

Construction Management Contract

This agreement is made by \_\_\_\_\_ (Construction Manager) and \_\_\_\_\_ (Owner) \_\_\_\_\_ (Owner) on the date written beside our signatures.

Construction Manager

\_\_\_\_\_  
Address \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_, \_\_\_\_\_  
Zip \_\_\_\_\_  
Work Phone Number: \_\_\_\_\_  
Cell Phone Number: \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Registration Number: \_\_\_\_\_

\_\_\_\_\_ will be referred to as Construction Manager throughout this agreement.

Owner

Owner

\_\_\_\_\_  
Address \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_, \_\_\_\_\_ Zip \_\_\_\_\_  
Day Phone Number: \_\_\_\_\_  
Cell Phone Number: \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

\_\_\_\_\_ will be referred to as Owner throughout this agreement.

The Construction Site

Address \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_, Texas Zip \_\_\_\_\_

Project Description

A.

For a price identified below, Construction Manager agrees to act as manager and consultant for Owner on the Work identified in this agreement as the Project. Anything in this agreement to the contrary notwithstanding, references to the "Work" means tasks identified under Scope of Work in this agreement and all responsibilities which can be reasonably inferred from those tasks but which are not specifically excluded from the scope of work. References to the "Contract Documents" means this Agreement and all documents incorporated by reference into this Agreement. In the context of work to be performed by others, "Contract Documents" can refer to Plans, Specifications and agreements between the property owner and sub-contractors or suppliers for the construction of Project.

## Construction Management Fee

A.

In addition to any other charges specified in this agreement, Owner agrees to pay Construction Manager TEN percent of total construction costs for management services provided during completion of the Project.

B.

The construction costs to Owner under this agreement shall be comparable to similar area homes.

C.

The following will be considered construction costs:

1.

All labor costs necessary to complete the Project. Work performed on the Job Site and Work performed at facilities or fabrication yards away from the Job Site. Labor tasks included in the construction cost to include construction, cleanup, repair and construction of temporary structures if required to complete the Project.

2.

All material costs necessary to complete the Project. Material costs may include sales or use tax on materials, charges for consumable supplies, small tools, delivery expense, duties, storage expense and insurance premiums on materials.

3.

Contract and service expense will include contracts, subcontracts, service agreements, property insurance and Bond premiums incurred due to construction, utility charges, fuel, reproduction services, permits, testing and Inspection fees. Contract and service expense may also include professional and consulting fees, royalties and license fees, debris hauling charges reasonably necessary to complete the Project.

4.

All equipment costs necessary to complete the Project, including charges for rental of machinery and equipment, small tools, temporary facilities and structures, the cost of moving rented equipment and temporary facilities to and from the Job Site, the cost of installation, erecting and dismantling, and minor repairs made to equipment, machinery and temporary facilities at the Job Site.

## Scheduled Start of Construction

A.

Work under this agreement will begin within 14 calendar days after the building site has been properly prepared.

## Scheduled Completion of Construction

A.

Work under this agreement will be Substantially Complete within 240 calendar days after the date construction begins.

## Documents Incorporated

A.

The following documents are incorporated as though included in full as part of this agreement.

## Notice to Owner of Contract Requirements

B.

This agreement incorporates by reference certain documents which define and describe the Work to be done. The following documents are incorporated as though included in full as part of this agreement.

1.

Plans and Specifications

Consisting of \_\_\_\_ sheet(s).

Prepared by \_\_\_\_\_.

And further identified as \_\_\_\_\_.

## Scope of Work

A.

Review the plans and specs.

Construction Manager will review the Plans and Specifications to ensure that the Project can be completed in compliance with applicable laws and ordinances. Plan review will consider availability of materials and labor and selection of alternate materials or building methods. Construction Manager will provide report on any problems found in the Plans and Specifications and will make a recommendation on dividing work between construction trade contractors.

B.

Construction Manager will manage qualified sub-contractors.

C.

Review Material and Sub-Contractor costs.

Construction Manager will review costs with sub-contractors. Construction Manager will ensure that all work required to complete the Project is placed under contract, including temporary facilities and general requirements not associated with any construction trade. Owner will deliver to Construction Manager a copy of any written agreements by Owner and a written summary of any oral agreements or understandings Owner reaches with Contractors, Subcontractors, Suppliers or service providers.

D.

Manage construction.

Construction Manager will monitor Work on the Project both on and off the Job Site to ensure that construction means, methods, techniques, sequences and procedures followed by Contractors, Suppliers and service providers are in compliance with their contracts and agreements and that construction is proceeding as planned.

E.

Keep Owner informed of progress.

Construction Manager shall inform Owner of progress & Costs due for materials and sub-contractors. Owner shall promptly pay costs due for materials and sub-contractors.

F.

Payment requests.

Construction Manager shall inform owner when payments to Contractors, Suppliers, and service providers are due. Construction Manager will identify whether the amount requested is correct based on work completed, materials supplied and terms of the applicable contract.

