



# AIA Document A105™ – 2007 Instructions

## *Standard Form of Agreement Between Owner and Contractor for a Residential or Small Commercial Project*

### GENERAL INFORMATION

**Purpose.** AIA Document A105–2007 replaces A105™–1993 and A205™–1993. The combined new Agreement is intended to be used for a residential or small commercial project that is modest in size and brief in duration, and where payment to the Contractor is based on a stipulated sum (fixed price). For larger and more complex projects, other AIA agreements are more suitable, such as A107™–2007, Agreement Between Owner and Contractor for a Project of Limited Scope. For even larger or more complex projects, Owner/Contractor agreements A101™–2007, A102™–2007, or A103™–2007 combined with A201™–2007, General Conditions of the Contract for Construction, are appropriate.

**Related Documents.** A105–2007 and AIA Document B105™–2007, Standard Form of Agreement Between Owner and Architect for a Residential or Small Commercial Project, comprise the Small Projects family of documents. Within a document family, common definitions and parallel phrasing combine to form a consistent structure in support of all the major contractual relationships on the construction project. A105 is specifically adopted by separate reference into the B105 as described below.

**Alternate Dispute Resolution (ADR) Methods.** In order to maintain the condensed nature of this document, arbitration and other ADR provisions are omitted, but the parties may include them under Article 17. Even if not included in the agreement, the parties may agree to use ADR methods to resolve disputes instead of filing claims in court. For information about various methods of dispute resolution, refer to *The Construction Industry's Guide to Dispute Avoidance and Resolution*, free online at [www.adr.org](http://www.adr.org).

**Use of Non-AIA Forms.** If a combination of AIA documents and non-AIA documents is to be used, particular care must be taken to achieve consistency of language and intent.

**Letter Forms of Agreement.** Letter forms of agreement are generally discouraged by the AIA, as is the performance of a part or the whole of the Work on the basis of oral agreements or understandings. The standard AIA agreement forms have been developed through more than 100 years of experience and have been tested repeatedly in the courts. In addition, the standard forms have been carefully coordinated with other AIA documents.

**Use of Current Documents.** Prior to using any AIA document, users should consult the AIA, an AIA component chapter or a current AIA Documents List to determine the current edition of each document.

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## CHANGES FROM THE PREVIOUS EDITION

AIA Document A105–2007 combines the 1993 versions of former A105 and A205 into one single document and incorporates alterations proposed by architects, contractors, owners, and consultants. Revisions were made to align A105–2007 with the procedures established in AIA Document A201–2007, streamlining those procedures appropriately for the smaller, less complex project. The following are some of the significant changes made to the contents from A105–1993 and A205–1993.

**Title.** The title of this document has been changed to be more specific about its potential uses.

**Article 2.** A definition of “Contract Time” has been added.

**Article 3.** Unit prices, allowances, and alternates may now be included in the Contract Sum.

**Article 5.** The Owner’s insurance coverage requirements are now more explicit and text is added to protect the Contractor in the event of a loss to the Work covered under the policy.

**Article 8.** A construction schedule requirement is added to assist the parties in monitoring the progress of the Work.

**Article 10.** Provision is now made for the contractor to be paid for a change in the Work when the Owner and Contractor can’t reach agreement on the price.

**Article 12.** Language is added to Section 12.2, Application for Payment, permitting payment for stored materials on or off site. In Section 12.5.2 the Architect is now required to inspect the Work to determine whether it is substantially complete.

**Article 16.** Section 16.3 is added to permit the Owner to terminate the agreement for its convenience.

**Signature Page.** An additional signature line is added to accommodate joint property owners.

## USING A105–2007

**Modifications.** Particularly with respect to professional or contractor licensing laws, building codes, taxes, monetary and interest charges, arbitration, indemnification, format and font size, AIA Contract Documents may require modification to comply with state or local laws. Users are encouraged to consult an attorney before completing or modifying a document.

