

BELL NUNNALLY'S RANDY LINDLEY QUOTED IN NACM ARTICLE ON CHANGE ORDERS CONSIDERATIONS

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Bell Nunnally Partner Randall K. Lindley is quoted in the National Association of Credit Management (NACM) eNews article "Why Construction Creditors Must Pay Close Attention to Change Orders." The article delves into the important considerations for change orders, which should be created any time the terms of an original contract are amended by a party. Typical changes involve scope of work, price and completion time. The author notes that change orders can be important tools for tracking changes, but "they must be carefully executed to ensure payment in a timely manner."

Lindley, a member of Bell Nunnally's Creditors' Rights practice area, notes that a change order can be a "lightning rod" for disputes, particularly as it can contain language unfavorable to the subcontractor. "If a client isn't getting paid, we must carefully review both the terms of the original contract and the change order."

The article continues:

Since the purpose of a change order is to document "additional work" not covered by the original contract, Lindley recommends that credit professionals carefully identify the new scope of work. "Using vague or unclear language in a change order, increases the likelihood there will be a dispute," he said.

Creditors also have the leverage of stopping work to encourage payment. However, Lindley cautions that material suppliers may be exposed to high risks by taking this route because they may be subject to claims of breach of contract. Instead, Lindley advises doing the following if a dispute surfaces:

- Start with an email objection to work requested without a signed change order.

- Ask for confirmation when following up.
- Keep careful documentation throughout every step.
- Obtain legal guidance.

To read the full article, please click [here](#).

Related Practices

Creditors' Rights

Practice Area Contact

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