

**PUBLIC WORKS CONTRACT**

**FOR**

**MINOR CIVIL ENGINEERING AND BUILDING WORKS DESIGNED BY THE  
EMPLOYER**



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**SCHEDULE**

**CLAUSE PV1**

## AGREEMENT

**THIS AGREEMENT** is made on .....**BETWEEN**  
.....(the **Employer**)  
**AND**.....  
whose registered office / principal place of business is at .....(the **Contractor**).

### BACKGROUND

The Employer has accepted the Contractor's tender to complete the Works.

**THE EMPLOYER AND THE CONTRACTOR AGREE** as follows:

- Article 1.** The Contractor shall execute and complete the Works subject to and in accordance with the Contract and shall comply with its other obligations in the Contract.
- Article 2** The Employer shall pay the Contractor the Contract Sum subject to and in accordance with the Contract and shall comply with its other obligations in the Contract.
- Article 3** The initial Contract Sum including VAT is € .....  
(*insert in words*). The initial Contract Sum is a lump sum and shall only be adjusted when the Contract says so.
- Article 4** The Contractor has satisfied itself before entering into the Contract of all the circumstances that may affect the cost of executing and completing the Works and of the correctness and sufficiency of the Contract Sum to cover the cost of performing the Contract. The Contractor has included in the initial Contract Sum allowances for all risks, customs, policies, practices, and other circumstances that may affect its performance of the Contract, whether they could or could not have been foreseen, except for events for which the Contract provides for adjustment of the initial Contract Sum.
- Article 5** The Contract consists of the following documents:
- this Agreement
  - the Letter of Acceptance and any post-tender clarifications listed in it
  - the attached Conditions and completed Schedule
  - the Works Requirements, completed Pricing Document, and Works Proposals identified in the attached Schedule
- Article 6** The Contract takes effect from the Contract Date.



**Given under the Employer’s seal**

or **Signed** on behalf of the Employer

.....

in the presence of

.....

*(Execution in accordance with the legislation governing the authority, or articles of association if a company)*

*(If the Contractor is an Irish company)*

**Given under the Contractor’s common seal**

affix common seal

or **Signed, sealed and delivered** by

(name of attorney)

as lawful attorney of the Contractor

.....

under a power of attorney dated .....

(signature of attorney)

..... (signature)

affix attorney’s personal seal

in the presence of

.....(signature of witness)

.....(name of witness)

.....(witness’ occupation)

.....(witness’ address)

*or (if the Contractor is an individual)*

**Signed, sealed and delivered** by

.....

.....(name of Contractor)

(signature of Contractor)

in the presence of

.....(signature of witness)

.....(name of witness)

affix Contractor’s personal seal

.....(witness’ occupation)

.....(witness’ address)

*(If the Contractor is a partnership or joint venture, execution must be by each member. If the Contractor is a company that is not a company incorporated in Ireland, execution will be in accordance with the law of its jurisdiction of incorporation for execution of a deed)*

## CONDITIONS

### 1. THE CONTRACT

#### 1.1. Definitions

The following terms have the following meanings in the Contract:

**Change Order** means an instruction of the Employer's Representative to change [including add to or omit from] the Works or to change [including impose or remove] constraints in the Contract on how the Works are to be executed.

**Consent** means planning permission, order, approval, certificate, fire certificate, licence, permit, environmental impact statement, or other consent required by Law for the execution or completion of the Works, or identified as a Consent in the Works Requirements.

**Contract Date** means the date the Employer issued the Letter of Acceptance.

**Contract Sum** means the amount identified in the Agreement as the initial Contract Sum, as adjusted in accordance with the Contract.

**Contractor's Documents** means drawings, specifications, manuals, reports and other [eye readable and machine readable] written material relating to the Works that the Contractor uses, prepares or gives to the Employer or any other person, or is to use, prepare or give to the Employer or any other person:

- under the Works Requirements or
- under any Legal Requirement or
- to obtain any Consent

**Contractor's Things** means equipment, facilities and other things the Contractor [or Contractor's Personnel] uses on or adjacent to the Site to execute the Works, except Works Items.

**Contractor's Personnel** means the Contractor's representative, supervisor and Subcontractors, employees and other persons working on or adjacent to the Site for the Contractor or Subcontractors, and other persons assisting the Contractor to perform the Contract.

**Date for Substantial Completion** of the Works or a Section means the date identified as the Date for Substantial Completion of the Works or Section in the Schedule, part 1G or 2D, and, if the Schedule states a period, the last day of that period, starting on the Contract Date, in either case as adjusted in accordance with the Contract.

**Defect** means non-compliance of the Works or a Works Item with the Contract [including a failed test and, after Substantial Completion, work that has not been completed].

**Defects Certificate** means a certificate of the Employer's Representative that the Defects Period has ended.

**Defects Period** means the period starting on Substantial Completion of the Works and continuing for the period stated in the Schedule, as may be extended under sub-clause 8.6.2.

**Designated Date** means the date 10 days before the last day for receipt of the Contractor's tender for the Works, or, if there was none, 10 days before the Employer received the Contractor's tender for the Works.

**Employer's Personnel** means any of the following:

- the Employer's Representative
- the Employer's employees, agents and consultants when acting on behalf of the Employer
- other contractors of the Employer working on the Site when acting within the scope of their

contracts with the Employer

- anyone else the Employer's Representative notifies the Contractor is Employer's Personnel.

**Employer's Representative** means the engineer, architect, quantity surveyor, or other person appointed by the Employer as its representative in accordance with the Contract.

**Law** means an enactment or statutory instrument, each as defined by the Interpretation Act 2005, or a regulation, directive or decision of a European Union institution having direct effect in Ireland.

**Legal Requirement** means a requirement that applies to the Works as a result of any of the following:

- Law
- a Consent
- a decision of an Irish court, the European Court of Justice or the European Court of First Instance
- the requirements of any person having authority in connection with the Works under any Law
- the requirements of any person with whose systems the Works will connect
- the legal rights of any person.

**Letter of Acceptance** means the Employer's letter to the Contractor accepting the Tender.

**Section** means a part of the Works identified as a Section in the Schedule, part 1G.

**Site** means any place:

- where the Works are to be executed according to the Contract or
- provided by the Employer for the Works or
- where the Contractor is to operate or maintain Employer's facilities or
- that the Works Requirements identify as part of the Site.

**Site Working Day** means a day on which, according to the Contract and the Contractor's programme most recently submitted to the Employer's Representative, the Contractor is to execute the Works on the Site.

**Specialist** means any of the following:

- a Subcontractor or supplier of a Works Item named in the Contract
- Contractor's Personnel who do or are to do design
- Contractor's Personnel stated in the Works Requirements to be Specialists.

**Starting Date** means the day the Contractor proposes to start executing the Works, as notified by the Contractor to the Employer's Representative under sub-clause 9.1.

**Subcontractor** means a person to whom the execution of part of the Works is subcontracted [by the Contractor or another Subcontractor].

**Substantial Completion** of the Works or a Section means that all of the following have happened:

- (1) the Works or the Section are complete so that they can be taken over and used by the Employer for their intended purpose and there are no Defects other than:
  - (a) Defects accepted by the Employer under sub-clause 8.5.4 or
  - (b) minor Defects to which all of the following apply:
    - (i) they do not prevent the Works or the part from being used for their intended purpose
    - (ii) the Employer's Representative considers the Contractor has reasonable

grounds for not promptly rectifying them

- (iii) rectification will not prejudice the safe and convenient use of the Works or the part
- (2) all tests that are required by the Contract to be passed before Substantial Completion have been passed
- (3) the Contractor has given the Employer's Representative the Contractor's Documents that the Contract requires be provided before Substantial Completion
- (4) the Contractor has given the Employer's Representative the collateral warranties that the Contract requires for the Works or part.

**Works Item** means a part of the Works, anything that the Contractor intends will become part of the Works, or temporary works for the Works.

## 1.2. Interpretation

1.2.1. The parties intend the Contract to be given purposeful meaning for efficiency and public benefit generally and as particularly identified in the Contract.

1.2.2. Unless the context indicates otherwise, in the Contract:

- (1) References to the **Works** are to the works described in the Works Requirements.
- (2) Words in the singular include the plural and vice versa.
- (3) References to an **individual** are to a human person.
- (4) References to a **person** include human persons and corporate and unincorporated bodies.
- (5) Words in any gender include all genders.
- (6) References to any **Law** include amendments and replacements.
- (7) References to the Contract or any other writing include amendments.
- (8) References to a **day** mean a calendar day.
- (9) References to a **week** mean a period of 7 days.
- (10) References to a **month** mean a calendar month.
- (11) References to a **working day** mean a day that is not Saturday, Sunday, a public holiday established under the Organisation of Working Time Act 1997 or Good Friday.
- (12) References to a requirement to **submit** a document or proposed course of action to Employer's Representative mean to submit it according to sub-clause 4.7, or another procedure that applies according to the Works Requirements, and sub-clause 4.7 or the Works Requirements shall apply in every such case. [Accordingly the Contractor may not implement the submission until permitted by sub-clause 4.7 or the Works Requirements].
- (13) References to the Contractor's **current programme** are to the programme in the Works Proposals, if there is one, if not, to the programme first submitted by the Contractor under sub-clause 4.9, or, in either case, to any later programme submitted by the Contractor if the period for the Employer's Representative to review it has passed and there is no outstanding objection.
- (14) References to **liability** include claims, demands and proceedings.
- (15) Terms such as **including, in particular, such as, and for example**, are not to be read as exhaustive, or to limit, but may extend, the generality of the provisions to which they

relate.

- (16) References to the **Agreement** and **Schedule** are to the attached agreement and completed schedule.
- (17) References to the **Works Requirements, Works Proposals** and the **Pricing Document** are to the Works Requirements, Works Proposals and Pricing Document identified in the Schedule, parts 1B and 2C; in the case of Works Requirements, as changed by Change Orders; and in the case of Works Proposals, as changed under sub-clause 4.6.2.
- (18) References to **Delay Events** and **Compensation Events** are to events identified as Delay Events and Compensation Events in the Schedule, part 1K.
- (19) References to the **initial** Contract Sum are to the Contract Sum stated in the Agreement; references to an initial Date for Completion are to a Date for Completion identified in the Schedule; and references to the initial Works Requirements are to the Works Requirements identified in the Schedule.

1.2.3. Clarifications, examples and reminders are included occasionally in square brackets to show that no significance is to be given to their absence elsewhere.

