NEW ALA 2020 SHORT FORM CONTRACTS

9/9/20

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OWNER/ARCHITECT DOCUMENTS

• OA1-2020: Pre-Design Services (Hourly based)

• OA2-2020: Pre-Design Services (Lump Sum)

• OA3-2020: Agreement (Hourly based)

• OA4-2020: Agreement (Lump Sum)

• OA5-2020: Agreement (Percentage)

• TC-OA-2020: Terms and Conditions
ARCHITECT/CONSULTANT DOCUMENTS

- AC-2020: Consultant (Lump Sum)
- AEEC-2020: Electrical Engineer (Lump Sum)
- AMEC-2020: Mechanical Engineer (Lump Sum)
- ASEC-2020: Structural Engineer (Lump Sum)
- TC-AC-2020: Terms and Conditions for Consultant agreements
OWNER/CONTRACTOR DOCUMENTS

- OC1-2020: Agreement (Lump Sum)
- OC2-2020: Agreement (Cost of the Work plus Fee – Guaranteed Max)
- OC3-2020: Agreement (Cost of the Work plus Fee)
- GC1-2020: General Conditions (Lump Sum)
- GC2-2020: General Conditions ((Cost of the Work plus Fee – Guaranteed Max)
- GC3-2020: General Conditions (Cost of the Work plus Fee)
OWNER/ARCHITECT DOCUMENTS

• Two categories of documents: pre-design and normal services
  – Differences among these documents are whether the fee is a lump sum, percentage or hourly

• The agreements are now shorter, with some standard terms placed in a separate Terms and Conditions Document

• If you want arbitration instead of litigation, you do not need to fill anything out in the Terms and Conditions
OA3-2020: OWNER/ARCHITECT AGREEMENT

Agreement: This Agreement is made and entered into this ______ day of ______, 20__, by __________________________ (the “Owner”) and __________________________ (the “Architect”).

1.1 Owner’s Name: [insert information]
   Address:
   City, State, Zip
   Phone number:
   Cell number:

1.2 Architect’s Name: [insert information]
   Address:
   City, State, Zip
   Phone number:
   Cell number:

2.0 PROJECT: The project [insert project name], located at [insert project address], consists of [insert project description].

3.0 BASIC SERVICES: The Architect agrees to perform basic services on behalf of the Owner, including survey and topographical, structural, mechanical, electrical, and plumbing engineering services:

3.1 Design Services: The Architect shall provide all required design services based upon the Owner’s program and construction budget. The design services of the Architect shall include drawings, sketches, and drawings to illustrate and define the aesthetic and size of the project.

3.2 Construction Documentation Services: The Architect shall prepare construction documents consisting of drawings and specifications, including plans, elevations, details, and sections, sufficient in detail to bid and construct the project.

3.3 Bidding: The Architect shall assist the Owner in the preparation and assembly of documents to be issued for bids. The selection of the Contractor for the project shall be made by the Owner.

3.4 Construction Administration: The Architect shall provide construction administration services on behalf of the Owner during the construction phase of the project. Such services shall include the following:

3.4.1 Site Observations: The Architect shall visit the site at intervals or as the Architect reasonably deems to be appropriate, or as stated in Section 18, to observe if construction is generally in accordance with the construction documents.

4.0 COMPENSATION: The Owner agrees to compensate the Architect for the above-mentioned services and the following labor costs, materials, and expenses:

   +-------------------+-------------------+
   | Service / Billing Category | Billing Rate     |
   +-------------------+-------------------+
   | a.                | $ __________ per hour |
   +-------------------+-------------------+
   | b.                | $ __________ per hour |
   +-------------------+-------------------+
   | c.                | $ __________ per hour |
   +-------------------+-------------------+

4.1 Initial Payment: An initial payment of [insert written amount] Dollars [insert numerical amount] ($______) is due and owing contemporaneously with the execution of this Agreement. The initial payment shall be applied to the Final Payment.

4.2 Reimbursable Expenses: Reimbursable expenses shall be paid at the actual cost incurred by the Architect plus [insert written percent] percent [insert numerical amount] (__%)

4.3 Other: [insert other compensation terms]
OA3-2020: OWNER/ARCHITECT AGREEMENT

3.0 CONSULTANTS. The Architect and Owner may each employ consultants to perform work on the project.

3.1 ARCHITECT’S CONSULTANTS. The Owner agrees to compensate the Architect for the cost of the consultant at the actual cost incurred by the Architect plus [insert written percent] percent ([insert written percent] %). The consultants retained by the Architect may include, but are not necessarily limited to the following:

3.1.1 Structural Engineer
3.1.2 Mechanical Engineer
3.1.3 Electrical Engineer

3.2 OWNER’S CONSULTANTS. The Owner’s consultants may include, but are not necessarily limited to the following:

3.2.1 Surveyor [Owner shall provide a current survey for all new construction on the project site]
3.2.2 Geotechnical Engineer [Owner shall provide a current geotechnical survey for all new construction on the project site]
3.2.3 Civil Engineer
3.2.4 Environmental Consultant
3.2.5 Hazardous Material Consultant
3.2.6 Traffic Consultant
3.2.7 Detailed Cost Estimating
3.2.8 [Identify other consultants]

6.0 ADDITIONAL SERVICES: Owner requested services that are not part of the Architect’s Basic Services described in Article 3.0 above, shall be considered as Additional Services. The Owner hereby agrees to compensate the Architect for such Additional Services at the hourly rates stated in Article 6.0 above.

7.0 PAYMENT DUE DATE: Payments are due and payable thirty (30) days from the date of the Architect’s invoice. Amounts unpaid thirty (30) days after the date of the Architect’s invoice shall bear interest at the rate of [insert written percent] percent ([insert written percent] % per month, [insert numerical percent] %/mo). The Architect shall invoice the Owner once a month. The Owner agrees that the Architect may suspend services without liability if payment is not received within forty-five (45) days of date of the Architect’s invoice.

8.0 JOBSITE SAFETY: The Owner hereby agrees and acknowledges that the Architect shall not be responsible for any construction means, methods, techniques, sequences, procedures, or safety precautions utilized on the project, since these are solely the responsibility of the Contractor.

9.0 OWNER PROVIDED INFORMATION. The Architect shall be entitled to rely on the accuracy and completeness of any information provided to the Architect by the Owner or the Owner’s consultants. The Architect shall not review said information for accuracy or completeness.

10.0 HAZARDOUS MATERIALS. The Architect assumes no responsibility or liability for the discovery or removal of any hazardous substances found at the jobsite.

11.0 PERMITS AND APPROVALS. It is the responsibility of the Owner to obtain all necessary permits and approvals for the project. The Architect shall assist the Owner in such endeavors as mutually agreed to in writing.

12.0 TERMINATION. This Agreement may be terminated by either party upon written notice to the other party via Time/Date Stamped Certified Mail or by personal delivery. The Owner agrees to pay the Architect for all services performed and all reimbursable expenses incurred, to the date of notification of termination.

