

Contract Drafting: When is a Cardinal Change 'Cardinal'?

A recent New York case sheds some light on the use of contract clauses that cover cardinal changes in construction, according to an **alert** by **Henry L. Goldberg** for Moritt Hock & Hamroff.

The case involves a \$5,320,000 subcontract for masonry on a project. In a dispute that arose during the project, the subcontractor alleged that the general contractor had interfered with its work and wrongfully deleted an excessive portion of the subcontractor's work in material breach of the subcontract. In other words, in its defense it asserted the "cardinal change doctrine."

"The standards for finding a cardinal change are imprecise; courts have wide discretion," writes Goldberg. "What, in fact, is the 'essential identify' and 'main purpose' of your contract? Here, the court failed to find the subcontractor in breach for walking off the job."

Read the article.