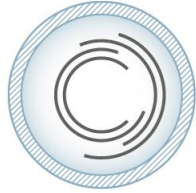


ConsensusDocs[®]
Keeping You Ahead of the Curve

ConsensusDocs Guidebook

**ConsensusDocs 205 – Short Form Agreement Between
Owner and Contractor (Lump Sum)**

2016 Edition



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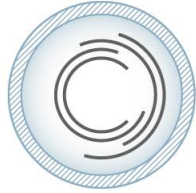
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Introduction to the ConsensusDocs Guidebook

ConsensusDocs is the product of leading construction associations, dedicated to identifying and utilizing best practices in the construction industry for standard construction contracts. The 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.

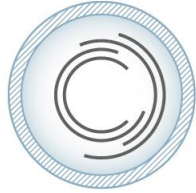
By starting with better standard documents that possess buy-in from all stakeholders in the design and construction industry, you reduce your transaction time and costs in reaching a final Agreement. By using fairer contracts helps eliminate unnecessary risk contingencies and thereby better pricing. 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; 200.4; 200.5; 205; 220; 221; 235; 240; 246; 297; 298; 299; 300; 301; 310; 410; 415; 450; 460; 498; 500; 702; 702.1; 703; 710; 750; 751; 752; 803 and 842. The following exhibits exist for ConsensusDocs 300: Responsibility Matrix Sample, Risk Pool Plan - Template #1, and Risk Pool Plan - Template #2.

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 [here](#) for free on the internet.

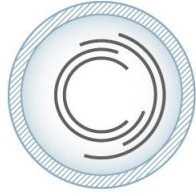
Lastly, the ConsensusDocs coalition organizations and ConsensusDocs staff are deeply indebted to the hard work of the many the seasoned professionals who contributed countless hours in the creation of the ConsensusDocs contracts as well as this Guidebook. Their collective experience represents hundreds of



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years of practical experience in the construction field. Contributor names can be found at the conclusion of this Guidebook.



Comments regarding ConsensusDocs 205* Short Form Agreement Between Owner and Contractor (Lump Sum)

Overview:

This standard agreement was comprehensively updated in January of 2011. The revisions were made to reflect the best practices, respond to industry feedback, and provide consistent terminology within the ConsensusDocs library of documents. This document is intended to be a short form of agreement that is still comprehensive enough to satisfy the contractual requirements for many projects desiring a short form of agreement.

The Work (ARTICLE 1): This Section describes the Work and obligates the Constructor to perform the Work in accordance with and reasonably inferable from that “indicated” in the Contract Documents, consistent with the Progress Schedules, and under the general direction of the Owner.

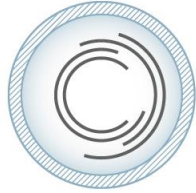
Exhibits (ARTICLE 3): Users are expected to create project specific exhibits, and may need to add additional exhibits as appropriated.

Submittals (§5.1.10): Procedures for review and approval of shop drawings, samples, product data and other submittals are detailed in this Section. The Owner is responsible for the review and approval of submittals.

Owner’s Responsibilities (ARTICLE 6): The Owner’s responsibilities include providing information and services in a timely manner, including financial information, site information, and information necessary to give notice or to enforce mechanics lien rights.

Building Permit, Fees, and Approvals (§6.1.4): Building permits, fees and approvals that are not the responsibility of the Constructor, as described in §6.1, are to be secured and paid by the Owner.

* 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.



Owner's Responsibilities (ARTICLE 8): This Article describes the Contract Time. Time is of the essence for both Parties to the Agreement.

Date of Commencement (§8.1): Insert here any special provisions concerning notices to proceed and the Date of Commencement.

Schedule of the Work (ARTICLE 9): This provision allows the Owner to determine the sequences of construction within the approved construction schedule.

Final Completion (§13.7): The conditions for final payment are detailed in this section and the following subsections.

Indebtedness connected with the Work (§13.7.1(a)): e.g. payrolls, invoices for materials, or equipment.

Claims Not Reserved by Owner (§13.8): This section states that final payment constitutes a waiver of all claims by the Constructor, except those reserved in writing or relating to liens, defective work, warranties or latent defects.

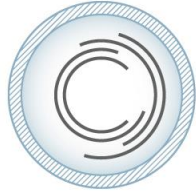
Indemnity (ARTICLE 14): The Constructor indemnifies the Owner, Design Professional, and others retained by the Owner as defined in this Agreement, and the Owner causes other contractors to indemnify the Constructor. Contractual indemnification is governed by state law and the states differ as to the types of indemnification agreements they will enforce. Consultation with legal and insurance counsel with knowledge of the jurisdiction is recommended.

NGWA Comments for ConsensusDocs 205:

The following comments are limited to job sites involving borehole or loop drilling for geothermal (aka, ground source) heat pump system installations rather than for water well construction.

Construction Responsibilities (§5.1): NGWA proposes:

“The Owner shall allow, based on the estimated and reasonable schedule of the geothermal borehole or loop well drilling contractor, an adequate amount of time and space for the geothermal drilling contractor to complete their work. No other contractors shall perform any work in the designated loop field area of the construction site until such time as the loop field is completed, and the loop field area accepted by the Owner in writing.”



Worksite Conditions (§5.1.3): NGWA proposes:

“Any borehole geophysical logs or geotechnical reports associated with the job site be referenced as “contract documents” so there is no question that these documents can be relied upon in asserting a type one differing site condition claim.”

Cleaning Up (§5.1.13): NGWA proposes:

“Prior to discontinuing daily work contractor shall clean up and dispose of all rubbish and/or debris unless otherwise negotiated. In addition, the Contractor shall at all times, keep the site in a reasonably clean and organized manner.

Upon completion of the project, the contractor shall remove all equipment, tools, and remaining materials in prompt manner.

Drill cuttings removal, during and at completion of work, shall be the responsibility of the Owner, unless otherwise determined by agreement between Owner and Contractor that shall be attached herewith. In addition, the Contractor shall backfill and compact any dug pits used for construction and rough grade the site. Owner is responsible for final grading and seeding of the site.”