

CAUTIONARY CONTRACT PROVISIONS

FROM GRANTLUN CORPORATION'S SEMINAR
PROJECT MANAGEMENT: CONTRACT MANAGEMENT

1. Dispute Resolution
2. Changes
3. Differing Site Conditions
4. Terminations
5. Contract Time
6. Damages for Late Completion
7. Site Availability and Access
8. Payment and Retention
9. Exculpatory Clauses
10. Insurance and Bonding
11. Indemnification
12. Measurement and Payment
13. Variations in Quantity
14. Escalation

1 DISPUTE RESOLUTION

1.1 SYNOPSIS

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- Spells out
- Who will m
- Decision fi
- Means of r
- What legal
 - Fed
 - AIA
 - AG

1.2 CAUTION

- State laws
 - So
- Failure to f
 - Eve
- Owner or a
 - Stil
 - Fed

2 CHANGES

2.1 SYNOPSIS

- Most im
- Defines
- Places li
- Establish
- Establish
- Owner h

2.2 CAUTION

- Beware perform
- Beware the are i
- Beware contract
- Docume
 - C
 - C
 - T
 - H
 - E
t
in

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3 DIFFERING SITE CONDITIONS

3.1 SYNOPSIS

- Defines w
- Designed
contingen
- Differing c
ordinarily
- Contracto
 - Un
of
- Owner ha

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3.2 CAUTION

- If no cont
- If full liabi
 - “C
- Exculpato
the work
 - e.g
log

4 TERMINATIONS

4.1 SYNOPSIS

- Closely r
- Gives ow
 - T
 - W
 - W
 - C
 - T
- Final pay
to contra
- Under Fe
profit

4.2 CAUTION

- Convenie
- Most con

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5 CONTRACT TIME

5.1 SYNOPSIS

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- Project s
- Sets noti
- Sets job

5.2 CAUTION

- Owner m
 - B
- Owner m
 - B
- Owner m
 - P

6 DAMAGES FOR LATE COMPLETION

6.1 SYNOPSIS

- Closely re
- Spells out
- "Liquidat
- If no liqui
using "pr

6.2 CAUTION

- Unreason
- NO liquid
- Contracto

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7 SITE AVAILABILITY AND ACCESS

7.1 SYNOPSIS

- Project sp
- An implic
- Reasonab
- Unless co
- Site avail
- Site acces
- Timing (a

7.2 CAUTION

- May requ
date
- Failure to
contract

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8 PAYMENT AND RETENTION

8.1 SYNOPSIS

- Spells out
- Generally
- Based on
- Due whe
- Spell out
completi

8.2 CAUTION

- Delayed
- No pay u
- “No pay
- Long rete

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9 EXCULPATORY CLAUSES

9.1 SYNOPSIS

- “Excuse”
- Many for
 - “W
 - “D
 - “F
 - Of

9.2 CAUTION

- Can be en
- Can be ve

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10 INSURANCE AND BONDING

10.1 SYNOPSIS

- Of param
- Spells ou
 - W
 - P
 - p
 - B
 - R
- IF Owner
- Spells ou
 - Bi
 - P
 - P
 - M

10.2 CAUTION

- Insuranc
- Insuranc
- Bond cos

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11 INDEMNIFICATION

11.1 SYNOPSIS

- Of param
- Require c
they may
performa
- Usually ex
paying an
- Typically r
- Can be ex
- Can exten
- Often exc
- Governm

11.2 CAUTION

- Scope of i

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12 MEASUREMENT AND PAYMENT

12.1 SYNOPSIS

- Spells out
 - wh
 - wh
- Wide vari
 - Ti
 - Un

12.2 CAUTION

- Increases
- Delayed p
 - Dr
 - M
 - Re
 - Pa
 - Ba

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13 VARIATIONS IN QUANTITY

13.1 SYNOPSIS

- Important basis
- Particular e.g. earth
- Spells out adjustments
- Typically

13.2 CAUTION

- Over-run
 - Pr
 - di
- Under-run
 - Pr
 - di

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14 ESCALATION

14.1 SYNOPSIS

- Passes through the process that exist
- Effectiveness of the owner's
- Typically the bid
- Certified

14.2 CAUTION

- To keep the clause effective
 - C
 - C
 - C
 - p

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