

Your Job Site is Shut Down, Now What? Read Your Contract – Know Your Rights and Duties

March 19, 2020

On Monday, March 16, 2020, Boston Mayor Martin J. Walsh announced that [all active construction sites in Boston are halted](#) due to the COVID-19 pandemic. The Mayor told companies to maintain skeletal crews to make sure sites remain “safe and secure” and that only “emergency work” would move forward. All sites are to be secured by March 21, 2020.

This ban affects nearly 100 projects and tens of thousands of workers. The Mayor urged companies that “the right thing to do is lay them off, not fire them.” The construction ban in Boston will be revisited in two weeks.

Following Boston’s lead, the City of Cambridge has [issued a similar moratorium on all construction projects](#). Cambridge has numerous large scale construction projects underway. Also, as of March 19, 2020, Cambridge will temporarily cease the issuance of all building and trade permits.

Whether you are an owner, contractor, subcontractor, supplier, engineer, architect, or equipment lessor, you are impacted by these decisions. Similar decisions by other local and state governments are likely. A few critical action items to consider:

Analyze your contracts

Your rights, responsibilities, and duties are contained within your contract. Things to look for include:

- Do you have deadlines to send any notices, and to what extent are they affected by project stoppages or delays, or by a moratorium on permitting?
- Under what conditions can the contract be terminated or suspended by you or other parties?
- Under what conditions can delay damages be imposed by or against you?
- Do you have an excusable delay provision?
- Do you have a force majeure clause?
- Do you have a liquidated damages clause?
- What are your duties vis-à-vis site safety, supervision, and equipment while a project is halted and closed?

Analyze your insurance

Look for any coverages that may be triggered by recent events and place your carrier on notice.

Analyze your equipment leases

As a Lessee, look at the cost/benefit of keeping equipment on-site versus returning it and leasing it again once the site reopens. As a Lessor, assess your rights associated with lease breaches and recovery of leased equipment from closed sites.

If you have any questions, please do not hesitate to contact the authors or visit our [COVID-19 Resource Center](#).

Related people

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