



## Common Contract Clauses & Negotiation Points

**Disclaimer:** *This is for **educational and informational purposes only** and does **not constitute legal advice**. The examples and explanations provided are based on general contracting principles and publicly available government procurement guidelines.*

*Laws, regulations, and contract terms may vary by jurisdiction, agency, and specific solicitation.*

*Participants should consult with a qualified **attorney or procurement professional** before relying on or acting upon any information contained in this presentation.*

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### Scope of Work (SOW)

- Defines the exact tasks, deliverables, and responsibilities expected from the contractor.
- Clarify or narrow the scope to avoid scope creep.
- Require written approval for any added work.
- Request flexibility to substitute equivalent materials or methods.

### Payment Terms

- Outlines how and when you'll be paid—amounts, timing, and method.
- Negotiate faster payment terms (e.g., Net 15 instead of Net 30).
- Allow milestone-based or partial payments for long projects.
- Request deposits or retainers for upfront costs.
- Include penalty or interest on late payments.

### Term and Renewal

- Specifies the start and end date of the agreement and renewal conditions.
- Remove automatic renewals; require mutual consent instead.
- Include early termination with 30–60 days' notice.
- Allow price adjustments during renewal based on market changes.

### **Confidentiality / Non-Disclosure**

- Defines how confidential information is shared and protected.
- Clearly define specific categories of confidential data.
- Add a duration (e.g., 2–3 years).
- Exclude publicly available or independently developed information.

### **Insurance and Indemnity**

- Defines risk, liability, and required insurance.
- Cap liability at the contract value or total fees paid.
- Remove one-sided indemnification clauses.
- Match insurance limits to the actual project risk.

### **Dispute Resolution**

- Specifies the process for resolving conflicts.
- Choose local venue or jurisdiction.
- Require mediation before arbitration.
- Specify that each party covers its own legal costs.

### **Termination**

- Defines conditions for ending the agreement.
- Add right to terminate for convenience with written notice.
- Require payment for work completed before termination.
- Include a cure period before termination for cause.

### **Compliance & Legal Requirements**

- References rules tied to laws, grants, or certifications.
- Clarify which party handles documentation.
- Request cure periods for compliance issues.
- Seek flexibility if you already meet equivalent standards.

### **Intellectual Property (IP) / Ownership of Work Product**

- Defines who owns materials or deliverables created during the project.
- Retain ownership of proprietary tools or templates.
- License work to the client instead of transferring full ownership.
- Reserve the right to reuse general, non-confidential components.

### **Force Majeure (Unforeseen Events)**

- Excuses performance delays caused by uncontrollable events.
- Include pandemics, cyberattacks, and supply chain issues.
- Extend deadlines or terminate without penalty during disruptions.

## Category-Specific Negotiation Tips

### Construction Contracts

- Negotiate retainage: reduce from 10% to 5% or request early release upon substantial completion.
- Ensure weather delays allow reasonable extensions without penalty.

### Trucking & Logistics

- Request automatic fuel surcharge adjustments for fuel price fluctuations.
- Add compensation for excessive loading or unloading delays (detention time).

### IT & Software Agreements

- Negotiate measurable service levels (uptime guarantees, response times).
- Ensure right to export or retain access to your data at contract end.

### Physical Goods / Product Supply

- Confirm delivery terms (who pays freight, insurance, and customs).
- Negotiate a 10–15 day inspection window before final payment.