

# **Project Management Services Contract**

Initiating

## CONSTRUCTION MANAGEMENT SERVICES AGREEMENT

### KNOW ALL MEN BY THESE PRESENT:

This AGREEMENT made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between:

**COMPANY NAME OF THE SPONSOR**, an institution duly organized and existing under the laws of the *Country*, with principal office at *Office Address* duly represented herein by its *Sponsor's Role (i.e. President)*, **NAME OF THE SPONSOR**, hereinafter referred to as the "SPONSOR / CUSTOMER".

-and-

**COMPANY NAME OF THE CONSTRUCTION MANAGEMENT CONSULTANT**, a corporation duly organized and existing under the laws of the *Country*, with principal office at *Office Address* duly represented herein by its President and CEO, **NAME OF CONSULTANT**, hereinafter referred to as the "CONSULTANT".

**WHEREAS**, the SPONSOR / CUSTOMER desires to avail itself of the CONSULTANT's technical and professional services to render Construction Management Services for the proposed *Project Name* at *Location of the Project*.

**WHEREAS**, the CONSULTANT is desirous, willing, and capable of rendering the said services;

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

## ARTICLE I

### DEFINITION OF TERMS

Unless the contract otherwise indicates, the following terms shall have the following meaning in this contract:

- 1.1 The term "SPONSOR / CUSTOMER " means the *Company Name of the Sponsor*.
- 1.2 The term "CONSULTANT" means *Company Name of the Consultant*.
- 1.3 The term "CONTRACTOR" means the firm/s contracted to do the construction works.
- 1.4 The term "PROJECT" means the construction of the proposed *Project Name*.

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- 1.5 The term "DESIGN ENGINEER" means the engineer engaged by the SPONSOR / CUSTOMER to do the specific engineering discipline designs of the project.
- 1.6 The term "SERVICES" means the work and services to be performed by the CONSULTANT as set forth in Article II hereof, and such services and undertakings as may be related hereto.
- 1.7 The term "REPRESENTATIVE" means the person designated by the SPONSOR / CUSTOMER to coordinate with the CONSULTANT.

## ARTICLE II

### THE SERVICES

The services to be provided by the CONSULTANT shall include all services as follows:

- 2.1 The CONSULTANT shall coordinate and review the plans and specifications to determine consistency, constructability, bid ability, and completeness of the design.
- 2.2 The CONSULTANT shall look after the construction management team at the construction site at all times when work is in progress to exercise the required inspection and management of all construction and installation works according to the requirements of the contract in terms of QUALITY, QUANTITY, and TIMELY EXECUTION of activities.
- 2.3 The CONSULTANT shall review plans, specifications, and other contract documents to attain consistency of requirements and conformance with the SPONSOR / CUSTOMER's established standards.
- 2.4 The CONSULTANT shall prepare definitive cost estimates upon presentation by the SPONSOR / CUSTOMER of the approved and agreed engineering designs. It shall provide all the necessary assistance in the tendering of the works, including the bid preparation processes and evaluation of tenders as to the accuracy of the proposal/bids with respect to the approved Owners Bill of Quantities and Estimates.
- 2.5 The CONSULTANT shall prepare schedules which shall be agreed with the SPONSOR / CUSTOMER and CONTRACTOR and shall be closely monitored as the construction progresses.
- 2.6 The CONSULTANT shall coordinate and conduct all the necessary standard tests, evaluate results, and prepare corresponding recommendations for the materials supplied by the SPONSOR / CUSTOMER and/or CONTRACTOR.
- 2.7 The CONSULTANT shall ensure that items for fabrication and/or installation requiring prior approval of the SPONSOR / CUSTOMER or its duly authorized representatives are intact, available, and ready for use. Such approval of material samples or approval of shop drawings shall be complied.
- 2.8 The CONSULTANT shall keep daily logs of all activities, instructions, visitors, agreements, changes relating to field instructions, and any other important matters.

