

Click to verify































Definition: A Building Construction Agreement is a legally binding document between a property owner and a contractor that outlines the terms, conditions, scope, and responsibilities for a construction project. It specifies timelines, payment schedules, materials to be used, and compliance with building codes, ensuring clarity and commitment from both parties to fulfill the agreed-upon construction objectives and standards. Understanding the Building Construction Agreement: In the dynamic sphere of building construction, the importance of a solid Building Construction Agreement cannot be overstressed. It's the legal backbone that supports the intricate relationship between a property owner and the construction firm tasked with bringing architectural visions to life. This contract is the narrative of the construction project agreement, charting the course from groundbreaking to the ribbon-cutting ceremony. Decoding the Blueprint of a Construction Agreement: A Building Construction Agreement should act as the definitive guidebook, containing: The Genesis of a Construction Project: The Agreement Before the first stone is laid, a construction agreement sets the stage for the work to come. It is a comprehensive contract that meticulously details the expectations, roles, and responsibilities of all parties involved in the building process. The agreement safeguards the interests of property owners and contractors, ensuring clarity and consensus on the path forward. The Financial Framework: Costs and Payments Central to any construction agreement is the financial framework that binds the project. This includes a detailed breakdown of the total cost, payment schedules, and any allowances or contingencies for unexpected expenses. It's designed to establish financial transparency, laying out when payments will be made, under what conditions, and what penalties exist for late payments. Timeline and Delivery: Tracking the Construction Lifeline A realistic timeline is critical, and the construction agreement outlines each phase of the project, from groundbreaking to final inspection. It includes completion dates for each phase, overall project deadlines, and the repercussions for missing these key milestones. This segment is the chronometer of the construction process, ensuring that time is tracked, respected, and managed. Quality and Compliance: Upholding Standards Every building contract must adhere to a set of quality standards and legal regulations. The agreement includes clauses that ensure compliance with local building codes, material specifications, and workmanship quality. It is the quality control mechanism of the contract, guaranteeing that the construction meets all safety and performance criteria. Liability and Risk Allocation: Safeguarding Against the Unforeseen Construction is fraught with risks, and the agreement delineates liability, outlines insurance requirements, and describes the indemnity provisions. This section clarifies who is responsible for what if things go awry, from accidents on the job site to structural failures, ensuring that risks are equitably distributed and managed. Amendments and Changes: The Art of Flexibility Change is inevitable, and the house construction contract anticipates this with provisions for modifications and alterations. This part explains how the contract will adapt to changes in project scope, materials, or unforeseen circumstances, ensuring that the project remains fluid while also maintaining its structural integrity. Dispute Resolution: Navigating Conflicts Disagreements can emerge, and a section of the construction license agreement is dedicated to outlining the method of dispute resolution. It establishes the process for mediation, arbitration, or, if necessary, litigation to resolve conflicts. This ensures that all parties have a clear understanding of how disputes will be handled, minimizing the potential for protracted and costly legal battles. The Closing Act: Execution and Signatures The culmination of the construction agreement is its execution. This section covers the necessary final reviews, the conditions for the contract to take effect, and the signatures that seal the deal. It's a formality that carries significant weight, as it marks the commitment of all parties to abide by the terms laid out in the agreement, and kicks off the construction journey. Building Beyond the Basics: How to Ensure Compliance and Satisfaction A Building Construction Agreement serves as more than a legal requirement; it's a tool for compliance and satisfaction: Laying the Groundwork: Understanding Compliance For any construction project, the foundation of success lies in understanding and adhering to the intricate web of compliance regulations. This means staying abreast of zoning laws, building codes, environmental regulations, and occupational safety requirements. Compliance ensures that construction practices meet legal standards, minimizing the risk of costly delays, fines, or legal entanglements. Constructing Confidence: Building to Code Compliance is not merely about checking off boxes; it's about constructing with confidence and integrity. The construction agreement should incorporate specific standards for materials and building practices that align with current codes. Regular inspections and audits should be stipulated, ensuring that every phase of the construction is up to par and deviations