



AI IN CONTRACT DOCUMENTATION & RISK IDENTIFICATION

Use AI to review contracts, extract critical terms, flag risks, and ensure nothing is overlooked.



CONTRACT REVIEW

Quickly analyze contracts and extract key terms, obligations, and dates.



OBLIGATIONS & DEADLINES

Summarize obligations and highlight critical deadlines.



RISK IDENTIFICATION

Identify potential risks, gaps, and unfavorable clauses.



RISK SCORING

Assess risk levels and prioritize issues that need attention.



CLAUSE COMPARISON

Compare clauses across documents for consistency and compliance.

AI



CONTRACT REVIEW

- SCOPE OF WORK ✓
- PAYMENT TERMS ✓
- INDEMNIFICATION ✓
- INSURANCE ✓
- CHANGE ORDERS ✓

RISK LOG

HIGH RISK
Delay in Approvals

HIGH RISK
Liquidated Damages

MEDIUM RISK
Scope Ambiguity

CONTRACTS

RISK REGISTER

INSURANCE

CORRESPONDENCE



LEARN



APPLY



IMPROVE



LEAD



Human Intelligence + Artificial Intelligence = Better Decisions



LEARNING OBJECTIVES

AI in Contract Documentation & Risk Identification

By the end of this session, you will be able to:



1. UNDERSTAND

Where risk originates in construction project documents and why early identification matters.



2. APPLY

A four-question framework to systematically review contracts, specifications, drawings, scopes of work, and other project documents.



3. USE

AI tools to simplify contract language, identify scope gaps, and highlight potential risks and concerns.



4. LEAD

Risk identification with confidence by using AI as a risk spotlight to support better decisions and outcomes.



LEARN



APPLY



IMPROVE



LEAD



Human Intelligence + Artificial Intelligence = Better Decisions



THE FOUR-QUESTION REVIEW

A STRUCTURED WAY TO REVIEW EVERY PROJECT DOCUMENT



OBJECTIVE

Use a consistent framework to uncover risks, gaps, conflicts, and unclear expectations before they become project problems.

1

WHAT IS REQUIRED?



- What work is required?
- What are our obligations?
- What must be delivered?

2

WHAT IS MISSING?



- What is not addressed?
- What assumptions are being made?
- What details are absent?

3

WHAT CONFLICTS?



- Do drawings conflict with specs?
- Do documents contradict each other?
- Are requirements inconsistent?

4

WHAT CREATES RISK?



- What could cause delays?
- What could increase cost?
- What could create quality issues?
- What could shift responsibility?



DISCUSSION QUESTION

Which document creates the most confusion on your projects?



KEY LESSON

AI performs best when reviewing documents through a structured framework.

APPLICATION AREAS



Contracts



Specifications



Drawings



Scopes of Work



Subcontracts



Procurement Documents



Owner Requirements



AI SIMPLIFIES CONTRACT LANGUAGE

TURN COMPLEX CLAUSES INTO CLEAR INSIGHTS.



OBJECTIVE

Use AI to interpret complex contract clauses, identify key obligations, and uncover potential risks for your project.

AI CAN HELP YOU



EXPLAIN IN PLAIN LANGUAGE

Convert legal jargon into clear construction language.



IDENTIFY KEY OBLIGATIONS

Highlight what you and the owner are required to do.



UNCOVER POTENTIAL RISKS

Spot clauses that may create cost, schedule, or liability.



DETERMINE QUESTIONS FOR CLARIFICATION

Generate questions to confirm unclear or ambiguous language.

WHAT YOU GET FROM A GOOD AI REVIEW



Plain language summary



Key obligations and responsibilities



Risk and impact identification



Questions for clarification



TEACHING POINT

AI does not replace the contract. It helps you understand it better so you can protect your team, your budget, and your schedule.



EXAMPLE PROMPT

"Explain this clause in plain construction language and identify potential risks for a general contractor."



PROMPTING AI FOR CONTRACT REVIEW

ASK BETTER QUESTIONS. GET BETTER INSIGHTS. REDUCE RISK.



OBJECTIVE

Use clear AI prompts to extract risk, clarify obligations, identify gaps, and uncover issues before they become problems.

1

DEFINE THE ROLE



- Tell AI who you are.
- **Example:**
"You are a construction project manager reviewing contracts."

2

GIVE THE TASK



- State what you want the AI to do.
- **Example:**
"Review this contract clause and identify potential risks."

3

APPLY A RISK LENS



- Guide AI on what to look for.
- **Example:**
"Focus on scope gaps, conflicts, obligations, and cost impacts."

4

SPECIFY THE OUTPUT YOU NEED



- Tell AI how you want the information organized.
- **Example:**
"Provide a summary, key risks, and questions needing clarification."



