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# FROM LEADERS IN CONSTRUCTION LAW

“HOW CAN CONTRACTORS MINIMIZE THE POTENTIAL FOR CONTRACT DOCUMENT DISPUTES?”



**KENNETH W. COBLEIGH**

*Managing Director and  
Counsel, AIA Contract  
Documents*

American Institute of Architects

Contract disputes often result when one party has differing expectations about the performance obligations of the other party. Written contracts that describe, at a minimum, the scope of work or services, the payment terms and conditions, the project timeline, the insurance considerations, the terms associated with correction of work, and the terms associated with changes in scope of work or services are critical to ensuring each party has a clear understanding of its obligations and the other party's expectations.

When each of these contractual points is memorialized clearly, in plain language understandable to both parties, the potential for contract disputes is greatly reduced. In this sense, shorter contracts are not always bet-

ter contracts. Contract documents should be sufficiently detailed so important information regarding each party's obligations and expectations is not omitted or written vaguely. Also, it is important the roles and responsibilities described in the owner-contractor agreement be coordinated with the terms of the contractor-subcontractor and owner-architect agreements.

Construction industry organizations, such as the American Institute of Architects, developed standard form contract documents that address these contractual points with widely recognized, tested and accepted language. By repeatedly using coordinated standard form contract documents, parties will develop and share a clear understanding of their roles and responsibilities. This shared understanding also helps streamline contract review and negotiations by allowing the parties to focus on modifications to the contract rather than the standard terms and conditions.

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o help construction companies minimize the potential for legal disputes, *Construction Executive* asked leading experts for their advice on a broad array of construction and business-related issues, including liability for achieving specified LEED and green building requirements; best practices when drafting contract documents; the impact of new Environmental Protection Agency (EPA) regulations; and considerations when forming a new business entity.