In a purchased paper AIA Contract Document, necessary modifications may be accomplished by writing or typing the appropriate terms in the blank spaces provided on the document, or by attaching Supplementary Conditions, special conditions or referenced amendments.

Modifications directly to purchased paper AIA Contract Documents may also be achieved by striking out language. However, care must be taken in making these kinds of deletions.

Under NO circumstances should standard language be struck out to render it illegible. For example, users should not apply blocking tape, correction fluid or Xs that would completely obscure text. Such practices may raise suspicion of fraudulent concealment, or suggest that the completed and signed document has been tampered with. Both parties should initial handwritten changes.

Using AIA software, modifications to insert information and revise the standard AIA text may be made as the software permits.

By reviewing properly made modifications to a standard AIA Contract Document, parties familiar with that document can quickly understand the essence of the proposed relationship. Commercial exchanges are greatly simplified and expedited, good faith dealing is encouraged, and otherwise latent clauses are exposed for scrutiny.

AIA Contract Documents may not be retyped or electronically scanned. Retyping can introduce typographic errors and cloud legal interpretation given to a standard clause. Furthermore, retyping and electronic scanning are not permitted under the user’s limited license for use of the document, constitute the creation of a derivative work and violate the AIA’s copyright.

## Cover Page

**Date.** The date represents the date the Agreement becomes effective. It may be the date that an original oral agreement was reached, the date the Agreement was originally submitted to the Owner, the date authorizing action was taken or the date of actual execution.

**Parties.** Parties to this Agreement should be identified using the full address and legal name under which the Agreement is to be executed, including a designation of the legal status of both parties (sole proprietorship, partnership, joint venture, unincorporated association, limited partnership or corporation [general, closed or professional], etc.). Where appropriate, a copy of the resolution authorizing the individual to act on behalf of the firm or entity should be attached. Other information may be added, such as telephone numbers and electronic addresses.

**Project.** The proposed project should be described in sufficient detail to identify: (1) the official name or title of the facility; (2) the location of the site, and (3) a brief description of the Project, including the proposed building usage, size, and capacity or scope of the project.

## Article 1 Contract Documents

List Contract Documents, including Drawings and Specifications by title, number and date, as well as addenda or Supplementary Conditions, if any.

## Article 3 Contract Sum

**§ 3.1** Insert a fixed figure as the Contract Sum. If the Contract Sum is not to be a fixed price (also known as a stipulated sum), significant additional modifications may be necessary to adapt the Agreement to other methods of compensation, such as those involving a cost of the Work plus a fee provided to the Contractor.

**§ 3.2** Insert the schedule of values whereby the Contract Sum is allocated among the various portions of the Work.

**§ 3.3** Insert Unit Price(s) and quantity limitations, if any.

**§ 3.4** Insert Allowances, if any, to be included in the Contract Sum.

**§ 3.5** Identify accepted alternates, if any.

## Article 4 Payment

**§ 4.1** Insert payment procedures for monthly payment, or for payment upon completion of phases of the work, including provisions for retainage, if any. Allow sufficient time for the Architect's and Owner's review between the dates when the Contractor's Application for Payment is to be submitted to the Architect and when payment is due.

**§ 4.2** Insert the interest rate applicable to overdue payments or leave blank to permit the legal rate to apply.

## Article 5 Insurance

**§ 5.1** Insert specific insurance requirements for the types of insurance and dollar limits of coverage that the Contractor is required to carry for the project. These may include workers' compensation and general liability coverage.

## Article 17 Other Terms and Conditions

Insert other terms and conditions or make reference to attachment(s) that contain them.

## EXECUTING A105-2007

Persons executing the Agreement should indicate the capacity in which they are acting (i.e., president, secretary, partner, etc.) and the authority under which they are executing the Agreement. Where appropriate, a copy of the resolution authorizing an individual to act on behalf of the firm or entity should be attached. All joint owners on legal record should sign this Agreement. The Contractor's license number should be inserted if licensing is required in the jurisdiction where the project is located.