### 1.3. **Inconsistencies**

1.3.1. Except when the Contract states otherwise, the documents in the Contract are to be taken as mutually explanatory of each other if possible. If there is an inconsistency between the documents, they take precedence as follows:

First, the Agreement, even if it has not been executed

Second, the Letter of Acceptance and any post-tender clarifications listed in it

Third, the Schedule

Fourth, these Conditions

Fifth, the Works Requirements

Sixth, the Pricing Document

Seventh, the Works Proposals, if there are any

Eighth, any other documents in the Contract

1.3.2. If either party becomes aware of any inconsistency between terms of the Contract, it shall promptly inform the other party.

1.3.3. If there is an inconsistency between figured and scaled dimensions, the figured dimensions prevail.

1.3.4. If the Works Requirements include a Bill of Quantities, and the Bill of Quantities is inconsistent with any other Works Requirements, the other Works Requirements prevail.

### 1.4. **Pricing Document**

Nothing in and no omission from the Pricing Document limits the scope of the Works.

### 1.5. **Performance Bond**

Before the Starting Date, unless the Schedule, part 1E, says that no bond is required, the Contractor shall give the Employer a performance bond in the form in the Works Requirements, or, if there is none, a form approved by the Employer. The performance bond shall be in the amount stated in the Schedule, part 1E, and shall be executed by the Contractor and by a surety approved by the Employer.

1.6. (sub-clause not used)

**1.7. Joint Ventures**

If the Contractor is a joint venture, consortium or other unincorporated grouping of two or more persons, those persons shall be jointly and severally liable to the Employer for the performance of the Contract.

**1.8. Assignment**

The Contractor may not assign the benefit of the Contract, or any part of it, without the Employer's consent.

**1.9. Miscellaneous**

- 1.9.1. The Contract and the documents referred to in it supersede all previous representations, arrangements, understandings and agreements between the parties about the subject-matter of the Contract, and set out the entire agreement between the parties about the subject-matter of the Contract. Neither party has relied on any other written or oral representation, arrangement, understanding or agreement.
- 1.9.2. All the terms of the Contract are severable, and if any part is unenforceable, illegal or void, it is to that extent considered not to form part of the Contract, and the enforceability, legality and validity of the rest of the Contract will not be affected.
- 1.9.3. The Contract may only be changed by a document in writing signed by an authorised representative of each party.
- 1.9.4. The rights of a party will not be prejudiced or restricted by any indulgence or forbearance extended to the other party, and no waiver by a party of any breach will waive any other breach. No failure or delay by a party in exercising any right or remedy will waive the right or remedy, nor will any single or partial exercise or waiver of any right or remedy prejudice any other exercise of that or any other right or remedy.

## **2. THE LAW**

### **2.1. Law governing the Contract**

Irish law governs the Contract and its interpretation.

### **2.2. Compliance with Legal Requirements**

The Contractor shall in performing the Contract comply with all Legal Requirements and ensure that the Contractor's Personnel comply with all Legal Requirements.

### **2.3. Consents**

2.3.1. The Employer has obtained, or shall obtain, the Consents that the Works Requirements say that the Employer is to obtain. The Contractor shall obtain all other Consents.

2.3.2. The Contractor shall give and comply with all notices and pay all taxes, fees and charges required under Legal Requirements to be paid in connection with performing the Contract, unless the Works Requirements say otherwise.

### **2.4. Project Supervisor**

- 2.4.1. If the Works Requirements say that the Contractor is to be appointed project supervisor for the construction stage in accordance with the Safety, Health and Welfare at Work (Construction) Regulations 2006 (the **Construction Regulations**) for the Works, or a project including the Works, the Contractor shall accept the appointment by entering into the appointment in the form in the Works Requirements. If the Works Requirements say that an individual or body corporate named in the Works Proposals is to be appointed project supervisor for the construction stage in accordance with the Safety, Health and Welfare at Work (Construction) Regulations 2006 (the **Construction Regulations**) for the Works, or a project including the Works, the Contractor shall ensure that the individual or body corporate named in the Works Proposals accepts the appointment by entering into the appointment in the form in the Works Requirements. The Contractor shall, if appointed as project supervisor, comply with its obligations under the Construction Regulations in connection with that appointment. If the Employer terminates the appointment of the Contractor or other person named in the Works Proposals as project supervisor for the construction stage as a result of that project supervisor's failure to comply with its obligations, the Contractor shall pay to the Employer all the Employer's cost resulting from the termination [including the cost of appointing and fees and expenses paid to a replacement project supervisor, or, if the Employer acts as project supervisor itself, the Employer's cost of doing so].
- 2.4.2. If the Contractor or a person named in the Works Proposals is to be appointed as project supervisor for the construction stage, the Contractor represents and warrants to the Employer that the Contractor or person named in the Works Proposals is competent and will allocate adequate resources to enable itself to perform its duties under the Construction Regulations.
- 2.4.3. If the Contractor or a person named in the Works Proposals is appointed as project supervisor for the construction stage the Contractor shall ensure that the project supervisor has the insurances required of the project supervisor under its appointment.
- 2.4.4. The Contractor shall [without adjustment to the Contract Sum or extension of time] comply with all the lawful directions of the project supervisors appointed for the construction stage and the design process in accordance with the Construction Regulations for the Works, or any project including the Works, and give them any copies of Contractor's Documents that they may request.

2.5. **Safety, Health and Welfare at Work Act 2005 and Safety, Health and Welfare at Work (Construction) Regulations 2006**

- 2.5.1. The Contractor shall [without limiting other obligations] ensure, so far as is practicable, that the Works are constructed to be safe and without risk to health, and that the Works comply in all respects, as appropriate, with the relevant statutory provisions.
- 2.5.2. The Contractor represents and warrants to the Employer that the Contractor is, and will, while performing the Contract, be a competent person for the purpose of ensuring, so far as is reasonably practicable, that the Works are constructed to be safe and without risk to health and that they comply in all respects, as appropriate, with the relevant statutory provisions.
- 2.5.3. The Contractor represents and warrants to the Employer that the Contractor is and will, while performing the Contract, be a competent person to carry out the Works and has allocated and will allocate sufficient resources to enable itself to comply with the requirements and prohibitions imposed on the Contractor by or under the relevant statutory provisions.
- 2.5.4. In this sub-clause 2.5 and sub-clause 2.4, **competent person, reasonably practicable and relevant statutory provisions** are construed according to section 2 of the Safety, Health and Welfare at Work Act 2005.

2.6. **Ethics in Public Office**

The Contractor warrants that:

- 2.6.1. neither the Contractor nor any person on the Contractor's behalf has offered, given or agreed to give to the Employer or to any of the Employer's Personnel any gift or consideration of any kind in connection with the Contract, nor will they make such an offer, gift or agreement and
- 2.6.2. neither the Contractor nor any person on the Contractor's behalf has committed any offence under the Prevention of Corruption Acts 1889 to 2001 or the Ethics in Public Office Acts 1995 and 2001 in connection with the Contract, nor will they commit any such offence and
- 2.6.3. no Minister of the Government or Minister of State, or officer or employee of the Employer, will have or receive any share or part of the Contract or any benefit from the Contract and
- 2.6.4. unless fully disclosed to and agreed by the Employer in advance:
  - (1) no former officer nor employee of the Employer nor of a consultant to the Employer whose duties related to the Works will, for 12 months after leaving the employment or office, be engaged as Contractor's Personnel and
  - (2) no consultant or former consultant to the Employer whose duties related to the Works will be engaged as Contractor's Personnel, except for a Specialist whose contract is to be novated from the Employer to the Contractor.



### **3. LOSS, DAMAGE AND INJURY**

#### **3.1. Employer's Risks of Loss and Damage to the Works**

The Employer shall bear the risk of loss of or damage to the Works resulting from any of the following:

- (1) war, invasion, act of foreign enemies, hostilities whether war is declared or not, civil war, rebellion, revolution, insurrection, military or usurped power
- (2) pressure waves caused by aircraft or other airborne objects travelling at sonic or supersonic speeds
- (3) contamination by radioactivity or radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or its components, in each case not caused by the Contractor or the Contractor's Personnel
- (4) terrorism, but only if terrorism is a permitted exclusion from the Contractor's insurance of the Works
- (5) use or occupation of the Works by the Employer or the Employer's Personnel, other than:
  - (i) as provided for in the Contract or
  - (ii) to the extent that the loss or damage is caused by the negligence of the Contractor or the Contractor's Personnel, or the Contractor's breach of the Contract (subject to sub-clause 3.8 if it applies)
- (6) design of the Works by the Employer or by others for whom the Employer is responsible, but not if the design is covered by insurance required under clause 3.7.

#### **3.2. Care of the Works**

3.2.1. The Contractor shall have full responsibility for the care of, and risk of loss of and damage to, the Works, Works Items, Contractor's Things, Works Requirements, Works Proposals, Contractor's Documents, and anything the Employer gives the Contractor for the Works (together, **Risk Items**) from and including the Starting Date until and including the date the Employer's Representative issues the certificate of Substantial Completion of the Works or relevant Section. After that date, the Contractor shall be responsible for loss of and damage to Risk Items due to any of the following:

- (1) Defects
- (2) occurrences before the Employer's Representative issued the certificate of Substantial Completion
- (3) activities of the Contractor or Contractor's Personnel.

But the Contractor's responsibility under this sub-clause 3.2 excludes loss of and damage to the Works that is at the Employer's risk under sub-clause 3.1.

3.2.2. The Contractor shall promptly rectify any loss and damage to Risk Items for which it is responsible under this sub-clause 3.2 [at its own expense if there are not sufficient insurance proceeds].

3.2.3. If loss of or damage to the Works, for which the Contractor is not responsible under this sub-clause 3.2, occurs before the Defects Certificate is issued, the Contractor shall rectify it in accordance with any instruction of the Employer.

#### **3.3. Insurance of the Works**

3.3.1. From the Starting Date, the Contractor shall insure the Works and other Risk Items against loss and damage. The insurance shall name the Contractor, the Employer and any other persons the Employer requires as co-insured. The insurance shall be kept in place for each Section

until the date that the certificate of Substantial Completion of the Section is issued, and for the Works, except Sections that have a certificate of Substantial Completion, until the date that the Certificate of Substantial Completion of the Works is issued. If so required in the Schedule, part 1D, the insurance for any Section or part of the Works that has reached Substantial Completion shall be extended until the Employer's Representative certifies Substantial Completion of the whole of the Works. In any event, after Substantial Completion, the insurance shall be kept in place until the Defects Certificate is issued, to cover loss and damage for which the Contractor remains responsible under the Contract. The limit of the insurance shall be, except for loss of or damage to Contractor's Things, for the full reinstatement cost of the property insured, including the cost of demolition, removal of debris, delivery, professional fees, inflation occurring during the construction and reinstatement periods, and profit. The sum insured for professional fees shall include at least the percentage of the reinstatement cost stated in the Schedule, part 1D.

