



Change Orders Without Chaos: Simplify Your Process

by Eric Travers, Kegler Brown Hill + Ritter



For subcontractors, change orders are a fact of life on construction projects. They can stem from design revisions, unforeseen conditions, impacts from general contractor (GC) decisions or interference from other trades, or owner-driven scope expansions. While change orders almost by definition mean more work—and potentially more revenue—they can be costly and spiral into chaos if not handled properly.

Missed deadlines, denied claims, and strained relationships with GCs are all-too-common pitfalls. The key to navigating this minefield? A streamlined process that protects your rights, preserves your claims, and ensures you're compensated for time and money.

Here's how subcontractors can simplify change order management

with a practical, no-nonsense approach, drawing on resources like the American Subcontractors Association (ASA) and focusing on the big concerns and hidden traps.

Subcontractor's Big Concerns

Subcontractors often find themselves using, and at the mercy of, a contract document given or handed down to you by the GC. Inside of that there is the additional overlay of the prime contract between the GC and the owner. Many subcontracts flow these prime contract provisions down and incorporate these terms by reference, leaving you bound by potentially two sets of notice provisions, documentation requirements, and waiver

clauses, one of which you may have had a chance to negotiate (the Subcontract), and one of which you surely didn't negotiate.

A few key issues stand out:

1. **Strict Notice Deadlines:** Prime contracts often require notice of a change or claim within days—sometimes as few as 48 hours. Miss this window, and you could waive your right to compensation, even if the scope change and extra work was unavoidable.
2. **Waiver Traps:** Language like “payment for work performed constitutes full compensation” can quietly kill your claim for unanticipated costs if you're not careful. This language can be almost anywhere: in the Subcontract itself, in a flow down clause, a payment application or a lien release required as part of a payment application.
3. **Scope Creep Without Clarity:** Verbal directives or vague emails from the GC can lead to disputes over whether work was “extra” or part of your base scope.
4. **Cash Flow Crunch:** Delays in approving change orders—or worse, doing work without approval—can tie up your funds and labor, threatening your bottom line.

These aren't hypothetical risks. According to ASA's “Subcontractor's Negotiating Tip Sheet,” unclear change order processes are a leading cause of payment disputes. The good news? You can take control with a few practical steps.

Hidden Traps to Watch For

Before diving into solutions, let's spotlight some traps that can derail even the savviest subcontractor:

- **The “No Written Change Order, No Pay” Clause:** Many prime contracts (and subcontracts) state that extra

work isn't compensable unless approved in writing beforehand. If you proceed on a handshake, you're gambling. If the GC objects to you refusing to proceed with a change on a 'verbal' point out to them that you are simply following their own contract requirements.

- Flow-Down Provisions: These clauses bind you to the GC's obligations to the owner. If the GC misses a notice deadline to the owner, your claim might be dead on arrival, even if you notified the GC on time.
- Cumulative Impact: Small changes might not seem worth a fight, but their combined effect—delays, inefficiencies, overtime—can crush your profitability if not documented.
- Silence as Acceptance: Some contracts deem unreported changes "accepted" if you don't flag them within a tight timeframe.

These traps thrive on inattention. A proactive process is your best defense.

Simplifying Your Change Order Process: Practical Tips

Here's how to cut through the chaos and protect your interests, step by step.

1. Know Your Contract Cold

Start by reviewing your subcontract and the prime contract (ask for it if it's incorporated by reference). Highlight notice periods, change order procedures, and waiver language. ASA's "Subcontractor Negotiating Tips: A Compilation" is a goldmine here—it walks you through red flags like "pay-if-paid" clauses that could tie your compensation to the GC's cash flow. If the terms are brutal, negotiate before signing. Can't change them? At least you'll know the rules of the game.

2. Document Everything, Every Time

Documentation is your shield. For every potential change—whether it's a site condition, a GC directive, or a drawing revision—log it immediately. Use a simple change order request form (ASA offers templates) that includes:

- Date of the event or directive
- Description of the change

Impact on schedule and cost

- Who authorized it (or who you notified)

Snap photos, save emails, and keep a daily log. If the GC says, "Just do it, we'll sort it later," send a quick email confirming the conversation. This paper trail proves you gave notice and preserves your claim.

3. Master the Notice Game

Prime contract notice provisions are often unforgiving—48 hours to report a differing condition, 7-days for a delay claim. Set up a system to track these deadlines. A shared calendar with alerts or a project management app like Procore can keep you on top of it. When in doubt, over-communicate. Send written notice to the GC via email or certified mail, referencing the contract clause (e.g., "Per Section 8.3, this is notice of a potential change"). Don't assume a verbal heads-up counts.

4. Price It Right, Up Front

Don't wait for the GC to dictate terms. Submit a detailed change order proposal with labor hours, material costs, equipment rates, and a schedule extension if needed. Use industry standards where appropriate for backup. If the GC balks, you've got a starting point for negotiation—and proof you didn't sleep on your rights. ASA's "Contract Changes and Claims: Preparation and Presentation of Change Order Proposals" white paper can guide you on what to include.

5. Avoid the "Work Now, Fight Later" Trap

If the GC won't issue a written change order, don't start the work unless it's an emergency. Instead, send a "Notice of Directed Work" stating you'll proceed under protest and reserve your rights to compensation. This sidesteps the "no written order, no pay" trap while keeping the job moving. Check your state's prompt payment laws too—some protect you from nonpayment for authorized work.

6. Track Cumulative Impacts

Small changes add up. If you're hit with multiple revisions or delays, document their ripple effects—lost productivity, remobilization costs, overtime. Submit

a consolidated claim when the dust settles, backed by your logs. Courts and arbitrators often recognize these impacts if you've got the evidence.

7. Lean on Subcontractor-Friendly Resources

ASA's website (asaonline.com) offers tools like sample letters, contract addenda, and webinars on change order best practices. Pair that with good industry software to centralize your records. These resources level the playing field against GCs with deeper pockets.

The Payoff: Time, Money, and Sanity

A streamlined change order process isn't just about avoiding chaos—it's about getting paid for the work you do. By staying ahead of notice deadlines, documenting religiously, and pricing proactively, you'll preserve your claims and dodge waiver traps. More importantly, you'll keep cash flowing and relationships intact. The GC might grumble about your paperwork, but they'll respect your professionalism.

Change orders don't have to be a nightmare. Treat them as a business opportunity, not a burden. With the right system, you'll be able to better turn chaos into control and keep your focus where it belongs—on the job—without sacrificing the bottom line.

About the author:

Eric Travers, Esq., is a seasoned construction attorney at Kegler Brown Hill + Ritter, bringing extensive experience in guiding contractors through complex legal challenges, including payment disputes, contract negotiations, and change order issues. Eric's practical, results-driven approach makes him a trusted advocate for construction businesses seeking to negotiate contracts and change orders, and fairly and efficiently navigate the intricacies of project disputes with his client's best interests in mind.