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- 2.9 The CONSULTANT shall evaluate and recommend for approval by the SPONSOR / CUSTOMER'S Representative all CONTRACTOR'S claim for payment.
- 2.10 The CONSULTANT shall coordinate with the SPONSOR / CUSTOMER and/or its representative on all matters relating to their respective responsibilities. The CONSULTANT, in its capacity as Project Manager, shall report directly to the SPONSOR / CUSTOMER'S representative and coordinate and supervise all works in connection with the PROJECT.
- 2.11 The CONSULTANT shall arrange and undertake a final inspection of the project independent of the contractor's inspection, and jointly with the SPONSOR / CUSTOMER's representative to serve as a basis for the substantial and final acceptance of the project by the SPONSOR / CUSTOMER as well as for the remittance of the final payment to the CONTRACTOR.
- 2.12 The CONSULTANT shall require the CONTRACTOR to prepare and submit as-built drawings of all installations reference to the contract for its review and submission to the SPONSOR / CUSTOMER.
- 2.13 The CONSULTANT shall attend coordination meetings and provide assistance in the providing solutions to field problems.
- 2.14 The CONSULTANT shall prepare and submit once a month to the SPONSOR / CUSTOMER construction progress reports for the purpose of monitoring the contracts performances. Such reports shall include the physical progress, timetable with respect to the original schedule, updated activity charts and spending curves, comments and recommendations regarding progress accomplishments against schedule, and contract cost of the project.
- 2.15 The CONSULTANT shall arrange and submit a comprehensive final report on the project.
- 2.16 In the event that the CONSULTANT is delayed or fails to perform any or all of the above services as a result of the CONTRACTOR'S unjustified refusal or failure to comply with its obligations under the relevant construction contract and not due to CONSULTANT'S fault or negligence, such delay or failure on the part of the CONSULTANT shall not prejudice the CONSULTANT in exercise or enforcement of its rights under this contract.

### **ARTICLE III**

#### **OBLIGATIONS OF THE OWNER**

- 3.1 The OWNER shall provide the CONSULTANT'S staff with a decent working space within the jobsite free of charge.

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**ARTICLE IV**

**PERSONNEL**

- 4.1 The services shall be carried out by a Construction Management Team assigned full time to the project.
- 4.2 In the event that any Personnel is found by the SPONSOR / CUSTOMER to be incompetent in fulfilling his assigned responsibilities, or is otherwise undesirable for any task under the PROJECT, the OWNER may require the CONSULTANT to forthwith provide a replacement with qualifications and experience acceptable to SPONSOR / CUSTOMER.
- 4.3 Should it become necessary, for reasons beyond the reasonable control of the CONSULTANT to replace any of its key personnel, the CONSULTANT shall forthwith arrange for such replacement with a person of comparable or better qualifications and acceptable to the SPONSOR / CUSTOMER.

**ARTICLE V**

**CONTRACT AMOUNT AND METHOD OF PAYMENT**

- 5.1 As compensation for the faithful and satisfactory undertaking of the Construction Management Services listed in Article II, the OWNER shall pay the CONSULTANT a fee in the amount of **USD: CONTRACT AMOUNT** for the period of the implementation estimated to be at *Duration (number of months)*.
- 5.2 The balance of 80% shall be billed in equal monthly installments spread over the *Duration* months implementation period. Payment shall be thirty (30) days from date of submission of invoice.
- 5.3 The SPONSOR / CUSTOMER, upon signing of the contract, shall make down payment to the CONSULTANT in the amount equal to twenty percent (20%) of the total contract price in lump sum.
- 5.4 The project delivery date shall be determined and documented by SPONSOR / CUSTOMER and the CONSULTANT during the pre-construction period.
- 5.5 In the event that the construction implementation is extended beyond the contract period, the CONSULTANT shall be paid an amount equivalent to the building rate of the personnel actually fielded at the site based on Bid Schedule.

