

CM470

Legal Issues in Construction

[Onsite]

Course Description:

This course explores the legal issues arising from design and construction services. Topics include contracts, land zoning and property ownership, contractor liability, mechanics liens, litigation and arbitration, hazardous waste issues and labor law.

Prerequisite(s) and/or Corequisite(s):

Prerequisites: CM340 Building Codes, CM420 Construction Documents and Contracts

Credit hours: 4

Contact hours: 50 (30 Theory Hours, 20 Lab Hours)

Where Does This Course Belong?

Legal Issues in Construction is a course required to obtain a bachelor's degree in the Construction Management program. This course introduces the Knowledge of construction law and employment law that is essential to running a successful construction business, students will obtain a coverage of the newly issued and recently revised industry-standard contract documents produced by the AIA, ConsensusDOCS, and EJCDC.

The following course sequence provides an overview of how Legal Issues in Construction fits into the program.

Construction Management Core



Course Summary

Course Description

This course explores the legal issues arising from design and construction services. Topics include contracts, land zoning and property ownership, contractor liability, mechanics liens, litigation and arbitration, hazardous waste issues and labor law.

Major Instructional Areas

- Construction Contracts as a Legal Tool for Managing Construction Participants
- The Authority and Responsibilities of an Architect and an Engineer
- Legal Risks of Working in a New Territory
- Legal Rights and Obligations in Competitive Bidding
- The Management of Contract Changes
- Inspection, Acceptance, Commissioning, and Warranties
- Contractual Methods for Limiting Risks and Avoiding Disputes
- The Resolution of Construction Disputes
- Insurance as a Tool for Controlling the Costs of Damages
- Differing Site Conditions
- Schedules, Delays, and Acceleration
- Subcontract Administration and Dispute Avoidance
- Federal Government Construction Contract Disputes
- Payment and Performance Bonds
- Bankruptcy in a Construction Setting
- Termination of a Construction Contract

Course Objectives

- Discuss the legal issues related to the creation of construction contracts.
- Identify the legal aspects related to the process of contracting for design services.

- Identify the legal rules governing competitive bidding.
- Identify the potential problems that may arise as a result of an incorrect interpretation of the language in a contract.
- Explain the authority and responsibility of the various parties to a contract.
- Analyze the complex contracting methods for implementing changes and controlling payments in a construction project.
- Explain the contractual methods for controlling performance problems and construction defects in a construction project.
- Interpret the legal standards concerning schedule delays.
- Identify the methods of measuring the owner and contractor claims.
- Identify the methods that are available to a subcontractor for cost recovery from an owner.
- Describe the various alternative methods of resolving disputes related to a construction contract.
- Identify the provisions for shifting and sharing risks using contractual clauses.
- Analyze the provisions related to the termination of a contract.

SCANS Objectives

SCANS is an acronym for Secretary's Commission on Achieving Necessary Skills. The committee, appointed by the National Secretary of Labor in 1990, created a list of skills and competencies that continue to be a valuable resource for individuals developing their careers in a high-tech job market. For more information on the SCANS objectives, visit The U.S. Department of Labor Employment and Training Administration: www.doleta.gov.

The following SCANS objectives are designated for this course:

- Select goal-relevant activities, rank them, allocate time, and prepare and follow schedules.
- Use or prepare budgets, make forecasts, keep records, and make adjustments to meet objectives.
- Acquire, store, allocate, and use materials or space efficiently.
- Locate, understand, and interpret written information in prose and documents-including manuals, graphs, and schedules-to perform tasks.
- Employ computers to acquire, organize, analyze, and communicate information.
- Select and analyze information and communicate the results to others using oral, written, graphic, pictorial, or multi-media methods.
- Organize, process, and maintain written or computerized records and other forms of information in a systematic fashion.

Learning Materials and References

Required Resources

Textbook Package	New to this Course	Carried over from Previous Course(s)	Required for Subsequent Course(s)
Smith, Currie, and Hancock LLP (2009). <i>Common sense construction law: A practical guide for the construction professional</i> (4 th ed.). Hoboken, NJ: John Wiley & Sons, Inc.	■		■

Recommended Resources

Periodicals That Are Available Free of Charge

- *Building Design and Construction*
- *Metal Architecture*

Publications With Paid Subscriptions

- *Engineering News-Record*
- *The Construction Specifier*
- *The Journal of Light Construction*

Job Cameras:

- Oxblue (<http://www.oxblue.com>)

Professional Associations:

- Project Management Institute (PMI) (<http://www.pmi.org/>)
PMI establishes standards for project management.
- Associated General Contractor's of America (AGC) (<http://www.agc.org/>)
AGC is a trade association for the construction industry. It has a database of members you can access.

