

2016 AEC CONTRACT DOCUMENTS

for the Contractor and the Construction Manager

What are the Key Differences?

Item	Contractor Version	Construction Manager Version
<p>1. The Agreement</p>	<p>A brief four or five page document listing the ‘who’, ‘what’, ‘where’, ‘when’ and ‘how much’ of the contract.</p>	<p>A thirty one page document, plus a multi-page ‘Schedule of Project Details’, defining the professional service deliverables due to the Owner and detailing the duties of the CM during the pre-construction, construction and post-construction phases of the project. It details the personnel to be used, their timing on the job and financial arrangements to be followed during the various phases.</p>
<p>2. The Schedule (Standard General Conditions §3.3)</p>	<p>Consists of the “Construction Schedule”, beginning with the Notice to Proceed and ending with the quoted completion date(s), as amended by Change Order.</p>	<p>Consists of the “Project Schedule” and the “Construction Schedule”. The Project Schedule is the Construction Schedule <u>plus</u> that portion of the Design Schedule remaining when the CM is hired. The Construction Schedule is not defined until either the CM’s Guaranteed Maximum Price proposal or its first Bid Release Recommendation package has been accepted by the Owner, whichever comes first. The CM Agreement covers Project Schedule requirements prior to the establishment of the Construction Schedule, and the Standard General Conditions govern the requirements once it has been established. This schedule shall allow for and depict any remaining design release dates and bid & award dates.</p>

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<p>3. Supervision (Standard General Conditions §3.4)</p>	<p>§3.4 briefly defines the requirements for, and role of, the Project Superintendent.</p>	<p>§3.4 defines management requirements of the CM over Trade Contractors and requirements to establish a process of “partnering” between the CM, Design Professional, Owner and Trade Contractors.</p>
<p>4. Subcontractors / Trade Contractors (Standard General Conditions Article 5)</p>	<p>Section 5.1 of the Standard General Conditions deals with the Contractor’s responsibility to the Owner regarding subcontracts and substitutions “prior to the execution of the Contract”.</p> <p>The inherent differences between the Contractor and its subs, with the CM and its Trade Contractors, dictated that various requirements be “intentionally omitted” between the remainder of the two versions of the General Conditions.</p>	<p>The process of bidding and awarding Work to the Trade Contractors is an ongoing responsibility of the CM and is dealt with in the Agreement. As such, Section 5.1 was “intentionally omitted” from the CM version of the General Conditions.</p>
<p>5. Markup on Changes (Standard General Conditions §7.6.3.3)</p>	<p>A cumulative markup of 26.8% is allowed for the Contractor and through all tiers of subcontractors.</p>	<p>A cumulative markup of 20.75% is allowed for the Trade Contractor and all tiers of its subcontractors. Additionally, the Owner will be charged the CM’s fee for this add-on work (based on the quoted fee percentage in the Schedule of Project Details), thus accounting for the lower allowance to the trades.</p>

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<p>6. Insurance Requirements (Standard General Conditions Article 11)</p>	<p>In §11.4, the minimum insurance requirements have not changed from the Old Standard General Conditions (1/98), as amended by the Supplemental General Conditions (1/14), for the Contractor.</p>	<p>In §11.4, new limits have been established for the CM and the Trade Contractors for various Liability policies and the CM is now required to purchase a Builder’s Risk policy (§11.4.5).</p> <p>As in the Contractor version, §11.5 describes the Owner’s Insurance, but the CM version goes further to describe the relationship between the Owner’s Builder’s Risk and the CM’s Builder’s Risk policies.</p> <p>As above, §11.6 in the CM version accounts for the CM’s Builder’s Risk policy.</p>
<p>7. Claims and Disputes (Standard General Conditions Article 15)</p>	<p>The Contractor version of Article 15 does not address the subject of Disputes (and it is removed from the title of the Article). As such, if the subject of a claim between the Contractor and the Owner goes unresolved, the Contractor’s recourse is to litigate.</p> <p>Other areas in the Standard General Conditions that address Disputes in the CM version have been “intentionally omitted” from the Contractor version.</p>	<p>The CM version requires arbitration for unresolved disputes and §15.8 and §15.9 describe process that must be followed. Additionally, §15.5 in the CM version describes steps toward dispute resolution that may be taken prior to arbitration. These sections have been “intentionally omitted” from the Contractor version.</p>