CHAPTER 573A

EMERGENCY STOPPAGE OF PUBLIC CONTRACTS

Referred to in §331.341

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573A.1 National emergency.

In the event work or construction upon a public improvement is stopped directly or indirectly by or as the result of an order or action of any federal or state authority or of any court because of the occurrence or existence of a situation which the president or the Congress of the United States has declared to be national emergency, and the circumstances or conditions are such that it is and will be impracticable to proceed with such work or construction, then the public corporation and the contractor or contractors may, by written agreement terminate said contract. Such an agreement shall include the terms and conditions of the termination of the contract and provision for the payment of compensation or money, if any, which any party shall pay to the other, or any other person, firm or corporation under the facts and circumstances in the case.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.1]

Referred to in §573A.2

573A.2 Termination of contracts.

Whenever a public corporation and a contractor or contractors, have entered into a contract for the construction of a public improvement, and any party to such contract desires to terminate said contract because of the occurrence of the event and under the circumstances stated in **section 573A.1**, and another party thereto will not agree to such termination, or said parties having agreed upon the termination of the contract cannot agree upon the terms and conditions thereof, then any party may have the issues in dispute determined in the manner hereinafter provided.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.2]

573A.3 Determination of dispute.

Any party to the contract may have the issue in dispute determined by filing in the district court of the county in which the public improvement or any part thereof is located a verified petition which shall allege in detail the ultimate facts upon which the petitioner relies for the termination of such contract. All subcontractors and the sureties upon all bonds given in connection with the contract and subcontracts shall be made parties to the proceeding.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.3]

573A.4 Rules applicable.

The rules of civil procedure shall be applicable to such action. The cause shall be tried forthwith in equity, and the court shall give such cases preference over other cases, except criminal cases.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.4]

573A.5 Jurisdiction.

The district court shall have jurisdiction of the issue which is thus presented, and of all parties including any public corporation as defined in **this chapter**. The court shall make findings and render its judgment determining the issues involved in accordance with the purpose and spirit of **this chapter**.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.5]

573A.6 Appeal.

Any party aggrieved by the findings and judgment of the district court may appeal to the supreme court as in other cases and the case shall be given preference over other cases in the supreme court.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.6]

573A.7 Order of court.

1. If the court determines that said contract should be terminated, or if the parties have agreed to its termination, the court shall include in its order:

a. The terms and conditions imposed upon each party to the contract, including the extent of the liability of the sureties upon any bond;

b. The protective requirements, if any be deemed necessary, to protect the property, and provision for the payment of the cost thereof;

c. The determination of the relative rights of the parties involved, including the compensation or payments, if any, which any party shall pay to any other person, firm or corporation under the facts and circumstances of the case.

2. If the court determines that the contract shall not be terminated, it shall state in its order the reasons therefor. The court shall adjust and assess the costs in such manner as may be equitable and fair under the circumstances.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.7]

2013 Acts, ch 30, §261

573A.8 Limit of payment.

In no event shall the public corporation pay or be required to pay compensation or moneys in excess of the total compensation stated in the contract for the construction of the public improvement.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.8]

573A.9 Application of statute.

The provisions of **this chapter** shall not apply unless it is specifically contracted for between the contracting parties.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.9]

573A.10 Definitions.

For the purposes of **this chapter**:

1. "*Public corporation*" shall embrace the state, and all counties, cities, public school corporations, drainage districts, and all officers, boards or commissions empowered by law to enter into contracts for the construction of public improvements.

2. "*Public improvement*" is one, the cost of which is payable from taxes or other funds under the control of the public corporation.

3. "*Construction*" shall, in addition to its ordinary meaning, embrace repair and alteration.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.10]