

Chapter 1 : Important Changes to AIA Contract Forms - Cokinos | Young

AIA Document A191, General Conditions of the Contract for Construction, is considered the keystone document of the Conventional (A) family of documents because it provides the terms and conditions under which the Owner, Contractor, and Architect will work together during the building construction process.

Further duplication without permission is prohibited. In , the AIA rolled out new updates to its form contracts, including the familiar A, A and A contract documents. After an month phase-in period, the forms will be retired effective Oct. According to the AIA, these once-a-decade updates reflect collaboration among architects, contractors, subcontractors and owners and are intended to reflect changes and current trends in the industry. These revisions range from significant to merely stylistic. In all cases, however, the revisions captured in the updates require careful attention so that parties fully understand the implications of the updates as they relate to schedule, warranty and other obligations. As a result, revisions to the A are perhaps the most impactful and likely to affect the greatest number of users. This article discusses some of the more notable changes to the AIA A Given this change, it is important for contracting parties that intend to use BIM to have protocols in place to avoid unintended consequences. Specifically, the update more clearly provides that a contractor has no obligation to commence work until the owner provides such evidence and the contractor shall be entitled to concomitant time extensions until such evidence is provided. Further, if the owner fails to provide such evidence after the work commences, the contractor is again entitled to stop work and receive appropriate time extensions as well as costs for shutdown, delay and startup, plus interest. Of course, the contractor should evaluate all apparent risks before electing to stop work. Safety of Means and Methods When the contract documents give specific instructions as to means and methods, the form allowed the contractor to stop work if it determined that those means and methods were unsafe. The responsibility then fell to the architect to provide further instruction. The updates change this dynamic. Now, when a contractor determines that required means and methods are unsafe, it bears responsibility to propose alternatives. Warranties A new Section 3. Consistent with what many contractors already provide and what many owners already require, Section 3. Minor Changes in the Work While an architect has always had authority under the A to order minor changes in the work that do not affect schedule or cost, the revisions to Section 7. Under these revisions, it is the responsibility of the contractor to determine if the minor changes ordered by the architect will have a schedule or cost impact and to provide notice to the architect before commencing with the changed work. If the contractor proceeds with the changed work without prior notice to the architect of these impacts, the contractor now waives any right to make a claim relating to the changed work. Under a new Section 9. Termination by Owner The updates have also changed the compensation that a contractor is entitled to recover in the event of a termination for convenience. Previously, a contractor was entitled to payment for work performed, for costs incurred by reason of the termination, and for overhead and profit on the work not executed. This section has been revised in two ways. Instead, this provision assumes the owner and contractor will agree on a termination fee. Notably, this change is also reflected in the new A and A, each of which assumes that the contractor will be entitled to a termination fee in the event of termination for convenience. While this type of arrangement is not new to the industry, its inclusion as a standard term in the A may make it more common. Claims The AIA has made two important changes to its provisions regarding claims. First, throughout the A, it is specified the matters that are subject to, and must be resolved through, the claims process under Article 15, where the version left the matter somewhat ambiguous. By way of example, the A now specifies that the following disputed issues must be resolved through the claims process: Second, the AIA has included new timing provisions governing the resolution of disputes. After the initial decision maker decides a disputed issue, Section Thereafter, new Section If the other party fails to file its claim within 60 days, then both parties waive their rights and the initial decision becomes final. Insurance Finally, the most substantial change to the A is Article 11, dealing with insurance. Much of Article 11 has been deleted and moved to a new standard Exhibit A to be attached to the agreement. Removing these terms from the body of the terms and conditions and inserting them into a standalone exhibit should simplify the process and facilitate

this sort of review. In many respects, the changes in the updates reflect some of the more common practices and contract terms within the industry. The material in this publication was created as of the date set forth above and is based on laws, court decisions, administrative rulings and congressional materials that existed at that time, and should not be construed as legal advice or legal opinions on specific facts. The information in this publication is not intended to create, and the transmission and receipt of it does not constitute, a lawyer-client relationship.

Chapter 2 : Changes to American Institute of Architects' Standard Forms Reflect In

BY THE AMERICAN INSTITUTE OF ARCHITECTS ON NOVEMBER 14, Init. / AIA Document A201 - Institute of Architects

