Construction

Well-versed in all legal aspects of construction projects, our lawyers provide comprehensive, multidisciplinary counsel through every stage of the process. Highly knowledgeable in both the business and litigation environments, our construction lawyers offer clients a wide breadth of experience, including with site acquisition, construction financing, construction and design document preparation and negotiation, employment and labor matters, environmental issues, construction litigation and alternative dispute resolution. Our firm has been repeatedly recognized by *Best Lawyers* for both construction law and construction litigation nationally.

Our Services

We represent a broad spectrum of parties involved in construction matters, including architects, engineers, building products suppliers, governmental entities, residential and commercial developers, insurance companies, commercial office landlords, property owners, construction lenders, construction managers, contractors and subcontractors, and sureties.

Our construction lawyers are fluent in working with all types of properties, including commercial, retail and industrial sites, mixed-use and large residential complexes, hotels, subdivisions, restaurants and recreational facilities. In addition, our litigators have handled virtually every type of construction dispute.

Litigation

For decades, our firm has represented construction-related entities and individuals in all facets of construction litigation. From arguing pivotal legal matters and creating new law to trying cases in different forums, our lawyers have represented clients in a variety of claims:

- **Contract and Bid Disputes:** Bid protests, extra-contractual work, default terminations, liquidated damages and lost-profit claims.
- **Construction Defects and Performance Issues:** Defective workmanship, defective building products, design errors and differing site conditions.
- **Financial and Payment Disputes:** Cost overruns, lost productivity, mechanic's liens, payment bond claims and performance bond claims.
- **Insurance and Risk Management**: Insurance coverage disputes; performance and payment bond claims.
- **Regulatory and Compliance Matters:** Building code violations and environmental issues.
- **Delays and Project Disruptions:** Delays and constructive acceleration.
- **Workplace and Liability Issues:** Personal injury, property damage, and union and labor disputes.

Business & Contracting

We negotiate, draft and advise on the numerous contracts and issues associated with construction projects, including:

- **Standard and Custom Contracts:** American Institute of Architects (AIA), Associated General Contractors of America (AGC) and other industry contract templates, as well as client-specific construction and design contracts.
- **Regulatory and Compliance Matters:** Building code compliance issues, state and local governmental permits, and approvals.
- **Financing and Real Estate:** Construction financing agreements, land acquisitions, use and development.
- **Risk Management and Liens:** Mechanics' rights and lien avoidance.
- **Procurement and Bidding:** RFPs, RFIs and RFQs.

Employment & Labor

Our construction lawyers counsel clients on all matters pertaining to employment and labor-related issues, including:

- **Workforce Management:** Employee dismissals, layoffs and transfers.
- **Labor Relations, Unions and Disputes:** Enjoining picketers at a job site and use of non-union and union labor.

Representative Matters

- Obtained a trial verdict and attorney fees on behalf of a subcontractor claiming breach of contract and defeated general contractor's counterclaim for wrongful termination of subcontract and claimed excess costs to complete (*Riggs Distler & Company v. Pro-Tech Energy Solutions*).
- Succeeded in obtaining the dismissal of a performance bond claim on the grounds that the owner failed to afford the contractor the right to attempt to cure its alleged construction shortcomings (*Milton Regional Sewer Authority v. Travelers Casualty & Surety Co. of America*).
- Convinced a federal court interpreting New Jersey law that a surety cannot be liable for the bad-faith denial of a surety bond claim. This seminal decision reversed case law in New Jersey on this subject (*SBW v. Ernest Bock & Sons*).
- Successfully argued that the Pennsylvania Procurement Code prohibited the assignment by an owner of its rights under a performance bond to an assignee, depriving the assignee of standing to assert a bond claim (*University of Pittsburgh v. United States Fidelity & Guaranty*).
- Succeeded in dismissing the purported pass-through claims of a construction manager, which the construction manager attempted to assert against its steel subcontractor (*Havens Steel v. Driscoll/Hunt*).
- Successfully dismissed a performance bond obligee's claims for damages allegedly caused by the principal's delay because such delay damages were not covered by the performance bond (*Multi-Phase v. United States Fidelity & Guaranty*).
- Secured a dismissal against a claim that a general contractor defaulted on the construction agreement for a massive reservoir near Newark, Delaware. We succeeded in having the surety dismissed on the basis that the general contractor was wrongfully terminated because the owner failed to satisfy the construction contract's notice-to-cure requirements (*Donald M. Durkin Contracting v. City of Newark*).
- Succeeded in having the owner's joinder complaint against the general contractor and its surety dismissed on the grounds that the construction contract's no-damage-for-delay provision precluded such joinder (*Guy Cooper v. East Penn School District v. United States Fidelity & Guaranty*).
- Secured the dismissal of a bond claimant's alleged damages, as such damages were not covered by the payment bond (*Samuel Grossi & Sons v. United States Fidelity & Guaranty*).
- Serves as national counsel to a roofing products manufacturer in connection with alleged defective product, breach of warranty and other claims against the company.