**ARTICLE VI**

**INDEMNITY**

- 6.1 CONSULTANT agrees that it shall cause its suppliers and subcontractors to execute an indemnification agreement in favor of SPONSOR / CUSTOMER in substantially the same form as the above paragraph forthwith upon appointment of the same and shall, if requested by SPONSOR / CUSTOMER, furnish SPONSOR / CUSTOMER with the indemnification agreement on terms acceptable to SPONSOR / CUSTOMER.

- 6.2 CONSULTANT shall indemnify, hold harmless and, at SPONSOR / CUSTOMER'S request, defend SPONSOR / CUSTOMER and its officers, directors, and employees from and against any and all liabilities, losses, claims, or expenses (including reasonable attorney's fees) that SPONSOR / CUSTOMER may incur for injury to or death of persons or damage to property (including OWNER'S physical property) in any manner arising out of this contract of the work performed hereunder by CONSULTANT, whether such liabilities arise in contract, tort, or otherwise; provided, however that CONSULTANT shall not be required to indemnify SPONSOR / CUSTOMER against such liabilities, losses, claims, or expenses resulting from SPONSOR / CUSTOMER'S or its employees gross negligence or intentional acts or omissions.
- 6.3 CONSULTANT further agrees, upon request of the SPONSOR / CUSTOMER, with the benefit of any warranty or guarantee given by such suppliers or subcontractors to the CONSULTANT on terms acceptable to SPONSOR / CUSTOMER.

## **ARTICLE VII**

### **FORCE MAJEURE AND OTHER CAUSES**

- 7.1 The CONSULTANT shall promptly notify the SPONSOR / CUSTOMER in writing of the occurrence of any event of force majeure. As used herein, the term "force majeure" shall mean events attributed to the causes specified hereunder.
- 7.1.1 Natural causes, such as earthquakes, typhoons, storms, floods, epidemic, and other similar phenomena affecting the project, to the extent that make it impossible for the CONSULTANT to carry out, in whole or in part, the obligations under this contract.
- 7.1.2 Human causes, such as war, armed invasion, revolution, insurrection, blockades, riots, civil disturbances, and other analogous or similar causes, to the extent that make it impossible for the CONSULTANT to carry out, in whole or in part, its obligations under this contract.
- 7.2 In the event of force majeure, the CONSULTANT unless otherwise directed by the SPONSOR / CUSTOMER in writing, shall continue to undertake and perform the duties set forth in the contract as far as it is reasonably practicable.
- 7.3 If any event occurs constituting force majeure, the CONSULTANT shall give written notice to the SPONSOR / CUSTOMER immediately upon the occurrence, including a statement describing the force majeure and its effect upon the performance of the contract. The parties shall, within five (5) days after such notice, consult with each other regarding the action to be taken.
- 7.4 In the event of force majeure resulting in a suspension of work, this contract shall be extended by a period equal to that for which the CONSULTANT was prevented from performing; provided, however, that payment of fees to the CONSULTANT shall be suspended during the period of suspension.

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- 7.5 Upon termination of this agreement pursuant to the foregoing provisions, the SPONSOR / CUSTOMER shall not be liable to make any payment to the CONSULTANT except for the work or services performed prior to the date of such termination and for such amount as may be reasonably and equitably agreed by the parties. The CONSULTANT shall give the SPONSOR / CUSTOMER all data compiled, drawings, and preliminary conclusions reached up to the date of termination.
- 7.6 If the event of force majeure continues to exist for a period of more than thirty (30) days from date of notice of such occurrence to the SPONSOR / CUSTOMER, either party may terminate this agreement by giving the other party at least seven (7) days written notice of termination. The CONSULTANT shall wind-up the work in a prompt and orderly manner and to reduce expenditures to a minimum, as far as practicable.

### **ARTICLE VIII**

#### **MODIFICATION**

- 8.1 No modification, including transfer or assignment of any right or obligation under the terms of this contract, shall be valid unless mutually agreed upon in writing by the parties herein.

