



Contract Formation

The “contract” is the foundation of virtually every relationship in the construction industry. “Contract interpretation” is the process of determining what the parties agreed to their contract. It involves deciding the meaning of words, filling in gaps and resolving conflicts. The more familiar you are with the basic rules of contract interpretation, the better your chances of avoiding the numerous problems that frequently arise during the negotiation and performance of construction contracts. Interpreting the contract is explained in Chapter 5 of *Common Sense Construction Law*.