Abstract

Mohamed S Eid

Joint Venture Agreements for Construction and Professional Services: Comparative Contractual Analysis and Guidelines

Many studies have investigated the issues related to performance, risks, success, collaboration, and other implications of joint venture (JV) arrangements. The goal of this paper is to investigate the contractual aspects of JVs in construction. To this end, the authors used an interdependent research methodology that comprised (1) analyzing available motivating law cases that are associated with JV-related conflicts, claims, and disputes as well as contractually analyzing the popular national standard form of JV contracts (2) identifying the major areas of concern in relation to contractual management in JV agreements and (3) conducting a comparative analysis on the stipulations of the popular national standard forms within the main areas of focus. The different research outcomes were validated and enriched by a focus group of experts whose collective experience in dealing with contractual and legal matters in the engineering and construction field is around 250 years. Results indicate that construction stakeholders need to study and pay close attention to the following issues in JV agreements from a contractual management perspective: scope and purpose JV management and decision-making termination financing and accounting ownership insurance and bonding dispute resolution and project work. The paper provides various guidelines to promote a better understanding of effective and efficient JV practices that could act as a reference for the contracting parties in negotiating the terms governing their projects and managing their agreements. Ultimately, this study should better enable and support the growing popularity and need for JVs, especially in the increasingly complex and global construction industry.