

Using change directives to delay compensation and adjustments to the project schedule

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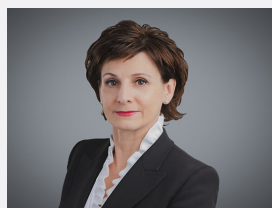
Acceleration; critical path; milestones; liquidated damage; change directives; and change orders. These are terms used in today's fast-paced construction industry where project delays have serious financial consequences and parties are required to perform additional work before the terms upon which the work is to be performed are agreed.

With a significant number of projects going out for tender with partially completed drawings, it is not unusual to have hundreds of change orders and hundreds of change directives issued during the course of the project, all in an effort to ensure that the project is completed on time. Unfortunately, when it comes to change directives, the entitlement to payment for additional work and adjustment to the contract time are only addressed once a change order is issued. When this conversion (from change directive to change order) takes place at the end of the project, a financial burden and risk of non-payment is placed upon the parties performing the additional work.

This article examines how some Canadian courts have interpreted the change order and change directives provision of the CCDC 2 contract and how the process for making changes to the original scope of work can be used to delay payment, resulting in frustration and litigation. CCDC 2 entitles an owner to change the scope of the work without invalidating the contract; however, the owner can only do so through change order or change directive. In fact, the contractor is not required to perform the additional work until a change order or change directive has been issued.

To read the full article in The Construction Economist, please [click here](#).

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