

Consensus Docs Guidebook

ConsensusDocs 753 – STANDARD AGREEMENT BETWEEN CONSTRUCTOR AND PREFABRICATOR

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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 more than 40 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.

This Guidebook you will find comments by individual associations regarding particular contract documents. These comments are organized by numeric sequence. Association comments are expressions by an association to its association membership only to highlight issues of particular interest.

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.



Comments regarding Consensus Docs 753* STANDARD AGREEMENT BETWEEN CONSTRUCTOR AND PREFABRICATOR

<u>FABRICATION SITE (Article 1):</u> Clearly defining this is important as the term "Project" when used to designate a geographic area could be argued to include the location of the extensive work that may be happening at the prefab site. Make it clear this should be the address/geographic location.

<u>PROJECT (Article 1):</u> Clearly defining this is important as the term "Project" when used to designate a geographic area could be argued to include the location of the extensive work that may be happening at the prefab site.

ETHICS (Article 2): If the prefabricator was located outside the US, a robust FCPA/UK Bribery Act exhibit would be required. An Ethics Exhibit and possibly an Anti-Human Slavery Exhibit would be required too.

<u>Section 2.2.6 (Article 2):</u> Include address: City, state. There could be multiple locations a fabricated site fabrication takes place. Insurers are going to know the specific address of the facility because it has important insurance, lender inspections and third party testing implications.

<u>Section 3.8.1 (Article 3):</u> There is a very big difference between delegated design and design assist. The ConsensusDocs 541 speaks to design-assist. A Prefabricator is responsible for design when they are the designer of record for a system or component by applicable state law or possibly through their contract agreement. Being a designer of record means they are required to stamp design documents by a licensed design professional. This often entails hiring a licensed design professional to stamp the documents.

^{*} 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



Section 3.27.1 (Article 3) For consideration for international deliveries [ADD NEW SECTION] When requested by Constructor, Prefabricator shall provide the following import-related documentation to Constructor within five (5) days after shipment of the applicable Products to Constructor: (i) Manufacturer's Certificate of Origin and FCC identifier, DHHS/FDA Accession Number to permit importation of the Work Product; (ii) U.S. Customs Certificates of Delivery; and (iii) any other information under Prefabricator's control which is reasonably required by the Constructor in connection with export or import licenses regarding any of the Products.