



Broward Community College

Course Outline

STATUS: A

COMMON COURSE NUMBER: BCT 1743

COURSE TITLE: Building Construction Law

CREDIT HOURS: 2

CONTACT HOURS BREAKDOWN:

Lecture/Discussion	<u> 32 </u>
Lab	<u> </u>
Other	<u> </u>
Contact Hours/Week	<u> 2 </u>

CATALOG COURSE DESCRIPTION:

A study of the practical aspects of construction law. Focus is on the "office management" duties associated with bidding, contract and purchase order terms, licensing in construction, construction insurance and bonding, contract administration, and dispute resolution.

Prerequisite:

Corequisite:

UNIT TITLES:

1. Business Entities and Licensing
2. Construction Insurance and Bonding, Workers Compensation, Requirements of Coverage, Account; issuer, General Liability and Casualty Losses, Key Terms in Policy, Certificates of Insurance Bid Bond, Performance Bond, Payment Bond
3. Construction Contracts, Subcontracts and Purchase Orders
4. Contract Administration, Documentation, Payment Procedures, Acceptance Procedures, Punch Lists, Warranties, Delay Claims, Extra Work Documentation, Job Logs, Meeting Minutes, Correspondence
5. Dispute Resolution and Remedies, Negotiation, Mediation, Arbitration, Litigation, Construction Lien Law

I. Course Overview:

Upon successful completion of this course, the students should be able to have an understanding of the practical aspects of construction law. The "office" management duties associated with bidding, contract and purchase order terms, licensing in construction, construction insurance and bonding, contract administration, and dispute resolution.

II. Units:

Unit 1. Business Entities and Licensing;

General Outcome:

1.0 The students should be able to
The student should recognize the forms of business entity in wide use by contractors in Florida. The students should have a general understanding of the principals or officers involved with the various business entities including who has the authority to act on behalf of business entities.

Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

- 1.1 Recognize the following forms of business: sole proprietorship, partnership, joint venture, corporation, limited liability company, and limited liability partnership.
- 1.2 Understand who the players are in each of those entities, and what authority is required for such persons to bind the entity.
- 1.3 Understand the registration of fictitious names.
- 1.4 Understand occupational licenses.
- 1.5 Understand contractor licensing with certificates of competency, qualifying agents, and financially responsible officers, both state and local.

Unit 2. Construction Insurance and Bonding, Workers Compensation, Requirements of Coverage, Account; issuer, General Liability and Casualty Losses, Key Terms in Policy, Certificates of Insurance Bid Bond, Performance Bond, Payment Bond

General Outcome:

- 2.0 The students should be able to understand the kinds of insurance coverage that is generally required of contractors. Understand the concepts of Construction Bonding, including what is required to obtain bonding, what types of bonds are most often used, and the procedure for making claim and defending against such bond claims.

Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

- 2.1 Have a working knowledge of workers compensation insurance, including the application of the statutory employer doctrine in construction and the concept of exemptions.
- 2.2 Understand what is generally covered by general liability insurance, builders risk insurance, concerns about exclusory riders, and the difference between claims made and occurrence types of policies. The concept of subrogation and waiver of subrogation.
- 2.3 Understand and properly deal with certificates of insurance and the concept additional names insureds.
- 2.4 Understand the concept of suretyship and bonding. Understand the use of bid bonds and other bid security. Understand the types of payment bonds and performance bonds. Understand the concept and obligations of indemnitors and subrogation rights of the surety.
- 2.5 Understand how to work with making payment bond claims and actions to defend against payment bond claims. Understand how to work with making performance bond claims, the liability of the performance bond surety, and actions to defend against payment bond claims.

Unit 3. Construction Contracts, Subcontracts and Purchase Orders

General Outcome:

3.0 The students should be able to understand the concepts of invitation to bid, bids, offers, acceptance, consideration. How to address competing forms and competing terms in contracts. When contracts must be in writing to be enforceable. When to use a purchase order. What the important terms of a construction contract or subcontract are. The students should understand lump sum contracts, unit price contracts, allowances, cost plus contracts, design/build contracts and construction management contracts.

Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

- 3.1 Know when a contract must be in writing to be enforceable.
- 3.2 Know important bid terms and invitation to bid terms for both public and private work, as well as when the bids have been accepted.
- 3.3 Understand the concept of bid shopping/buying out subcontracts.
- 3.4 Know when a contract is formed, and what comprises the contract, including terms that are implied by law.
- 3.5 Know what express terms are important in construction contracts and subcontracts, including scope of work, payment clauses, venue clauses, indemnity clauses, flow down provisions, merger provisions, differing site conditions clauses, procedures for extra work and claims, limitation of liability clauses, time of performance clauses, termination clauses, liquidated damage clauses, and warranty clauses.
- 3.6 Understand the use of, and obligations undertaken, in a lump sum contract.
- 3.7 Understand the use of, key terms in, and obligations undertaken, in a cost plus contract.

- 3.8 Understand the use of unit prices and allowances.
- 3.9 Understand the forms of construction management contracts.
- 3.10 Understand the use, benefits, and liabilities of design/build contracts.

Unit 4. Contract Administration, Documentation, Payment Procedures, Acceptance Procedures, Punch Lists, Warranties, Delay Claims, Extra Work Documentation, Job Logs, Meeting Minutes, Correspondence

General Outcome:

4.0 The students should be able to understand how to deal with the most common procedures having legal implications that arise during the performance of the contract.

Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

4.1 Know about notices of commencement - when to record and the significance of the notice of commencement.

4.2 Know what documentation should be in place before allowing the contractor or subcontractor to proceed with work.

4.3 Know how to document key occurrences, and daily occurrences with job logs, meeting minutes, correspondence, and memoranda.

4.4 Know what documentation should be in place to allow progress payments and final payment on the project, including forms of releases.

Unit 5. Dispute Resolution and Remedies, Negotiation, Mediation, Arbitration, Litigation, Construction Lien Law

General Outcome:

5.0 The students should be able to know the basics of dispute resolution including negotiation, mediation, arbitration, and litigation. The student should have a basic knowledge of how to work with the construction lien law.

Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

- 5.1 Know successful negotiation techniques.
- 5.2 Understand the process of mediation and how to prepare for mediation.
- 5.3 Understand the process of arbitration and what is involved in arbitration.
- 5.4 Understand the process of litigation, and how to assist counsel when involved in litigation.
- 5.5 Know how to work with the construction lien law and what other legal remedies are frequently involved in construction.