are addressed promptly. Financing with Foresight: Financial Compliance Financial oversight is just as critical as structural integrity. The agreement must detail transparent financial practices, including accurate record-keeping, tax adherence, and proper allocation of funds. Payment schedules should be tied to milestones, and clear records maintained to ensure that each dollar is accounted for and spent in compliance with the outlined budget. The Human Element: Ensuring Safety and Ethical Labor Practices The true backbone of any construction project is its workforce. Compliance with labor laws and safety regulations protects not just the project, but the people who bring it to life. The agreement should enforce fair labor practices, a commitment to safety training, and the provision of a hazard-free work environment. Embracing Environmental Stewardship: Sustainability and environmental protection have become pivotal in modern construction. The agreement must reflect a commitment to eco-friendly practices, from waste management and material sourcing to energy efficiency. Compliance in this regard not only satisfies regulatory demands but also reflects a broader corporate responsibility to the planet and future generations. Navigating Changes with Agile Compliance: Change orders are an inevitable part of construction. The agreement should outline a flexible yet structured approach to manage these changes, ensuring that compliance is maintained even when the project's scope shifts. This agility enables the project to adapt without compromising on legal, safety, or quality standards. Resolving Disputes with Dignity: Even with the best planning, disputes may arise. A robust agreement provides for a clear and dignified process for resolving issues, whether through negotiation, mediation, or arbitration. This structured approach to conflict resolution can save relationships and reputations, and ensure that the project can move forward to a successful completion. Signing Off with Success: The Completion Protocol A construction management agreement is not truly complete until all parties agree that it meets the agreed-upon standards. The agreement should specify a comprehensive completion protocol, which includes final inspections, punch lists, and obtaining all necessary occupancy permits. This final compliance check ensures that every aspect of the project is finished to the satisfaction of all stakeholders. Effective contract management involves: Streamlining Communication Channels: A construction project is only as effective as its lines of communication. The contract must establish streamlined channels for clear, consistent, and documented communications among all parties involved. Regular meetings, reporting systems, and agreed-upon communication tools can ensure that everyone is on the same page and that information flows smoothly. Incorporating Flexibility for Scope Changes: Scope changes are inevitable in the construction industry. An effective contract accommodates such changes with clear change order processes. This includes predefined mechanisms for pricing, approval, and implementation of changes, ensuring that they are handled efficiently and with minimal disruption to the project timeline. Ensuring Contractual Compliance with Technology: Leveraging technology for contractor agreement can significantly enhance efficiency and compliance. Digital tools can track project progress, document changes, and ensure that contractual obligations are being met. Integrating software solutions that offer real-time updates and compliance alerts can keep the project on track and within legal parameters. Building Strong Relationships with Stakeholders: Contract management is not just about managing paper; it's about managing relationships. Building strong, cooperative relationships with stakeholders based on trust and transparency can lead to better negotiation outcomes, faster problem resolution, and a more cohesive project environment. Financial Oversight and Control Measures: Effective contract management includes stringent financial oversight. This means implementing control measures such as regular budget reviews, cost tracking, and audit trails. The contract should enable financial accountability, ensuring that all parties adhere to the agreed financial terms and project budget. Training and Empowerment for Contract Administrators: Contract administrators play a crucial role in navigating through challenges. They must be well-trained and empowered to make decisions that align with the contract's terms. Their role in facilitating contract execution, amendment, and enforcement is essential for smooth project progression. Finalizing Projects with a Definitive Close-Out Process: An effective contract management strategy includes a well-defined project close-out process. This ensures that all contractual elements have been satisfied, all payments have been made, and all necessary documentation has been submitted and approved. A clear close-out process sets the stage for finalizing the project to the satisfaction of all parties involved. The estimated timeline for completing a construction project varies widely depending on the project's scope, size, complexity, location, and resources. Smaller projects may take a few months, while larger ones can span several years. Customized timelines are established during the planning phase. Building Construction Agreements typically include dispute resolution