13.0 INCORPORATED DOCUMENTS. The following documents are incorporated into this Agreement:

13.2 [List any other documents to be incorporated]

14.0 MISCELLANEOUS PROVISIONS. This Agreement also includes the following provisions: [List any miscellaneous provisions below]

a. __
b. __

AGREED TO AND ACCEPTED BY

ARCHITECT:

Co Name ______________________________ Co Name ______________________________

By: ______________________________ By: ______________________________
Print Name: ______________________________ Print Name: ______________________________
Title: ______________________________ Title: ______________________________

OWNER:

Co Name ______________________________ Co Name ______________________________

By: ______________________________ By: ______________________________
Print Name: ______________________________ Print Name: ______________________________
Title: ______________________________ Title: ______________________________
OWNER/ARCHITECT DOCUMENTS (CONT’D)

• If you want litigation, you need to check that box

• Venue: Insert locations only if you have a specific reason to do so

• Make sure that the owner is given the Terms and Conditions document
TERMS AND CONDITIONS

THE FOLLOWING TERMS AND CONDITIONS are hereby incorporated into the Agreement between the Architect and Owner:

COPYRIGHTS and LICENSES. The Architect and the Architect’s Consultants shall each be deemed the respective author and owner of any materials produced under this Agreement and shall retain all common law, statutory and other reserved rights, including copyrights. The Owner acknowledges that the Architect and the Architect’s consultants have prepared said materials and agree to license of same to this site-specific project only. The Owner is granted a conditional, nonexclusive, license to utilize the materials produced under this Agreement on the Project, at no additional cost, which license is conditioned upon payment in full to the Architect for all services performed or to be performed under this Agreement. The Owner’s license may be revoked upon any breach of this Agreement. The Owner agrees to defend, indemnify, and hold the Architect and the Architect’s consultants harmless from any claims, actions, losses, and expenses of any kind whatsoever, including reasonable attorneys’ fees, arising from the unauthorized use of the Architect’s and the Architect’s consultants’ materials.

DISPUTE RESOLUTION:

a. Mediation. Any disputes between Architect and Owner shall be subject to mediation as a condition precedent to arbitration or litigation. The mediation shall be conducted by the American Arbitration Association in accordance with the applicable rules in effect as of the date of this Agreement. Nothing contained herein shall preclude the Architect from filing an action in equity or otherwise to restrain the Owner from proceeding with or taking any action affecting the rights or remedy of the Architect under this Agreement. The mediation may be made binding by agreement between the parties.

b. Arbitration. If the parties do not resolve the dispute through mediation, the method of binding dispute resolution shall be one of the following:

- Arbitration
- Litigation

Arbitration shall be subject to the Federal Arbitration Act. An arbitration shall address any Claim, dispute or other matter in question arising out of or related to this Agreement that was not resolved by mediation, and shall be administered by the American Arbitration Association pursuant to its rules in effect as of the date of this Agreement. A demand for arbitration shall be made in writing and delivered to the parties as agreed to in the applicable rules of the American Arbitration Association.

LIMITATION OF LIABILITY:

The Owner agrees to the extent permitted by law, to limit the liability of the Architect to the Owner for any act or omission, loss, cost, expense, or damage or any nature whatsoever, including attorney’s and expert witness fees, and costs, from any cause or cause whatsoever, to the amount that the Architect has received for services rendered under this Agreement. It is understood that this limitation applies to any and all liability or causes of action, however alleged or arising, unless otherwise specifically prohibited by law.

STATUTE OF LIMITATIONS PERIOD:

The Statute of Limitations period shall commence to run on the Date of Substantial Completion of the Project. In no case shall the Statute of Limitations period commence to run later than the date when the Architect’s services are substantially completed.

VENUE:

The parties agree to the jurisdiction of the County of [insert county name], State of [insert state name]. The law of the State of [insert state name] shall govern the interpretation of this Agreement. If no selection is made, the law of the State of [insert state name] shall apply and venue shall be in the county where the Project is located.

MISCELLANEOUS:

a. The Architect and Owner each bind themselves, their agents, successors, assigns and legal representatives to this Agreement. This Agreement may not be assigned without the written consent of the other party.

b. Nothing in this Agreement shall create a contractual relationship with, or cause of action in favor of, a third party against the Architect or Owner.

c. Each party hereby represents that it has all necessary licenses to perform the services contemplated by this Agreement.
ARCHITECT/CONSULTANT DOCUMENTS

- The agreements are now shorter, with some standard terms placed in a separate Terms and Conditions Document

- If you want arbitration instead of litigation, you do not need to fill anything out in the Terms and Conditions

- If you want litigation, you need to check that box
ARCHITECT/CONSULTANT DOCUMENTS (CONT’D)

• Venue: Insert locations only if you have a specific reason to do so

• Note that the Prime Agreement is incorporated. If the owner makes changes to the owner-architect agreement, coordinate with the consultant agreement
• OC1, OC2, and OC3 are identical except for Paragraph 5 – the method of Compensation

• Documents are shortened and contain only plain English in order to make the agreement be more useful

• These agreements can be provided to a subordinate who then has all of the information needed to monitor the progress of the work to be completed

• All of the supporting documents must be identified in the agreement in order to make full use of the agreements
• The intent is to minimize disputes and thus litigation by having both parties agree to the work to be performed under the agreement

• If multiple change orders are expected, then used Article 8 to set out exactly how the parties will handle change orders

• Compensation under Article 5
  – OC1: Lump Sump Fee
  – OC2: Cost of the Work Plus a Fee with a Guaranteed Maximum Price
  – OC3: Cost of the Work Plus a Fee
  – The rest of Article is similar for the remainder of Article 5
OC1-2020 – Owner/Contractor Agreement
(Lump Sum Fee)

CAUTION: THIS DOCUMENT HAS LEGAL CONSEQUENCES. ALA recommends that the parties seek the advice of their attorney(s) prior to executing or modifying this Agreement. By executing this Agreement, the parties assume sole and complete responsibility for the content contained hereinafter.

1.0 AGREEMENT

The Agreement is made and entered into this ___ day of _______, 20___, by and between:

The OWNER is:

Address:
Phone Number: __________________________ Cell Number: __________________________

The Owner’s Designated Representative is: __________________________

The CONTRACTOR is:

Address:
Phone Number: __________________________ Cell Number: __________________________

The Contractor’s Designated Representative is: __________________________

The ARCHITECT is:

Address:
Phone Number: __________________________ Cell Number: __________________________

The Architect’s Designated Representative is: __________________________

The PROJECT is located at: __________________________

The PROJECT consists of the construction of: ____________

(Include the Legal Description, Property Index Number (PIN), and the name of the legal owner(s) of the property on which the Project is being constructed in the description following. The Owner shall provide a survey, which shall not be more than six months old prior to the submission of the Project for a building permit.)

(Refer to Exhibit A, plat(s) of survey attached hereto.)

2.0 TERMS AND CONDITIONS:

The Owner and Contractor each agree to be bound by the terms and conditions contained in the Agreement.

3.0 ARTICLE 3 – CONTRACT DOCUMENTS

3.1 General Conditions: The General Conditions of the Contract for Construction Where the Basis of Compensation is a Lump Sum Fee, ALA Document GCI, 2020 Edition, forms a part of this Agreement and is incorporated herein as if set forth in full.
OC1-2020: AGREEMENT (LUMP SUM)
OC1-2020: AGREEMENT (LUMP SUM)
OC2-2020: AGREEMENT (GUARANTEED MAX)

1.0 AGREEMENT: This Agreement is made and entered into this __ day of ____, 20__, by and between:

The OWNER is:

Attention:
Phone Number: ____________________________ Cell Number: ____________________________
Email: ____________________________
The Owner's Designated Representative is:

The CONTRACTOR is:

Attention:
Phone Number: ____________________________ Cell Number: ____________________________
Email: ____________________________
The Contractor's Designated Representative is:

The ARCHITECT is:

Attention:
Phone Number: ____________________________ Cell Number: ____________________________
Email: ____________________________
The Architect's Designated Representative is:

The PROJECT is located at:

The PROJECT consists of the construction of ________________________________ (include the Legal Description, Property Index Number (PIN), and the name of the legal owner(s) of the property on which the Project is being constructed, or a description thereof). The Owner shall provide a survey, which shall not be more than six months old prior to the submission of the Project for a building permit. (Refer to Exhibit B, plat(s) of survey attached hereto).

2.0 TERMS AND CONDITIONS: The Owner and Contractor each agree to be bound by the terms and conditions contained in this Agreement.

