# Standard Form of Agreement Between Design-Builder and Contractor

AGREEMENT made as of the day of in the year	
(In words, indicate day, month and year.)	
BETWEEN the Design-Builder: (Name, legal status, address and other information)	This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.
and the Contractor: (Name, legal status, address and other information)	Consultation with an attorney is also encouraged with respect to professional licensing requirements in the jurisdiction where the Project is located.
The Design-Builder has entered into a Design-Build Contract with the Owner dated:	
for the following Project:	
(Name, location and detailed description)	
Owner:	
(Name, legal status, and address)	
The Design-Builder and Contractor agree as follows.	

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#### ARTICLE 1 THE CONTRACT DOCUMENTS AND THE CONTRACT

§ 1.1 Contract Documents. The Contract Documents consist of those documents enumerated in Article 9 and any Modifications issued after execution of this Agreement. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Architect and Contractor, (2) between the Owner and a Contractor or Subcontractor, (3) between the Owner and Architect or (4) between any persons or entities other than the Design-Builder and Contractor. Unless specifically enumerated in this Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Design-Builder in anticipation of receiving bids or proposals; the Contractor's bid or proposal; or portions of Addenda relating to bidding requirements.

§ 1.2 The Contract. The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations or agreements, either written or oral.

§ 1.2.1 The Contract may be amended or modified only by a Modification. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Design-Builder.

## ARTICLE 2 THE WORK OF THIS AGREEMENT

The Contractor shall fully execute the Work as defined in Section A.1.1.4 of Exhibit A and shall perform Preconstruction Services, if any, as identified in Exhibit C.

#### ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Design-Builder.

(Insert the date of commencement if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

§ 3.2 The Contract Time shall be measured from the date of commencement.					
§ 3.3 The Contractor shall achieve Substantial Completion of the Work not later than days from the date of commencement, or as follows:					
(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. If appropriate, insert requirements for earlier Substantial Completion of certain portions of the Wor	·k.)				
Portion of Work Substantial Completion Date					
, subject to adjustments of this Contract Time as provided in the Contract Documents. (Insert provisions, if any, for liquidated damages relating to failure to achieve Substantial Completion on time or for bonus payments for early completion of the Work, including the method for determining the liquidated damages.)					
ARTICLE 4 CONTRACT SUM § 4.1 The Design-Builder shall pay the Contractor the Contract Sum for the Contractor's performance of the Work. Compensation for Preconstruction Services, if any, shall be as set forth in Exhibit C. The Contract Sum shall be one of the following: (Check the appropriate box.)	of				
☐ Stipulated Sum in accordance with Section 4.2 below					
☐ Cost of the Work Plus Contractor's Fee in accordance with Section 4.3 below					
Cost of the Work Plus Contractor's Fee with a Guaranteed Maximum Price in accordance with Section 4.4 below					
(Based on the selection above, complete either Section 4.2, 4.3, or 4.4 below.)					
§ 4.2 Stipulated Sum \$ 4.2.1 The Stipulated Sum shall be (\$), subject to additions and deductions as provided in the Contract Documents.					
§ 4.2.2 The Stipulated Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Design-Builder: (State the numbers or other identification of accepted alternates. If the bidding or proposal documents permit the Design-Builder to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such of alternates showing the change in Stipulated Sum for each and the deadline by which the alternate must be accepted.)					

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50.00)	follows:
oulated Sum is based, are as	follows:
ovision for determining the	Contractor's Fee.)
hanges in the Work:	
profit for increases in the co	st of its portion of the Work:
	hanges in the Work:

Init.

at the place of the Project.