### **ARTICLE IX**

#### **TERMINATION OF SERVICES**

- 9.1 The SPONSOR / CUSTOMER may, at any time, terminate the services of the CONSULTANT under this contract for reasons dictated by the best interest of the SPONSOR / CUSTOMER'S as determined by the SPONSOR / CUSTOMER including, but not limited to, violations of any provisions of the contract, upon at least seven (7) days' notice in writing to the CONSULTANT. In any case, it is understood that the cancellation or termination shall be without prejudice to whatever rights accruing to the CONSULTANT prior to the cancellation or termination.

### **ARTICLE X**

#### **LIABILITY OF THE CONSULTANT**

- 10.1 The liability of the CONSULTANT under this agreement for rendering Construction Management Services shall be in accordance with *Country's Governing Laws*.

**ARTICLE XI**

**DISPUTE AND ARBITRATION**

- 11.1 In the event of any dispute or action between the parties hereto as to any matter arising out of or relating to this contract or any stipulations herein or with respect hereto which cannot be amicably settled by the parties themselves, such dispute maybe submitted to the *Country's Arbitration Agency/Commission* , *Address*. The decision, however, of the Commission shall not preclude the parties from ventilation the issue(s) before the proper courts of justice.

**ARTICLE XII**

**OWNERSHIP OF STUDIES, DATA AND PLANS**

- 12.1 Upon completion of the services, the plans, reports, specification, working papers, data, and other related documents made under this contract shall become the property of the SPONSOR / CUSTOMER. The CONSULTANT may retain copies of all documents for its records but may not reproduce or publish the same without permission from the SPONSOR / CUSTOMER and agrees to keep all such documents in strict confidence.

**ARTICLE XIII**

**COMMENCEMENT AND DURATION OF CONTRACT**

This agreement shall become effective from \_\_\_\_\_

**ARTICLE XIV**

It is understood that the functions of the Design Consultants, Contractors, and Suppliers do not relieve the CONSULTANT of his obligations and responsibilities as stipulated in this contract.



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**IN WITNESS WHEREOF**, the parties hereto have signed this Agreement this \_\_\_\_ day of \_\_\_\_\_ at *Place (City) , Country*.

**CONSTRUCTION MANAGEMENT SPONSOR'S COMPANY NAME  
COMPANY NAME.**

(Consultant)

(Owner)

By:

By:

**NAME OF REPRESENTATIVE**

President

**SPONSOR'S REPRESENTATIVE**

President

**SIGNED IN THE PRESENCE OF**

\_\_\_\_\_  
Printed Name & Signature

\_\_\_\_\_  
Printed Name & Signature

**ACKNOWLEDGEMENT**

*(Please consult your legal adviser or attorney in dealing with this contract and acknowledgement)*

COUNTRY)  
ADDRESS )

At this \_\_\_\_\_ day of \_\_\_\_\_ 2013, personally appeared before me:

\_\_\_\_\_

Government Identification No:

Date :

Place :

Tax Identification No. :

\_\_\_\_\_

Government Identification No:

Date :

Place :

Tax Identification No. :

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Known to me the same persons who executed the foregoing instruments and who acknowledged to me that the same is their free act in deed and that of the offices they respectively represent.

The foregoing instrument is a CONSTRUCTION MANAGEMENT CONTRACT consisting of nine (9) pages, including this page, on which this acknowledgement is written and signed by the parties hereto and their instrument witness on the left-hand margin of each and every page hereof.

WITNESS MY HAND AND SEAL on the date and place first above.

\_\_\_\_\_  
Notary Public  
Until Month, Year

Document No  
Page No.  
Book No.  
Series No.

*This Construction Management Contract is for illustration only. Any given description, scope, and intent do not represent any specific ways to organize any type of construction-related contracts. Please consult your legal advisor or attorney in dealing with any construction management contract.*