Publications

Good News for Sureties Under the False Claims Act
August 10, 2022

The Connection Between Surety Bonds and Hollywood Scripts
February 8, 2022

Assignments of Judgments: Another Tool in the Surety Toolbox
January 19, 2022

E-Discovery – Managing the Risks to Get the Reward: Best Practices for Construction Lawyers and Their Clients
The Construction Lawyer
October 6, 2021

Experience

Pennsylvania Supreme Court Rules Sureties Are Not Liable for Bad Faith
Stradley Ronon partner Patrick Kingsley and counsel Adriel Garcia secured a significant victory for surety companies in Pennsylvania. In *Eastern Steel Constructors v. International Fidelity Insurance*, 2026 WL 457805 (Pa. 2026), the Pennsylvania Supreme Court ruled that Pennsylvania's insurance bad-faith statute does not apply to sureties or surety bonds. The subcontractor, Eastern Steel Constructors, had asserted a payment bond claim, which was denied in part. It argued a surety should be liable for bad faith under the statute because suretyship and insurance are essentially the same thing. Mr. Kingsley presented oral argument before the Supreme Court and convinced them otherwise.

The Supreme Court found the plain language of the statute only applies to "insurance policies" written by "insurers." The court found that language "clearly and unambiguously does not encompass a surety bond." The court was persuaded that insurance and suretyship were fundamentally different and had been recognized as different for quite some time, citing the 1996 Pennsylvania Supreme Court case *Foster v. Mutual Fire, Marine and Inland Insurance*, which itself quotes the 1962 U.S. Supreme Court case *Pearlman v. Reliance Insurance*. As a result, the court concluded that "the General Assembly did not intend to subject surety bonds to the bad faith statute."

Until *Eastern Steel Constructors,* there had not been a published Pennsylvania appellate court decision on the applicability of the bad-faith statute to sureties. This historic ruling from Pennsylvania's highest court resolves the issue in Pennsylvania once and for all.

Mr. Kingsley previously succeeded in reversing the law in New Jersey regarding the applicability of bad-faith claims to sureties. In the 2010 case of *SBW v. Ernest Bock & Sons*, the U.S. District Court for the District of New Jersey rejected the holding in the 2000 case of *U.S. ex rel. Don Siegel Construction v. Atul Construction*, which recognized such a bad-faith cause of action against sureties. The *SBW* case has since been cited several times with approval, marking a reversal in New Jersey law.

Stradley Ronon Advises International Fidelity Insurance in Avoiding $600K Windfall Payment in $2M Surety Bond Case
In *H.C. Pody v. International Fidelity Insurance*, the U.S. District Court for the Eastern District of Pennsylvania sided with International Fidelity Insurance Co., represented by Stradley Ronon, denying a contractor's demand for the full penal sum on a mechanics lien discharge bond. The contractor argued that the bond issued with a $2 million penal limit entitled it to the full penal sum even though that amount was $601,975 beyond the underlying lien judgment.

The court disagreed, holding that the bond covered only the actual judgment amount —not the entire bond limit — and granted our client's motion for judgment on the pleadings. In its opinion, the court noted the contractor was "stretch[ing] the language of the surety bond beyond its agreed scope to claim hundreds of thousands of dollars that no court awarded it."