3.0 ARTICLE 3 – CONTRACT DOCUMENTS

3.1 General Conditions: The General Conditions of the Contract for Construction, where the basis of Compensation is the Cost of the Work plus a Fee with a Guaranteed Maximum Price, AIA Document GC2-2020 Edition, forms a part of this Agreement and is incorporated herein as if set forth in full.
OC2-2020: AGREEMENT (GUARANTEED MAX)

4.3.3 The Owner reserves from the Contractor all manufacturer’s Warranties and/or Guarantees required by the Drawings or Specification;

4.3.4 The Owner reserves from the Contractor operating manuals for all equipment and systems incorporated in the Work;

4.3.5 The Owner reserves a Certificate of Occupancy from the appropriate authority having jurisdiction over the Project;

4.3.8 Content of Plan for Final Payment is received (if applicable); and

4.3.7 When the Contractor submits his Final Application(s) for Payment.

5.0 ARTICLE 5 - COMPENSATION

The Contractor hereby agrees to fully construct the Project in accordance with the Contract Documents for the COST OF THE WORK PLUS A FEE WITH A GUARANTEED MAXIMUM PRICE as follows:

5.1 Alternate Price(s): The Cost of the Work indicated to the Contractor’s Cost of the Work in Paragraph 5.0 above shall be increased or decreased upon Owner’s acceptance of any of the following alternates:

5.1.1 Alternate #1 – Description

5.1.1.1 Cost - Add OR Deduct ___________________________ Dollars ($______)

5.1.2 Alternate #2 – Description

5.1.2.1 Cost - Add OR Deduct ___________________________ Dollars ($______)

5.1.3 Alternate #3 – Description

5.1.3.1 Cost - Add OR Deduct ___________________________ Dollars ($______)

5.2.1 Unit Price for Each Additional Unit - ___________________________ Dollars ($______)

5.2.2 Unit Price for Each Additional Unit - ___________________________ Dollars ($______)

5.3.1 Allowance for: ___________________________ Allowance Amount

6.0 ARTICLE 6 - PROGRESS PAYMENTS

6.1 Contractor’s Application for Payment: The Contractor shall submit an Application for Payment on the 5th day of each month. All labor performed and materials supplied during the previous month. The Contractor’s Application for Payment shall include a request for payment for any Change Orders worked performed during the previous month. Requests for payment for extra or additional work shall be charged against a properly executed Change Order. The Contractor must be paid on the date of Substantial Completion. Requests for Change Orders will not be processed in a timely manner until the Change Orders are received by the Architect. The amount of the Change Order must be at least 5% of the contract price. Owner will deduct any Change Orders from future payments to the Contractor before the project exceeds 50% completion.

6.3 Final Payment: Owner shall make the Final Payment to Contractor when all of the requirements of Article 40.0 have been satisfied by the Architect.
OC2-2020: AGREEMENT (GUARANTEED MAX)

6.4 Interest Charges for Late Payments: Payments are due and payable to the Contractor within thirty (30) days of receipt by Owner of Contractor's Application for Payment. Payments shall be considered late thirty (30) days after the date of the receipt by the Owner of the Contractor's Application for Payment. Late payments shall accrue interest at the rate of Insert percentage here ½ % per month.

6.5 Liquidated Damages: Liquidated Damages shall apply to this Agreement. The Contractor shall construct the project to a state of Substantial Completion on or before the date stated in Paragraph 4.2 above. Should the Contractor fail to reach Substantial Completion by the stated time, the Contractor hereby agrees and acknowledges that the Owner will incur daily damages in the amount of Insert dollar amount in alpha form here: ________ Dollars ($______) per calendar day, which amount the Owner shall deduct from any amount(s) due the Contractor. Should said amount for Liquidated Damages exceed the amount still due the Contractor, the Contractor agrees that the Owner shall have no responsibility to continue paying the Contractor. The Contractor further hereby agrees to pay the Owner any excess amount of unpaid Liquidated Damages. The stated Liquidated Damages amount represents the Owner's good faith effort at determining the actual damages the Owner will incur on a daily basis if the Project is not finished on time. This Liquidated Damages provision is not a penalty clause.

9.0 AGREED TO AND ACCEPTED BY (The Designated Representative having the legal authority to bind)

OWNER:  
Co Name ___________________________  
By: ___________________________  
Print Name: ___________________________  
Title: ___________________________

CONTRACTOR:  
Co Name ___________________________  
By: ___________________________  
Print Name: ___________________________  
Title: ___________________________

OR [Note: Delete either the subparagraph 6.5 Liquidated Damages above or subparagraph 6.5 Penalty and Bonus Clause below. If neither applies, delete both subparagraphs.]

6.5 Penalty and Bonus Clause: The Contractor agrees to pay the Owner, as a penalty, the sum of  
__________ Dollars ($__________) Insert dollar amount for each calendar day the Contractor fails to construct the project to a state of Substantial Completion after the time stated in Paragraph 4.2 above. The Owner similarly agrees to pay the Contractor, as a bonus, the same stated amount for each day the project is constructed to a state of Substantial Completion before the time stated in Paragraph 4.2.

7.0 ARTICLE 7 – INTEGRATION CLAUSE

7.1 This Agreement represents the entire and integrated agreement (the contract) between the Owner and Contractor. Together with the Contract Documents, it supersedes any prior negotiations, representations and or promises made to the parties hereto, whether written or oral. The Contract may be amended or modified only by a written modification.

8.0 ARTICLE 8 – MISCELLANEOUS PROVISIONS – (Insert any other terms and conditions below)
OC3-2020: AGREEMENT (COST OF WORK + FEE)

10 AGREEMENT: This Agreement is made and entered into on the ___ day of ____, 20__, by and between:

The OWNER is: ____________________________
Attention: ____________________________
Phone Number: ____________________________
Cell Number: ____________________________

The Owner's Designated Representative is: ____________________________

The CONTRACTOR is: ____________________________
Attention: ____________________________
Phone Number: ____________________________
Cell Number: ____________________________

The Contractor's Designated Representative is: ____________________________

The ARCHITECT is: ____________________________
Attention: ____________________________
Phone Number: ____________________________
Cell Number: ____________________________

The Architect's Designated Representative is: ____________________________

The PROJECT is located at: ____________________________

The PROJECT consists of the construction of: ________________

3.2 List of Drawings: The complete construction of the Project (the Work) is based on the following drawings, all dated Insert date here unless specifically noted otherwise.

<table>
<thead>
<tr>
<th>Sheet No.</th>
<th>Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Or

Refer to Exhibit Insert Exhibit alpha for list of drawings, attached hereto.

3.3 Specifications: The specifications for the Project (the Work) are as indicated on the Drawings as contained in the Project Agreement dated Insert date here unless specifically noted otherwise, and are as follows:

<table>
<thead>
<tr>
<th>Specification Section No.</th>
<th>Title</th>
<th>Page No.</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Or

Refer to Exhibit Insert Exhibit alpha for list of specification sections, attached hereto.

3.4 Owner and/or Tenant Standards: The Contractor shall conform to the following referenced Owner and/or Tenant Standards, if any Insert standards here

Or

Refer to Exhibit Insert Exhibit alpha for Tenant Standards to be complied with, attached hereto.

4.0 ARTICLE 4 - CONTRACT TIMES

4.1 Date of Commencement of Work: The Contractor shall commence work on the Project upon receipt of the Owner's Notice to Commence Work. Failure to commence any work on the Project, the Contractor shall submit to Owner all required insurance certificates and bonds. Failure to do so shall be considered a material breach, and the Owner may, at its sole discretion, terminate this Agreement.

4.2 Substantial Completion: The Contractor shall construct the Project to a state of Substantial Completion within Insert number of days in numerical form (____) calendar days after issuance of all required building permits. Substantial Completion is defined as the date upon which the Owner can occupy the Project and utilize it for the Owner's intended purpose.

4.3 Final Completion: The Contractor's Work shall be considered finally complete when:

4.3.1 All punch list items have been corrected, or the Owner elects to accept specific defective work and receives a credit from the Contractor.