KEY LESSON

The quality of AI output depends on the clarity of your prompt.
Clear role. Clear task. Clear lens. Clear output.



PROMPT EXAMPLE

"You are a construction project manager. Review the following contract clause. Identify potential risks, obligations, conflicts, and areas needing clarification. Provide a summary, key risks, and suggested questions."



RED FLAGS AI CAN SPOTLIGHT

COMMON RISK INDICATORS HIDDEN IN YOUR DOCUMENTS



OBJECTIVE

Teach students what AI should be searching for when reviewing contracts, scopes, and specifications.



UNDEFINED RESPONSIBILITIES

- Who owns the work?
- Who coordinates?
- Who pays?



CONFLICTING INFORMATION

- Drawings versus specifications.
- Contract versus addenda.
- Latest revision unclear.



AMBIGUOUS LANGUAGE

- "Contractor shall coordinate."
- Coordinate what?
- With whom?
- By when?



HIDDEN DELIVERABLES

- Testing
- Inspections
- Documentation
- Training
- Warranty requirements



UNREALISTIC SCHEDULE ASSUMPTIONS

- Owner expectations versus project realities.
- Lead times not considered.



RISK-SHIFTING LANGUAGE

- "At no additional cost."
- "Complete and operational."
- "As required by the Owner."



EXERCISE

Provide students with a short scope section.
Ask: "Where do you see potential risk?"



TEACHING POINT

AI helps identify questions.
Humans determine significance.

AI IS A POWERFUL ASSISTANT, NOT A DECISION MAKER

USE AI TO INFORM. USE HUMANS TO DECIDE.



OBJECTIVE

Understand the limits of AI in contract review and why human judgment is essential.

WHAT AI CAN DO



ANALYZE CLAUSES

Find, summarize, and explain complex contract language.



IDENTIFY RISKS

Spot potential issues, gaps, and conflicts in the contract.



ORGANIZE INFORMATION

Create summaries, tables, and outlines for easier understanding.



SUGGEST QUESTIONS

Generate questions and clarifications for further review.

WHAT AI CANNOT DO



MAKE FINAL DECISIONS

Only people can evaluate context, priorities, and business impact.



ACCEPT RISK OR LIABILITY

AI does not take responsibility for outcomes.



UNDERSTAND RELATIONSHIPS

Human judgment is needed to understand project dynamics and intent.



NEGOTIATE OR COMMIT

AI cannot negotiate, commit, or sign on your behalf.



REPLACE EXPERIENCE

Field experience and professional judgment are irreplaceable.



KEY TAKEAWAY

Let AI handle the heavy lifting. Let humans handle the responsibility.
AI ASSISTS. HUMANS REMAIN ACCOUNTABLE.



AI can analyze the contract. Humans must **accept the risk**, **make the decision**, and **take accountability**.



PRACTICE MAKES THE DIFFERENCE

HANDS-ON PROMPTING BUILDS AI CONFIDENCE AND SKILL.



OBJECTIVE

Give students the opportunity to practice AI prompting with real contract review scenarios.

TODAY YOU WILL...



REVIEW A SCENARIO

- Work with a short contract clause example.



WRITE YOUR PROMPT

- Use the prompting strategies we've learned.



SEE THE AI RESPONSE

- Evaluate the output and its usefulness.



REFINE AND IMPROVE

- Adjust your prompt to get better results.

“

AI is only as good as the questions you ask.
Stay curious. Keep practicing.



KEY TAKEAWAY

The better your prompt, the better the insights.
You guide the AI. You own the outcome.



SUMMARY

AI IS YOUR REVIEW PARTNER—HUMAN JUDGMENT IS YOUR EDGE.

KEY TAKEAWAYS



AI CLARIFIES COMPLEXITY

It breaks down dense contract language.



AI SPOTS RISKS

It identifies potential issues and gaps.



AI ASKS BETTER QUESTIONS

It helps you challenge assumptions.



AI ORGANIZES INFORMATION

It structures data for better understanding.



HUMANS DECIDE AND OWN

You accept risk, make decisions, and act.

BEST PRACTICES



Be specific in prompts.



Provide context.



Review and verify results.



Ask follow-up questions.



Document your decisions.

WHAT'S NEXT?



- Apply what you've learned.
- Use AI to save time and reduce risk.
- Keep practicing with real documents.
- Continue developing your construction expertise.



REMEMBER

AI does not replace you.
It enhances you.
It supports your decisions.
You remain accountable for every decision.



USE AI WISELY. REVIEW THOROUGHLY. DECIDE CONFIDENTLY.
BUILD BETTER PROJECTS. BUILD TRUST.



READY FOR THE NEXT STEP?

Whether you are transitioning from the field to management, developing leadership skills, improving project performance, or integrating AI into your workflow, Construction Management Online provides practical training and performance mentoring designed for construction professionals.

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