clauses outlining steps like negotiation, mediation, arbitration, or litigation. They specify the process to be followed, which often encourages resolution through less formal means before escalating to legal action. Warranties in a Construction Contract are crucial because they assure the quality and longevity of the work performed. They protect the client against defects and failures, providing a legal recourse to have issues remedied within a specified period after completion. Subcontractors should consider hiring a lawyer to review their subcontractor construction agreement to ensure the terms are fair, legal obligations are clear, and to protect their rights, especially regarding payment terms, scope of work, and liability issues. During the construction process, records should include contracts, permits, plans, change order forms, inspection reports, daily work logs, safety compliance documents, invoices, payment records, correspondence, and meeting minutes to ensure accountability and facilitate project management. In conclusion, a Building Construction Agreement stands as the foundation of a successful building contract proposal venture. It is instrumental in defining roles, solidifying expectations, and setting the stage for a transparent and efficient building process. This agreement not only fosters trust between parties but also propels projects towards completion with confidence, making it an indispensable component of any construction project's blueprint for success. What Is a Building Contract? Just like a supplier contract, a building contract is a type of contract that legally binds at least two parties onto a set of policies and conditions that both parties have agreed. This type of contract is created and signed before the building project takes place. Before the involved parties sign the contract, both parties usually send representatives to discuss the details that are included in the contract. Additionally, some contracts also involve more than just parties for many reasons. One of these reasons is a contractor is only specialized to perform certain tasks. In many cases, a client, which is also the employer, wants more than what a contractor can perform. In this case, another party has to be employed to achieve the goal of the employer. For instance, a contractor is only specialized in creating a certain part of a house but the client wants a specific output. However, the client still wishes for the initial contractor to do its specialization. In this case, if both parties agree, another contractor or individual has to get involved in the contract to complete the desired results. In a building contract, the client usually has the most influence. One has the right to choose which type of contract they should utilise. After all, as a contractor, you intend to give what the client wants. Nonetheless, it doesn't mean that you are going to agree on everything that the clients say. You still can reserve your right to disagree with the contract, especially if it goes against your company's integrity and other important factors of doing business. How to Write a Building Contract? Indeed, with the current global health crisis (COVID-19 pandemic), the market for many industries is expected to decline. Nonetheless, according to the statistics and facts about the construction in the US posted in Statista, 2020 ended with around 1.36 trillion US dollars construction market size. Thus, creating a building contract is still worth learning for, which you are going to learn in this section. Step 1: Write the Title and the Introduction The first step of writing an effective building contract is to describe the purpose of the contract, which you should write as a title. The best introduction includes basic information, such as the date of the agreement will be signed, the name of the parties involved (individual or organizations), location of the project, work initiation, and, lastly, the expected end date. Step 2: Declare the Work that Needs to be Done In this step, state the specific jobs that your firm will perform. Don't forget to incorporate the materials and tools that need to be used to complete the work. For instance, the project that you are about to work is for home improvement. In this case, you can write: paint the inner walls with a blue semi-gloss indoor latex paint. To do it, rollers and brushes have to be used. For the entire project, an estimated 3 gallons of white trim paint, 9 gallons of interior paint, and 6 gallons of exterior paint will be used. Step 3: Write the Financial Information and the Payment Information For the financial information, you will include details, such as the amount of the money that the client agreed to pay for doing the project. You may also write details, such as the non-refundable deposit, payment schedule, final payment, and interest. Take note, though, that the payment for the project depends on the type of building contract that you have agreed with the client. You will know more about the types of building contracts in the next section of the article. Also, make sure that you have stated the payment installment dates. You can also include a penalty charge for late payments. This part is quite crucial. So, to avoid any misunderstanding, explain it clearly during your meeting. Write down the amount that you will charge and the date when the charge occurs. Depending on the type of building contract in use, you will need to state