

October 31, 2018

Save Yourself a Scare – 2007 “AIA” Contract Documents Expire at Midnight Tonight

We at Michael Best know that many of you are preoccupied with dodging ghouls and goblins and, therefore, may not realize that the American Institute of Architects (AIA) will officially phase out the use of its 2007 contract forms today, October 31, 2018. The AIA produces the most commonly used industry contract forms for commercial construction projects in the United States and releases updated forms every ten (10) years in an effort to reflect industry trends and important court decisions. The AIA issued its most recent update in April of 2017, which officially supersede and replace the 2007 editions beginning November 1, 2018.

The latest suite of updated forms include the Owner-Contractors agreements A101, A102, A103, and A105; the Owner-Architect agreements B101, B102, B103, B104, and B105; and, arguably the most important updated form, the A201 General Conditions of Contract for Construction. There are also changes to a number of architect scope and consulting agreement forms.

The recent AIA updates resulted in several major changes – including updates to payment and financial information provisions, use of Building Information Modeling (BIM), termination fees, and claims process. One of the biggest changes, however, is to our how insurance is dealt with for many of the updated forms. Key portions of the insurance requirements formerly found within Article 11 of the A201 General Conditions of Contract for Construction have now been moved into a new, separate insurance exhibit. This falls in line with the recent industry trend of addressing insurance separately, and simplifies the best practice of having your insurer review and comment on all insurance requirements during contract negotiations.

Some may ask, “What does it matter if I don’t transition to using the 2017 editions?” In addition to both licensing issues and noncompliance with industry standards, parties cannot trick the AIA’s online system and will be wholly prevented

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from finalizing 2007 contract forms. Unfortunately, even the best costumes cannot mask their extinction.

If you have not yet transitioned to using the 2017 forms or are terrified of the unknown, contact Michelle Wagner Ebben or Jonathan Luljak to better understand the impact these developments may pose on your upcoming construction projects.

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