## ConsensusDOCS – Construction Contracts Built By Consensus

## What the innovation is and why it is innovative:

Publication of ConsensusDOCS<sup>™</sup> standard construction contracts in September 2007 marked the first time that the entire construction industry was invited to and collaboratively drafted the standard agreements which govern their performance. Twenty-two prominent construction industry associations, representing Designers, Owners, Contractors, Subcontractors and Sureties (DOCS), collaboratively drafted and endorse the 80+ documents that comprise the ConsensusDOCS family of standard construction contracts.

The *ConsensusDOCS Procedures* (available at www.ConsensusDOCS.org), describe how the coalition organizations collaborate to develop model construction contract documents that advance the design and construction industry by advancing the project's best interest. ConsensusDOCS sets an example for openness and transparency. Rather than approach negotiations as a zero-sum gain among competing interests, ConsensusDOCS emphasizes a mutually beneficial approach that leads to better project results. In order to develop standard contracts that foster better party relations in today's design and construction industry, ConsensusDOCS has taken a new and better process to collaboratively draft truly consensus contracts. The ConsensusDOCS drafters believe that all stakeholders to a construction project should have an equal seat at the drafting table in creating the contracts that govern their performance. Thus, any nonprofit association or professional society, company, government agency or individual with a direct and material interest in a proposed document has a right to have their views actively considered during the drafting process.

Additionally, ConsensusDOCS has become the industry leader for introducing standard contract documents that address current and future advances. For example, ConsensusDOCS was the first to introduce a contract for Building Information Modeling (BIM) as well as, Integrated Project Delivery (IPD). In addition, ConsensusDOCS publishes the only comprehensive Electronic Communications Protocol.

Of note, South Dakota legislature recently enacted legislation, known as HB 1212, which specifically states that the terms and conditions in the ConsensusDOCS standard contracts are a pre-approved option for use on government-funded construction projects in the state.

## What it changed or replaced:

ConsensusDOCS has revolutionized the world of standard contract documents. Instead of negotiating the same one-sided contract terms, ConsensusDOCS provides fair and balanced contract documents that incorporate best practices. AGC and COAA, two of the endorsing organizations, had successful contract document programs that they gave up in order to endorse and fully support the ConsensusDOCS family of contract documents. ConsensusDOCS are used in place of the traditionally one-sided standard contract documents.

## Where and when it originated, has been used, and is expected to be used in the future:

After an intensive three year period of discussions and drafting, ConsensusDOCS were published on September 27, 2007. ConsensusDOCS are the first and only collaboratively written and widely endorsed standard construction contract documents. ConsensusDOCS have been purchased by more than 3,000 subscribers and have been used on a variety of commercial and municipal construction projects across the nation. Each subscriber has the ability to network 50 or more people per license. In addition, more than 100 free educational use licenses have granted, with programs held both nationally and internationally. It is anticipated that ConsensusDOCS will continue to gain momentum in being the preferred standard contract throughout the nation.

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