

# Contracts Built by Consensus for Project's Best Interest

*ConsensusDOCS builds on tradition of fairness and balance*

Nothing is more fundamental to success as a general contractor than gaining new contracts. However, signing an unfair contract might be the quickest way to failure. Providing contracts that are fair to all parties has been part of AGC's mission since it was created at the request of President Woodrow Wilson in 1918.

ConsensusDOCS launched in September 2007. In its first year, ConsensusDOCS has exceeded expectations and marked one of the most significant improvements in the design and construction industry in decades.

Before ConsensusDOCS, contractor, subcontractor and owner associations were hard-pressed to agree on a meeting. It was Doug Pruitt, CEO and chairman, Sundt Construction Inc., Tempe, Ariz., and AGC's Senior Vice President, who originally proposed the idea that led to ConsensusDOCS' creation. Now, for the first time, all parties have come together to benefit the industry and agree on standard contract terms that govern their respective members' performance.

AGC faced the most basic risks and took an enlightened approach by rolling the highly successful AGC contract documents program into ConsensusDOCS. AGC gave up control of its program with one goal in mind—to create new consensus standards that will benefit the entire industry and thereby benefit our membership.

All organizations had a seat with an equal voice around the drafting table; no terms were mandated by any one constituency. There was just one ground rule—everyone strove to identify best practices to advance projects, rather than a single party's interests.

The results are impressive. Twenty-two construction organizations, including major owner groups Construction Users Roundtable, Construction

## CONSENSUSDOCS PROVIDES CONTRACTOR TOOLS FOR TOUGH TIMES

- ConsensusDOCS contracts contain specific provisions that allow Contractors to obtain financial information, which is especially important in the current financial environment.
- Users of the American Institute of Architect (AIA) A201™ standard contract document do not have the same ability to obtain owner financial information. This was one of the major reasons for AGC's non-endorsement of the A201.
- ConsensusDOCS standard contract 290, Guidelines for Obtaining Owner Financial Information, and the related Financial Questionnaire 290.1 provide an easy and direct way for contractors to quickly determine the financial viability of projects.
- ConsensusDOCS 220 and 221 provide useful Contractor prequalification forms that can be used for Prime or Specialty Contractors.



Owners Association of America and National Association of State Facilities Administrators, recognized that the industry must evolve business practices and embrace collaboration and mutual beneficial contracts.

Owners have the most to gain because they should receive better project results and pricing by avoiding contractors pricing in unknowable risk contingencies. However, it will likely take a grassroots campaign by construction stakeholders, especially contractors, to explain this dynamic.

The initial response to the ConsensusDOCS has been overwhelmingly positive. Written in a straight-forward fashion by experienced construction practitioners, the contracts provide common sense solutions that could only be achieved through the genuine input of all stakeholders to the construction process. ConsensusDOCS contracts provide a better contractual foundation to start your next project.

Some industry groups are still considering if this is an opportunity or a threat. AGC is hopeful that these

groups accept the invitation to join in collaborating to create contracts in the project's best interest.

This groundbreaking effort could not have been accomplished without member and chapter support whose input and enthusiasm has been instrumental in building the contracts. As we move forward, the 22 and growing ConsensusDOCS endorsing groups will continue to lead side by side to deliver industry-changing contract documents. ■

### FOR MORE INFORMATION, VISIT [WWW.AGC.ORG/CONTRACTS](http://WWW.AGC.ORG/CONTRACTS)

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