LIQUIDATED DAMAGES
Keep construction schedules realistic or allow for extraordinary efforts

Use liquidated damages only when there is a compelling need, and clearly define terms of acceptance.

1. The Owner may use liquidated damages to provide monetary relief for specific and identifiable damages resulting from the project not being completed on schedule.
2. If used, liquidated damages should be based upon an actual and responsible estimated cost or loss to the Owner.
3. It is important to understand the full impact of the time of completion, especially if exceptional efforts will be needed to meet the schedule.
4. If the schedule is accelerated over normal practice, extra costs will be incurred in the bid price.
5. When liquidated damages are used, adversarial relations could occur.
6. If the Owner is considering liquidated damages, a bonus for early completion should also be considered.

REFERENCES:
Consensus DOCS; AIA 511 Recommended Supplementary General Conditions, Substantial Completion

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