PREPARING FOR THE INDUSTRY OF TOMORROW

Becoming the Master of Your Contracts Using the

ConsensusDocs Master Subcontract Agreement

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Learning Objectives

By the end of this session, participants will learn:

1. The benefits of master subcontracts and project work orders.
2. How the New ConsensusDocs 755 Master Subcontract and 756 Project Work Order provide a foundation for establishing a master subcontract relationship.
3. How to identify and incorporate project-specific terms.
Answering the important questions:
Who is this guy and what’s the deal with Brown M&Ms?
RISK
Risk and Opportunity

Mastering the New ConsensusDocs Master Subcontract Agreement
Risk Management Tools
Your Hand

4♦️ 8♥️

Dealer’s Hand

6♠️ 9♠️

Hit
Stay

Hit
Stay
ConsensusDocs as a Risk Management Tool
100+ Contracts

200 Series – General Contracting

300 Series – Collaborative

400 Series – Design-Build

500 Series – Construction Management

700 Series – Subcontracting

800 Series – Program Management

900 Series – P3
The ConsensusDocs Coalition
40 Construction Industry Associations
Why Use a Master Subcontract Agreement

- Fast Track Subcontractor mobilization to projects
- Avoid insurance coverage uncertainty
- Negotiate General Terms & Conditions **Once**
- Uniform Contract Management across projects
- Empower Project Teams to handle Project Work Orders
- Address project specific risks in project specific PWO.
ConsensusDocs 755 MSA

• The Philosophy of ConsensusDocs 750
  ❖ Fair & Balanced to all
  ❖ Consistent with prime agreements like CD 200
  ❖ Compatible with other standard docs and manuscript
  ❖ Pay-When-Paid.
CD 750 Transformed into CD 755 MSA

- Contract Governing Structure §2.1
- Master Documents §2.2
- Subcontract Documents §2.3.

ConsensusDocs® 755
STANDARD MASTER SUBCONTRACT AGREEMENT BETWEEN CONSTRUCTOR AND SUBCONTRACTOR

Mastering the New ConsensusDocs Master Subcontract Agreement
CD 750 Transformed into CD 755 MSA

- Subcontract Work §2.5
- Conflicts §2.6
- Definitions §2.7
  - Prime Agreement §2.7.7
- Subcontractor’s Representative §3.10
- Constructor’s Representative §4.1.
CD 750 Transformed into CD 755 MSA

- Subcontract amount
- Time of Payment Application
- Additional General Liability Coverage §8.3.8
- Termination (Article 9)
- Order of Precedence §12.1.5.
Filling Out CDocs 755 MSA

• Master Subcontract Agreements should reflect Your Standard Processes & Procedures
• Incorporate:
  • Your Contract Management Processes
  • Your Billing & Payment Procedures
  • Your Minimum Insurance Requirements
  • Your Safety Program
  • Etc.
CD 756 Standard Project Work Order

- Exhibit Driven
- Scope of Work
- Schedule
- Subcontract Amount
- Insurance Requirements
- Retainage
- Bonds
- Party Representatives.
Filling Out CDocs 756 PWO

• Project Work Orders (756) Must reflect Project/Owner specific requirements

• Incorporate Exhibits detailing:
  • Sub’s scope of work, drawings, specifications, etc.
  • Project’s schedule, phasing, deadlines, etc.
  • Specific insurance requirements
  • Specific requirements for billing, payment, waivers, etc.
  • Include any OCIP, CCIP, Site Specific Safety Programs, Access Management Protocols, Project Labor Agreements, etc.
ConsensusDocs 756
STANDARD PROJECT WORK ORDER
(Pursuant to Master Subcontract Agreement)

Job No.: [______]
Account Code: [______]
Project Order No.: [______]
Date: [______]

CONSTRUCTOR ("Constructor"), [______]

and the

SUBCONTRACTOR ("Subcontractor"), [______]

Tax Identification No. (TIN) [______]
Contractor License No., if applicable [______]

PROJECT: [______]
OWNER is [______], and the DESIGN PROFESSIONAL is [______]

1.1 The Subcontract Work covered by this ConsensusDocs 756 Project Work Order as modified by the Parties dated [______] will be performed under the terms and conditions of the ConsensusDocs 756 Master Subcontract Agreement ("MSA"), as modified by the Parties, dated [______]. In the event of any inconsistency, conflict, or ambiguity between the MSA and this Project Work Order ("PWO"), this PWO shall govern.

1.2 SCOPE OF WORK Subcontractor shall perform the Subcontract Work as required for the Project in accordance with the MSA, PWO, and Subcontract Documents.

1.3 LIST OF EXHIBITS The following exhibits are made part of the PWO and are either attached and incorporated, referenced and incorporated, or both:

   Exhibit A: The Subcontract Work, [______] pages, and dated [______].
   Exhibit B: The Drawings, Specifications, Project Specific Conditions, dated [______].
   Exhibit C: Progress Schedule, dated [______].
   Exhibit D: Alternatives and Unit Prices and Estimated Quantities, [______] pages.
   Exhibit E: Project Specific Insurance Requirements, dated [______].
   Exhibit F: Project Specific Billing Requirements, dated [______].
   Exhibit G: Schedule of Labor and Material Costs.

1.4 SUBCONTRACT AMOUNT. As full compensation for performance of this PWO, Constructor agrees to pay Subcontractor in current funds for the satisfactory performance of the Subcontract Work subject to all applicable provisions of this PWO and the MSA:

1.4.1 The fixed-price of [______] dollars (US$[______]) subject to additions and deductions as provided for in the Subcontract Documents;

[Signature]
[Title]
[Date]

AGC 2020 Convention
Mastering the New ConsensusDocs Master Subcontract Agreement
1.4.2 Alternates and unit prices in accordance with the attached schedule of Alternates and Unit Prices and Estimated Quantities, which is incorporated by reference and identified as Exhibit D;

1.4.3 Time and material rates and prices in accordance with the attached Schedule of Labor and Material Costs, which is incorporated by reference and identified as Exhibit G, or

1.4.4 The fixed-price, unit prices, or time and material rates and prices are referred to as the Subcontract Amount.

1.5 Retainage shall be [_____] percent (______%).

1.6 BONDS: Performance and Payment Bonds ☐ are ☐ are not required of Subcontractor.

1.7 PARTY REPRESENTATIVES:

Subcontractor's authorized representative is [______].

Constructor's authorized representative is [______].

1.8 Subcontractor represents that it is fully familiar with all terms and conditions of the Subcontract Documents, including the prime agreement applicable to the Project, and that it is familiar with the location of the Work site, and the conditions under which the Subcontract Work is to be performed.

CONSTRUCTOR [______]

BY: __________________ NAME: __________________ TITLE: __________________

WITNESS: __________________ NAME: __________________ TITLE: __________________

SUBCONTRACTOR: [______]

BY: __________________ NAME: __________________ TITLE: __________________

WITNESS: __________________ NAME: __________________ TITLE: __________________

END OF DOCUMENT.
So Who is this Guy and Why is He an RTFC Hero?
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