



Connecticut Subcontractors Association

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Testimony of **Catherine Flaherty, CAE**
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Senate Bill 785, An Act Concerning Construction Change Orders
General Law Committee
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My name is Catherine Flaherty. I am the Executive Director of the Connecticut Subcontractors Association, which represents the construction subcontracting industry in Connecticut. The Connecticut Subcontractors Association strongly supports Senate Bill 785, An Act Concerning Construction Change Orders. The CSA thanks this committee for raising the bill.

Many of CSA's members routinely experience the same problems on private and public projects: they are ordered to perform authorized, extra work, they properly perform that work, but they cannot get paid because a "change order" has not been issued "through no fault of their own." Senate Bill 785 addresses this problem by placing a 5% cap on the amount of new, authorized change directives—for which a change order has NOT been processed-- that a contractor or subcontractor can be required to perform. This does NOT include DISPUTED work, or original contract work.

The bill also requires that every contractor and subcontractor include a statement with each monthly payment requisition indicating the status of all pending and approved change orders and change directives. This provides a method for all parties—the owner, the contractor, and the subcontractors—to track the status of change orders and change directives.

The proposed legislation is necessary because:

- It limits the unfair shifting of financing burdens to trade contractors who are forced to perform authorized, extra work without any means of ensuring timely payment for that work;
- It requires owners, contractors and subcontractors to track and process authorized change directives in a timely and responsible fashion;
- It reduces delays and unanticipated disputes on projects by eliminating irresponsible "processing" deficiencies by owners and contractors;
- It promotes ongoing communication and attention to change directives and processing of change orders.

Again, thanks to the General Law Committee for considering this important legislation.