- 3.3.2. The proceeds of the insurance of the Works, less the portion to cover professional fees that the Employer is to pay, shall be paid into a bank account in the joint names of the Employer and the Contractor. They shall be paid out of the account to the Contractor in instalments on the basis of interim payment certificates of the Employer's Representative of the Contract value of the work done and Works Items delivered to the Site to rectify the loss or damage, following generally sub-clause 11.1, and also paid out of the account to the Employer for its other costs. Any balance remaining in the account after the work of rectification is complete shall be paid to the Employer.

#### 3.4. **Contractor's Indemnity**

- 3.4.1. The Contractor shall indemnify the Employer and the Employer's employees against:

- (1) liability and
- (2) loss of and damage to the Employer's property [including the Site], unless excluded under sub-clause 3.8

arising from or in the course of the Contractor's performance or non-performance of the Contract.

- 3.4.2. The Contractor's indemnity in this sub-clause 3.4 does not apply to the Employer's liability under the Contract to the Contractor; nor does it apply to liability to the extent that the liability is covered by the Employer's indemnities in sub-clauses 3.5 and 6.2.

- 3.4.3. The Contractor's indemnity for liability for death, injury or illness of any Contractor's Personnel shall apply regardless of whether the death, illness or injury was caused wholly or in part by the negligence of the Employer or any Employer's Personnel.

#### 3.5. **Employer's Indemnity**

The Employer shall indemnify the Contractor against liability the Contractor incurs in the course of performing the Contract, to the extent that the liability is:

- (1) caused by the negligence of the Employer or
- (2) for property damage that is the unavoidable result of executing the Works in accordance with the Works Requirements.

But this indemnity does not cover liability for death, injury or illness of Contractor's Personnel.

#### 3.6. **Public Liability and Employer's Liability insurances**

- 3.6.1. From the Starting Date until the date the Defects Certificate is issued, the Contractor shall insure the Employer and the Contractor as co-insured against their respective liabilities for:

- (1) death, injury or illness of any person and

- (2) loss of or damage to any physical property and
- (3) obstruction, loss of amenities, nuisance, trespass, stoppage of traffic and infringement of light, easement or quasi-easement

resulting from an accident arising from or in the course of the performance or non-performance of the Contract.

- 3.6.2. From the Starting Date until the date the Defects Certificate is issued, the Contractor shall insure itself against liability for death, injury or illness of Contractor's Personnel. For employees of Subcontractors, this obligation may be satisfied by ensuring that the Subcontractor maintains the insurance. The Contractor shall ensure that this insurance includes a provision that indemnifies the Employer against any liability for which the Contractor would be entitled to an indemnity, including costs, charges and expenses.
- 3.6.3. The minimum indemnity limit of the Contractor's public liability and employer's liability insurances shall be as stated in the Schedule, part 1D.
- 3.6.4. If the Contractor or the Contractor's Personnel return to the Site in connection with the Works after the Defects Certificate is issued, the Contractor shall ensure the insurances required by this sub-clause 3.6 are in place at all times that the Contractor or Contractor's Personnel are on Site.

### 3.7. **Professional Indemnity Insurance**

If the Schedule states that professional indemnity insurance is required, from the Starting Date until the sixth anniversary of the date that the Employer's Representative certifies Substantial Completion of the Works, or any other period stated in the Schedule, part 1D, the Contractor shall maintain professional indemnity insurance for its performance of the Contract. The indemnity limit shall be at least that stated in the Schedule. This insurance shall include retroactive cover to when the Contractor's design of the Works and Works Items started.

### 3.8. **Existing Facilities and Use or Occupation by Employer**

This sub-clause 3.8 shall apply only if so stated in the Schedule, part 1D.

To the extent that the Works involve alteration or extension of existing facilities owned by the Employer, and to the extent that the Employer uses or occupies the Works, the Employer shall bear the risk of loss of or damage to those facilities and the part of the Works used or occupies, and their contents owned by the Employer, caused by any of the following perils, as defined in the Works Requirements or, if not defined there, in standard fire and specified perils insurance policies available in Ireland:

- (1) fire, storm, tempest, flood
- (2) bursting or overflowing of water tanks, apparatus or pipes
- (3) explosion, impact, aircraft
- (4) riot, civil commotion or malicious damage.

### 3.9. **General requirements concerning insurance**

- 3.9.1. The insurance required by the Contract (the **Insurance**) shall be placed with reputable insurers approved by the Employer.
- 3.9.2. The only exclusions from the Insurance shall be those listed in the Schedule, part 1D. The levels of excess shall be no higher than stated in the Schedule.
- 3.9.3. Liability Insurance on which the Employer is required to be co-insured shall include a cross-liability clause. All Insurance on which the Employer is required to be co-insured shall provide that:

- (1) the insurer accepts the term "insured" as applying to each insured person as if a separate policy of insurance had been issued to each of them, but without the overall limit of indemnity being increased as a result, and that non-compliance by the Contractor or any other co-insured will not affect the Employer's rights and
- (2) the insurer agrees to waive all rights of subrogation or action against any of the persons who are insured.

- 3.9.4. The Contractor shall comply with the terms of the Insurance policies.
- 3.9.5. Within 10 working days of being requested to do so, the Contractor shall give the Employer evidence to the Employer's satisfaction that the Insurances are in effect, including copies of policies and receipts for premiums. For professional indemnity insurance, a certificate in the form included in the Works Requirements, or, if there is none, a form approved by the Employer, signed by the broker or underwriter, may be given instead of a copy of the professional indemnity policy.
- 3.9.6. The Contractor shall not make any material reduction to the Insurance cover unless approved in advance by the Employer. The Contractor shall promptly notify the Employer of any cancellation, renewal, non-renewal or material reduction by the insurer of any Insurance policy.
- 3.9.7. If the Contractor fails to maintain any of the Insurances in the terms required by the Contract, the Employer shall be entitled [without affecting its other rights] to take out the insurance and pay the premiums, and the Contractor shall pay the amount of the premiums to the Employer on demand.

#### **4. MANAGEMENT**

##### **4.1. Co-operation**

- 4.1.1. The Employer [subject to restraints as a public authority] and the Contractor shall support reciprocal co-operation for the Contract purposes, including co-operation with and between Contractor's Personnel and Employer's Personnel.
- 4.1.2. Such support may be relevant particularly to -
- (1) Negotiation of agreements provided for in the Contract
  - (2) Use of most effective and compatible electronic and other methods of communicating and recording
  - (3) Efficient order and timing of information provided for in the Contract
  - (4) Minimising the effects of suspension
  - (5) Efforts by the Contractor to minimise delay and Compensation Events and their effects
  - (6) Contractor's flexible management
- 4.1.3. Either party, or the Employer's Representative, may request clarifications, consultations, workshops, exchange of information and expertise, or investigations, although not provided for elsewhere in the Contract. The request shall specify purposes and, as relevant, proposed participants, arrangements, methods and any proposals for recording or agreeing results.
- 4.1.4. The parties may agree to consult or communicate, without prejudice. In any case, offering or giving co-operation does not imply any admission of any responsibility or alter either party's rights or duties unless otherwise agreed in writing.

##### **4.2. Contractor's Representative and Supervisor**

- 4.2.1. The Contractor shall appoint, before the Starting Date:
- (1) a representative with full authority to act on behalf of the Contractor in all matters concerning the Contract and
  - (2) a supervisor of all the Contractor's activities on the Site, with full authority to receive instructions and other communications on behalf of the Contractor in all matters concerning the Contract.

The representative and the supervisor may, but need not, be the same person.

- 4.2.2. Matters of which the Contractor's representative or supervisor are aware [including communications and instructions] are presumed to be within the Contractor's knowledge.
- 4.2.3. If the Contractor's representative or supervisor are named in the Works Proposals, the Contractor shall appoint the individuals named. If not, or either of them is changed, the Contractor shall submit details of the proposed representative or supervisor to the Employer's Representative. If the Contractor's representative or supervisor dies, or becomes incapable of performing their role, or is no longer available to the Contractor, the Contractor shall appoint a suitable replacement, having submitted details to the Employer's Representative. If the Employer's Representative so requires because of the misconduct, negligence or incompetence of either of them, the Contractor shall remove its representative or supervisor and appoint a suitable replacement, having submitted details to the Employer's Representative.

**4.3. Employer's Representative**

- 4.3.1. If the Employer's Representative is not named in the Schedule, part 1A, the Employer shall, promptly after the Contract Date, appoint, and notify the Contractor of the identity of, the Employer's Representative.
- 4.3.2. If there are limitations on the authority of the Employer's Representative to perform its functions or powers under the Contract, they are stated in the Contract. But any act or instruction of the Employer's Representative under the Contract shall have effect as if within the Employer's Representative's authority, and the Contractor need not inquire into whether the Employer has actually authorised it.
- 4.3.3. The Employer's Representative may delegate in writing to named representatives any functions or powers under the Contract and revoke any delegation. The appointment of such a representative shall not prevent the Employer's Representative from exercising directly any functions or powers. The Employer's Representative shall notify the Contractor and the Employer of any delegation, and the names of representatives, and of any subsequent changes, within 5 working days after the event in each case.
- 4.3.4. Any opinion, certificate, determination or assessment of the Employer's Representative under the Contract may be revised in accordance with clause 13, except for decisions stated in the Contract to be conclusive [such as rejection of a Defect under sub-clause 8.5.4].
- 4.3.5. The Employer may replace the Employer's Representative at any time, notifying the Contractor of the replacement, and shall do so promptly if the position of Employer's Representative becomes vacant. Pending appointment of a replacement, the Employer shall carry out the functions and powers of the Employer's Representative.

**4.4. Employer's Representative's communications**

- 4.4.1. The Employer's Representative may give the Contractor:
  - (1) instructions, which are either:
    - (a) directions in accordance with the Contract or
    - (b) Change Orders and
  - (2) objections, in accordance with clause 4.7
- 4.4.2. The Employer's Representative may give the Contractor or the Employer, or both:
  - (1) opinions, assessments, determinations and certificates, in accordance with the Contract and
  - (2) other communications [including clarifications] in accordance with the Contract or the Employer's Representative considers appropriate.

