Materials Transparency & Risk

A resource tool kit for the Component Network

Recommended programs

- I. **Hold a watching session** for the upcoming Contract Documents webinar on September 8, 2016 <u>Materials Transparency: Risks and Opportunities for Architects</u>
- 2. **Convene a roundtable discussion** that with representation from one or all of the following perspectives:
 - o Principal in charge of liability insurance
 - o Firm legal counsel
 - o Insurance Broker

Potential learning objectives

- Differentiate degrees of risk associated with disclosure tools.
- Articulate the liability for your area of practice.
- List resources available to advise on risk and liability.
- Outline best practices for requesting and interpreting disclosure tools.
- Describe communications approaches and guidelines when requesting materials disclosure documents.
- Understand what should be shared with clients and when and recognize business opportunities.
- Describe approaches for firms to implement a policy around materials transparency.
- Understand the role of the architect in collecting and reviewing materials disclosure documentation.
- Articulate liability limitations in terms of materials documentation.

"How do we appropriately integrate knowledge of building materials content into our design services or contract documents?"

AIA Materials position statement

The AIA recognizes that building materials impact the environment and human health before, during, and after their use. Knowledge of the life-cycle impacts of building materials is integral to improving the craft, science, and art of architecture. The AIA encourages architects to promote transparency in materials' contents and in their environmental and human health impacts.

Target audience

Practitioners: Architects, designers, Spec Writers, Architectural Librarians; Insurance Brokers; Firm legal counsel.

Why is this important?

- 1. To minimize the negative impacts of the built environment on human and environmental health by exposing unnecessarily risky choices to the market at large.
- 2. To create natural market competition among building manufacturers and encourage greater material transparency.
- 3. To promote the advancement of human and environmental health as one of the many factors architects use to evaluate products.

Overview

Within the realm of product content transparency, the Materials Transparency and Risk White Paper –published April 2016 – aims to provide the context and background needed to engage intelligently with basic legal and practice questions.

The White Paper, accompanied by other resources related to material transparency, provide a framework for further presentations and discussions at a local level.

Engaging with manufacturers' product transparency is quickly becoming a more typical part of the architectural practice of many firms. Whether it is simply to "do the right thing," or to position yourself and your firm to fulfill client expectations, firms may want to get involved and lead this trend rather than having to play catch up later. The AIA Materials Knowledge Working Group projects that clients will increasingly look to firms for their ability to work in this area.

Concerns about materials transparency-related claims, while still hypothetical as no health claim related to engaging with transparency documents has yet been tested in court, are still reasonable to consider. The bottom line is that because the potential for claims represents a risk to architects that provide services related to material transparency, it makes sense for architects to be smart about how they handle that engagement, both through contract language and communication with clients.

Effective, consistent, and clear communications with clients, along with documentation like contracts and marketing materials help to ensure that clients understand what the architect is doing with materials transparency. This is intended to increase client satisfaction, prevent claims, and make defensible those that do arise. Collectively, these techniques will aid the materials transparency movement.

Talking points

AIA has produced two powerful new tools. 1) Materials Risk Whitepaper, 2) model language for contract docs.

Transparency is the new normal. There is a growing expectation that everyone involved in a building project—from initial design to occupancy—should have access to information on the potential health and environmental impacts relating to those products.

Materials transparency represents opportunities for architects. These opportunities include competitive advantage, thought leadership, design innovation, and environmental and human health leadership.

New practices and procedures inherently present potential risks. We accept that there is some risk in advocating for materials transparency and sharing composition information with our clients. This white paper explores those risks in detail.

It will be important to manage potential risks with increased transparency. Although the risks associated with materials transparency are new, architects are familiar with risk management. This white paper offers several strategies for effectively evaluating and mitigating risk.

The AIA has tools and resources to help architects navigate materials transparency risks and opportunities. Along with this white paper and existing online resources, the AIA published new model contract language to specifically address materials transparency issues. In addition, our Working Group, made up of expert members, practitioners and partner organizations, is continually developing education and practice tools to help architects optimize their approach to materials transparency.

How was the White Paper developed?

Materials & Risk Task Group of AIA's Materials Knowledge Working Group coordinated with a diverse group of stakeholders including architect, architectural legal counsel, and insurance brokers. This group was convened in February of 2015. The Materials Transparency and Risk White Paper was published in April 2016.

Related content on AIAU

Available for group screening. Contact aiau@aia.org more information.

- HPD: Hazard or Risk? Instructors: Brodie Robertson Stephens. https://aiau.aia.org/courses/hpd-hazard-or-risk
- Implementing Material Transparency into Firm Culture. Instructors: Anne H. Harney, Robert S Phinney, Kirk Teske. https://aiau.aia.org/courses/implementing-material-transparency-firm-culture

• Materials Matter: Materials and Carbon Emissions. Instructors: Erin McDade, Robert Otani, Kathrina Simonen. https://aiau.aia.org/courses/materials-matter-materials-and-carbon-emissions

Resources

MATERIALS INITIATIVE PAGE

WWW.AIA.ORG/MATERIALS

AIA ARCHITECT ARTICLE: WHAT ALL ARCHITECTS NEED TO KNOW ABOUT MATERIALS

http://new.aia.org/articles/5686-what-all-architects-need-to-know-about-materials-transparency

MATERIALS TRANSPARENCY & RISK WHITE PAPER

http://new.aia.org/resources/7956-materials-transparency-and-risk-for-architects

http://aiad8stg.prod.acquia-sites.com/sites/default/files/2016-04/Materials-transparency-risk-architects_0.pdf (direct link to PDF)

SAMPLE CONTRACT LANGUAGE

Section 20 of the recently updated AIA Guide for Amendments to AIA OwnerArchitect Agreements: Document $B503^{TM} - 2007$

www.aia.org/groups/aia/documents/document/aias076859.pdf

MATERIALS MIND MAP

https://www.mindmeister.com/509771932/materials-initiatives

ARTICLES

- Smith, Ryan and Tabibnia, Golnaz. "Why Radical Transparency is Good Business."
 Harvard Business Review October 11, 2012.
 https://hbr.org/2012/10/why-radical-transparency-is-good-business
- Abrams, Rachel. "Home Depot Says it will Phase out Chemical Used in Vinyl Flooring."
 New York Times April 22, 2015.

 http://www.nytimes.com/2015/04/23/business/home-depot-says-it-will-phase-out-

chemical-used-in-vinyl-flooring.html?_r=0

NEED SPEAKER IDEAS? FURTHER QUESTIONS?

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AIA Component Toolkit: Materials Transparency & Risk