THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

NATIONAL INSTITUTE OF BUILDING SCIENCES

agcXML

OWNER-CONTRACTOR AGREEMENT
USE CASE

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The agcXML Project

The Associated General Contractors of America

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agcXML Use Case: Owner/Contractor Agreements

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1. Name

Owner/Contractor Agreements

2. About This Use Case

This use case is intended to describe a simple electronic transaction between two parties for the exchange of the *project-specific* information typically contained in executed owner/contractor agreements (contracts for construction).

This use case is not intended to describe the process by which the parties negotiate the terms of an agreement. Unlike the exchange of information embodied in requests for information or change orders, the negotiation of contract terms and the drafting of mutually-acceptable and legally-binding agreements is not a formally-defined or structured business process. The purpose of the Agreements Schema in the agcXML family of schemas is to provide a structured representation of the project-specific information contained in owner/contractor agreements, and to enable the parties to an agreement to integrate that information into downstream business processes through electronic data exchange, thereby minimizing repetitive data entry throughout the life cycle of a construction project.

Several industry organizations, including the Associated General Contractors of America (AGC) and the American Institute of Architects (AIA), publish standard contract forms in both print and electronic formats. The text of these standard forms is the intellectual property of the publishers, and is protected by copyright law.

Standard contract forms can be modified by the parties to create an agreement customized for a specific project. Modifications to the standard forms are made in one of two ways:

- The parties can edit the original text—typically without restriction— to create new contract language that is a seamless blend of the original text of the standard contract form and the user revisions.

- The parties can enter project-specific information into blank spaces in the standard contract forms that are specifically provided for that purpose. Typically, in order to create a complete, legally-binding agreement, these spaces cannot be left blank. Appropriate project-specific information or a "not applicable" notation must be entered into each blank space.

Once completed, a contract form consists of three types of data:

- The original text of the standard contract form.

- User revisions to the original, unstructured text.

- Project-specific "fill-in-the-blanks" information.

The first two types of data—the original text and any user revisions—are not sufficiently structured to permit a third party to create an XML schema for the direct exchange of this data. And as previously noted, the original text of any agreement developed in this manner is the intellectual property of its publisher, and cannot be embedded within an XML schema without the consent of the publisher. It is beyond the scope of the agcXML project to organize, classify, and facilitate the exchange of this content.

The third type of data—project-specific "fill in the blanks" information—is sufficiently structured to permit the development of an XML schema for data exchange. Moreover, facilitating the electronic exchange of this information is likely to be of greater economic value than facilitating the exchange of the full text of the agreement. The scope of the agcXML Agreements Schema is limited to this project-specific data.

It must be emphasized that the resulting data exchange must not be construed as conveying the full legal agreement between the parties, since it includes neither the original standard text nor any of the modified, unstructured text.

3. Desired Outcomes

The standardization of owner/contractor agreement data exchange using agcXML is intended to produce both tangible and intangible benefits for the building design and construction industry. The potential benefits include:

- A standardized data format that will permit reliable electronic transfer of project data among project team members.

- Reliable electronic transfer of project data among dissimilar software applications such as contract documents software, project management software, and financial management software.

- More specifically, elimination of the need to re-enter the data embodied in owner/contractor agreements into project management and financial management systems.

- An increase in the value to licensees of their own software from the added functionality of being able to exchange project data electronically among dissimilar applications.

- A reduction of errors associated with repetitive and redundant data entry.

- Shortened cycle time for administrative and project management tasks related to project mobilization.

- Increased efficiency and productivity of electronic data transfer over manual (paper/mail/fax) or document-based data transfer methods.

- A reduction or elimination of the need for project team members to use the same software applications.

4. Summary Classifications

4.1. Type of transaction

Exchange project-specific, structured data that is typically created for and incorporated into owner/contractor agreements (contracts for construction) for purposes such as project management, project financial management, and construction contract administration.

4.2. Stage of project

The transaction can occur at any stage of a project following the execution of the agreement, though the value of the exchange is likely to be greatest at the project mobilization stage (after contract signing but before construction begins).

4.3. Disciplines

The exchange contains information created by the owner or owner's representatives and the contractor(s), but it may be of use to, and exchanged by, any project participant.

4.4. Data content

The transaction references a standard-form contract and contains some or all of the project-specific data fields of a standard contract in a structured or semi-structured form, including:

- The recognized name of the standard contract form used to prepare the agreement.

- The name and location of the project.

- The names and contact information of the parties to the agreement.

- The name of the architect or other prime design professional.

- The agreement date and other project milestone dates.

- A list of the contract documents, including any addenda and exhibits.

- Contract provisions for liquidated damages or bonuses; compensation; payment; insurance, bond, and indemnity; and other contract provisions.

5. Purpose

5.1. Description of the business processes (context)

Two parties have entered into an agreement for a particular construction project. They have negotiated and agreed upon the terms of the contract and have executed the agreement. Subsequently, project-specific information created for and incorporated into the owner/contractor agreement may be needed for many business processes after an agreement is signed, including:

- Populating a Web-based project management software application with essential information about a project, either for the exclusive internal use by a project team member or for common use by some or all project team members.

- Populating a project financial management financial application with essential project information, including certain specified values of a financial nature or having potential financial impact.

- Maintaining and managing the list of contract documents.

- Managing insurance and bond certificates.

- Exchanging contact information of the parties.

5.2. Purpose of the transaction

This transaction provides for the exchange of all or part of the structured, project-specific information created for and incorporated into owner/contractor agreements for construction projects—without providing the complete text of the agreements or any user revisions of the unstructured text—to support the business processes described above.

6. Actors and Roles

The information contained in this transaction typically originates from the agreement between the owner and the contractor. The transaction itself involves an information provider and an information receiver. These roles could be played by any party involved in the project. Neither role is required to be one of the parties to the agreement.

7. Preconditions and Start point

It is assumed that a mutually-agreeable and legally-binding agreement has been executed prior to this use case.

8. End point

The transaction is complete once the contract information has been received (and possibly acknowledged).

9. Measurable Result

Receipt of the information should permit the recipient to execute routine data-entry tasks more efficiently and accurately, and, whenever applicable, allow the recipient to benchmark or measure project activities against contract provisions.

10. Flow of Events/Activity Descriptions

"Information Distribution" transaction pattern: An information provider sends the data to the receiver, who may (but is not required to) send an acknowledgement.

11. Alternative Flow of Events

"Request/Response" transaction pattern: One party sends a request for contract information to the information provider, who responds by sending the contract information.

12. Use Case Relationships: Inclusion and Extension

This use case extends the Generic Information/Document Distribution use case. The owner/contractor agreement distribution process can be quite flexible, and all of the alternative flows described in the Generic Information/Document Distribution use case are possible. Specific configurations may be subject to the judgment of the participants due to the confidential nature of some of the information.

This use case explicitly excludes any use cases that are understood to exchange the full legal agreement between the parties.

13. Controls

Owner/contractor agreements contain information—particularly financial information—that the parties may regard as confidential. The exchange should be subject to transaction controls that enable the information provider to transmit discreet subsets of the data set.

14. Data

The generic information/document distribution use case defines generic document and distribution data requirements.

This transaction also includes the data that are typically added into standard form contracts by the users (the "fill-in-the-blanks" data). The specific data items are described in the schema document.

15. Outstanding Issues

None at this time.