**4.5. Instructions**

- 4.5.1. The Employer's Representative may issue instructions to the Contractor on any matter connected with the Works [whether or not mentioned elsewhere in the Contract] at any time up to the date the Defects Certificate is issued. The Contractor shall comply with an instruction of the Employer's Representative.
- 4.5.2. If the Employer's Representative gives an instruction and calls it a direction, but the Contractor considers that it is a Change Order, the Contractor shall be entitled to give notice under clause 10.3, and have the issue determined under clause 10.
- 4.5.3. The Employer's Representative shall not give a Change Order concerning the Works or a Section after its Substantial Completion has been certified, except concerning Defects or work to be done after Substantial Completion.

4.5.4. The Employer's Representative shall give an instruction that is, in the Employer's Representative's opinion, necessary for the completion of the Works. If, in the Employer's Representative's opinion, it is physically impossible or contrary to Legal Requirements to complete the Works in accordance with the Works Requirements, the Employer's Representative shall give a Change Order. The Employer's Representative shall give an instruction required under this sub-clause 4.5.4 within the time required by sub-clause 4.11.

4.5.5. Instructions of the Employer's Representative shall be given in writing except when there is imminent danger to safety or health or of damage to property, in which case the Employer's Representative may give oral instructions, and shall confirm them in writing as soon as practicable.

#### 4.6. **Works Proposals**

4.6.1. The Contractor shall ensure that all Works Proposals comply with the Works Requirements.

4.6.2. If any Works Proposals do not comply with the Contract or the initial Works Requirements or Legal Requirements or are physically impossible to comply with, the Contractor shall propose a change to the Works Proposals as necessary. [There shall be no extension of time or adjustment to the Contract Sum for this.] If the Works Proposals need to be changed because of a change to the Works Requirements, the Contractor shall propose a change. The Contractor shall submit any change to the Works Proposals to the Employer's Representative.

#### 4.7. **Required Contractor Submissions**

Unless the Works Requirements say that a different procedure is to apply, whenever the Contract requires that a document or proposed course of action be submitted to the Employer's Representative, the following shall apply:

4.7.1. The Contractor shall give the document or a statement of the proposed action and all necessary supporting information to the Employer's Representative.

4.7.2. The Employer's Representative may [but is not bound to] make a written objection to a Contractor's submission, giving reasons.

4.7.3. The Employer's Representative may request additional information.

4.7.4. The Employer's Representative's period for objection is 10 working days from when the Contractor has given the Employer's Representative enough information to make a purposeful review of the matter submitted should it wish to make one.

4.7.5. The Contractor shall apply in writing for any reduction of the period that it considers desirable in the interests of the Works, which the Employer's Representative may agree if it thinks fit.

4.7.6. The Employer's Representative may alter or withdraw an objection.

4.7.7. The Contractor shall not implement any submission before the period has ended, or contrary to any outstanding objection given within the period.

4.7.8. The Contractor shall make a new submission to meet any objection given within the period.

4.7.9. The Contractor shall also make new submissions as necessary to perform its duties under the Contract [whether or not it has received any objection], and in particular so that its submitted programme shows actual and current planned progress.

4.7.10. The grounds on which the Employer's Representative may object are that to proceed according to the submission:

(1) would not comply with the Contract

(2) would have an adverse effect on the Employer or the public interest

- (3) would impose an obligation on the Employer that the Contract does not require the Employer to bear
- (4) would be contrary to a Legal Requirement
- (5) would have an adverse effect on the Contractor's ability to comply with the Contract or any other ground stated in the Contract.

4.7.11. The Employer's Representative's rights to object, objections or their absence, do not reduce any of the Employer's Representative's other powers, or reduce any of the Contractor's responsibilities.

4.8. (sub-clause not used)

**4.9. Programme**

4.9.1. Before the Starting Date, unless there is a programme that complies with this sub-clause 4.9.1 in the Works Proposals, the Contractor shall submit to the Employer's Representative a detailed programme. The programme shall be of a quality that will permit effective monitoring of the Works and shall include details of when the Contractor will require instructions, Works Items or other things to be provided by the Employer, or anything else the Contract requires the Employer, the Employer's Representative or others to give to the Contractor.

4.9.2. The Contractor's programme shall allow reasonable periods of time for the Employer and the Employer's Personnel to comply with their obligations under the Contract.

4.9.3. If the Contractor's programme most recently submitted to the Employer's Representative does not correspond with actual or reasonably projected progress or the Contractor's obligations, the Contractor shall, if so directed by the Employer's Representative, submit to the Employer's Representative a revised programme that complies with this sub-clause and the other provisions of the Contract, showing actual progress and progress projected by the Contractor. If the Contractor asserts that it is not possible to reach Substantial Completion of the Works or a Section by its Date for Substantial Completion, the revised programme shall show Substantial Completion by the earliest possible date. [Neither the programme nor its review will limit the Contractor's responsibility or liability for the delay.] If the Contractor fails to submit the revised programme within 15 working days of a request from the Employer's Representative, the Employer shall be entitled to withhold from the Contractor 15% of any payment to be made to the Contractor until the revised programme is submitted.

**4.10. Progress Reports**

The Contractor shall give the Employer's Representative monthly progress reports from the Starting Date until the Contractor has completed all work outstanding on Substantial Completion of the Works. The first report shall cover the period from the Starting Date up to the end of the month in which it occurs, and each subsequent report shall cover one month. The Contractor shall give each progress report within 7 days after the end of the month it relates to. Each progress report shall be in a form agreed by the Employer's Representative, and shall include a detailed description of progress of each stage of the Works against the Contractor's current programme, and anything else relevant to a progress report that the Employer's Representative directs.

**4.11. Notice and time for Employer's obligations**

4.11.1. The Contractor shall give the Employer's Representative at least 10 working days advance notice of the date by which the Contractor requires any instructions that the Employer's Representative is to give, or Works Items or other things that the Employer is to give.

4.11.2. The latest date for the Employer's Representative to give required instructions, or the Employer



to give the Contractor any required Works Item or other thing, shall be the latest of the following:

- (1) the date stated in the Contract, if any
- (2) the date shown in the Contractor's current programme
- (3) the date for which the Contractor first notifies the Employer's Representative under this sub-clause that it is required
- (4) the date the Contractor requires the instruction, Works Item or other thing in accordance with its actual progress.

#### 4.12. Documents

The Contractor shall keep on the Site all of the following:

- (1) a full up-to-date set of the Contract documents (but the Pricing Document may be unpriced) instructions of the Employer's Representative and Contractor's Documents
- (2) a log of all instructions and Contractor's Documents showing dates of issue for each and any subsequent revisions
- (3) if requested by the Employer's Representative, all publications named in the Contract and the Contractor's Documents.

The Employer's Representative, and any person authorised by the Employer's Representative, shall have the right of access to these at all reasonable times.

#### 4.13. Contractor's Management

- 4.13.1. The Contractor's business includes expertise and experience in construction management.
- 4.13.2. The Works Proposals include details of the Contractor's initial management arrangements for performing its other Contract responsibilities.
- 4.13.3. The Contractor shall implement the arrangements, and shall add to and otherwise change them, as desirable for its efficient performance.
- 4.13.4. The arrangements shall include systems, methods, planning and other preparations for providing personnel and resources, programming, recording, consultation, co-ordination, and co-operation, and for flexibility, as referred to in the Contract.
- 4.13.5. The Contractor shall keep the Employer's Representative fully informed about its current arrangements, in advance, and about their implementation.
- 4.13.6. The Contractor shall give the Employer's Representative all information, documents and records in the possession of, or available to, the Contractor or the Contractor's Personnel, that the Employer's Representative requires to perform its functions and powers under the Contract.

#### 4.14. Communications

- 4.14.1. The parties intend all communications between them to be interpreted purposefully, having regard to the Contract's purposes.
- 4.14.2. Whenever any communication [including a notice, decision, objection, approval, certificate, determination, instruction or request] is to be given under the Contract it shall, unless the Contract provides otherwise, be in English, in writing and delivered as follows:
  - (1) for notices under clause 12 or clause 13, delivered by hand or sent by pre-paid registered post to the address for those notices in the Schedule, part 1A, as updated by the relevant party
  - (2) for other communications, delivered by hand or sent by pre-paid post, fax or email

according to the particulars for other communications in the Schedule, part 1A, as updated by the relevant party.

4.14.3. Communications by prepaid registered post are presumed to have been received at 10:00 hours 2 working days after posting. Fax and email communications are presumed to have been received when receipt is electronically recorded.

**4.15. Meetings**

4.15.1. The Contractor's representative and the Employer's Representative shall attend regular meetings scheduled by the Employer's Representative and any special meeting called by either of them to discuss a particular issue identified when calling the meeting. The Employer's Representative may invite other Employer's Personnel and the Contractor may invite Contractor's Personnel to attend meetings. The Contractor shall arrange for the attendance at a meeting of any Contractor's Personnel requested by the Employer's Representative. The time and place of meetings shall be set by the Employer's Representative, after consulting the Contractor, acting reasonably.

4.15.2. Within 5 working days after each meeting the Employer's Representative shall issue minutes of the meeting to the Employer and the Contractor. The Contractor shall notify the Employer's Representative of any objection to the minutes within 5 working days of receiving them, otherwise, unless clearly wrong, they shall be considered correct.

**4.16. Confidentiality and Secrecy**

4.16.1. The Contractor shall [and shall ensure that the Contractor's Personnel shall] keep confidential:

- (1) official information as defined in the Official Secrets Act 1963
- (2) other information stated in the Works Requirements to be confidential or secret, or that the Employer or the Employer's Representative notifies the Contractor is confidential or secret.

4.16.2. The Employer shall keep confidential the Contractor's rates and prices in the Pricing Document or provided in accordance with the Contract, and any records given by the Contractor under the Contract that the Contractor notifies the Employer's Representative are confidential.

4.16.3. This sub-clause 4.16 shall not prevent disclosure of information, to the extent permitted by Law:

- (1) to the Contractor's Personnel, the Employer's Personnel or other professional advisors to the Contractor or Employer, who have first entered an undertaking in the terms of this sub-clause 4.16, to the extent necessary for the execution of the Works or to enforce the Contract or
- (2) when required by Law or order of a court or, in the case of disclosure by the Employer, for governmental, parliamentary, statutory, administrative, fiscal or judicial purposes, or the publication of an award notice or
- (3) that has, except as a result of breach of confidentiality, become available or generally known to the public at the time of the disclosure.

4.16.4. The Contractor's obligations under this sub-clause 4.16 shall be perpetual. The Employer's obligations under this sub-clause shall expire when the commercial sensitivity of the relevant information has ceased, in any event 5 years after the information was given.

**4.17. Contractor's Things Not to be Removed**

The Contractor shall submit details to the Employer's Representative before removing any Contractor's Things from the Site before the Employer's Representative issues a certificate of Substantial Completion of the Works or relevant Section.