Travelers Casualty & Surety Victorious in the Third Circuit

Stradley secured an important Third Circuit victory for Travelers Casualty and Surety when the court affirmed the Middle District's dismissal of a performance bond claim against Travelers arising from a substantial public works project. Travelers was the surety on a contract to refurbish a sewer in Milton, Pennsylvania. Soon after the project commenced, the Milton Regional Sewer Authority fired the contractor for a litany of alleged serious performance deficiencies. The authority did so, however, without first giving the contractor the opportunity to cure the deficiencies, as required by the underlying construction contract and the bond. Milton replaced the contractor and then sued Travelers, seeking payment under the bond for the extra costs. Stradley persuaded the trial court to grant its motion to dismiss, extinguishing this potential million-dollar Travelers liability. Milton appealed to the Third Circuit, arguing that its violation of the cure period was excused because of the seriousness of the contractor's poor performance. Again, Stradley was able to persuade the Third Circuit to reject Milton's argument while adopting in its opinion virtually all the arguments advanced by Stradley. The decision is a significant victory for the surety industry and this appears to be the first case in the country dismissing a surety on these grounds at the pleadings stage.

Financial Institution Wins Dismissal in Student Loan Case

Stradley Ronon secured a victory for a leading student loan servicer in the U.S. District Court for the Eastern District of Pennsylvania. The plaintiff brought claims that the servicer violated the Federal Debt Collections Practice Act and the Fair Credit Reporting Act, based on generalized allegations that his loans were not valid. Judge Gerald Austin McHugh dismissed the case with prejudice, finding that the plaintiff alleged no facts to suggest that his loans were invalid, or that the loan documents were unenforceable.

Court Dismisses Bond Claimant's Damages

Samuel Grossi & Sons, Inc. v. United States Fidelity & Guaranty Co., et al. – Our team convinced the court to dismiss a bond claimant's alleged damages, as such damages were not covered by the payment bond.

No Bad Faith in New Jersey

SBW, Inc. v. Ernest Bock & Sons, Inc. – Our surety team convinced a federal court interpreting New Jersey law that a surety cannot be liable for the bad faith denial of a surety bond claim. This seminal decision reversed case law in New Jersey on this subject. This opinion has now been followed in several published decisions.

Notice to Cure Enforced

Donald M Durkin Contracting, Inc. v. City of Newark – Our construction litigation team secured the dismissal of a claim that a general contractor defaulted on the construction agreement for a massive reservoir near Newark, Delaware. Stradley Ronon lawyers succeeded in having the surety dismissed on the basis that the general contractor was wrongfully terminated because the owner failed to satisfy the construction contract's notice-to-cure requirements.

Purported Pass-Through Claims Dismissed

Havens Steel Company v. Driscoll/Hunt – We successfully dismissed the purported pass-through claims of a construction manager, which the construction manager attempted to assert against its steel subcontractor.

Right to Cure Enforced

Milton Regional Sewer v. Travelers Casualty & Surety Co. of America – Our construction litigation team succeeded in obtaining the dismissal of a performance bond claim on the grounds that the owner failed to afford the contractor the right to attempt to cure its alleged construction shortcomings.

Stradley Enforces No-Damages-for-Delay Provision Before Commonwealth Court

Guy Cooper Inc. v. East Penn School District v. United States Fidelity & Guaranty – Stradley litigators succeeded in having the owner's joinder complaint against the general contractor and its surety dismissed on the grounds that the construction contract's no-damage-for-delay provision precluded such joinder.

Litigation: Pennsylvania Procurement Code Prohibits Performance Bond

University of Pittsburgh v. United States Fidelity & Guaranty Co. – We successfully argued that the Pennsylvania Procurement Code prohibited the assignment by an owner of its rights under a performance bond to an assignee, depriving the assignee of standing to assert a bond claim.

Performance Bond Obligee Claims Deemed Invalid
Multi-Phase, Inc. v. United States Fidelity & Guaranty Co., et. al. – Stradley Ronon successfully had a performance bond obligee's claims deemed invalid for damages allegedly caused by the bond principal's delay in progress of work, successfully arguing that such delay damages were not covered by the performance bond.