§ 4.3.6 Unit prices, if any: (Identify item, state the unit price, and state	te any applicable quantity limitations.)	
Item	Units and Limitations	Price per Unit (\$0.00)
§ 4.4 Cost of the Work Plus Contractor's Fe § 4.4.1 The Cost of the Work is as defined § 4.4.2 The Contractor's Fee: (State a lump sum, percentage of Cost of the	in Exhibit D.	ng the Contractor's Fee.)
§ 4.4.3 The method of adjustment of the Co	ontractor's Fee for changes in the Work:	
§ 4.4.4 Limitations, if any, on a Subcontrac	ctor's overhead and profit for increases in	the cost of its portion of the Work:
§ 4.4.5 Rental rates for Contractor-owned of at the place of the Project.  § 4.4.6 Unit prices, if any: (Identify item, state the unit price, and state)		cent (%) of the standard rate paid
ltem	Units and Limitations	Price per Unit (\$0.00)
§ 4.4.7 The Contract Sum is guaranteed by deductions by Change Order as provided i Documents as the Guaranteed Maximum I shall be paid by the Contractor without rei (Insert specific provisions if the Contractor)	n the Contract Documents. Such maximu Price. Costs that would cause the Guarant imbursement by the Design-Builder.	m sum is referred to in the Contract

§ 4.4.7.1 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Design-Builder:

(State the numbers or other identification of accepted alternates. If bidding or proposal documents permit the Design-Builder to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the change in the Cost of the Work and Guaranteed Maximum Price for each and the deadline by which the alternate must be accepted.)

§ 4.4.7.2 Allowances included in the Guaranteed Maximum Price, if any: (*Identify allowance and state exclusions, if any, from the allowance price.*)

Item Price (\$0.00)

§ 4.4.7.3 Assumptions, if any, on which the Guaranteed Maximum Price is based:

§ 4.4.7.4 To the extent that the Design-Builder and Contractor anticipate that the Design-Builder shall further develop the Drawings and Specifications, the Contractor has provided in the Guaranteed Maximum Price for the cost of the Work reflected in such further development, so long as the Work is consistent with the Contract Documents and reasonably inferable therefrom and does not result in a change in the scope of the Work, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order.

#### ARTICLE 5 CHANGES IN THE WORK

§ 5.1 Adjustments of the Contract Sum on account of changes in the Work may be determined by any of the methods listed in Article A.6 of Exhibit A, Terms and Conditions.

§ 5.2 Where the Contract Sum is the Cost of the Work, with or without a Guaranteed Maximum Price, and no specific provision is made in Sections 4.3.3 or 4.4.3 for adjustment of the Contractor's Fee in the case of Changes in the Work, or if application of the adjustment described in 4.3.3 or 4.4.3 will cause substantial inequity to the Design-Builder or Contractor, the Contractor's Fee shall be equitably adjusted on the same basis used to establish the Fee established for the original Work, and the Contract Sum shall be adjusted accordingly.

## ARTICLE 6 PAYMENTS

§ 6.1 Progress Payments

§ 6.1.1 Based upon Applications for Payment submitted to the Design-Builder by the Contractor, the Design-Builder shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 6.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 6.1.3 Provided that an Application for Payment is received not later than the \_\_\_\_\_\_\_ day of the month, the Design-Builder shall include the Contractor's Work covered by that application in the next application for payment which the Design-Builder is entitled to submit to the Owner. The Design-Builder shall pay the Contractor each progress payment no later than seven working days after the Design-Builder receives payment from the Owner. If the Owner does not issue a certificate for payment or the Design-Builder does not receive payment for any cause which is not the fault of the Contractor, the Design-Builder shall pay the Contractor, on demand, a progress payment computed as provided in the Contract Documents. If an Application for Payment is received by the Design-Builder after the application date fixed above, the Design-Builder shall include the Contractor's Work covered by the Application for Payment in the Design-Builder's next application for payment to the Owner.

§ 6.1.4 With each Application for Payment where the Contract Sum is based upon the Cost of the Work, or the Cost of the Work with a Guaranteed Maximum Price, the Contractor shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Design-Builder to demonstrate that cash disbursements already made by the Contractor on account of the Cost of the Work equal or exceed (1) progress payments already received by the Contractor, less (2) that portion of those payments attributable to the Contractor's Fee; plus (3) payrolls for the period covered by the present Application for Payment.