how you handle the changes in the costs involved in executing certain tasks. Is it charged to you or the client? Step 4: Describe the Project and Handling of Work Order Changes In this step, you need to describe the project in the form of a brief description. Remember, though, you are writing a brief overview. Thus, don't include every detail of the project. In the next section of your building contract, you will state the agreed terms for order changes. Just like the office cleaning proposal, including this section will protect you from the risks of additional costs and work. Step 5: State the Methods to be Used for Resolving Disputes and Claims A lot of things can happen within the duration of a project. There may be disputes and claims about the performance reports of your team and even the completion of the project. At times, estimates cannot be followed because of several affecting factors, which may lead to possible lawsuits to be filed in court. You will want to avoid that as much as possible. Nonetheless, problems can occur, so you have to prepare for them. Decide the certain course of actions to take will be used to resolve these issues. At this point, you may also specify which forum or jurisdiction to be used. Including this section in your contract may mean that you and the client are waiving your rights to file a claim. On the bright side, both of you can resolve the issue without delays, public interference, and, most importantly, expensive legal fees. Step 6: End the Contract with Coverage Information and a Signature Line The contract is created to protect both you and the client. Thus, it should not be just about you. The client will feel assured if you will include a statement addressing the coverage information. In this part, you will want to state that you will carry the employees' compensation insurance. It would be helpful as well if you give the client the right to request a bond for the performance and payout, ensuring that the client is protected if you decide to default on your obligations. Lastly, just like writing a car rental contract, reserve a space where you and the client can sign. This part will certify that all parties involved are agreeing to every detail included in the building contract. This part should include the printed name, address, and telephone number of both parties. You may also choose to declare the email address of both parties. Doing so allows you to send notifications about the project. What are the Types of Building Contracts? There are several types of building contracts that you can utilize for your construction project. However, the following are the major types of contracts that many contractors use. Lump-sum contract - This type of building contract is used when both parties agree that the client shall pay the contractor a specific amount of money (lump sum) once the project is complete. A lump-sum contract does not have to include a breakdown of the costs involved in the project. Re-measurements contract - Through this type of building contract, the amount that the client needs to pay depends on the result of the specific and detailed measurements, which you, as the contractor, will perform in each relevant part of the work. These must be included in the contract in the form of a schedule of prices. In many parts of the world, the contract will be based on the FDIC Red Book 4th edition. Cost-reimbursable contract - Cost reimbursable contract is a type of building contract where a client agrees to reimburse the actual costs of the project along with an additional payment. This type of contract is common in situations where the scope of the work that needs to be done is not feasible to be measured or the risks associated to get things done are high. Sample projects where a cost-reimbursable contract can be applied include urgent alteration or repair work. Domestic construction contracts - A domestic construction contract is a type of commercial contract that occurs in a local country. Commercial contract - In this building contract, you can see a list of works that you, as a contractor, have to perform for the commercial building. This type of contract protects both the contractor and client by minimizing the risks involved and increasing the profits of the contractor. Subcontract agreements - In certain cases of a building project, a separate contract is being secured between a principal contractor and a subcontractor to outline the scope of jobs that a sub contractor has to perform in a project. This contract is known as a subcontract agreement or subcontract agreement. Unit cost contracts - In civil engineering construction projects, there are certain projects where the amount of work that needs to be performed cannot be established. In this case, the contractor cannot base the contract on one price. One has to base on the number of items used. The contractor can give a quote to the client. However, it doesn't indicate a final price as it will only be known once the project is finished. The contract that the contractor and the client have to use if this is the case is a unit cost contract. FAQs Details about the contractor - This information is one of the first things that you are going to include in a building contract. This element includes the contractor's license number, phone number, business address, and email address. Details about the client - Aside from the information about the contractor, a building contract cannot