4.3.2 The Owner accepts Final Settlement then the Contractor and all subcontractors in conformity with the requirements of law, Final Warranties from the Contractor and all subcontractors and materials suppliers, for any and all labor performed, or materials supplied, for the Project.

TERMS AND CONDITIONS: The Owner and Contractor each agree to be bound by the terms and conditions contained in the Agreement.

3.0 ARTICLE 3 - CONTRACT DOCUMENTS

3.1 General Conditions: The General Conditions of the Contract for Construction, where the basis of Compensation is the Cost of the Work plus a Fee, AIA Document GC3, 2005 Edition, forms a part of this Agreement and is incorporated herein as if set for in full.
OC3-2020: AGREEMENT (COST OF WORK + FEE)

5.0 ARTICLE 5 - COMPENSATION

The Contractor hereby agrees to fully construct the Project in accordance with the Contract Documents for the COST OF THE WORK PLUS A FEE as follows:

A. COST OF THE WORK

Refer to subparagraph 1.4 of GC3-2020 General Conditions for the definition of the Cost of the Work.

B. CONTRACTOR’S FEE

Refer to subparagraph 1.5 of GC3-2020 General Conditions for the definition of the Fee.

5.1 Alternate Price(s): The Contractor’s Cost of the Work in Paragraph 5.0 above shall be increased or decreased upon Owner’s acceptance of any of the following alternate(s): [State descriptions and cost of alternate(s) and the increase or decrease in the Cost of the Work, if any. Insert descriptions and change in cost for each alternate below.]

5.1.1 Alternate #1 - Description

5.1.1.1 Cost - Add OR Deduct _______________________________ Dollar ($____)

5.1.2 Alternate #2 - Description

5.1.2.1 Cost - Add OR Deduct _______________________________ Dollar ($____)

5.1.3 Alternate #3 - Description

5.1.3.1 Cost - Add OR Deduct _______________________________ Dollar ($____)

5.3 Allowances: The Contractor shall include in the Cost of the Work stated in Paragraph 5.0 the following dollar amounts to be held in reserve to pay for the unanticipated costs of the following Allowance Items. Once the exact cost of an Allowance Item is determined, that exact cost shall replace the allowance amount, and the Contractor’s Cost of the Work shall be adjusted accordingly: [state Change Orders. The Allowance Items requested are as follows: [state separate lines of Unit Prices if necessary.]

5.3.1 Allowance Item

5.3.2 Cost to be Included Allowance Amount

6.0 ARTICLE 6 - PROGRESS PAYMENTS

6.1 Contractor’s Applications for Payment: The Contractor shall submit an Application for Payment on the 20th day of each calendar month for all labor and materials supplied during the previous month. The Contractor’s Application for Payment shall include a request for payment of any net Change Order work performed during the previous month. Requests for payment for extra or additional work shall be documented in a properly executed Change Order by the Owner authorizing the Contractor to perform the additional work. No extra work may be done upon a Request for Change Order work not submitted in a timely manner. Change Order work performed during the previous month will be documented. The intent of this paragraph is to address all Change Order work in a timely and organized manner. Owner assumes the right to withhold and deduct the costs to correct any portion(s) of non-conforming or defective work.

6.2 Retention: Retention is the amount of [insert percentage here]% of the requested amount on the Contractor’s Application for Payment will be withheld from each monthly payment due to the Contractor until the Project reaches a state of Substantial Completion. Retention amounts will be released on the date of Substantial Completion, less any amounts withheld to cover the cost to correct defective and non-conforming work. Owners may reduce or eliminate retention amounts to be withheld from future payments to the Contractor, once the project exceeds 50% completion.

6.3 Final Payment: Owner shall make the Final Payment to Contractor when all of the requirements of Article 4.0 above are satisfied to the reasonable satisfaction of the Owner and Architect.
6.4 Interest Charges for Late Payments: Payments are due and payable to the Contractor within thirty (30) days of receipt by the Owner of the Contractor's Application for Payment. Payments shall be considered late thirty (30) days after the date of receipt by the Owner of the Contractor's Application for Payment. Late payments shall accrue interest at the rate of [insert percentage here] % per month.

6.5 Liquidated Damages: Liquidated Damages shall apply to the Agreement. The Contractor shall construct the project to a state of Substantial Completion on or before the date stated in Paragraph 4.2 above. Should the Contractor fail to reach Substantial Completion by the stated time, the Contractor hereby agrees and acknowledges that the Owner will incur daily damages in the amount of [insert dollar amount in alpha form here] Dollars ($______) per calendar day, which amount the Owner shall deduct from any amounts due the Contractor. Should said amount for Liquidated Damages exceed the amount still due the Contractor, the Contractor agrees that the Owner shall have no responsibility to continue paying the Contractor. The Contractor further hereby agrees to pay the Owner any excess amount of unpaid Liquidated Damages. The stated Liquidated Damages amount represents the Owner's good faith effort at determining the actual damages the Owner will incur on a daily basis if the Project is not finished on time. Thus Liquidated Damages provision is not a penalty clause.

OR (Note: Delete either the subparagraph 6.5 Liquidated Damages above or subparagraph 6.5 Penalty and Bonus Clause below. If neither applies, delete both subparagraphs.)

6.5 Penalty and Bonus Clause: The Contractor agrees to pay the Owner, as a penalty, the sum of [insert dollar amount in alpha form here] Dollars ($______) per calendar day the Contractor fails to construct the project to a state of Substantial Completion after the time stated in Paragraph 4.2 above. The Owner similarly agrees to pay the Contractor, as a bonus, the same stated amount for each calendar day the project is completed to a state of Substantial Completion before the time stated in Paragraph 4.2.

7.0 ARTICLE 7 - INTEGRATION CLAUSE

7.1 This Agreement represents the entire and integrated agreement (the contract) between the Owner and Contractor. Together with the Contract Documents, it supersedes any prior negotiations, representations, and agreements made to the parties hereto, whether written or oral. The Contract may be amended or modified only by a written instrument executed by duly authorized representatives of both parties.

8.0 ARTICLE 8 - MISCELLANEOUS PROVISIONS - (Insert any other terms and conditions below.)

8.1

8.2

8.3
2.3 Neither the Owner nor the Architect shall have control or charge over construction means, methods, techniques, sequence, procedures, or safety precautions, since these are solely the responsibility of the Contractor.

3.3 The Contractor shall take control of and be solely responsible for construction means, methods, techniques, sequence, procedures, safety procedures and precautions.

11.3 Any dispute that was not resolved by mediation shall be resolved by arbitration. Arbitrations shall be subject to the Federal Arbitration Act. An arbitration shall address any claim, dispute or other matter in question arising out of or related to this Agreement that was not resolved by mediation, and shall be administered by the American Arbitration Association pursuant to rules in effect as of the date of this Agreement. A demand for arbitration shall be made in writing and delivered to the other party and to the American Arbitration Association prior to the expiration of the applicable statute of limitations. Both parties hereto consent to joinder, at the request of either party, with any other arbitration involving this Project and common questions of law or fact.
GC1-2020: GENERAL CONDITIONS (LUMP SUM)

1.0 ARTICLE 1 - DEFINITIONS

1.1 THE CONTRACT DOCUMENTS:
The Contract Documents consist of the Agreement between the Owner and Contractor, drawings, specifications, addendum issued prior to execution of the Agreement, these General Conditions, as modified, and other attachments to the Agreement, as any. The Contract Documents, including these General Conditions, represent the entire and integrated agreement between the Owner and the Contractor. The Contract Documents supersede any prior negotiations, representations and or promises made to the parties herein whether written or oral. The Contract may be amended by written instruments signed by the parties.

1.2 THE WORK:
The Contractor shall furnish all management, labor, materials, services, permits, and transportation to perform and timely complete the construction for the consideration set forth in the Contract Documents.

