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## Be Sure to Read the Fine Print In a Consultant's Proposal

*January 19, 2012 by David P. Steinberger*

When hiring an environmental consultant, it is important to carefully review the terms and conditions governing the agreement between you and your consultant. One of the key components of the professional services agreement is the section dealing with the consultant's potential liability for its own negligence. Consulting firms will often look to limit their liability to the contract price or some other nominal amount. Richard Ericsson and David Steinberger of the Cole Schotz Environmental Law Department discuss this issue and a recent New Jersey court decision in an article titled, ["Be Aware of Your Consultant's Liability Limit."](#)

In its decision, the Appellate Division upheld a consultant's contract which limited the consultant's liability to \$25,000. In that case, the consultant, retained by a real estate buyer for pre-acquisition due diligence, had grossly underestimated the cost to clean up the property. The consultant's initial cleanup cost estimate was between \$13,000 to \$17,000, while the final cleanup cost estimate was over \$3 Million. Nevertheless, the court upheld the consultant's contractual liability limit of \$25,000. This case reinforces the need to carefully review professional services agreements to make sure you are adequately protected.

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