be completed without the details about the client. In this part, you will include the name of the client, phone number, home address, email address, and the location of the property to be built. Description of the property in legal terms - To get this information, you will need to dig a little deeper. You can find it from the deed on record in the county clerk's office. Right to stop the project and to withhold payment - This element is crucial if the client happens to fail to pay you. It will also include a provision that states how each party can terminate the contract. Take note as well that the client has the right to refuse to give a payment if the quality of the work is not as good. Costs - In this element, the detailed cost involved in completing the project must be provided. The location of where you want the property to get built also affects the price. On average, in terms of the cost to build a house, you will need around \$100 to \$155 per square foot for the land. In addition to the lot that you will need to purchase, you will need to pay around \$155,310 to \$416,250. In general, breach of contract means that a party failed to follow what's agreed in the contract. When a breach occurs and inflicts damage, the one who breached the contract will be responsible for the damages. Just like a rent contract, in a building contract, the responsible party may have to pay a certain amount of money to the party who suffered a loss. However, the consequences of breaching the contract may vary from what both parties have agreed. Indeed, a building project is a long and tedious task. Nonetheless, the reward that you can get as a construction business owner is also quite high. Thus, from the marketing plan to the end of the construction, it is worth it to undergo the long and tiring process. Creating a building contract is just one of the steps that you have to take towards the end goal of the construction project. Make use of the building contract samples and other information that you have learned from this article to create a more improved building contract. When a certain construction project is taken up, there are certain procedures that are required to be fulfilled before implementing the project. Construction agreement is an integral part of the construction project as, without it, a construction project cannot be taken up. It is a contract between two parties who are involved in the process of construction and mentions all the policies and responsibilities that are concerned with the project. Given below are 18+ Construction Agreement examples and templates for you to refer to. 1. Construction Agreement Template Size: A4 & US Download A construction agreement is a legal document that binds two parties, which in this case are the contractor and the client who is willing to expand his business by building new offices. The agreement mentions the purpose of creating it and the scope of work that is to be fulfilled. 2. Construction Contract Agreement Size: A4 & US Download This contract is signed between a property owner and a contractor in order to enter into an official agreement. The contract mentions the description of work along with the date of commencement of the construction project. 3. Construction Management Agreement Size: A4 & US Download The person in charge of the construction crew is known as the construction foreman. This position is usually accepted by any senior crew member. A construction management Agreement can be signed between the foreman of the construction company and the client or the owner. Construction contract has all the roles and responsibilities along with general laws governing the agreement. 4. Construction Contractor Agreement Size: A4 & US Download A construction contract agreement is usually created to define the work that is to be done. It mentions all financial as well as furnishing details. It lays down the scope of responsibilities of both the parties as is evident from this template, and offers recourse to the affected party in the event of non-fulfillment of the same. 5. Free Basic Construction Agreement Template Word Apple Pages Google Docs Size: A4, US Free Download 6. Free Simple Construction Agreement Template Microsoft Word Apple Pages Google Docs Size: A4, US Free Download 7. Free Editable Construction Agreement Template Microsoft Word Apple Pages Google Docs Size: A4, US Free Download 8. Construction Agreement Example modiproperties.com Size: 40 KB Download The document provides a sample of an agreement of construction between a builder and a land owner. The agreement mentions all rules that are to be followed before, during and after the construction process, and is unique in the sense that it mentions that the land-owner also happens to have purchased the piece of land from the same builder in a separate legal transaction. 9. Construction Service Agreement Example facilities.williams.edu Size: 68 KB Download Fixed Assets require a certain amount of maintenance to ensure that they provide services smoothly without a hitch. The contract here provides basic information about the work along with the rules and responsibilities to be followed during the construction/maintenance procedure that will be executed by a developer and the owner of the concerned asset. 