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I. PARTIES TO THE CONSTRUCTION PROJECT

A. OWNER

The person or entity which owns the project. An owner may also be the general contractor for the project, provided it has experience to do so. The inexperienced owner should avoid assuming such a responsibility, but if it wishes to do so, however, it should consider employing a construction manager rather than a general contractor.

B. ARCHITECT

The person or entity licensed by the state to practice architecture or it may be a structural engineer employed by the Owner to design the project and who will “monitor” the construction of the project in order to assure that construction is in accordance with the plans and specifications prepared by the Architect and approved by the Owner and Contractor.

C. INSPECTING ARCHITECT

The person or entity engaged by the lender to independently check and verify that the progress of construction conforms to the plans, specifications and Contract Documents in order to permit construction loan payments to the contractor. Her responsibility is not to the Owner but to the lender, to assure the lender that the lender is paying for true construction costs and not "dreams and to assure lender priority.

D. CONTRACTOR

The person or entity who has been employed directly by the Owner to build or coordinate construction of the project in accordance with the plans, specifications and Contract Documents. The General or Prime Contractor has the overall responsibility of construction of the job as opposed to the Subcontractor.

E. SUBCONTRACTOR

The entity engaged by the Contractor to perform a specific portion of the work, such as plumbing, excavation, heating, ventilating, and air conditioning.

F. CONSTRUCTION MANAGER

The person or entity that performs the planning, advisory and supervisory functions that would otherwise be divided among the Architect, Owner and General Contractor. Unlike the traditional General Contractor, is not "at risk" if it is an agency construction Manager. He does not pay the subcontractors from his own funds but acts as a conduit for payment by the Owner, and as such he is the agent of the Owner and can legally bind the owner to his acts.
II. THE CONTRACT DOCUMENTS

A. BASIC CONTRACT

This is the agreement which defines the project scope, penalties for failure to perform on schedule and in accordance with the plans and specifications, the payment process and documents required for each payment request, usually referred to as the Draw. Simply stated, it contains the business terms of the transaction. Contract Price is usually fixed at the inception of the project by the subcontractor prices, the so-called “Buyout.”

B. GENERAL CONDITIONS

While considered a Contract Document, it contains the administrative procedures such as definitions, owner responsibility, contractor responsibility, dispute resolution procedures, payment procedures and insurance requirements as well as termination procedures. The most widely accepted form of General Condition is that which is published by the American Institute of Architects and commonly referred to the A201. The most recent edition was published in Fall, 1997.

C. SUPPLEMENTAL GENERAL CONDITIONS

This is also considered a Contract Document and is customarily produced by the architect or other design professional and is tailored to the specific project.

D. PLANS

This represents the graphic depiction of the project.

E. SPECIFICATIONS

This Contract Documents expands upon the Plans and is a narrative of details not readily apparent from the Plans. It customarily follows the format of the Construction Specifications Institute (CSI) and consists of 12 sections, one for each trade or building component.

III. PROJECT DELIVERY SYSTEMS

A. DESIGN-BID-BUILD

1. Defined

A tri-party, three phase linear sequencing system with Owner/contractor/design professional, where the owner has separate, independent contracts with contractor and design professional
2. Use

It is most often used for conventional projects and is readily usable for virtually any type of project. However, public agencies use it due to statutory requirements that public owners must award the contract to the “lowest responsible bidder” which can only be properly administered by this process.

3. Advantages

It is familiar and easy to understand and it is also easier to compare costs due to the use of the competitive bidding process.

The roles and designated functions of the parties minimize potential conflicts of interest.

Completion of design prior to commencement of construction leads to reliable cost of construction. It is also easier for owners to manage due to linear sequencing making scheduling a sequential and linear process without overlapping activities.

Architect allegiance is only to owner and not to the contractor.

4. Disadvantages

Linear sequencing can cause a lengthy construction process and a delay in any one sequence impacts upon other sequences causing further delays.

The separation of design and construction functions can inhibit communications between design professional and constructor and increases potential for litigation.

Accurate cost of construction cannot be complete until design is completed by the architect, and if the responsive bids too high there could be a further delay due to necessity to redesign and re-bid.

B. CONSTRUCTION MANAGEMENT (Not at Risk)

1. Defined

The Construction Manager acts in advisory role with design professional and contractor in their conventional roles.

There are four prime parties: Owner, Construction Manager, Contractor and Design Professional. It is the Construction Manager who oversees design in terms of cost, schedule and constructibility and then oversees the construction phase as an advisor or agent of the owner.

2. Use

It is often used on large, complex projects.

3. Advantages