 2025).

In *Sheffield*, the Army awarded a contract for a centralized stormwater management system in an Army Reserve center in Charles County, Maryland. The solicitation contained a specification describing general project requirements and conceptual drawings showing major features of the project. One year into the project, Sheffield sent a letter to the Army explaining the stormwater management system depicted in the solicitation different from that required by the State of Maryland. Sheffield stated the local requirements mandated a decentralized system, but the Army disagreed. Sheffield sought \$1.8 million for an equitable adjustment based on changes to the stormwater management system. The Contracting Officer denied the equitable adjustment request, and on appeal the Board of Contract Appeals also denied the claim.

In its appeal to the Federal Circuit, Sheffield argued that the Board erred by concluding that the Spearin implied warranty did not apply to its contract. Sheffield alleged that the solicitation showed a centralized stormwater management system as a design requirement, so the Spearin doctrine did not apply.

The Court noted that although the conceptual drawings depicted a “stormwater management facility” they did not specify the type of stormwater management system. The drawings, however, stated that the stormwater management system depicted was only an approximation, and the contractor was responsible for determining the “actual size and location” of the system. The court noted that even if the drawings appeared to depict a centralized system, the specification made clear that it was not a design requirement, rather, the contractor had to design the system in accordance with local requirements, and had the discretion to refine the conceptual design. Because Sheffield had discretion to design and build the system in accordance with local regulations and the specifications did not require a centralized system, the Court ruled this was a performance specification to which the Spearin implied warranty does not apply. The Court denied Sheffield’s claim on appeal.

Takeaway. First, when determining if the Spearin doctrine applies, it is essential to look at the discretion given to the contractor in performing the contract. A significant amount of discretion

(as in this case) indicates that the contract does not contain design specifications, but rather performance specifications.

Second, it is important to look at the drawings, the specifications, and any other relevant part of the contract (the *entire contract*). While the drawings depicted a centralized system, they were not mandatory, but only an approximation, making the contractor responsible for determining the “actual size and location” of the system. The specifications made it clear that those drawings were not a design requirement.

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