Information Search

Use the following keywords to search for additional online resources that may be used for supporting your work on the course assignments:

NOTE: All links to Web references are subject to change without prior notice.

Course Plan

Instructional Methods

This course is designed to promote learner-centered activities and support the development of cognitive strategies and competencies necessary for effective task performance and critical problem solving. The course utilizes individual and group learning activities, performance-driven assignments, problem-based cases, projects, and discussions. These methods focus on building engaging learning experiences conducive to development of critical knowledge and skills that can be effectively applied in professional contexts.

Suggested Learning Approach

In this course, you will be studying individually and within a group of your peers. As you work on the course deliverables, you are encouraged to share ideas with your peers and instructor, work

collaboratively on projects and team assignments, raise critical questions, and provide constructive feedback.

Use the following advice to receive maximum learning benefits from your participation in this course:

DO	DON'T
<ul style="list-style-type: none"> ▪ Do take a proactive learning approach ▪ Do share your thoughts on critical issues and potential problem solutions ▪ Do plan your course work in advance ▪ Do explore a variety of learning resources in addition to the textbook ▪ Do offer relevant examples from your experience ▪ Do make an effort to understand different points of view ▪ Do connect concepts explored in this course to real-life professional situations and your own experiences 	<ul style="list-style-type: none"> ▪ Don't assume there is only one correct answer to a question ▪ Don't be afraid to share your perspective on the issues analyzed in the course ▪ Don't be negative about the points of view that are different from yours ▪ Don't underestimate the impact of collaboration on your learning ▪ Don't limit your course experience to reading the textbook ▪ Don't postpone your work on the course deliverables – work on small assignment components every day

Course Outline

Unit	Reading Assignments	Graded Activities & Deliverables
1. The Legal Context of Construction and Alternative Contracting Methods	Smith, Chapters 1-2, pp 1-35	<ul style="list-style-type: none"> ▪ Unit 1. Assignment 1. Standard Forms of Agreement ▪ Unit 1. Assignment 2. Excessive Coordination ▪ Unit 1. Exercise 1. Fixed Price Proposals
2. Preparing to Work in a New State and Competing for the Contract	Smith, Chapters 3-4, pp. 36-97	<ul style="list-style-type: none"> ▪ Unit 2. Assignment 1. Bid Checklist ▪ Unit 2. Assignment 2. Responsive/Responsible Bidder ▪ Unit 2. Exercise 1. Price Agreements
3. Interpreting the Contract and The Uniform Commercial Code	Smith, Chapters 5-6, pp. 98-133	<ul style="list-style-type: none"> ▪ Unit 3. Assignment 1. Requirement for Written Contract ▪ Unit 3. Assignment 2. Types of Warranties ▪ Unit 3. Exercise 1. Dealing with Risk Allocation Clauses
4. Authority and Responsibility of the Design Professional and Subcontract Administration	Smith, Chapters 7-8, pp. 134-218	<ul style="list-style-type: none"> ▪ Unit 4. Assignment 1. Architect's Change Order Authority ▪ Unit 4. Assignment 2. Bias in Standard Contracts ▪ Unit 4. Exercise 1. Architect/Engineer Responsibility