1.3 INTENT:
The intent of the Contract Documents is to include all items and services necessary for the proper execution and completion of the Work by the Contractor for its intended use and benefit to the Owner. The Contract Documents are complementary, and shall be binding as if required by all. Proper execution and completion of the Work shall be within applicable industry standards and shall be deemed complete.

1.4 COST OF THE WORK (LUMP SUM):
The Total Cost includes the total cost at current market rates of all labor, including fringe benefits, materials, value of equipment rental, taxes, insurance, bonds, overhead and profit necessary to construct the project in a complete and finished manner.

1.5 CHANGE ORDER:
A Change Order is an authorization to change the scope of work for a stated fee and to adjust contract amounts accordingly.

1.6 CONSTRUCTION CHANGE DIRECTIVE:
An Owner may order the Contractor to proceed with a change in the scope of work without prior written agreement regarding the adjustment, if not, in the contract amount or time. The Contractor and the Owner shall determine in advance the method by which the cost of the Construction Change Directive shall be determined. Once the cost is determined, a Change Order shall be issued adjusting the contract sum or time, if required.

2.0 ARTICLE 2 - OWNER'S OBLIGATIONS AND RIGHTS

2.1 The Owners will furnish and pay for survey and any pertaining information about land or existing building conditions.

2.2 The Owner shall secure and pay for necessary surveys, investigations, approvals, assessments, or any changes required for the construction, use or occupancy. The Owner shall obtain and supply the Architect with a survey of the property on which the Work is to be constructed. Said survey shall be no more than six (6) months old prior to the date of submission of the project for a building permit.

2.3 Neither the Owner nor the Architect shall have control or charge over construction means, methods, techniques, sequence, procedures, or safety precautions, since these are solely the responsibility of the Contractor.

2.4 The Owner shall have the authority to reject non-conforming work installed by the Contractor.

2.5 The Owner shall have the right to suspend the Work of the Contractor for any reason whatsoever. The Owner shall give written (7) days written notice to the Contractor of Owner's intent to suspend the Work. The Owner may carry on the Work (7) days after such written notice. The Owner agrees to reimburse the Contractor for any and all actual costs incurred as a direct result of the Owner's suspension of the Work, including any costs incurred in recommencing the Work.

2.6 The Owner shall have the right to stop the Work if the Contractor persistently fails to correct construction defects or defects caused through no fault of the Owner. The Owner shall give written (7) days written notice to the Contractor of Owner's intent to stop the Work. The Owner may carry on the Work (7) days after such written notice.

2.7 If the Contractor fails to take corrective measures and perform under the terms of the Contract following receipt of a seven (7) day notice, the Owner may give a Notice of Termination to the Contractor immediately terminating the Contract. The Owner may deduct from the Contractor's charges, the cost of the succeeding contractor's charges for correcting any deficiencies and delays, as well as the cost of any additional Architect's services and expenses incurred as a direct result of correcting any such terminated Contractor's deficiencies or delays. The Owner shall not be obligated to make any further payments to the terminated Contractor until the Project is complete.

2.7.1 If the succeeding contractor's charges to complete the remainder of the Work are less than the unpaid amount of the terminated Contractor's fee, the Owner shall pay the terminated Contractor such difference.

2.7.2 If the succeeding contractor's charges to complete the remainder of the Work exceed the unpaid amount of the terminated Contractor's fee, the terminated Contractor shall pay the Owner the difference.

3.0 ARTICLE 3 - CONTRACTOR'S OBLIGATIONS AND RIGHTS

3.1 By entering into the Contract, the Contractor acknowledges visiting the site to become familiar with the local conditions and that the Contractor has studied the Contract Documents and resource information, including but not limited to surveys, geotechnical reports, environmental reports, local municipal requirements, etc.

3.2 The Contractor shall supervise and direct the Work and be responsible for co-ordination of all portions of the Work.

3.3 The Contractor shall take control of and be solely responsible for construction means, methods, techniques, sequence, procedures, safety precautions and precautions.
3.4 Prior to commencement of any actual construction work on the Project, the Contractor shall submit a Construction Schedule to the Owner for review and approval. The Construction Schedule shall include all critical milestone dates for the Work and shall further indicate the Work of the various trades on the Project. The Contractor agrees to adhere to the approved Construction Schedule, and to adjust same from time to time, to comply with the dates of Substantial and Final Completion of the Project, and as further reasonably required by the Owner. The Contractor hereby agrees to bring any scheduling problems to the immediate written attention of the Owner.

3.5 The Contractor shall provide the Architect and Owner a Schedule of Shop Drawing submissions for the review and approval of the Architect and Owner. Contractor shall adjust such schedule, from time to time, when reasonably requested by the Architect and/or the Owner. Contractor agrees to stagger Shop Drawing submissions as reasonably necessary to allow both the Architect and Owner sufficient time to review.

3.6 The Contractor shall be solely responsible for the content and accuracy of its subcontractors’ and material suppliers’ Shop Drawing submissions. The Contractor shall review and approve all Shop Drawings prior to submission to the Architect for review. All Shop Drawings without the approval stamp of the Contractor shall be immediately returned to Contractor for his review and approval before the Architect reviews.

3.7 The Contractor shall have the right to suspend or terminate Work on the Project, after providing the Owner ten (10) days written notice, should the Owner fail to pay for Work properly performed on any due date. The Contractor shall have seventy (70) days from date of submission of Contractor’s Request for Payment.

3.8 If Work is suspended more than thirty (30) consecutive days, through no fault of the Contractor, the Contractor, upon giving Notice of Intent to Terminate, may terminate the Agreement. Should the Owner desire the Work to continue during the seventy (70) day notice period, the Contractor shall immediately recommence Work.

4.0 ARTICLE 4 - ARCHITECT’S ADMINISTRATION OF CONSTRUCTION CONTRACT

4.1 Neither the Architect nor the Owner shall have control or change over construction activities, means, methods, techniques, sequence, procedures, or safety precautions. These are solely the responsibility of the Contractor.

4.2 The Architect shall not have the authority nor the responsibility to stop the work.

4.3 The Architect shall evaluate the quality and quantity of Work performed, and verify, to the best of his knowledge, information and belief, the amounts due under the Contractor’s Request for Payment.

4.4 The Architect has the right to reject portions of the Work known to conflict with the Contract Documents.

4.5 The Architect will review Shop Drawings for conformance to the overall design intent. The Architect will not be responsible for checking dimensions, sizes of materials, sizes, or quantities, since these are the sole responsibility of the Contractor. The Architect shall not review Shop Drawings which are not flat reviewed and approved by the Contractor.

4.6 Time spent by the Architect responding to any written Requests for Information (RFI’s), where the information is reasonably inferable from the Contract Documents, shall be billed by the Architect as an Additional Service and backcharged to the Contractor.

5.0 ARTICLE 5 - CONSTRUCTION BY OWNER

5.1 The Owner has the right to perform work on portions of the Project using separate contractors or the Owner’s own work force.

5.2 The Contractor shall provide reasonable cooperation and coordination the Contractor’s activities with the activities of the Owner’s separate contractors or work force.

5.3 The Owner’s separate contractor or Owner’s own work force shall not affect the Contractor’s schedule.

5.4 If the Owner’s separate contractor or the Owner’s own work force affect the Contractor’s schedule, then the Contractor shall be entitled to a Change Order reflecting an equitable adjustment in the Contractor’s fee, the contract time, or both.

5.5 ARTICLE 6 - CHANGES IN THE SCOPE OF WORK

6.1 The Owner has the right to make changes, additions, deletions, or modifications to the Work without invalidating the Contract.

6.2 The Contractor’s fee is not or Contract Time shall be increased by mutual agreement through the use of a written Change Order.