§ 6.1.5 With each Application for Payment where the Contract Sum is based upon a Stipulated Sum or Cost of the Work with a Guaranteed Maximum Price, the Contractor shall submit the most recent schedule of values in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. Compensation for design services, if any, shall be shown separately. Where the Contract Sum is based on the Cost of the Work with a Guaranteed Maximum Price, the Contractor's Fee shall be shown separately. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Design-Builder may require. This schedule of values, unless objected to by the Design-Builder, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 6.1.6 In taking action on the Contractor's Applications for Payment, the Design-Builder shall be entitled to rely on the accuracy and completeness of the information furnished by the Contractor. The Design-Builder shall not be deemed to have made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Sections 6.1.4 or 6.1.5, or other supporting data; to have made exhaustive or continuous on-site inspections; or to have made examinations to ascertain how or for what purposes the Contractor has used amounts previously paid on account of this Agreement. Such examinations, audits and verifications, if required by the Design-Builder, will be performed by the Design-Builder's auditors acting in the sole interest of the Design-Builder.

§ 6.1.7 Except with the Design-Builder's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

## § 6.2 Progress Payments—Stipulated Sum

§ 6.2.1 Applications for Payment where the Contract Sum is based upon a Stipulated Sum shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 6.2.2 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of \_\_\_\_\_\_ percent (\_\_%) on the Work. Pending final determination of cost to the Design-Builder of Changes in the Work, amounts not in dispute shall be included as provided in Section A.6.3.9 of Exhibit A, Terms and Conditions;
- .2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Design-Builder, suitably stored off the site at a location agreed upon in writing), less retainage of \_\_\_\_\_\_ percent (\_\_%);
- .3 Subtract the aggregate of previous payments made by the Design-Builder; and
- Subtract amounts, if any, for which the Design-Builder has withheld or nullified a payment as provided in Section A.8.4 of Exhibit A, Terms and Conditions.

- § 6.2.3 The progress payment amount determined in accordance with Section 6.2.2 shall be further modified under the following circumstances:
  - .1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Design-Builder shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and (Section A.8.7.5 of Exhibit A, Terms and Conditions discusses release of applicable retainage upon Substantial Completion of Work.)
  - .2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Section A.8.9.3 of Exhibit A, Terms and Conditions.

## § 6.2.4 Reduction or limitation of retainage, if any, shall be as follows:

(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Sections 6.2.2.1 and 6.2.2.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)

# § 6.3 Progress Payments—Cost of the Work Plus a Fee

§ 6.3.1 Where the Contract Sum is based upon the Cost of the Work plus a fee without a Guaranteed Maximum Price, Applications for Payment shall show the Cost of the Work actually incurred by the Contractor through the end of the period covered by the Application for Payment and for which Contractor has made or intends to make actual payment prior to the next Application for Payment.

§ 6.3.2 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take the Cost of the Work as described in Exhibit D;
- .2 Add the Contractor's Fee, less retainage of \_\_\_\_\_\_ percent (\_\_%). The Contractor's Fee shall be computed upon the Cost of the Work described in the preceding Section 6.3.2.1 at the rate stated in Section 4.3.2; or if the Contractor's Fee is stated as a fixed sum in that Section, an amount which bears the same ratio to that fixed-sum Fee as the Cost of the Work in that Section bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .3 Subtract retainage of \_\_\_\_\_\_ percent (\_\_%) from that portion of the Work that the Contractor self-performs;
- .4 Subtract the aggregate of previous payments made by the Design-Builder;
- .5 Subtract the shortfall, if any, indicated by the Contractor in the documentation required by Section 6.1.4 or resulting from errors subsequently discovered by the Design-Builder's auditors in such documentation; and
- .6 Subtract amounts, if any, for which the Design-Builder has withheld or withdrawn a payment as provided in Section A.8.4 of Exhibit A, Terms and Conditions.

