

Carlton Fields' Jim Carney and Daniel Felsen Author Construction Executive Article on Liquidated Damages Clauses

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Carlton Fields construction and government contract attorneys Jim Carney and Daniel Felsen authored a *Construction Executive* article about understanding the use of liquidated damages clauses in construction contracts. Liquidated damages clauses allow a non-breaching party in a construction contract to receive an agreed-to amount of damages from a breaching party as a substitute for actual damages. This arrangement limits the time, cost, and burden of proving actual damages. However, parties should be aware of certain aspects of the clause, including the two-part test to determine the clause's validity, the right to challenge the clause, and the effort involved to estimate potential damages. The two attorneys advise that liquidated damages clauses provide parties with valuable information to use in assessing their risks and in determining what actions to take during construction. [Read the article.](#)

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