7.0 ARTICLE 7 - CORRECTION OF WORK AND CONTRACTOR’S CORRECTION PERIOD

7.1 During construction, the Contractor shall immediately correct defective and non-conforming work to the satisfaction of the Owner.

7.2 For a period of ten years following the date of Substantial Completion, the Contractor shall correct any defect or non-conforming work.

8.0 ARTICLE 8 - PROJECT CLOSE OUT

8.1 The Contractor shall submit a request for final payment after the Contractor completes all punch list items to the Owner’s reasonable satisfaction. In addition to completion of the punch list items, the Contractor shall submit all final warranties, manufacturer warranties, extended warranties, if any, and any other required submittals specified in the Contract Documents.

9.0 ARTICLE 9 - INSURANCE

9.1 Contractor shall provide the following types and limits of insurance coverage as an express basis of the Contract:

9.1.1 Worker’s Compensation, Occupational Disease, and Employer’s Liability Insurance:
   A. Illinois — Statutory limits
   B. Applicable Federal (if any) Statutory Limit
   C. Employer’s Liability — $2,000,000 per accident and/or illness

9.1.2 Commercial General Liability Insurance including $1,000,000 per occurrence coverage:
   A. Products andcompleted Operations shall be insured for a period of [insert number of years] years after final payment. Damage to material, product, or items of equipment shall be covered by an insurance policy on a legal liability basis or by an extension of the manufacturer’s warranty.
10.0 ARTICLE 10 – INDEMNIFICATION

10.1 To the fullest extent permitted by law, the Contractor shall defend and hold harmless the Owner, the Architect, and the Architect’s Consultant, their respective subcontractors, officers, directors, members, employees, and agents from and against any and all damages, losses, or costs, including reasonable attorneys’ fees and defense costs, to the extent arising out of the negligent performance of the Work by the Contractor, the Contractor’s subcontractors, or anyone for whom the Contractor is legally liable. The indemnification obligation under this Paragraph shall not be limited by any limitation on the amount or type of damages, compensation or benefit payable or by any contractor or subcontractor under worker’s or mechanic’s compensation acts, disability benefit acts or other employee benefit acts. The Contractor shall not be required to indemnify any party for that party’s own negligence.

11.0 ARTICLE 11 – DISPUTE RESOLUTION

11.1 All disputes or claims arising out of or relating to the Contract shall be submitted to mediation at a condition precedent to the institution of any legal or equitable proceeding, by either party. Mediation shall be administered by the American Arbitration Association in accordance with the applicable rules, with effect as of the date of this Agreement. The costs of the mediator and any mediation expenses shall be shared equally by the parties. Nothing contained herein shall be construed to prevent any party from filing a mechanic’s lien or any other civil action to preserve their rights under applicable statutes of limitations or otherwise.

11.2 The Owner and the Contractor further agree to include a similar mediation provision in all agreements with independent contractors and consultants retained for the Project and to require all independent contractors and consultants also to include a similar mediation provision in all agreements with their subcontractors, sub-consultants, suppliers and the parties to all such agreements.

11.3 Any dispute that was not resolved by mediation shall be resolved by arbitration. Arbitration shall be subject to the Federal Arbitration Act. Any arbitration shall award any claim, dispute or matter in question arising out of or related to this Agreement that was not resolved by mediation, and shall be administered by the American Arbitration Association pursuant to rules in effect as of the date of this Agreement. A demand for arbitration shall be made in writing and delivered to the other party and to the American Arbitration Association prior to the expiration of applicable statute of limitations. Both parties reserve the right to submit to mediation, at the request of either party, with any other information involving the Project and common questions of law or fact.

12.0 ARTICLE 12 – MISCELLANEOUS PROVISIONS

12.1 The laws of the state in which the project is located shall govern this agreement. The venue for any litigation in the county in which the project is located.

12.2 Neither party to this agreement shall transfer, sell, or assign this agreement to any other party, without the written consent of the other, which consent shall not be unreasonably withheld.

12.3 Any terms or provisions of this agreement found to be invalid under any applicable statute or rule of law shall be deemed omitted and the remainder of this agreement shall remain in full force and effect.

12.4 Notwithstanding any termination of this agreement for any reason, all rights, duties and obligations of the parties to this agreement shall survive such completion or termination and remain in full force and effect until fulfilled.

12.5 The paragraph titles used in this agreement are for general reference only and are not part of the agreement.

12.6 Nothing contained within this agreement shall prevent any third-party noncompetition agreement with any other part.
GC2-2020: GENERAL CONDITIONS (GUARANTEED MAX)

1.0 ARTICLE 1 – DEFINITIONS

1.1 THE CONTRACT DOCUMENTS:
The Contract Documents consist of the Agreement between the Owners and Contractor, drawings, specifications, schedules issued prior to execution of the Agreement, these General Conditions, as modified, and other attachments to the Agreement, if any. The Contract Documents, including these General Conditions, represent the entire and integrated agreement between the Owners and the Contractor. The Contract Documents supersede any prior negotiations, understandings or promises made to the parties hereto whether written or oral. The Contract may be amended or modified only by a written modification.

1.2 THE WORK:
The Contractor shall furnish all materials, labor, services, permits, transportation to perform and timely complete the construction for the intended use according to the Contract Documents.

1.3 INTENT:
The intent of the Contract Documents is to include all items and services necessary for the proper execution and completion of the Work by the Contractor for the intended use and benefit to the Owners. The Contract Documents are supplementary, and what is required by the Owners shall be included as required by all. Proper execution and completion of the Work shall be in accordance with applicable industry standards. Work not in accordance with applicable industry standards shall be considered defective.

1.4 COST OF THE WORK:
The Cost of the Work includes the total cost of construction of all labor, materials, equipment, services, taxes, insurance, and bonds necessary to construct the project in a complete and workmanlike manner.

1.5 FEE:
The Contractor's fee is the amount of money the Contractor is charging as the Contractor's profit for the construction of the project. The Contractor's general conditions, including overhead, supervision, insurance, and subcontractors, are part of the Cost of the Work, and not part of the Contractor's fee.

1.6 CHANGE ORDER:
A change order is authorization to change the scope of work for a stated fee and to adjust contract amounts accordingly.

1.7 CONSTRUCTION CHANGE DIRECTIVE:
An Owner may direct the Contractor to proceed with a change in the scope of work without prior written agreement regarding the adjustment, if any, to the contract amount or time. The Contractor and Owner shall determine in advance the method by which the cost of the Construction Change Directive shall be determined. Once the cost is determined, a Change Order shall be issued adjusting the contract sum or time, if required.
3.0 ARTICLE 3 - CONTRACTORS OBLIGATIONS AND RIGHTS

3.1 By entering into the Contract, the Contractor acknowledges having met the site to become familiar with local conditions and that the Contractor has studied the Contract Documents and resource information, including but not limited to: tax maps, geotechnical reports, environmental reports, local municipal requirements, etc.

3.2 The Contractor shall supervise and direct the Work and be responsible for co-ordination of all portions of the Work.

3.3 The Contractor shall take control of and be solely responsible for construction means, methods, techniques, sequences, procedures, safety procedures and precautions.

3.4 Prior to commencement of any actual construction work on the Project, the Contractor shall submit a Construction Schedule to the Owner for review and approval. The Construction Schedule shall indicate all critical milestone dates for the Work and shall further indicate the Work of the various trades on the Project. The Contractor agrees to adhere to the approved Construction Schedule, and shall not adjust dates from time to time, to comply with the dates of Substantial and Final Completion of the Project, and to further reasonably revised and approved by the Owner. The Contractor hereby agrees to notify the Owner of any scheduling problems to the immediate written attention of the Owner.

3.5 The Contractor shall provide the Owner and Architect with a Schedule of Shop Drawing submissions for the approval of the Architect and Owner. The Contractor shall submit such schedule, from time to time, when reasonably requested by the Architect and/or the Owner. The Contractor agrees to stagger Shop Drafting submissions as reasonably necessary to allow both the Architect and Owner sufficient time to review.