4.18. **Contractor's Documents**

All Contractor's Documents shall be in English, except when the Works Requirements or the Law specify another language.

## **5. CONTRACTOR'S PERSONNEL**

### **5.1. Contractor's Personnel to carry out Contractor's Obligations**

The Contractor is liable for the acts and omissions of Contractor's Personnel [including Specialists and any design they do] as if they were the Contractor's acts and omissions.

### **5.2. Qualifications and Competence**

The Contractor shall ensure that the Contractor's Personnel are suitably qualified and experienced and are competent to carry out their respective tasks.

### **5.3. Pay and Conditions of Employment**

5.3.1. The Contractor shall prominently exhibit copies of this sub-clause 5.3 for the information of persons at the Site. In this sub-clause 5.3 **work person** means an individual employed by, or otherwise working for, the Contractor or the Contractor's Personnel on or adjacent to the Site.

5.3.2. The Contractor shall ensure that the rates of pay and the conditions of employment [including in relation to pension contributions] of each work person comply with all applicable Law, and that those rates and conditions are no less favourable than those for the relevant category of work person in any employment agreements registered under the Industrial Relations Acts 1946 to 2004. The obligations in this sub-clause 5.3 apply regardless of what rates the Contractor has tendered for adjustments to the Contract Sum.

5.3.3. The Contractor shall:

- (i) in respect of work persons employed by, or otherwise working for, the Contractor, do all of the following and
- (ii) in respect of all other work persons, ensure that their employers, or the persons for whom they are working, do all of the following:
  - (1) pay all wages and other money due to each work person
  - (2) ensure that work persons' wages are paid in accordance with the Payment of Wages Act 1991 and are never more than 1 month in arrears or unpaid
  - (3) pay all pension contributions and other amounts due to be paid on behalf of each work person
  - (4) make all deductions from payments to work persons required by Law, and pay them on as required by Law
  - (5) keep proper records [including time sheets, wage books and copies of pay slips] showing the wages and other sums paid to and the time worked by each work person, deductions from each work person's pay and their disposition, and pension and other contributions made in respect of each work person, and produce these records for inspection and copying by any persons authorised by the Employer, whenever required by the Employer
  - (6) produce any other records relating to the rates of pay, pension and other contributions, deductions from pay and their disposition, conditions of employment of work persons, rest periods, and annual leave for inspection and copying by any persons authorised by the Employer, whenever required by the Employer
  - (7) respect the right under law of work persons to be members of trade unions
  - (8) observe, in relation to the employment of work persons on the Site, the Safety, Health and Welfare at Work Act, 2005 and all employment law including the Employment Equality Act 1998, the Industrial Relations Acts 1946 to 2004, the National Minimum Wage Act 2000, regulations, codes of practice, legally binding determinations of the

Labour Court and registered employment agreements under those Laws.

5.3.3A

- (1) Sub-clause 5.3.3A(2) shall only be included in the Contract if the Schedule, part 1J says so, and if not, neither sub-clause 5.3.3A(2) nor its omission shall be taken into account.
- (2) The Employer shall be entitled to make random checks requiring production of records under sub-clauses 5.3.3(5) and (6).

5.3.4. If the Employer so requests, the Contractor shall, within 5 working days after the receipt of the request, give to the Employer a statement showing the amount of wages and other payments due at the date of the request to and in respect of each work person, or, in respect of work persons not employed by or otherwise working for the Contractor, ensure that their employer or the person for whom they are working does the same.

5.3.5. The Employer may seek information under sub-clause 5.3.3 only for the purpose of ensuring the obligations referred to in this sub-clause 5.3 to work persons have been properly discharged. All information given under sub-clause 5.3.3 shall be returned to the person providing them or destroyed if the Employer is satisfied that the relevant employer has complied with legal obligations to work persons.

5.3.6. If the Contractor has not complied with this sub-clause 5.3, the Employer shall [without limiting its other rights or remedies] be entitled to estimate the amount that should have been paid to work persons and contributions that should have been made on their behalf, and the Employer may deduct the estimated amount from any payment due to the Contractor, until the Employer is satisfied that all proper amounts have been paid.

5.3.7. The Contractor shall give the Employer's Representative with each interim statement under sub-clause 11.1 a certificate in the form in the Works Requirements, that, in respect of the work to which the interim certificate relates, the Contractor has complied in full with this sub-clause 5.3.

5.3.8. If the Contractor does not comply with this sub-clause 5.3, it shall pay to the Employer any costs the Employer incurs in investigating and dealing with the non-compliance.

5.4. **Subcontractors and Specialists**

5.4.1. The Contractor shall not subcontract all of the Works to one or more Subcontractors. If the Contractor intends to subcontract part of the Works, other than when the Subcontractor and its scope are set out in the Contract, or the Contract provides other procedures, the Contractor shall first submit details to the Employer's Representative of the proposed Subcontractor and its proposed scope of work. The Contractor shall also submit details to the Employer's Representative of any proposed Specialist, other than one named in the Contract or when the Contract provides other procedures.

5.4.2. If Specialists or other Contractor's Personnel are named in the Contract, the Contractor shall ensure that they are engaged for and perform the work for which they are named.

5.4.3. If the Works Requirements name a Specialist whose contract with the Employer is to be novated to the Contractor, and include a copy of that contract, the Contractor shall accept the novation, and the parties shall, at the same time as entering the Agreement, enter the novation agreement in the Works Requirements.

5.4.4. The Employer's Representative may not instruct the Contractor to enter a contract with a particular Specialist selected by the Employer's Representative unless the Specialist is named in the Contract.

5.4.5. The Contractor shall fully comply with its obligations under any contract with a Specialist and shall not terminate, allow to be terminated or accept a repudiation of such a contract without first submitting details to the Employer's Representative, except when an insolvency event, as set out in sub-clause 12.1, occurs in respect of the Specialist, or the Specialist has committed a serious breach of Law concerning safety, or the Specialist has failed to put or keep in effect insurance as required by the Specialist's contract. On any termination, the Contractor shall replace the Specialist, having submitted details of the replacement to the Employer's Representative.

5.4.6. In addition to the reasons in sub-clause 4.7, the Employer's Representative may object to the proposed replacement of Contractor's Personnel because the proposed replacement does not have at least the level of experience, qualifications, competence, technical capacity, and financial standing of the person being replaced.

**5.5. Collateral Warranties**

If the Schedule, part 1F, states that a collateral warranty is required from any Specialist, before the date stated in the Schedule, the Contractor shall give the Employer a collateral warranty in the form included in the Works Requirements, or if there is none, a form approved by the Employer, executed by the Specialist and the Contractor.

**5.6. Removal of Work Persons**

The Contractor shall remove from the Site any Contractor's Personnel that the Employer's Representative directs, because of the Contractor's Personnel's negligence or incompetence, or on the basis that the Contractor's Personnel's presence on the Site is not conducive to safety, health or good order.

**6. PROPERTY**

**6.1. Ownership of Works Items**

It is agreed, and the Contractor shall ensure, that each Works Item shall become the property of the Employer on the earliest of the following:

- (1) when it is delivered to the Site, if owned by the Contractor
- (2) when it is incorporated in the Works
- (3) when any payment for the Works Item is made by the Employer to the Contractor.

**6.2. Infringement of Property Rights**

6.2.1. The Contractor shall indemnify the Employer against any liability resulting from any of the following infringing the property [including intellectual property] rights of any person:

- (1) the Contractor's performance or non-performance of this Contract, unless the liability is covered by the Employer's indemnity in this sub-clause
- (2) use of Works Items, Contractor's Things, temporary works executed by the Contractor, or Contractor's Documents by:
  - (a) the Contractor or Contractor's Personnel or
  - (b) the Employer or any other person to complete the Works following termination of the Contractor's obligation to complete the Works
- (3) use by the Employer of the Works, Works Items, or the Contractor's Documents for the purpose for which they were given.

6.2.2. The Employer shall indemnify the Contractor against any liability resulting from any of the following infringing the property [including intellectual property] rights of any person:

- (1) the unavoidable use by the Contractor, in accordance with the Contract, of the Works Requirements or Works Items or other things provided by the Employer
- (2) the use or occupation of the Site by the Works that is the unavoidable result of performing the Contract.

**6.3. Works Requirements**

The Works Requirements shall remain the property of the Employer and the Contractor shall not use them [and shall ensure that the Contractor's Personnel do not use them] for any purpose other than to perform the Contract or to prosecute or defend a dispute under the Contract.

**6.4. Property and Rights in Contractor's Documents**

6.4.1. The Employer may use, copy, modify, adapt and translate for any purpose in connection with the Works [including to construct, maintain, extend, use, operate, let, sell, promote, advertise, reinstate and repair the Works] the Contractor's Documents that are given, or, according to the Contract, must be given, to the Employer and the Works Proposals.

6.4.2. If the Schedule, part 1C, so states, ownership of and all copyright and other rights in the Contractor's Documents that are prepared for the Works and are given, or according to the Contract, must be given, to the Employer and the Works Proposals transfers to the Employer when the Employer receives them.

6.4.3. The Contractor shall ensure that the Employer obtains the rights and interests described in this sub-clause 6.4.

6.4.4. The Contractor has no liability for the use of the Contractor's Documents for any purpose other than that for which they were given to the Employer.

## **7. THE SITE**

### **7.1. Lands Made Available for the Works**

7.1.1. The Employer shall allow the Contractor to occupy and use each part of the Site described in the Works Requirements as lands made available by the Employer for the Works from a date on or before the latest of the following:

- (1) the Starting Date
- (2) the day after the Contractor has done what sub-clause 9.1 requires the Contractor to do before the Starting Date
- (3) the date stated in the Works Requirements, if any
- (4) the day after the Contractor has submitted its programme according to sub-clause 4.9
- (5) the date stated for work to start on the part of the Site in the Contractor's current programme
- (6) the date the Contractor actually requires the part in accordance with its actual progress.

7.1.2. The Contractor's right to occupy and use the Site shall be subject to any limitations in the Works Requirements.

7.1.3. The Contractor shall not be entitled to exclusive possession of the Site or any part of it and shall facilitate any occupation and use of the Site by the Employer and others stated in the Works Requirements. The Contractor's right to occupy and use the Site shall be solely for the purpose of performing the Contract.

7.1.4. The Contractor's right to occupy and use the Site shall end when the Employer's Representative certifies the Works or the relevant Section as Substantially Complete. After then the Employer shall allow the Contractor access to comply with sub-clause 8.6.1.

7.1.5. The Contractor's right to occupy and use the Site shall end if the Contractor's obligation to complete the Works is terminated.