Due to their preeminence among the AIA suite of documents, some of the more important changes to the A, A, and A construction documents are discussed below. The changes are very similar across these two documents, though the different billing methods i. The important changes to both documents are: Both documents now adopt a menu-style approach to designation of the Commencement Date and the date for Substantial Completion. Contracting parties can select from a variety of options for the start date of the work, including date of execution, upon receipt of a notice to proceed, or some other date, and they can also now select between a date-certain for completion of the work or a specified number of calendar days. Whereas liquidated damages were limited to a parenthetical reference in the forms, the documents now include two express provisions addressing liquidated damages. In substance, this is not a significant change, but in practice it may lead to a heightened focus on liquidated damages during the contract negotiation phase of projects. Cost of the Work. One important change is certain types of Contractor-employee compensation e. The provisions addressing payment procedures were significantly overhauled in both documents. The new language is clearer and more concise, due in no small part to the decision to separate retainage language into its own section. The payment provisions now set forth a list of all items to be included in calculation of each payment, followed by a list of all items that should be deducted. This language may be problematic, especially in light of its new placement as a specified deduction in the primary payment provisions of the A and A Because Owners are required to withhold retainage until at least thirty days after Final Completion of a project, this language should be revised or adjusted unless other accommodation is made for the protection of subcontractors and suppliers e. As noted above, the AIA updates treat the A and A somewhat differently due to their distinct billing methods cost-plus vs. Conversely, the A retains these references and adds some safeguards and cost controls for the protection of the Owner. The forms provided for recoupment by the Contractor of overhead and profit for work not yet completed in the event of a termination by the Owner for convenience. Parties will now need to agree in advance what this Termination Fee would be. Insurance provisions for the A and A documents were previously comprised simply of a reference to the A General Conditions, which contained detailed insurance requirements in its Article The insurance and bonds exhibit uses a checkbox system, offering various insurance options the parties can select from during the contract negotiation phase. This change reflects the common practice in the construction industry of creating separate insurance exhibits for each new construction contract. Electronic Data and Building Information Modeling. Of particular note, where notice is required by the Contract Documents, the notice will be sufficient if delivered in accordance with the Electronic Data Exhibit. Some of the important changes to the A are: Where the Contractor determines specified means and methods to be unsafe, the Contractor previously had some protection because the A required the Architect to investigate and relieved the Contractor of responsibility if directed to proceed with Owner-required means and methods it deemed unsafe. In the A, the Contractor is now required to propose alternate means and methods rather than simply wait on the Architect for instruction and proceed with those alternate means and methods unless the Architect objects to the proposed alternative. While this seems like a more pro-active approach, the result is a bit murky. What happens if the Architect does object? Direct communication between the Owner and Contractor is now expressly authorized as opposed to all communication being routed through the Architect, which was the standard. These changes reflect fairly common practices among sophisticated Owners in the construction industry. A new timing mechanism was added to prevent mediated disputes from becoming stale. After the Initial Decision Maker has decided a disputed matter and that matter has been mediated, either party may demand that the other party file its claim in either arbitration or litigation. This is not intended to address every change made to the documents discussed, nor is it intended to constitute legal advice. His bio is available here and he may be reached directly at His bio is available at here and he may be reached directly at

Chapter 3 : A A Brief Summary of the Differences a Decade Makes | Construction Law Watch

This article discusses changes to the version of the AIA form A, the General Conditions of the Contract for Construction that is incorporated into many of its family of forms. The A is probably the most important form in the family of documents as its terms can be incorporated into multiple agreements.

The AIA family of documents is among the most popular and commonly used form construction documents in the construction industry. The last time that AIA issued major changes to the contract family of documents was Historically, AIA has issued revisions to their standard form contracts every 10 years. Consistent with its custom, AIA recently released revisions to 11 different forms and plans to release revisions to additional forms in the fall of This article focuses on the changes to the AIA-A But, AIA also made substantive changes, some of which are discussed below: The most significant change to the AIA-A is the creation of an insurance and bonds exhibit. In the version, the insurance and bond requirements were primarily set forth in the agreement itself. Now, the majority of the insurance and bond terms are included in an exhibit, which must be read in conjunction with the remaining insurance terms in Section 11 of the agreement. The new AIA insurance exhibit allows for much greater flexibility in choosing insurance coverage and permits the parties to tailor their insurance coverage to the specific needs of their project. For instance, the revised AIA-A creates a detailed procedure outlining when a contractor can refuse to proceed with the work, or even suspend work in certain instances, if the owner does not provide timely information concerning its financial arrangements. AIA now requires all warranties be issued in the name of the owner or transferrable to the owner. Considering that contractors generally install equipment or use materials manufactured or provided by other parties, this requirement simplifies the warranty process. Specifically, after the initial decision and mediation, either party may demand that the other party file its claim in either arbitration or litigation. If the other party does not file a claim within 60 days of the demand, then both parties waive their rights to arbitration or litigation with respect to the initial decision. The revised AIA form also provides additional clarification about the role of the initial decision maker. The revisions specify, in greater detail, the information to be included in schedule submittals, including specification of the schedule milestone dates and an apportionment of the work by construction activity. Contractors are now explicitly required to submit releases and waivers of liens along with their applications for progress payment. In addition, a new provision has been inserted to require contractors to indemnify the owner from all damages it suffers as a result of a lien or claim filed by a subcontractor where the owner has fully complied with its payment obligations. In fact, by default, the parties are required to use an AIA BIM and digital data exhibit to establish the protocols for the development, use, transmission, and exchange of digital data. The revised AIA-A form also allows for more direct communication between owner and contractor, as opposed to communicating through the architect. The AIA publishes a helpful comparison of the two documents on its website. In future blog posts, we will analyze some of the changes to the other form agreements between owner and contractor that were recently revised by the AIA, including AIA-A where basis of payment is a stipulated sum , AIA-A where basis of payment is cost of the work plus a fee with a GMP , and AIA-A where basis of payment is cost of the work plus a fee without a GMP. Please check back to this blog for those updates. In the meantime, if you have any other questions about the recent AIA revisions or drafting a contract for your particular project, please do not hesitate to contact us.

Chapter 4 : Highlights of the Revisions to the AIA-A | BuildSmart

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Chapter 5 : Table of contents for Legal guide to AIA documents

AIA Document A191, a general conditions form, is considered the keystone document of the Conventional (A) family of documents because it provides the terms and conditions under which the Owner, Contractor and Architect will work together during the building construction process.

Chapter 6 : Legal Guide to AIA Documents, Sixth Edition | Wolters Kluwer Legal & Regulatory

AIA Document A191 is adopted by reference in owner/architect, owner/contractor, and contractor/subcontractor agreements in the Conventional (A) family of documents; thus, it is often called the "keystone" document.