3.6 The Contractor shall be solely responsible for the accuracy and adequacy of its subcontractors and material suppliers. All Shop Drawings shall be submitted to the Architect for approval. All Shop Drawings without the approval of the Architect shall be immediately returned to the Contractor for his review and approval before the Architect reviews.

3.7 The Contractor shall have the right to suspend or terminate Work on the Project, after providing the Owner with a written notice that the Owner's failure to pay for all Work performed exceeds twenty-five (25) calendar days from date of submission of Contractor's Request for Payment.

3.8 If the Work is suspended for more than thirty (30) consecutive days, through no fault of the Contractor, the Contractor, upon written (7) days Notice of Intent to Suspend, may terminate the Agreement. Should the Owner desire the Work to continue during the (7) days notice period, the Contractor shall immediately recommence Work.

4.0 ARTICLE 4 - ARCHITECT'S ADMINISTRATION OF CONSTRUCTION CONTRACT

4.1 Neither the Architect nor the Owner shall have control or charge over construction activities, means, methods, techniques, sequences, procedures or safety precautions. There are solely the responsibility of the Contractor.

4.2 The Architect shall not have the authority as the responsibility to stop the Work.

4.3 The Architect shall evaluate the quality and progress of Work performed and notify the Owner, to the best of his knowledge, information and belief, the amounts due under the Contractor’s Request for Payment.

4.4 The Architect has the right to reject portions of the Work known not to conform to the Contract Documents.

4.5 The Architect will review Shop Drawings for conformance to the overall design intent. The Architect will not be responsible for checking dimensions, types of materials, size or quantities, since there are the sole responsibility of the Contractor. The Architect will not review Shop Drawings, as noted above, nor will he review or approve the Shop Drawings.

4.6 Time spent by the Architect responding to unnecessary Requests For Information (RFI), where the information is reasonably available from the Contract Documents, shall be billed by the Architect as Additional Services and charged back to the Contractor.

5.0 ARTICLE 5 - CONSTRUCTION BY OWNER

5.1 The Owner has the right to perform Work on portions of the Project using separate contractors on the Owner's own work force.

5.2 The Contractor shall provide reasonable cooperation and coordinate the Contractor's activities with the activities of the Owner's separate contractors on work force.

5.3 The Owner's separate contractors on the Owner's work force shall not affect the Contractor's schedule.

5.4 If the Owner's separate contractors on the work force affect the Contractor's schedule, then the Contractor must be paid a Change Order reflecting an unacceptable adjustment in the Contract.

5.5 ARTICLE 6 - CHANGES IN THE SCOPE OF WORK

6.1 The Owner has the right to make changes, additions, deletions or modifications to the Work without invalidating the Contract.

6.2 The Contractor's Fee and on Contract Time shall be adjusted by mutual agreement through the use of a Change Order.

7.0 ARTICLE 7 - CORRECTION OF WORK AND CONTRACTOR'S CORRECTION PERIOD

7.1 During construction, the Contractor shall maintain correct details and non-conforming work to the reasonable satisfaction of the Owner.

7.2 A period of one year following the date of Substantial Completion, the Contractor shall correct all defects and non-conforming work.

8.0 ARTICLE 8 - PROJECT CLOSE-OUT

8.1 The Contractor shall submit a report for final payment after the Contractor completes all punch lists to the Owner's satisfaction. In addition, to comply with the punch list, the Contractor shall submit all final warranties of the manufacturer's warranties, extended warranties, if any, equipment manuals, and any other required submittals specified in the Contract Documents.

9.0 ARTICLE 9 - INSURANCE

9.1 Contractor shall provide the following types and limits of insurance coverage, all on an occurrence made basis:

9.1.1 Workers' Compensation, Occupational Disease, and Employers' Liability Insurance:
   A. Illinois — Statutory limits
   B. Applicable Federal (if any) Statutory Limits.
GC2-2020: GENERAL CONDITIONS
(GUARANTEED MAX)
12.4 Notwithstanding completion or termination of this Agreement for any reason, all rights, duties and obligations of the parties to this Agreement shall survive such completion or termination and remain in full force and effect until fulfilled.

12.5 The paragraph titles used in this Agreement are for general reference only and are not part of the Agreement.

12.6 Nothing contained within this Agreement shall establish any third-party beneficiary relationship with any other party.
**GC3-2020: GENERAL CONDITIONS (COST OF WORK + FEE)**

**1.0 ARTICLE 1 - DEFINITIONS**

**1.1 THE CONTRACT DOCUMENTS:**

The contract documents consist of the Agreement between the Owner and Contractor, showing drawings, specifications, and other attachments to the Agreement, if any. The contract documents, including these General Conditions, represent the entire and integrated agreement between the Owner and the Contractor. The contractor documents supersede any prior agreements, negotiations, or arrangements made to the parties hereto whether written or oral. The contractor must be satisfied with the contract documents.

**1.2 THE WORK:**

The contractor shall furnish all labor, materials, services, permits, and transportation to perform and complete the construction as intended according to the contract documents.

**1.3 INTENT:**

The intent of these contract documents is to include all items and services necessary for the proper execution and completion of the work by the Contractor for its intended use and benefit to the Owner. The contract documents are comprehensive, and what is contained within it shall be binding as provided by law.

**1.4 COST OF THE WORK:**

Cost of the Work includes the total cost at current market rates of all labor, including fringe benefits, materials, value of equipment rentals, taxes, insurance, and any other costs necessary to complete the project in a complete and operable condition.

**1.5 FEE:**

The contractor's fee is the amount allowed the contractor to charge the owner for services rendered. The contractor must be satisfied with any written agreement regarding the adjustment, if any, in the contract amount or time. The contractor and the Owner shall determine as an extension the method by which the cost of the construction change.

**1.6 CHANGE ORDER:**

A change order is an instruction to change the scope of work for a fixed fee and to effect change amounts accordingly.

**1.7 CONSTRUCTION CHANGE DIRECTIVE:**

Any Owner may order the Contractor to proceed with a change in the scope of work without prior written agreement regarding the adjustment, if any, to the contract amount or time. The Contractor and the Owner shall determine as an extension the method by which the cost of the construction change.

**2.0 ARTICLE 2 - OWNER'S OBLIGATIONS AND RIGHTS**

**2.1** The Owner will furnish and pay for survey and any pertinent information about land or existing building conditions.

**2.2** The Owner shall execute and pay for necessary surveys, investigations, appraisals, or any charges required for the construction use as necessary. The Owner shall obtain and supply the Architect with a survey of the property upon which the Work is to be constructed. Said survey shall be no more than six (6) months old prior to the date of submission of the project for a building permit.

**2.3** Neither the Owner nor the Contractor shall have control over changes or over construction methods, procedures, or safety precautions, once these are under the responsibility of the Contractor.

**2.4** The Owner shall have the authority to reject nonconforming work installed by the Contractor.

**2.5** The Owner shall have the right to inspect the Work of the Contractor for any reason whatsoever. The Owner shall give seven (7) days written notice to the Contractor of Owner's intent to inspect the Work. The Owners may enter the work site (7) days after such written notice. The Owner agrees to allow the Contractor for one (1) hour of paid time per inspection. The Owner may cancel the inspection (7) days after written notice.

**2.6** The Owner shall have the right to stop the Work if the Contractor pauses the work or if the owner notices defects or delays caused by fault of the Owner. The Owner shall give seven (7) days written notice to the Owner of the Owner's intent to stop the work. The Owner may enter the work site (7) days after written notice.

**2.7** If the Contractor fails to take corrective measures and perform under the terms of the Contract without notice of termination, the Owner may terminate the Contract. The Owner may deduct from the Contractor's charges, the cost of the succeeding contractor's charges for correcting any deficiencies or delays, as well as the cost of any additional work required at no additional cost to the succeeding contractor. The succeeding contractor's deductions or delays. The Owner shall not be obligated to make further payments to the terminated Contractor until the Project is complete.

