

*Lawyer, Surety Company, Lender Perspective Of Multiple Contracts For Building  
Church Facilities*



By  
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There are still some attorneys, surety companies, and lenders that hang on to the "traditional" way things have been done. They want one firm responsible for the entire project. All the eggs are put in one basket. However, more and more "unconventional" attorneys, surety companies, and lenders see the logic and safety in using multiple contracts for the construction of church facilities. Hiring a responsible construction manager with a good track record takes care of the requirement of one firm being responsible for the management of the project.

For surety companies, multiple contracts for a project keep the contract amounts smaller, making the risks to them smaller. In recent months, surety companies have lost a great deal of money with the "one" contractor building delivery system. Many general contractors, design/builders and construction managers at risk have gone under causing bonding criteria for these contractors to become much tighter and costlier for their clients because of this trend.

Lenders are seeing the value in multiple contracts because of the same reason as the surety companies. There is less risk of the total project failing if there is more than one contract. And, the fact that the many prime trade contractors doing the work on the projects can bond their portions of the work when this is one of the lender's requirements for the project is putting the lenders at ease in using the multiple contract method of delivery.

Attorneys familiar with risk management factors are following the same trend of being more acceptable of multiple contract building delivery systems for their church clients.