

ConsensusDocs Guidebook

ConsensusDocs 752 – Standard Subcontract Agreement for Use on Federal Government Construction Projects

August 2013 Edition

Page 1 of 4



Copyright © 2013

by

ConsensusDocs LLC

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system, without permission in writing from the publisher. Requests for permission to make copies of any part of this publication should be mailed to:

> Permissions ConsensusDocs 2300 Wilson Blvd., Suite 400 Arlington, VA 22201



Introduction to the ConsensusDocs Guidebook

ConsensusDocs is the product of leading construction associations, dedicated to identifying and utilizing best practices in the construction industry for standard construction contracts. The 36 participating associations represent Design Professionals, Owners, Constructors, Subcontractors, and Sureties that literally spell the DOCS in ConsensusDocs. ConsensusDocs contracts and forms attempt to fairly and appropriately allocate risks to the Party in the position to manage and control the risk. The practices articulated in the documents are forward-thinking, and may not always represent the status quo, but rather a better path forward to achieve project results. The goal of the multi-disciplined drafters was to create documents that best place the Parties to a construction contract in a position to complete a project on time and on budget with the highest possibility of avoiding claims.

By starting with better standard documents that possess buy-in from all stakeholders in the design and construction industry, you reduce your transaction time and costs in reaching a final Agreement. By using fairer contracts helps eliminate unnecessary risk contingencies and thereby better pricing. In addition, "fill-in-the-blanks" are intended to lead to productive discussions about how particular risks should be allocated on specific projects before a contract is finalized.

Also, the ConsensusDocs catalog includes complete "families" of documents for each project delivery method that provide a coordinated set of Agreements and complimentary administrative forms. There also are short form agreements that address the Owner-Constructor (205), the Owner-Design Professional (245), and the Constructor-Subcontractor contractual relationships in a more abbreviated manner than do the standard Agreements (ConsensusDocs 200, 240, and 750 respectively).

In this Guidebook you will find comments by individual associations regarding particular contract documents. These comments are organized by numeric sequence of the ConsensusDocs contract documents. The overview sections highlight issues and innovative features of the documents generally. Association comments are expressions by an association to its association membership. These comments highlight provisions or alert their membership to consider possible project-specific modifications to a consensus standard Agreement or form. ConsensusDocs contracts covered in this release of this Guidebook include the 200, 200.1, 200.2, 205, 220, 221, 235, 240, 260, 246, 261, 262, 263, 298, 300, 301, 310, 410, 415, 450, 460, 470, 471, 472, 473, 500, 702, 703, 710, 750, 752, and 803.

Please note that there has been a significant number of editing changes and section renumbering between the 2007 and 2011 versions that give the appearance that more substantive changes were made in the 2011 update than is actually the case. Consequently, a highlight sheet of changes was created to better pinpoint substantive changes. The 2011 update highlights sheet can be found <u>here</u> for free on the internet.

Lastly, the ConsensusDocs coalition organizations and ConsensusDocs staff are deeply indebted to the hard work of the many the seasoned professionals who contributed countless hours in the creation of the ConsensusDocs contracts as well as this Guidebook. Their collective experience represents hundreds of years of practical experience in the construction field. Contributor names can be found at the conclusion of this Guidebook.



Comments and Recommendations regarding ConsensusDocs 752*

Standard Subcontract Agreement for Use on Federal Government Construction Projects

<u>Other FAR Provisions and Documents</u> (section 12.14): One of the most important things to include in a subcontract for federal work or federally financially assisted work is flowing down the proper federal acquisition regulation (FAR) clauses down to the subcontract level in a consistent manner as the Prime Contract. Users should consider FAR Provisions exhibit included in the ConsensusDocs contracts software as a separate document in producing the exhibit referenced in section 12.14.

As a resource, a link to a Federal Project Checklist can be accessed here.

AGC Comments for ConsensusDocs 752:

Section 3.1: A potential liability gap might result if the Constructor/General Contractor is responsible to the federal Owner but not be able to pass that equal responsibility to the Subcontractor in the Subcontract Agreement. Therefore, AGC members should consider the following modification:

Revise the last sentence of Article section 3.1 to read as follows: "In the event of an inconsistency among the documents, the specific terms of this Agreement <u>THE PRIME</u> <u>AGREEMENT</u> shall govern.

One example of how the above the revision might come into play is the requirements in section 3.4 of the Subcontractor to conduct a visual inspection of the Worksite, where it is common of the federal Owner to obligate the Construction/General Contractor to have a higher duty to perform independent subsurface investigations to satisfy its obligations to inspect the Worksite.

^{*} This publication is designed to provide information in regard to the subject matter covered. It is published with the understanding that the publisher, endorsers of ConsensusDocs and contributors to this Guidebook are not engaged in rendering legal, accounting, or other professional services. If legal advice or other professional advice is required, the services of a competent professional person should be sought.

⁻From the Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers and Associations