



FOR IMMEDIATE RELEASE

The Engineers Joint Contract Documents Committee Releases New EJCDC® E-590, *Joint Venture Agreement for Professional Services*

ALEXANDRIA, Va., February 1, 2017—The Engineers Joint Contract Documents Committee (EJCDC®) today released EJCDC® E-590, *2017 Joint Venture Agreement for Professional Services*. A joint venture is a business arrangement in which two or more parties join together to accomplish a specific task. A joint venture is itself an entity, separate and distinct from the venturers' other business interests.

EJCDC® E-590, *Joint Venture Agreement for Professional Services*, is a contract is intended for use on a collaboration of two professional service firms, such as two engineering firms, or an engineering firm and an architectural services firm, that have decided to join forces specific professional services to a third party. Such collaboration leverages the resources of each firm, giving the joint venture the advantage of both firms' professional licensing, technical skill-sets, available staff, market knowledge and other expertise to successfully perform the services.

In most cases, EJCDC® E-590 will be used to establish a joint venture that will enter into a professional services agreement with a project owner for a specific project. In some cases the joint venture might be retained by a contractor, design-builder, construction manager, or intermediate developer to provide professional services on a specific project. A joint venture agreement is not typically used to establish an ongoing, general purpose business relationship or permanent alliance.

EJCDC® E-590 addresses core business issues such as capital and property contributions to the joint venture, responsibility for liabilities, entitlement to profits, and management of the joint venture, as well as design-specific issues such as ownership of jointly prepared design documents.

EJCDC® E-590 is not meant for joint ventures between parties that are not design professional firms or individuals. For example, it does not take into consideration the issues that would arise in a joint venture between an engineering firm and a construction contractor.

The Joint Venture Agreement has been updated to recognize the variety of joint venture operating and management needs. Key features of the 2017 edition of E-590 include:

- Additional guidance regarding the joint venture's decision-making process; relationships among employees of individual joint venture members (Venturers) and employees of the joint venture (when pertinent); and ownership of joint documents.
- An instructive note on the relationship of the joint venture agreement and the professional services agreement (between Owner and joint venture), and on the scopes of services of the venturers.
- The update eliminates the generic use from the 2011 version of the term "partner" or "partners" in favor of the term "venturer" and "venturers" in the current form. This new terminology is suitable for the various forms of business organizations that can be used for Joint Ventures in the various jurisdictions, such as LLCs.
- Language on the composition of the Management Board was clarified on roles and decision-making, but without significantly changing the default process.
- The default method for decisions of the Management Board remains as a unanimous vote. However, recognizing that not all decisions need to be unanimous, proposed contract language and a note to user were added to prompt users to address decisions in the absence of a unanimous vote and methods that could be used in lieu of unanimous voting.
- The updated language clarifies that responsibility for employees remains with the employing venturer, including a new carve-out in the allocation of liability.
- A mutual waiver of entitlement to special, incidental, indirect, or consequential was added in keeping with the practice of other EJCDC E-Series documents.
- The 2011 version allowed the joint venture to hire personnel but assign the hired employee to a venturer. The 2017 edition clarifies the process for assignment. However, it is recognized that the joint venture could, upon Management Board approval, have direct employees and the update allows the joint venture to obtain appropriate insurance under that scenario.
- Certain documents prepared by employees of the joint venture, or through the joint/collaborative effort of the venturers are established as the property of the joint venture.
- Insurance limits are addressed in the Agreement itself rather than in an exhibit.
- A new section, Guidelines for Use of EJCDC® E-590, provides commentary regarding the purpose and intended use of the document, as well as concise instructions for editing the document for use in a specific joint venture arrangement.

EJCDC's Joint Venture Agreement was formerly bundled with EJCDC's Teaming Agreement and published under document number E-580. As of 2017 that number is assigned to the Teaming Agreement as a stand-alone document, and E-590 is used for the Joint Venture Agreement as a stand-alone document.

Since 1975, EJCDC has developed and updated fair and objective standard documents that represent the latest and best thinking in contractual relations between all parties involved in engineering design and construction projects.

EJCDC® documents are specifically written for public and private infrastructure and engineered facilities projects in the United States. The documents can readily be customized to suit each project's unique goals and regulatory requirements.

The Engineers Joint Contract Documents Committee (EJCDC®) is a joint venture of major organizations of professional engineers

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- the American Society of Civil Engineers (ASCE);
- the National Society of Professional Engineers (NSPE); and
- the American Council of Engineering Companies (ACEC).

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