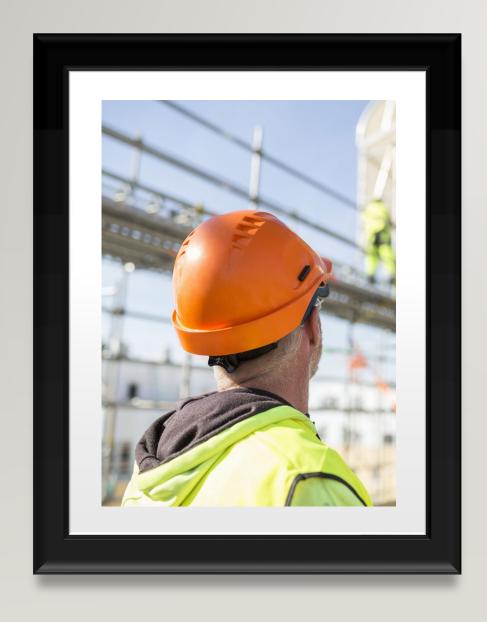
CONSTRUCTION CONTRACTS

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CONSTRUCTION CONTRACTS

PART ONE:

Nuts and Bolts of the Construction Contract

CONTRACT FORMATION

MUST HAVE:

- Offer
- Acceptance
- Consideration
- Meeting of the Minds

SHOULD HAVE, BUT DON'T NEED:

- In writing
- Signed by parties

TYPES OF CONTRACTS

Public vs. Private

Lump Sum/ Fixed Price

Time and Materials

Unit Price

Guaranteed Maximum Price

Cost-Plus

WHAT'S IN A CONSTRUCTION CONTRACT?

- Contract Documents
- Key Terms

THE CONTRACT DOCUMENTS

- The Primary Agreement
- General Conditions
- Special and Supplementary Conditions
- Prime Contract

- Specifications
- Drawings/ Plans
- Quote
- Approved ChangeOrders
- Addenda

CONSTRUCTION CONTRACTS

KEY TERMS THAT EVERY CONTRACTOR SHOULD UNDERSTAND

KEY PARTS OF A CONTRACT

- SCOPE OF WORK
- PAYMENT TERMS
- CONTRACT TIME
- CHANGES IN THE WORK
- WARRANTY

- CLAIMS AND DISPUTE RESOLUTION
- INDEMNITY
- MEANS AND METHODS

PART TWO

• HOW TO IMPROVE OUTCOMES BY MANAGING:

- DOCUMENTATION
- DISPUTES
- DEADLINES

CONSTRUCTION CONTRACTS

- UNDERSTANDING AND MANAGING RISK
 - STRIVE FOR REASONABLE, WORKABLE CONTRACT DOCUMENTS
 - UNDERSTAND POTENTIAL OUTCOMES OF SIGNING A BAD CONTRACT

TERMS TO LOOK OUT FOR BEFORE YOU SIGN!

- Broad Indemnity Clauses
- No Damage for Delay
- Onerous and Unworkable Deadlines
- Pay if Paid Clause
- Liquidated Damages
- Contradictory Terms



YOU'VE SIGNED THE CONTRACT, NOW WHAT? • DOCUMENTATION

• DEADLINES

DISPUTES

DOCUMENTATION

- INTERNAL DOCUMENTATION
 - DAILY DIARIES
 - HAVE A SYSTEM FOR TRACKING EXTRA COSTS AND DELAYS
- EXTERNAL DOCUMENTATION
 - PROVIDE PROMPT NOTICE OF UNFORESEEN CIRCUMSTANCES, DELAYS, DIFFERING SITE CONDITIONS, PLAN ERRORS, MISTAKES



DEADLINES

"I love deadlines.

I love the whooshing noise they make as they go by."

— Douglas Adams,

The Salmon of Doubt

DEADLINES

- CONTRACT DEADLINES
- MECHANIC'S LIEN
- PAYMENT BONDS
- STATUTE OF LIMITATIONS

COMMON CONTRACT DEADLINES

- NOTICE
- CHANGE REQUEST
- TIME EXTENSION
- CLAIM
- DISPUTE RESOLUTION

MECHANIC'S LIEN

- MINNESOTA STATUTES SECTION 514.011
- PRELIEN NOTICE
- LAST DATE OF WORK
- 120 DAYS TO RECORD LIEN
- ONE YEAR TO ENFORCE LIEN



PUBLIC WORK

PAYMENT BONDS



MINNESOTA STATUTES SECTION 574.31



120 DAYS TO GIVE NOTICE TO SURETY AND PRINCIPAL



ONE YEAR TO ENFORCE IN COURT

DISPUTES

TAKEAWAY:

 TIMELY DOCUMENTATION AND NOTICE ARE KEY TO IMPROVING LIKELIHOOD THAT DISPUTES CAN BE FAVORABLY RESOLVED