### **7.2. Trespassers**

After the Employer has allowed the Contractor to occupy and use the Site, the Contractor shall be responsible for activities of trespassers, protesters and others, that are not Employer's Personnel, on the Site, and the Employer shall have no responsibility to the Contractor for their activities or presence.

### **7.3. Contractor Responsible for all Site Operations**

The Contractor shall be responsible for all operations on the Site connected with the execution of the Works.

### **7.4. Services for Employer's Facilities**

The Contractor shall operate and maintain parts of the Site and facilities of the Employer if the Works Requirements so require.

### **7.5. Security and Safety of the Site and Nuisance**

7.5.1. From and including the Starting Date until the Employer's Representative certifies the Works or the relevant Section as Substantially Complete, the Contractor shall do all of the following [without limiting other obligations]:

- (1) be responsible for securing the Site and for keeping off the Site persons other than any of the following:
  - (i) the Contractor's Personnel and the Employer's Personnel



- (ii) any other person notified to the Contractor by the Employer or the Employer's Representative as authorised to enter the Site
  - (iii) persons exercising public access to any roads, footpaths and areas on the Site
  - (iv) persons having a right to enter the Site under Legal Requirements
- (2) keep the Site in good order and free from unnecessary obstructions
  - (3) take all necessary steps to secure the safety of all persons entitled to be on the Site and to protect users, owners and occupiers of land adjacent to the Site from hazards and interference arising from the Works [including providing any required fences, lighting, guarding, watching, roads and footpaths]
  - (4) take all necessary steps to ensure that the Contractor, the Contractor's Personnel and the execution of the Works do not do any of the following:
    - (i) unnecessarily cause a nuisance or inconvenience to the public or any user, owner or occupier of any land, road or footpath on or adjacent to the Site
    - (ii) unnecessarily interfere with the use of any such land, road or footpath.

7.5.2. The Employer shall ensure that Employer's Personnel on the Site comply with the Contractor's reasonable safety rules that have been notified to them by the Contractor.

**7.6. Other Contractors**

Where so stated in the Works Requirements, the Employer may arrange for work to be executed on the Site by Employer's Personnel. The Contractor shall co-operate with such Employer's Personnel and shall as far as practicable co-ordinate their activities with the execution of the Works.

**7.7. Setting Out the Works**

The Contractor shall set out the Works by reference to the points, lines and levels of reference in the Works Requirements. The Contractor shall be responsible for the correct positioning of all parts of the Works and shall rectify any errors in the positions, levels, dimensions or alignment of the Works. Before setting out the Works the Contractor shall make all reasonable efforts to verify the accuracy of the setting out information in the Works Requirements.

**7.8. Archaeological Objects and Human Remains**

If any fossils, coins, antiquities, monuments or other items of value or of archaeological or geological interest or human remains are discovered on or adjacent to the Site, the Contractor shall not disturb them, but shall take all necessary steps to preserve them, and shall promptly notify the Employer's Representative [and comply with any instructions]. As between the parties, these items shall be the Employer's property.

**7.9. Access and Facilities**

7.9.1. The Contractor [and not the Employer] shall be responsible for the suitability and availability of access routes to and within the Site, and any required maintenance or upgrading of them, and any charges for use of them.

7.9.2. The Contractor shall also be responsible for obtaining any additional facilities, and for providing all power, water and other services it requires to perform the Contract.

7.10. (sub-clause not used)

7.11. (sub-clause not used)

**7.12. Charges**

The Contractor shall pay any charges provided for in the Works Requirements for occupation of the

Site or any part of it or other place, or in respect of operation or maintenance of Employer's facilities, or in respect of services, or otherwise. [The Employer may deduct the amount of charges from payments to the Contractor. Payment of charges does not excuse the Contractor from any of its obligations].

## **8. QUALITY, TESTING AND DEFECTS**

### **8.1. Standards of Workmanship and Works Items**

The Contractor shall ensure all of the following:

- (1) that the Works are executed and completed
  - (i) in accordance with all the requirements in, and reasonably inferred from, the Contract [including, where so required by the Contract, in accordance with Contractor's Documents that have been submitted to the Employer's Representative] and
  - (ii) in a proper and workmanlike manner and using good practice
- (2) that all Works Items [whether or not the Contractor is required to select them]:
  - (i) comply with the Contract and the Legal Requirements and
  - (ii) are of good quality and, unless the Contract provides otherwise, new
- (3) that all materials and goods that are Works Items [whether or not the Contractor is required to select them] are fit for the purpose for which they are normally used
- (4) that all Works Items selected or designed by the Contractor [including by any Specialist] are fit for their intended purpose in the Works.

### **8.2. Quality Assurance**

The Contractor shall establish and implement quality assurance procedures as required by the Works Requirements, including procedures for establishing quality assurance systems for itself and Subcontractors. The quality assurance procedures shall be reflected in appropriate quality plans submitted to the Employer's Representative. The Contractor shall give to the Employer's Representative copies of all reports prepared in accordance with the Contractor's quality assurance procedures. The Employer's Representative may monitor, spot check and audit the Contractor's quality assurance procedures.

### **8.3. Inspection**

- 8.3.1. The Contractor shall ensure that the Employer's Representative, and anyone authorised by the Employer's Representative, is able at all reasonable times to have access to all places where the Works are being executed [whether or not at the Site] and any place where any Works Items are produced, stored, extracted or prepared, or any other obligation of the Contractor under the Contract is being performed, and are able there to inspect, test, observe and examine all such items and activities.
- 8.3.2. The Contractor shall promptly give the Employer's Representative all particulars the Employer's Representative requests about the mode, place and time of manufacture, the source of supply and the performance capabilities of Works Items and any related information, including any test certificates that the Contract provides for.
- 8.3.3. The Contractor shall notify the Employer's Representative before any Works Item is covered or any Works Item that is to be inspected is packed or made impossible or difficult to inspect, in either case giving the Employer's Representative, and any person authorised by the Employer's Representative, a reasonable opportunity to inspect the Works Item.

### **8.4. Tests**

- 8.4.1. The Contractor shall supply all Contractor's Things, documents, information, suitably qualified and experienced personnel, power, consumables and instruments required to carry out tests that the Contract requires the Contractor to do [both before and after Substantial Completion]. The Contractor shall agree with the Employer's Representative the time and place for these tests. The Employer's Representative, and others authorised by the Employer, may attend and

observe the tests, and the Contractor shall facilitate their attendance and observation.

Regardless of whether any Employer's Personnel attends, the Contractor shall promptly give the Employer's Representative a certified report of the result of every test.

- 8.4.2. If a test is failed, the Contractor may elect to repeat the test, or the Employer's Representative may require that the test be repeated. The Contractor shall, on request, pay the Employer any costs the Employer incurs as a result of any re-testing.
- 8.4.3. If the Contractor rectifies a Defect, it shall repeat any relevant test the Contract specifies for the relevant Works Item, if the Employer's Representative so directs.

## 8.5. Defects

- 8.5.1. The Employer's Representative may direct the Contractor to search for a Defect or suspected Defect or its cause. This may include uncovering, dismantling, re-covering and re-erecting work, providing facilities for tests, testing and inspecting. If, through searching or otherwise, the Contractor discovers a Defect, the Contractor shall notify the Employer's Representative as soon as practicable.
- 8.5.2. If, through notification or otherwise, the Employer's Representative becomes aware of a Defect, the Employer's Representative may direct the Contractor to do any of the following [or any combination of them]:
- (1) to remove the Works Item with the Defect from the Site
  - (2) to demolish the Works Item with the Defect, if incorporated in the Works
  - (3) to reconstruct, replace or correct the Works Item with the Defect
  - (4) not to deliver the Works Item with the Defect to the Site.
- 8.5.3. The Contractor shall comply with any direction under this sub-clause 8.5 within the reasonable times, if any, the Employer's Representative directs. If the Contractor fails to begin the work required to comply with the direction within the reasonable time directed, if any, or to complete it as soon as practicable, the Employer may have the work done by others and the Contractor shall, on request, pay the Employer its cost of doing so.
- 8.5.4. Alternatively, the Contractor and the Employer's Representative may, with the Employer's consent, agree that the Employer will accept the Defect, either in whole or subject to any change to the Works Requirements that the Employer's Representative directs. In this case, the Contract Sum shall be reduced by the amount that, in the opinion of the Employer's Representative, is the resulting decrease in the value of the Works to the Employer. If the Employer's Representative notifies the Contractor that the Employer will not accept a Defect, this shall be conclusive.
- 8.5.5. The Employer's Representative may give a direction or rejection under this sub-clause 8.5 at any time before the Defects Certificate is issued. [The Contractor shall not be entitled to any adjustment to the Contract Sum or extension of time because of a direction given to deal with, or as a result of, a Defect or any other breach of the Contract by the Contractor.]

## 8.6. Defects Period

- 8.6.1. As soon as practicable after Substantial Completion of the Works or any Section, the Contractor shall complete any outstanding work and rectify any Defects that the Employer's Representative directs during the Defects Period. In doing so, and in doing any tests after Substantial Completion, the Contractor shall cause as little disruption as possible to occupants and users of the Works.
- 8.6.2. If the Contractor completes outstanding work or rectifies Defects during the Defects Period, the Contractor and the Employer's Representative may agree an extension to the Defects Period,

and an appropriate reduction in retention at the end of the original Defects Period. If no extension is agreed, the Employer's Representative may, after the end of the Defects Period, assess the risk that Defects in the Works Item concerned may occur or be noticed in the period starting when the work was done and equal in length to the Defects Period, and make an appropriate reduction to the Contract Sum to compensate the Employer for that risk.

**8.7. Defects Certificate**

The Employer's Representative shall issue the Defects Certificate to the Contractor and the Employer within 20 working days after the end of the Defects Period. [Nothing in this clause 8, nor any exercise or non-exercise by the Employer or the Employer's Representative of their rights under this clause 8, nor the Defects Certificate, relieves the Contractor of any obligation, except to the extent that a Defect is accepted by agreement under sub-clause 8.5.4.]

**9. TIME AND COMPLETION**

**9.1. Starting Date**

9.1.1. The Contractor shall set the Starting Date, giving the Employer's Representative at least 15 working days notice, or any shorter period the Employer's Representative may agree, or any different period stated in the Works Requirements. The Starting Date shall, unless otherwise stated in the Works Requirements, be no more than 20 working days after the Contract Date.