§ 6.3.3 The Design-Builder and Contractor shall agree upon (1) a mutually acceptable procedure for review and approval of payments to Subcontractors and (2) the percentage of retainage held on Subcontracts, and the Contractor shall execute subcontracts in accordance with those agreements.

# § 6.4 Progress Payments—Cost of the Work Plus a Fee With a Guaranteed Maximum Price

§ 6.4.1 Applications for Payment where the Contract Sum is based upon the Cost of the Work Plus a Fee with a Guaranteed Maximum Price shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed; or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Design-Builder on account of that portion of the Work for which the Design-Builder has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 6.4.2 Subject to or as follows:	ther provisions of the Contract Documents, the amount of each progress payment shall be computed
.1 Take dete Gua dete	e that portion of the Guaranteed Maximum Price properly allocable to completed Work as rmined by multiplying the percentage of completion of each portion of the Work by the share of the ranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final rmination of cost to the Design-Builder of changes in the Work, amounts not in dispute shall be uded as provided in Section A.6.3.9 of Exhibit A, Terms and Conditions.
.2 Add deliv	that portion of the Guaranteed Maximum Price properly allocable to materials and equipment wered and suitably stored at the site for subsequent incorporation in the Work, or if approved in ance by the Design-Builder, suitably stored off the site at a location agreed upon in writing;
.3 Add com as a Cost	the Contractor's Fee, less retainage of percent (%). The Contractor's Fee shall be puted upon the Cost of the Work at the rate stated in Section 4.4.2 or, if the Contractor's Fee is stated fixed sum in that Section, shall be an amount that bears the same ratio to that fixed-sum fee as the tof the Work bears to a reasonable estimate of the probable Cost of the Work upon its completion;
	tract retainage of percent (%) from that portion of the Work that the Contractor self-orms;
.5 Subt	tract the aggregate of previous payments made by the Design-Builder; tract the shortfall, if any, indicated by the Contractor in the documentation required by Section 6.1.4
Desi	abstantiate prior Applications for Payment, or resulting from errors subsequently discovered by the ign-Builder's auditors in such documentation; and
	tract amounts, if any, for which the Design-Builder has withheld or nullified a payment as provided ection A.8.4 of Exhibit A, Terms and Conditions.
of payments to Sub	Builder and Contractor shall agree on (1) a mutually acceptable procedure for review and approval contractors and (2) the percentage of retainage held on subcontracts, and the Contractor shall execute ordance with those agreements.
Contractor not later requirements of Secondary	stituting the entire unpaid balance of the Contract Sum, shall be made by the Design-Builder to the r than 30 days after the Contractor has fully performed this the Work of this Agreement and the ction A.8.9 of Exhibit A, Terms and Conditions have been satisfied, except for the Contractor's rrect non-conforming Work discovered after final payment or to satisfy other requirements, if any,
ARTICLE 7 DISPU	TE RESOLUTION
Exhibit A, Terms a (Check the appropriately below, or do not su	te Resolution. For any Claim subject to, but not resolved by, mediation pursuant to Section A.15.3 of nd Conditions, the method of binding dispute resolution shall be the following: riate box. If the Design-Builder and Contractor do not select a method of binding dispute resolution absequently agree in writing to a binding dispute resolution method other than litigation, Claims will ation in a court of competent jurisdiction.)
☐ Arbi	itration pursuant to Section A.15.4 of Exhibit A, Terms and Conditions
☐ Litig	gation in a court of competent jurisdiction
Othe	er: (Specify)
§ 8.1 Design profes practice their profe	LLANEOUS PROVISIONS sionals and consultants, if any, engaged by the Contractor shall be persons or entities duly licensed to ssions as required in the jurisdiction where the Project is located and are listed as follows: ess, license number, relationship to Contractor and other information.)