Construction Manager will assist in resolving project development issues which may arise with Contractors, Suppliers, service providers or government authority. Construction Manager will coordinate to resolve issues which affect schedule, safety, cost or project management.

H.

Assist with change orders.

Construction Manager will respond to each request for a Change Order by ensuring that the request is in writing and complies with the sub-contractor's agreement. Change Orders must be signed by Owner and Sub-Contractor or material upgrade Change Orders should be documented.

I.

Assist with construction claims.

Construction Manager will assist in resolving construction disputes.

J.

Insurance coverage.

Insurance expenses are costs.

Sub-Contractor's insurance will be evaluated and based on qualifications and proposal, additional insurance may be required by owner or additional insurance may be provided by owner. This must be agreed upon before any work by Sub-Contractor.

K.

Manage project closeout.

Construction Manager will use best efforts to ensure that each phase of the Project is completed according to the Plans and Specifications. Construction Manager will conduct reviews when any subcontractor or vendor claims their Work is Substantially Complete. Construction Manager will assist in that final Inspection and advise Owner when it is appropriate to acknowledge Final Completion and file a notice of completion. During any warranty or call-back period, Construction Manager will assist Owner in resolving issues with materials and/or Sub-Contractors.

Scope of Work - Disclaimer

1.

Nothing in this contract should be interpreted to require Construction Manager to perform engineering, accounting or legal services. For All tests, Inspections, surveys, reports and investigations required to complete the Project, the Construction Manager will assist Owner.

2.

Construction Manager will perform no Work on the construction Site other than to observe progress, communicate with Contractors, Suppliers and service providers and report progress to Owner. Construction means, methods, techniques, sequences, procedures and safety on site are the sole the responsibility of Contractors, Suppliers and service providers working for Owner. Construction

Manager will make best efforts to ensure successful completion of Project on schedule and within reasonable budget but is not responsible for failure of any Contractor, Supplier or service provider to complete Work as agreed. Construction Manager takes no responsibility for acts or omissions of any Contractor, Supplier or service provider.

3.

Construction Manager has no liability for payments due Contractors, Subcontractors, tradespeople, Suppliers, service providers or government authorities. There will be no contractual relationship between Construction Manager and any Contractor, Subcontractor, tradespeople, Supplier or service provider on the Project.

4.

Sub-Contractor and Owner shall be the only parties to Sub-Contractor and Owner agreements.

5.

Owner reserves the right to use one or more Separate Sub-Contractors on the Job Site. This right shall extend to portions of the Work covered by Change Order.

VII.

Permits and Fees

A.

Construction Manager shall assist owner in securing all permits, licenses and renewals required by government authority to complete construction of the Project. If permits are required for Subcontracted Work, Subcontractors will secure those permits. Owner shall have a copy of each permit, license and renewal issued by government authority for the Project.

B.

Owner will pay the building permit fee, Plan check fee, and charges levied by government for testing, Inspection and Re-Inspection of the Project.

VIII.

Payment Plan

A.

Owner will pay to Construction Manager the Contract Price in installments consisting of progress payments every two weeks and a final payment on completion of the Work.

IX.

Progress Payments

A.

Schedule of Progress Payments

1.

Each progress payment will cover percentage of Work done during the pay period. If a progress payment would be due on a legal holiday, the payment will be made on the last business Day before that holiday.

2.

Progress payments will be made twice a month on the 1st Friday and the 3rd Friday of the month.

B.

Processing of Progress Payments

1.

No less than 2 calendar days before each progress payment is due under the terms of this contract, Construction Manager shall provide Owner with an application for payment (invoice) in a form which complies with generally accepted trade practice.

2.

Except as provided otherwise in this agreement, Owner shall pay the amount due within 2 calendar days after approval of any application for progress or final payment.

Audit of Records

A.

All accounting records of Owner relating to the Project shall be available for inspection and copying by Construction Manager or a person authorized by Construction Manager. Records made available shall include both electronic and paper versions of accounting records including invoices, statements, receipts, vouchers, purchase orders, contract files, original Bids, estimating worksheets, correspondence, Change Order files (including documentation on negotiated settlements), payroll ledgers, and other documents which relate to the cost of the Work.

XI.

Final Payment

Construction Manager will submit an application for final payment to Owner when the Work has been completed in compliance with the Contract Documents. Owner shall pay the final due to Construction Manager for the entire unpaid balance of the contract amount.

XII.

Signatures

The signatures that follow constitute confirmation by those signing that they have examined and understand the Contract Documents and agree to be bound by the terms of these documents.

\_\_\_\_\_  
(Owner's Signature) (Date)

\_\_\_\_\_  
(Construction Manager) (Date)

This agreement is entered into as of the date written below.

\_\_\_\_\_, Owner

\_\_\_\_\_  
(Signature) (Date)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Signature) (Date)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_, Construction Manager

\_\_\_\_\_  
(Signature) (Date)