10. Construction Management Agreement cpd.uw.edu Size: 25 KB Download A legalized document is required to be signed between the owner and the consultant responsible for taking up the responsibility of managing and executing various projects under a single agreement. This contract mentions the term and the compensation that is to be received on completion of a university project involving many smaller projects. 11. Sample Construction Agreement eds.gov.in Size: 773 KB Download Engineering, procurement, and construction agreement is a form of construction contract that mentions all responsibilities from design to handover. This management agreement provides a sample of a contract that is created for these functions between a construction contractor and a government entity which you can format and use according to your requirements. 12. Construction License Agreement Example nspc.org Size: 195 KB Download Engineering Joint Contract Document Committee has created this license agreement which applies to all purchasers and users. This construction license agreement allows the right to sell a product by providing the owner with a certain amount of Royalty against the licence which is also provided for a limited period of time. 13. Master Construction Agreement nyanalange.org Size: 171 KB Download NYU Langone Hospital has created this master agreement that mentions work that is to be done by the contractor in the contract document. If you are required to create a master agreement for your company, then use this document as a reference as it has all the regulations of such agreements addressed competently. 14. Construction Loan Agreement fianmae.com Size: 68 KB Download The borrower and the lender enter into a certain agreement that contains essential terms to be followed and is known as a loan agreement. This construction loan agreement includes the promises that have been made by the borrower to the lender related to work, permit, etc for repayment of the loan and the duties and responsibilities of both parties. 15. Construction Jurisdictional Agreement sitelaborcoordinator.com Size: 271 KB Download This is a site construction jurisdictional procedural agreement that has been entered between the contractor/subcontractor and the labour union representatives. This template has been created by the Department of Energy of Idaho that is applicable only when the two parties are working under the SITE contract. 16. Construction Agreement Example calstate.edu Size: 26 KB Download The word task-order refers to the contract for services that neither procures nor specifies a proper quantity of services unless it's under the minimum and the maximum quantity of services. The template here debates the use of percentage fees vs hourly rate fees in the task-order construction agreement. 17. Sample Construction Agreement Example dol.gov Size: 98 KB Download This sample has been established between the local union and the National electrical contractor association Inc of Southern Nevada. The contract mentions all the sections of the article related to the execution of this agreement, and tries to find a common ground for them to co-exist peacefully so that the electrical industry can provide work to everyone with ease. 18. Printable Construction Agreement arpnjournals.com Size: 155 KB Download A construction agreement is a crucial part of the implementation of any particular construction project. This is a research paper based on the implementation of the framework agreement in the construction field in Indonesia, which is still in the nascent stage so far as such scientific implementation is concerned. The research is done based on the perceptions, attitude, and experience of vendors, project owners. 19. Construction Contract Agreement ijal.in Size: 136 KB Download Indian Journal of Arbitration law has published this research paper based on the arbitration agreement in a construction contract. If you are interested in learning more about this agreement then you may use this template for better understanding of the intricacies of this topic. 20. Construction Agreement in PDF tnrra.in Size: 327 KB Download If you are looking for an agreement sample in order to create a construction contract then this template is for you. It can be formatted and you can enter all necessary details in the contract as it is in a standard format. 21. New Construction Service Agreement wnwnatural.com Size: 274 KB Download A services company that sells post-construction fitment services has issued this agreement form. It is a residential new construction service agreement that mentions all installation details that are required by the homeowner. 22. Formal Construction Agreement Example indianrailways.gov.in ? Size: 621 KB Download This is a model agreement for a non-governmental rail system that may be used as a source of reference when creating a construction contract. The obligations that a developer has to cover along with the scope of the project taken up are mentioned in this document. However, if you would like to share the information in this article, you may use the link below: Retainage is a percentage of payment the client withholds to ensure the contractor fulfills their duties correctly. It gives the client security should issues develop and offers the contractor a financial incentive to finish the project on schedule. Retainage rates typically range from 5% to 10% of the total contract price, although exact amounts will vary depending on state law and whether the project is a private, state, or federal contract. With a lump sum contract, the contractor undertakes a construction project for