License Number

Relationship to

Contractor

Other Information

Name and Address

§ 8.2 The Architect and any other design professionals and consultants engaged directly by the Design-Builder are listed below, along with their professions and responsibilities: (Insert name, address, license number, if applicable, and responsibilities to Design-Builder and other information.)					
Responsibilities Name and Address License Number to Design-Builder Other Information					
§ 8.3 The Design-Builder's representative, identified pursuant to Section A.2.1.2 of Exhibit A: (Insert name, address and other information.)					
§ 8.4 The Contractor's representative, identified pursuant to Section A.3.1.1 of Exhibit A: (Insert name, address and other information.)					
§ 8.5 Neither the Design-Builder's nor the Contractor's representative shall be substituted without ten days written notice to the other party.					
§ 8.6 Where reference is made in this Agreement to a provision of another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.					
§ 8.7 Payments due and unpaid under this Agreement shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located. ( <i>Insert rate of interest agreed upon, if any.</i> )					
ARTICLE 9 ENUMERATION OF THE CONTRACT DOCUMENTS § 9.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated in the Sections below:					
§ 9.1.1 The Agreement is this executed edition of AIA Document A142 <sup>TM</sup> —2014, Standard Form of Agreement Between Design-Builder and Contractor.					

§ 9.1.2 The Supplementary and other Conditions of the Contract:

Document

(Either list applicable documents or refer to an exhibit attached to this Agreement.)

Title

Date

**Pages** 

§ 9.1.3 The Specifications: (Either list the Specification	here or refer to an	exhibit attached to this Agreen	nent.)
Section	Title	Date	Pages
§ 9.1.4 The Drawings: (Either list the Drawings her	re or refer to an exh	ibit attached to this Agreemen	it.)
Number		Title	Date
§ 9.1.5 The Addenda, if any:			
Number	Date	Pages	
§ 9.1.6 Portions of AIA Docu Contract, that are applicable			ects, attached to the Design-Build
§ 9.1.7 The Sustainability Pla (Identify the document or do date and number of pages, a	cuments in the Sust	ainability Plan that are includ entifying information.)	ed in the Contract Documents by title
Title		Date	Pages
Other identifying informatio	n:		

§ 9.1.8 If portions of Exhibit C, Sustainable Projects attached to the Design-Build Contract, relate to the Work or if
portions of the Sustainability Plan are included in the Contract Documents, the terms in this Agreement shall have the
same meaning as those set forth in Exhibit C, Sustainable Projects.

#### § 9.1.9 Exhibit A, Terms and Conditions.

(If the parties agree to substitute terms and conditions other than those contained in AIA Document A142, Exhibit A, Terms and Conditions, then identify such terms and conditions and attach to this Agreement as Exhibit A.)

## § 9.1.10 Exhibit B, Insurance and Bonds.

(Complete AIA Document A142, Exhibit B, Insurance and Bonds.)

# § 9.1.11 Exhibit C, Preconstruction Services, if applicable.

(Describe in Exhibit C the Preconstruction Services, if any, and the method of compensation for such services. If the Contractor will perform no Preconstruction Services, write "not applicable" in the space below.)

# § 9.1.12 Exhibit D, Determination of the Cost of the Work, if applicable.

(If the parties agree to substitute a method to determine the Cost of the Work other than that contained in AIA Document A142, Exhibit D, Determination of the Cost of the Work, describe such other method in the space below or in a document attached to this Agreement as Exhibit D. If the Contract Sum is a Stipulated Sum, then write "not applicable." in the space below.)

## § 9.1.13 Additional documents, if any, forming part of the Contract Documents:

- AIA Document E203<sup>TM</sup>–2013, Building Information Modeling and Digital Data Exhibit, if completed by the parties, or the following:
- .2 Other documents, if any, listed below:

(List here any additional documents that are intended to form part of the Contract Documents. This Agreement provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

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I mis .	Agreement	enterea i	nto as	or the	uav and	vear nrst	written	above.

DESIGN-BUILDER (Signature)	CONTRACTOR (Signature)
(Printed name and title)	(Printed name and title)