

To Perform or Not Perform, That is the Question

“It has been months since you have been paid and the general contractor or the owner continues to demand that you perform extra work, perform in changed conditions or work on a compressed timeline with no promise of payment in sight. At this point you have a decision to make. Do you continue to perform work and submit claims for the extra work and changed conditions? Or do you suspend work or terminate the contract?” ask Tim Fandrey and Trenton Patterson in ***Texas Construction Law Blog’s Construction Contracts***.

“Suspending or terminating performance might have emotional appeal and appear to be an attractive options at first blush. After all, stopping performance stops the spending on costs to perform the work. While the decision to stop work can be easy in a clear cut case where a contractor has not been paid amounts undisputedly due, unfortunately such clear cut cases rarely present themselves. In a more complicated situation, a contractor’s incorrect decision to suspend or terminate performance can be much more costly than continuing performance.”

Read the article.