5. Contract Changes and Differing Site Conditions	Smith, Chapters 9-10, pp. 219-275	<ul style="list-style-type: none"> ▪ Unit 5. Assignment 1. Contract Changes ▪ Unit 5. Assignment 2. Finding Differing Site Conditions ▪ Unit 5. Exercise 1. Differing Site Conditions
6. Schedules, Delays, and the Acceptance Process	Smith, Chapters 11-12, pp. 276-334	<ul style="list-style-type: none"> ▪ Unit 6. Assignment 1. Concurrent Delays ▪ Unit 6. Assignment 2. Acceleration ▪ Unit 6. Exercise 1. Warranties
7. Limiting Risks and Payment Bonds	Smith, Chapters 13-14, pp. 335-428	<ul style="list-style-type: none"> ▪ Unit 7. Assignment 1. Job Camera Documentation ▪ Unit 7 Assignment 2. Payment Bonds ▪ Unit 7. Exercise 1. Payment Bond Claims
8. Performance Bonds and Proving Costs and Damages	Smith, Chapters 15-16, pp. 429-493	<ul style="list-style-type: none"> ▪ Unit 8. Assignment 1. Performance Bond Claims ▪ Unit 8. Assignment 2. Liquidated Damages ▪ Unit 8. Exercise 1. Lost Profits
9. Environmental and Safety Concerns and Construction Insurance	Smith, Chapters 17-18, pp. 494-548	<ul style="list-style-type: none"> ▪ Unit 9. Assignment 1. LEED Certification ▪ Unit 9. Assignment 2. Insurance Terms ▪ Unit 9. Exercise 1. Environmental Risks
10. Labor/Employment Issues and Bankruptcy	Smith, Chapters 19-22, pp. 549-672	<ul style="list-style-type: none"> ▪ Unit 10. Assignment 1. Union Activism ▪ Unit 10. Assignment 2. Labor and Employment Issues ▪ Unit 10. Exercise 1. Bankruptcy
11. Course Review and Final Examination		Final Exam

Evaluation and Grading

Evaluation Criteria

The graded assignments will be evaluated using the following weighted categories:

Category	Weight
Assignment	40%
Exercise	40%
Exam	20%
TOTAL	100%

Grade Conversion

The final grades will be calculated from the percentages earned in the course, as follows:

Grade	Percentage	Credit
A	90–100%	4.0
B+	85–89%	3.5
B	80–84%	3.0
C+	75–79%	2.5
C	70–74%	2.0
D+	65–69%	1.5
D	60–64%	1.0
F	<60%	0.0

Graded Activities and Deliverables

Grading Category	Category Weight	Graded Deliverable	Weight
Assignment	40%	Unit 1. Assignment 1. Standard Forms of Agreement	2%
		Unit 1. Assignment 2. Excessive Coordination	2%
		Unit 2. Assignment 1. Bid Checklist	2%
		Unit 2. Assignment 2. Responsive/Responsible Bidder	2%
		Unit 3. Assignment 1. Requirements for Written Contract	2%
		Unit 3. Assignment 2. Types of Warranties	2%
		Unit 4. Assignment 1. Architect's Change Order Authority	2%
		Unit 4. Assignment 2. Bias in Standard Contracts	2%
		Unit 5. Assignment 1. Contract Changes	2%
		Unit 5. Assignment 2. Finding Differing Site Conditions	2%
		Unit 6. Assignment 1. Concurrent Delays	2%
		Unit 6. Assignment 2. Acceleration	2%
		Unit 7. Assignment 1. Job Camera Documentation	2%
		Unit 7. Assignment 2. Payment Bonds	2%
		Unit 8. Assignment 1. Performance Bond Claims	2%
		Unit 8. Assignment 2. Liquidated Damages	2%
		Unit 9. Assignment 1. LEED Certification	2%
		Unit 9. Assignment 2. Insurance Terms	2%

Grading Category	Category Weight	Graded Deliverable	Weight
		Unit 10. Assignment 1. Union Activism	2%
		Unit 10. Assignment 2. Labor and Employment Issues	2%
Exercise	40%	Unit 1. Exercise 1. Fixed Price Proposals	4%
		Unit 2. Exercise 1. Price Agreements	4%
		Unit 3. Exercise 1. Dealing with Risk Allocation Clauses	4%
		Unit 4. Exercise 1. Architect/Engineer Responsibility	4%
		Unit 5. Exercise 1. Differing Site Conditions	4%
		Unit 6. Exercise 1. Warranties	4%
		Unit 7. Exercise 1. Payment Bond Claims	4%
		Unit 8. Exercise 1. Lost Profits	4%
		Unit 9. Exercise 1. Environmental Risks	4%
		Unit 10. Exercise 1. Bankruptcy	4%
Exam	20%	Final Exam Units 1-10	20%

Academic Integrity

All students must comply with the policies that regulate all forms of academic dishonesty, or academic misconduct, including plagiarism, self-plagiarism, fabrication, deception, cheating, and sabotage. For more information on the academic honesty policies, refer to the Student Handbook and the Course Catalog.

(End of Syllabus)