**2.7.1** If the succeeding contractor's charges exceed the remainder of the Work in excess of the unpaid amount of the terminated Contractor's fee, the Owner shall pay the terminated Contractor's fee.

**3.0 ARTICLE 3 - CONTRACTORS OBLIGATIONS AND RIGHTS**

**3.1** By entering into the Contract, the Contractor acknowledges visiting the site to become familiar with the local conditions and that the Contractor has studied the Contract documents and their contents, including but not limited to covenants, geological reports, environmental reports, local municipal requirements, etc.

**3.2** The Contractor shall supervise and direct the Work and be responsible for coordination of all portions of the Work.
GC3-2020: GENERAL CONDITIONS (COST OF WORK + FEE)

3.3 The Contractor shall take control and be solely responsible for construction methods, means, techniques, sequence, procedures, safety procedures and precautions.

3.4 Prior to commencement of any actual construction work on the Project, the Contractor shall submit a Construction Schedule to the Owner for review and approval. The Construction Schedule shall indicate all critical milestones dates for the Work and shall further indicate the Work to be performed on the Project. The Contractor agrees to achieve the approved Construction Schedule, and to adjust same from time to time, so as to comply with the dates of Substantial and Final Completion of the Project, as scheduled by the Owner. The Contractor hereby agrees to bear any scheduling problems to the immediate written attention of the Owner.

3.5 The Contractor shall provide the Architect and Owner’s Schedule of Shop Drawings submissions for the review and approval of the Architect and Owner. Contractor shall adjust such schedule from time to time, when reasonably requested by the Architect and/or the Owner. Contractor agrees to stagger Shop Drawings submissions as reasonably necessary to allow both the Architect and Owner sufficient time to review same.

3.6 The Contractor shall be solely responsible for the cost and accuracy of its subcontractors’ and material suppliers’ Shop Drawings. The Contractor shall review and approve all Shop Drawings prior to submission to the Architect for review. All Shop Drawings without the approval stamp of the Contractor shall be immediately returned to the Contractor for review before the Architect reviews the same.

3.7 The Contractor shall have the right to suspend or terminate Work on the Project, after providing the Owner with a (7) days written notice, should the Owner fail to pay for all Work performed exceed thirty (30) calendar days from date of submission of Contractor’s Request for Payment.

3.8 If the Work is suspended more than thirty (30) consecutive days, through no fault of the Contractor, the Contractor, upon seven (7) days Notice of Intent to Terminate, may terminate the Agreement. Should the Owner desire to continue the Work during the seven (7) days notice period, the Contractor shall immediately recommence Work.

4.0 ARTICLE 4 - ARCHITECT’S ADMINISTRATION OF CONSTRUCTION CONTRACT

4.1 Whenever the Owner or the Architect shall have control or change over construction activities, means, methods, techniques, sequence, procedure, or safety precautions. These shall be the responsibility of the Contractor.

4.2 The Architect shall not have the authority not the responsibility to stop the work.

4.3 The Architect shall evaluate the quality of Work performed and certify, to the best of his knowledge, information and belief, the amount due under the Contractor’s Request for Payment.

4.4 The Architect has the right to select portions of the Work known not to conform to the Contract Documents.

4.5 The Architect will review Shop Drawings for conformance to the overall design intent. The Architect will not be responsible for checking dimensions, gates of materials, sizes, or quantities, since these are the sole responsibility of the Contractor. The Architect shall not review Shop Drawings, which are not interrelated and approved by the Contractor.

4.6 Time spent by the Architect responding to unnecessary Request for Information (RFIs), where the information is reasonably obtainable from the Contract Documents, shall be billed by the Architect as an Additional Service and backcharged to the Contractor.

5.0 ARTICLE 5 – CONSTRUCTION BY OWNER

5.1 The Owner has the right to perform Work on portions of the Project using separate contractors on the Owner’s own work force.

5.2 The Contractor shall provide reasonable cooperation and coordinate the Contractor’s activities with the activities of the Owner’s separate contractors or work force.

5.3 The Owner’s separate contractor or Owner’s work force shall not affect the Contractor’s schedule.

5.4 If the Owner’s separate contractor or Owner’s work force affect the Contractor’s schedule, then the Contractor shall be entitled to a Change Order reflecting a reasonable adjustment to the Contractor’s fee, the contract time, or both.

6.0 ARTICLE 6 – CHANGES IN THE SCOPE OF WORK

6.1 The Owner has the right to make changes, additions, deletions, or modifications to the Work without invalidating the Contract.

6.2 The Contractor’s fee and/or Contract Time shall be adjusted by mutual agreement through the use of a written Change Order.

7.0 ARTICLE 7 – CORRECTION OF WORK AND CONTRACTOR’S CORRECTION PERIOD

7.1 During construction, the Contractor shall immediately correct defects and non-conforming Work to the reasonable satisfaction of the Owner.

7.2 For a period of one year following the date of Substantial Completion, the Contractor shall correct all defects and non-conforming Work.

8.0 ARTICLE 8 – PROJECT CLOSE OUT

8.1 The Contractor shall submit a request for final payment after the Contractor’s complete all punch list items to the Owner’s reasonable satisfaction. In addition to completion of the punch list items, the Contractor shall submit all final warranties of its manufacturers’ warranties, extended warranties, if any, equipment manuals, and any other required submissions specified in the Contract Documents.

9.0 ARTICLE 9 – INSURANCE

9.1 Contractor shall provide the following types and limits of insurance coverage, all on an occurrence basis:

9.1.1 Workers’ Compensation, Occupational Disease, and Employer’s Liability Insurance:
   A. Illinois – Statutory limits
   B. Applicable Federal (if any) Statutory limits
   C. Employer’s Liability – $____ million each accident, occupational disease.
   D. For work in Illinois, the Employer’s Liability coverage shall be extended to cover contractual liability relating to subcontracts written.

9.1.2 Commercial General Liability Insurance, including as minimum coverages:
   A. Products and Completed Operations shall be maintained for ____ years after final payment. Damage to material, product, or item of equipment shall be covered by an Insurance Policy on a completed operations basis or an extension of the manufacturer’s warranty.
GC3-2020: GENERAL CONDITIONS (COST OF WORK + FEE)

10. ARTICLE 10 – INDEMNIFICATION

10.1 To the fullest extent permitted by law, the Contractor shall defend and hold harmless the Owner, the Architect and the Architect's Consultant, from any and all claims, at all times, subject to the terms of this Agreement.

11. ARTICLE 11 – DISPUTE RESOLUTION

11.1 All disputes arising out of or relating to the Contract shall be submitted to arbitration as a condition precedent to the institution of legal or equitable proceedings by either party. Mediation shall be administered by the American Arbitration Association in accordance with the applicable rules. The cost of the mediation and the arbitration proceedings shall be shared equally by the parties. The deciding arbitrator shall proceed to submit any dispute between the parties to the American Arbitration Association prior to the expiration of the applicable statute of limitations.

12. ARTICLE 12 – MISCELLANEOUS PROVISIONS

12.1 The laws of the state in which the project is located shall govern this agreement. The venue for any disputes shall be located in the state where the project is located.

12.2 Notices to the Owner shall be made in writing and shall include the name of the party to whom the notice is directed.

12.3 Any part or provision of this Agreement found to be invalid under any applicable statute or rule of law shall be deemed amended or reinterpreted as, the remainder of this Agreement shall remain in full force and effect.

12.4 The termination or completion of the Agreement for any reason, including, without limitation, the termination of the Agreement for default, shall not affect the rights of the parties under this Agreement.

12.5 The name(s) used in this Agreement are for general reference only and are not a third-party relationship.
QUESTIONS?

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