9.1.2. Before the Starting Date [unless already given by the Contractor before the Contract Date, for example in response to a letter of intent] the Contractor shall give the Employer all of the following, all executed, as relevant, by the relevant persons:

- (1) the Agreement
- (2) a performance bond, if required by the Contract
- (3) a parent company guarantee, if required by the Contract
- (4) if the Works Requirements state that the Contractor or the Contractor's nominee is to be appointed as project supervisor for the construction stage, the required appointment, and the developed safety and health plan required by the Construction Regulations
- (5) evidence that the insurances required by the Contract are in effect
- (6) any collateral warranties required by the Contract

However, collateral warranties may be given on a later date that the Employer's Representative has agreed to.

9.1.3. On the Starting Date, the Contractor shall start to execute the Works on the Site. The Contractor shall, unless the Employer's Representative directs otherwise, proceed regularly and diligently in order to achieve Substantial Completion of the Works and each Section by its Date for Substantial Completion.

**9.2. Suspension**

9.2.1. The Employer's Representative may at any time direct the Contractor to suspend all or part of the work under the Contract. The Contractor shall comply with the direction and, during suspension, shall protect, store and secure the affected Works Items against deterioration, loss and damage and maintain the Insurances.

9.2.2. After a suspension under clause 9.2.1, the Contractor shall resume work when so directed by the Employer's Representative. When a direction to resume is given, the Contractor and the Employer's Representative shall jointly examine the Works and Works Items affected by the suspension. If the Contractor is entitled to an adjustment of the Contract Sum or an extension of time because of the suspension, the Contractor's cost of rectifying any deterioration in or loss of the Works or Work Items that the Contractor could not have avoided shall be included in the determination of the adjustment, and any resulting delay shall be taken into account in determining the extension.

9.2.3. If a suspension, that did not result from a breach of the Contractor's obligations, has continued for more than 3 months, the Contractor may request the Employer's Representative's permission to proceed. If the Employer's Representative does not give permission within 28 days after being requested to do so, the Contractor may, by giving notice to the Employer's Representative:

- (1) if the suspension affects part of the Works, treat the suspension as a Change Order to omit that part of the Works or

- (2) if the suspension affects the whole of the Works, give notice to terminate the Contractor's obligation to complete the Works under the Contract.

### 9.3. **Delay and Extension of Time**

9.3.1. If the Contractor becomes aware that work under the Contract is being or is likely to be delayed for any reason, it shall as soon as practicable notify the Employer's Representative of the delay and its cause. As soon as practicable after that, and in any event within 40 working days after the Contractor became aware of the delay, the Contractor shall give the Employer's Representative full details of the delay and its effect on the progress of the Works. But if the Contractor has given notice and details of the delay under clause 10.3.1 it does not have to give notice or details again under this clause 9.3.1 for the same delay. In any event, the Contractor shall promptly give any further information about the delay the Employer's Representative directs.

9.3.2. If Substantial Completion of the Works or any Section by the Date for Completion has been, is being or will be delayed by a Delay Event and if all of the following apply:

- (1) the Delay Event is not a result of the Contractor's or Contractor's Personnel's act or omission or the Contractor's breach of the Contract
- (2) the Contractor cannot avoid the delay and makes all reasonable efforts to minimise the delay
- (3) the Contract does not provide otherwise

then, subject to this sub-clause 9.3, sub-clause 9.4 and clause 10, there shall be an extension to the Date for Substantial Completion of the Works and any affected Section equal to the amount of the delay, taking into account only Site Working Days. The Contractor and the Employer's Representative shall follow the procedure in clause 10.

9.3.3. The Employer's Representative may, at any time, revise a determination of an extension to the Date for Substantial Completion of the Works or any Section, but shall not bring those dates forward except by agreement with the Contractor under sub-clause 9.5 when work has been omitted.

### 9.4. **Programme Contingency**

9.4.1. The Contractor has included in the initial Contract Sum and shall include in its programme a contingency for delays to the Date for Substantial Completion of the Works caused by Compensation Events.

9.4.2. If the total number of Site Working Days' delay to Substantial Completion of the Works caused by Compensation Events is less than the threshold in the Schedule, part 1K, there shall be no extensions to the initial Date for Substantial Completion of the Works for delay caused by Compensation Events.

9.4.3. If the total number of Site Working Days' delay to Substantial Completion of the Works caused by Compensation Events exceeds the threshold in the Schedule, part 1K, the number of Site Working Days stated as that threshold shall be deducted from the total number of Site Working Days' extension to the initial Date for Substantial Completion of the Works for delay caused by Compensation Events.

9.4.4. [This sub-clause 9.4 does not apply to extensions to the Date for Substantial Completion of a Section, nor to extensions of time resulting from Delay Events that are not Compensation Events.]

9.4.5. Use of the programme contingency provided for in this sub-clause shall be claimed and determined in accordance with this clause 9 and clause 10. In making a determination under

sub-clauses 9.3 and 10.5 in respect of a delay to Substantial Completion of the Works, the Employer's Representative shall notify the Contractor and the Employer of how much of the first threshold and the second threshold have been used-up by delays to Substantial Completion of the Works caused by Compensation Events.

9.5. **Omissions and Reduction of Time**

If a Change Order omits any of the Works, and the omission will result, or has resulted, in a reduction of the time required to complete the Works or any Section, the Date for Substantial Completion shall be reduced by any amount agreed between the Employer's Representative and the Contractor. [If there is no agreement, there shall be no reduction.]

9.6. **Substantial Completion**

9.6.1. The Contractor shall achieve Substantial Completion of the Works and each Section by its Date for Substantial Completion.

9.6.2. Within 20 working days after receiving the Contractor's request to certify Substantial Completion of the Works or a Section, the Employer's Representative shall give to the Contractor and the Employer:

- (1) a certificate stating the date that Substantial Completion occurred or
- (2) the reasons for not issuing the certificate.

But, if the Schedule, part 1H, so states, the Employer's Representative shall not be required to certify Substantial Completion of the Works or a Section before its Date for Substantial Completion. The certificate may include a list of Defects and any outstanding work [but nothing in the certificate, including the failure to list any Defect, relieves the Contractor of any obligations].

9.7. (sub-clause not used)

9.8. **Liquidated Damages**

9.8.1. If the Works do not reach Substantial Completion by the Date for Substantial Completion of the Works, the Contractor shall pay the Employer [and the Employer may deduct from payments to the Contractor] liquidated damages calculated at the rate stated in the Schedule, part 1G, for the period from the Date for Substantial Completion of the Works to the date of substantial completion of the Works.

9.8.2. If a Section does not reach Substantial Completion by its Date for Substantial Completion, the Contractor shall pay to the Employer liquidated damages calculated at the rate stated in the Schedule for the period from the Date for Substantial Completion of the Section to the date of substantial completion of the Section (or, if earlier and if the Schedule states a rate of liquidated damages for the Works, to the Date for Substantial Completion of the Works).

9.8.3. In this clause 9.8 **date of substantial completion** means the date certified by the Employer's Representative that the Works or Section reached Substantial Completion.



## **10. CLAIMS AND ADJUSTMENTS**

### **10.1. Compensation Event**

10.1.1. Subject to and in accordance with this sub-clause 10.1, if a Compensation Event occurs the Contract Sum shall be adjusted by the amount provided in sub-clause 10.6. However, the Contract Sum shall be increased only to the extent that all of the following apply to the Compensation Event:

- (1) The Compensation Event is not a result of the Contractor's or Contractor's Personnel's act or omission or the Contractor's breach of the Contract.
- (2) The Contractor cannot avoid the adverse effects of the Compensation Event and makes all reasonable efforts to minimise them.
- (3) The Contractor has complied with this clause 10 in full [including giving notices and details within the time required].
- (4) The Contract does not provide otherwise.

10.1.2. The Contractor's sole remedies for a Compensation Event shall be those stated in the Contract.

### **10.2. Quantities and Description in Bill of Quantities**

If the Contractor calls for an adjustment to the Contract Sum because of a difference between the Contract value of the Works according to the quantities and descriptions in the Bill of Quantities and the Contract value of the Works according to the Works Requirements, and it is found that no increase is to be made to the Contract Sum, the Contractor shall pay the Employer the cost of having the check done.

### **10.3. Contractor Claims**

10.3.1. If the Contractor considers that under the Contract there should be an extension of time or an adjustment to the Contract Sum, or that it has any other entitlement under or in connection with the Contract, the Contractor shall, as soon as practicable and in any event within 20 working days after it became aware, or should have become aware, of something that could result in such an entitlement, give notice of this to the Employer's Representative. The notice must be given according to clause 4.14 and prominently state that it is being given under sub-clause 10.3 of the Contract. Within a further 20 working days after giving the notice, the Contractor shall give the Employer's Representative details of all of the following:

- (1) all relevant facts about the claim
- (2) a detailed calculation and, so far as practicable, a proposal, based on that calculation, of any adjustment to be made to the Contract Sum and of the amount of any other entitlement claimed by the Contractor
- (3) if the Contractor considers that the programme contingency referred to in sub-clause 9.4 should be used or that there should be an extension of time, the information required under sub-clause 9.3, and, so far as practicable, a proposal, based on that information for any use of the programme contingency or any extension to the Date for Substantial Completion of the Works and any affected Section.

The Contractor shall give any further information about the event or circumstance requested by the Employer's Representative.

10.3.2. If the Contractor does not give notice and details in accordance with and within the time provided in this sub-clause 10.3, except where the Contractor has been required to and has given a proposal complying in full with sub-clause 10.4 [notwithstanding anything else in the Contract] the Contractor shall not be entitled to an increase to the Contract Sum or extension of time or use of the programme contingency referred to in sub-clause 9.4 [and the Employer shall be released from all liability to the Contractor in connection with the matter].

- 10.3.3. If the cause of the claim has a continuing effect, the Contractor shall update the information at monthly intervals:
- (1) stating the extension of time and adjustment to the Contract Sum claimed for delay and cost already incurred and
  - (2) so far as practicable, proposing a final adjustment to the Contract Sum and Date for Substantial Completion of the Works and any affected Section and
  - (3) providing any other information the Employer's Representative reasonably requires.
- 10.3.4. The Contractor shall keep detailed contemporary records to substantiate any aspect of an event or circumstance about which it has given, or is entitled to give, notice under this sub-clause 10.3, and its resulting costs. These shall include any records the Employer's Representative directs the Contractor to keep. The Contractor shall give the records to the Employer's Representative if so directed.

**10.4. Proposed Instructions**

The Employer's Representative may require the Contractor to make proposals for a proposed instruction. The Contractor shall not implement the proposed instruction unless and until the Employer's Representative has confirmed the instruction as given. Within 20 working days after the Employer's Representative requires the Contractor to make proposals, the Contractor shall give to the Employer's Representative all of the following:

- (1) a detailed calculation and proposal, based on the calculation, of any adjustment to the Contract Sum that would result from the proposed instruction
- (2) if the proposed instruction would cause a delay, the information required under clause 9.3, and a proposal, based on that information for any use of the programme contingency referred to in sub-clause 9.4 or extension to the Date for Substantial Completion of the Works and any affected Section
- (3) if the proposed instruction is to omit any of the Works, a revised programme and, if appropriate, a proposed earlier Date for Substantial Completion of the Works and any affected Section
- (4) any Contractor's Documents required in connection with the proposed instruction, or a timetable for them.

