

PUBLICATION

Get a Change Order

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Have you ever performed extra work on a construction project and not been paid for it? Many contractors have unwittingly increased the value of a project because they did not understand the change order process. Have you ever thought you were staying within the original scope of the contract, but your subcontractor disagreed and sued you for cost overruns? Let's see how you might be able to save yourself some headaches.

What are the problems that might arise? What constitutes the scope of work, what work was authorized, and who has to absorb the cost overruns are questions often asked during the typical project, and the answers involve money. The process of getting a change order may help reduce the costs. In one example concerning a home builder's claims for additional work, the builder could not recover costs that exceeded the original contract price because the parties "have not expressly or implicitly agreed upon a reasonable price nor have they agreed upon a practicable method of determination of price." *Vatt v. A.L. James*, 180 S.W.3d 99, 109-09 (Tenn. Ct. App. 2005).