

Take time to check out time provisions in contracts



One of the most important and least complied with contract provisions is time. Make sure there are adequate delay provisions in contracts for reasons beyond your control. Subcontractors should use the contract documents (A201 and A401) of The American Institute of Architects (AIA), or insist on a liquidated damages clause if an AIA contract is not used. This way, your contract performance is extended

and there are no late damages. Without the clause, you pay actual damages if you breach the contract.

Excusable, noncompensable delays include unusually severe weather, lightning, floods, tornadoes, casualties, and sometimes, unforeseen labor disputes. Excusable, compensable delays are those caused by the owner or general contractor such as a delay in notice to proceed, defective specifications and plans, delays in responding to submittals, failure to make timely progress payments, and changes in sites.

Nonexcusable delays, on the other hand, include shortage of materials, unusual delay of provisions, defective work, bad equipment, and financial difficulty.

It's important to read the contract you sign. As obvious as that seems, often it isn't done. What you sign is what you're stuck with. If you run out of time, you stand to lose liquidated damages and actual damages.

It's always better to lose a bid than to lose money.

To keep tabs on jobs, be sure the time frame allowed for your activity is sufficient. Secure materials before the notice to proceed, input change factors when they come up, and document all changes via correspondence and notes from the job superintendent. Documenting changes helps avoid costly penalties for delay. 

Acknowledgment

This edited article is reprinted with permission from The Subcontractor's Newspaper, published by the American Subcontractor's Association. The information comes from a panel of five attorneys answering questions during a March 25, 1988, education seminar, "Ask Your Attorney," in Honolulu.

PUBLICATION #C890404

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