a predetermined price that covers all service, material, and labor costs. The fixed amount cannot be modified to compensate for any setbacks or overages the contractor might face. If the actual construction costs are less than the initial estimate, the contractor will profit. However, if the project goes over budget, the contractor could lose money. A unit price contract is when a contractor charges a fixed amount for each segment, or "unit," of work, and the client pays only for the units they receive. If a project's scope evolves as it's being carried out, the contractor will add or subtract units from the final bill. This pricing structure benefits jobs where the total quantity of work is uncertain. Cost-plus or cost-reimbursement contracts require the client to pay for all expenses plus an amount designated for the contractor's profit. The additional amount is typically a fixed fee or a percentage of the total contract price. While potentially lucrative for contractors, they must provide comprehensive estimated projected expenses, and the client must agree to the terms beforehand. A time and materials contract is an agreement where the client pays for each hour of labor plus the cost of materials, with contractors typically adding a 15% to 35% markup on materials used. Some contracts will include a "not-to-exceed" clause, which limits the maximum billable amount. CONSTRUCTION CONTRACT 1. THE PARTIES. This Construction Contract (the "Agreement") is made between: Client (CLIENT NAME), with a mailing address of (CLIENT ADDRESS) (the "Client"), AND CONTRACTOR (CONTRACTOR NAME), with a mailing address of (CONTRACTOR ADDRESS) (the "Contractor"). WHEREAS, the Client intends to pay the Contractor for Services provided, effective [MM/DD/YYYY], under the following terms and conditions: 2. SERVICES. The Contractor agrees to perform the following for the Client: [LIST ALL SERVICE(S)]. Hereinafter known as the "Services." 3. PAYMENT. In consideration for the Services to be performed by the Contractor, the Client agrees to pay \$[AMOUNT]. The Contractor agrees to be paid in the following manner: [DESCRIBE PAYMENT METHOD/FREQUENCY]. 4. START & END DATES. The Contractor shall be permitted to begin the Services on [MM/DD/YYYY] and shall complete the Services in a reasonable time period in accordance with industry standards. 5. TERMINATION. This Agreement shall terminate upon the completion of the Services provided. 6. OPTION TO TERMINATE. The Client and the Contractor shall each have the option to terminate this Agreement at any time by providing [#] days' written notice. 7. EXPENSES. The Contractor shall be responsible for all expenses related to providing the Services under this Agreement unless otherwise stated here: [REIMBURSABLE EXPENSES (IF ANY)]. 8. INSURANCE. The Contractor agrees to bear all responsibility for the actions related to themselves and their employees or personnel under this Agreement. In addition, the Contractor agrees to obtain comprehensive liability insurance coverage in case of bodily or personal injury, property damage, contractual liability, and cross-liability. 9. CONTRACTOR STATUS. The Contractor, under the Internal Revenue Service (IRS) code, is an independent contractor, and neither the Contractor nor the Contractor's employees or contract personnel are or shall be deemed to be the Client's employees. 10. ASSIGNMENT. Neither the Client nor the Contractor may assign this Agreement without the express written consent of the other party. 11. REQUIRED LICENSES. All parties to this Agreement, including other contractors and the parties' employees and agents, must be licensed per state laws governing their trade. 12. INDEMNIFICATION. The Contractor shall indemnify and hold the Client harmless from any loss or liability from performing the Services under this Agreement. 13. GOVERNING LAW. This Agreement shall be governed by the laws of the State of [STATE]. 14. SEVERABILITY. This Agreement shall remain in effect if a section or provision is unenforceable or invalid. 15. ADDITIONAL TERMS & CONDITIONS. [ADDITIONAL TERMS]. IN WITNESS WHEREOF, the parties have indicated their acceptance of the terms of this Agreement by their signatures below on the dates indicated. Client's Signature: \_\_\_\_\_ Date: [MM/DD/YYYY] Print Name: [CLIENT NAME] Contractor's Signature: \_\_\_\_\_ Date: [MM/DD/YYYY] Print Name: [CONTRACTOR NAME] Company: [COMPANY NAME (IF APPLICABLE)] A Building Construction Agreement is a written document between a property owner and a general contractor, specifying the construction, renovations, alterations, or other work to be done on the property owner's home or land. This document outlines which Parties will be involved, the price to be paid for the services provided, the rights of each Party, and the dates construction will begin and end. A Building Construction Agreement should be used by a Party on either side of the process of building, renovating, or altering a building or structure. Both Builders and Clients are benefitted by having an agreement in writing to act as a blueprint to iron out any wrinkles and make all necessary plans for construction to be completed. How to use this document This document contains all of the information necessary to outline the important details of when and how construction will be taking place and the duties of both Parties during and after that process. This Agreement includes details such as identifying information about