

Standardized Contracts and ConsensusDocs: a Win-Win

Executive Summary: Standardized contracts provide tremendous benefit to the construction industry – they benefit the owner and the contractor. [ConsensusDocs](#) is the leading standardized contracts provider utilizing plain speak and fair risk allocation. Consider using them on your next project. [QR1]



What's out there now. We'd all agree that it's a good idea to have a contract between the parties of a construction project. Whether it's a private job for \$100,000 or a municipal project for \$100 million, an agreement establishes the needed rules of the game.



However, most contractors have learned (the hard way) that contracts usually heavily favor the drafting party. Contracts of this nature serve as a catalyst for dispute.

Why should an owner care about a "fairer" contract? That's a good question. Surely an owner is thinking "Why would I, as an owner, care about anything other than a document heavily in my favor?" My response to that is "Wouldn't you like to have less projects ending up in claims for years after the ribbon cutting ceremony?" A standardized contract saves cost on up front document preparation and back end contract closeout.

What's in it for the contractor? It's quick and easy. It's inexpensive. It's fair.

The legalese is already written – the user simply needs to fill in the blanks. Couldn't be quicker and easier.

The cost for an entire year of subscription is less than the cost of your attorney for a day.

Lastly, the language is fair. The owner must be involved in the project and the big decisions. Changes are compensated in a timely fashion. Dispute resolution is encouraged in a timely fashion.

"I like a standardized contract that is written in plain speak and encourages the owners to get involved early on, which prevents all the fighting at the end of the job and saves a lot of money and time."

– Scott Jennings, *Standardized Contracts: Streamlining Projects in Today's Fast-Paced Construction Market*

My story. I've used ConsensusDocs; I use them now. See my commentary here in the latest playbook by ConsensusDocs [QR2]. I've use them thus far only on private jobs – clients have ranged from a multi-billion-dollar bank to a national youth organization.



I've drafted them to be fair to all parties. If a change occurs, the owner should pay for it. If the contractor was negligent, (s)he owns it. But, I won't stand there and let issues NOT get resolved as quickly as possible, and without the direct input of the owner. With ConsensusDocs you have all documents available to you from main contracts to change orders to bond forms – they're all there.

Many people, including myself, do and have in the past, made a good living out of dispute resolution. A lot of it can be avoided. A lot of it can be avoided by providing fair documents.

My disclaimer. No, I wasn't paid by ConsensusDocs for this piece. It probably is taking money out of my pocket – I'm encouraging less claims! Less litigation and dispute!



*Scott Jennings, P.E., is the President of [SJ Construction Consulting, LLC](#). He owned and operated a heavy/civil construction company and now provides cost estimating, litigation support, and efficiency advice to contractors. He is also the founder of [Runjob Software, Inc.](#) **Download our QR scanner app: runjobsoftware.com/mobile/***