

While it seems reasonable for a contractor to rely on plans and specifications prepared by design professionals hired by the project owner to build a project, in Texas that's not the case. If the work turns out to be defective due to an error in the plans and specifications, the contractor bears the risk of liability for the consequences of the defective designs. Typical insurance does not cover this obligation and the possible loss may well exceed a company's net worth.

In Texas, contractors are not licensed to prepare construction drawings, but because of the Texas Supreme Court cases, a person who is not allowed by law to prepare the documents is being required to warranty those documents. The construction team should not be liable for construction that is defective due to erroneous documents furnished by the owner.