the Parties and where they are located, the Builder's contractor license number, the address of the work site where the construction will be taking place, detailed description of the work that will be done by the Builder including any improvements or additions the Builder will be making to the property, and the payment arrangement for how the Client will reimburse the Builder for their materials and time spent on the project. The Agreement also notes when construction is due to begin and when construction is due to be finished, whether that be a specific date or upon the occurrence of a particular event or milestone. Once the document has been completed and the Parties have agreed to the specifics of the project, both Parties should sign the document and keep copies of the document for their own records. Further, the Parties should be sure to attach to the document any other paperwork or documents relevant to the project, such as blueprints, schematics, employee lists, or lists of materials that will be used in the project. Applicable law Construction projects and buildings are subject to both federal and state/local laws. If the Builder employs additional workers during the course of the construction project, they are required to meet the requirements of federal laws such as the Fair Labor Standards Act (establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees) and the Federal Family and Medical Leave Act (requires covered employers to provide employees with job-protected and unpaid leave for qualified medical and family reasons). Further, public buildings are required to meet certain standards laid out by the Americans with Disabilities Act. The Parties should be sure to look into federal and local laws to be certain that their building project and labor practices comply. How to modify the template You fill out a form. The document is created before your eyes as you respond to the questions. At the end, you receive it in Word and PDF formats. You can modify it and reuse it. A construction contract is necessary if you are building, renovating, or altering a building or structure. A construction agreement protects both parties. If you have just decided to build your dream home, a construction contract will protect your interests in case of unreasonable construction delays and material shortages or your contractor surprises you with unexpected high costs. If you're a contractor, the construction contract will act as your guide to handling any unexpected issues before construction is complete. The construction contract allows each party to detail the exact work to be performed and the responsibilities of each party during the course of the project. The construction contract also specifies the payment terms of the contract. All contract terms must comply with applicable laws. Consequences of not using one The consequences of not using a construction contract can be severe. If you're an owner, what do you do if your contractor suddenly stops working on your home? Or demands excessive payment for materials and labor that you did not originally agree to? If you are a contractor, what do you do when an owner refuses to pay you after you've completed the work? A construction contract that details your agreement in writing will protect the rights of both parties. A successful construction project requires clearly defined agreement about all expectations. When there are mistakes or delays, both parties are affected. Owners will be unhappy because they cannot use the property for the intended purpose when they expected. Contractors will be incurring additional costs for labor and use of equipment. An owner can protect against delays in construction by including a liquidated damages clause in the construction contract. Liquidated damages are an agreed upon amount that a contractor will pay to the owner for each day that a construction project is delayed. Agreeing to liquidated damages ahead of time can save both parties the time that it would take to litigate damages later in court. For a court to uphold liquidated damages, the owner's damages must be uncertain or difficult to determine ahead of time. For an owner to recover liquidated damages, the delay in construction cannot be due to circumstances beyond the contractor's control, such as extreme weather or change in the scope of work. The amount of liquidated damages must be reasonable. Share – copy and redistribute the material in any medium or format for any purpose, even commercially. Adapt – remix, transform, and build upon the material for any purpose, even commercially. The licensor cannot revoke these freedoms as long as you follow the license terms. Attribution – You must give appropriate credit , provide a link to the license, and indicate if changes were made . You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use. ShareAlike – If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original. No additional restrictions – You may not apply legal terms or technological measures that legally restrict others from doing anything the license permits. You do not have to comply with the license for elements of the material in the public domain or where your use is permitted by an applicable exception or limitation . No warranties are given. The license may not give you all of the permissions necessary for your intended use. For example, other rights such as publicity, privacy, or moral rights may limit how you use the material.