**10.5. Employer's Representative's Determination**

10.5.1. If the Contractor has made a claim or proposal under sub-clauses 10.3 or 10.4, shall, within 20 working days of receiving it, do one of the following:

- (1) direct the Contractor to give additional information or revised proposals, in which case the Contractor shall do so within 10 working days and the Employer's Representative shall reply in accordance with this sub-clause within a further 10 working days, but that reply must not require the Contractor to give additional information or a revised proposal
- (2) notify the Contractor and the Employer that the Contractor's proposals are agreed and make any resulting adjustments to the Contract Sum, use of the programme contingency referred to in sub-clause 9.4 or extension to the Date for Substantial Completion of the Works and any affected Section
- (3) make a determination of any adjustments to the Contract Sum, use of the programme contingency referred to in sub-clause 9.4 or extension to the Date for Substantial Completion of the Works and any affected Section, and notify the Contractor and the Employer
- (4) in response to a proposal under sub-clause 10.4, notify the Contractor that the

proposed instruction will not be given.

- 10.5.2. The Employer's Representative may [but is not bound to] make a determination under (3) above on its own initiative if the Contractor has not made a claim or proposal under sub-clauses 10.3 or 10.4.

**10.6. Adjustments to the Contract Sum**

Adjustments to the Contract Sum for a Compensation Event shall be as follows:

- 10.6.1. If the Compensation Event requires additional, substituted or omitted work, similar to work for which there are rates in the Pricing Document, to be executed under similar conditions, the determination shall use those rates.
- 10.6.2. If the Compensation Event requires additional, substituted or omitted work that is not similar to work for which there are rates in the Pricing Document, or is not to be executed under similar conditions, the determination shall be on the basis of the rates in the Pricing Document when that is reasonable.
- 10.6.3. If the adjustment cannot be determined under the above rules, the Employer's Representative shall make a fair valuation.
- 10.6.4. The Employer's Representative may direct that additional or substituted work required as a result of a Compensation Event be determined on the basis of the cost of performing the additional or substituted work, compared with the Contractor's cost without the Compensation Event, determined as follows:
- (1) the number of hours worked or to be worked by each category of work person stated in the Schedule, part 2E, and engaged on the work to which the Compensation Event relates, on or off the Site, multiplied in each case by the tendered daily rate for that category stated in the Schedule, part 2E
  - (2) the cost of materials used in that work, taking into account discounts and excluding VAT, plus the percentage adjustment tendered by the Contractor and stated in the Schedule, part 2E
  - (3) the cost of plant reasonably used for that work, whether hired or owned by the Contractor, at the rates in the document listed in the Schedule, part 1K, plus or minus the percentage adjustment tendered by the Contractor and included in the Schedule, part 2E. If the document listed in the Schedule does not give a rate for a plant item, a market rental rate shall be used, plus or minus the percentage adjustment.
- 10.6.5. Adjustments for delay cost shall be in accordance with sub-clause 10.7.

**10.7. Delay Cost**

- 10.7.1. If the Date for Substantial Completion of the Works has been extended because of a Compensation Event [and not otherwise, and subject to sub-clause 10.7.2], there shall be added to the Contract Sum an amount for delay cost, either (whichever it says in the Schedule, part 1K):
- (1) for each Site Working Day for which the Date for Substantial Completion of the Works has been extended because of the Compensation Event, the daily rate of delay cost tendered by the Contractor in the Schedule, part 2E or
  - (2) the expenses [excluding profit and loss of profit] unavoidably incurred by the Contractor as a result of the delay to the Date for Substantial Completion of the Works caused by the Compensation Event.
- 10.7.2. If a delay has more than one cause, and one or more of the causes is not a Compensation Event, there shall be no increase to the Contract Sum for delay cost for the period of concurrent

delay.

10.7.3. Except as provided in this sub-clause 10.7 [notwithstanding anything else in the Contract] losses or expenses arising from or in connection with delay, disruption, loss of productivity or knock-on effect shall not be taken into account or included in any increase to the Contract Sum, and the Employer shall have no liability for such losses or expenses.

10.7.4. [There shall be no delay cost paid as a result of extensions to the Date for Substantial Completion of a Section].

10.7.5. If the Schedule states more than one rate for delay cost, the rate for the period when the delay occurred shall be used. This shall be determined by the Employer's Representative.

**10.8. Price Variation**

The Contract includes clause PV1 attached.

**10.9. Employer's Claims**

10.9.1. If the Employer or the Employer's Representative considers that, under the Contract, there should be an adjustment to the Contract Sum, or that any amount is due to the Employer from the Contractor under the Contract, the Employer or the Employer's Representative shall, as soon as practicable, give notice and particulars of the event or circumstances to the other, and to the Contractor. The notice shall include:

- (1) details of the event or circumstances giving rise to the notice, and all relevant facts and
- (2) a calculation, and a proposal based on that calculation, of any adjustment to be made to the Contract Sum or any amount due by the Contractor to the Employer.

10.9.2. The Contractor shall be entitled, within 20 working days of receipt of such a notice, to give a response to the Employer's Representative and shall, if the notice was given by the Employer, give a copy of any response to the Employer. Within 20 working days after receiving the Contractor's response, or after the time for responding has elapsed, if the Contractor has not responded within that time, the Employer's Representative shall determine the matter in accordance with the Contract.

10.9.3. The Employer may deduct from any amount due to the Contractor:

- (1) any amount determined by the Employer's Representative to be due, or likely to become due, from the Contractor to the Employer under the Contract and
- (2) any amount due from the Contractor to the Employer under any contract.

## **11. PAYMENT**

### **11.1. Interim Payment**

11.1.1. At each of the following times:

- (i) the periods for interim payment stated in the Schedule, part 1L, if the amount payable is more than the minimum amount stated in the Schedule and
- (ii) upon issue of the Certificate of Substantial Completion for the Works or any Section

the Contractor shall give a statement to the Employer's Representative showing:

- (1) the progress of the Works
- (2) the instalment of the Contract Sum that the Contractor considers should, under the Contract, be paid on an interim basis
- (3) a detailed breakdown and
- (4) any supporting evidence the Employer's Representative requires.

The statement given on Substantial Completion shall include all amounts due to the Contractor for the Works or Section.

11.1.2. The instalment of the Contract Sum that the Contractor shall be entitled to be paid on an interim basis shall be:

- (1) the Contract value of the Works properly executed by the Contractor [according to the Pricing Document] and
- (2) any amount the Employer's Representative considers proper under sub-clause 11.2 and
- (3) amounts for adjustments to the Contract Sum for Compensation Events, as determined under the Contract and
- (4) any amount to be paid according to sub-clause PV1.

11.1.3. Within 10 working days of receipt of the Contractor's statement the Employer's Representative shall give the Contractor a certificate, sending a copy to the Employer, setting out the amount of interim payment that, in the Employer's Representative's opinion, is to be made by the Employer to the Contractor, taking account of any amount due from the Contractor to the Employer [including damages for delay and charges referred to in sub-clause 7.12], together with calculations and the reasons for the opinion.

11.1.4. If there is a sum due to the Contractor, the Contractor shall send an invoice to the Employer for that sum after receiving the interim certificate. The Employer shall pay the amount due on the invoice within 15 working days after receiving the invoice.

### **11.2. Unfixed Works Items**

At the discretion of the Employer's Representative, when so provided in the Pricing Document interim payments may include any amount, not exceeding the percentage of value stated in the Schedule, part 1L, the Employer's Representative considers proper for each of the following:

- (1) the Contract value of any Works Items that comply with all of the following requirements, all to the satisfaction of the Employer's Representative:
  - (a) they have been completed and are substantially ready to be incorporated in the Works
  - (b) title to them has been vested in the Employer

- (c) they are stored suitably at the part of the Site
- (d) they have not been delivered to the Site prematurely
- (2) the Contract value of any Work Items not delivered to the Site that comply with all of the following requirements, all to the satisfaction of the Employer's Representative:
  - (a) they have been completed and are substantially ready to be incorporated in the Works
  - (b) title to them has been vested in the Employer
  - (c) they are stored suitably and set aside and marked to show clearly that their destination is the Site and that they are the property of the Employer
  - (d) they are clearly identified in a list given to the Employer's Representative, together with documentary evidence that title is vested in the Employer
  - (e) they are insured as required by the Contract, and will be insured as required while in transit
  - (f) the Contractor has given the Employer a bond in the form for such bonds in the Works Requirements, or if there is none, a form approved by the Employer, executed by a surety approved by the Employer's Representative, for the amount to be paid.

### 11.3. Retention

- 11.3.1. The Employer may deduct from any interim payment to the Contractor the retention percentage stated in the Schedule, part 1L.
- 11.3.2. Upon issue of the certificate of Substantial Completion of the Works, the Contractor shall be entitled to invoice the Employer for half of the amount so retained. Upon the issue of the Defects Certificate, the Contractor shall be entitled to invoice the Employer for the balance of the money so retained.
- 11.3.3. If, within 10 working days of the issue of the Certificate of Substantial Completion of the Works, or another date agreed by the Employer's Representative, the Contractor provides to the Employer a retention bond in the form in the Work Requirements, or, if there is none, a form approved by the Employer, for the amount retained by the Employer, and executed by a surety approved by the Employer, the Contractor shall be entitled to invoice the Employer for the balance of the money retained.
- 11.3.4. Upon issue of the Certificate of Substantial Completion of a Section of the Works, the retention amount to be withheld until issue of the certificate of Substantial Completion of the Works shall be reduced by the amount stated in the Schedule, part 1G, and the Contractor shall be entitled to invoice the Employer for that amount.
- 11.3.5. The Employer shall pay the Contractor the amount due on an invoice under this sub-clause 11.3 within 15 working days after receiving the invoice [less any amount that the Employer is entitled to deduct according to sub-clause 10.9].

### 11.4. Full payment

The payments to the Contractor under this Contract are for compliance in full with the Contractor's obligations to the time of payment [including construction management, programming, reporting, payment of wages and observing employment requirements] [but payment does not imply acceptance that the obligations have been performed]. When the Contractor has not fully complied with its obligations, the Employer is not required to make payment in full [without limiting its other rights or remedies]. In particular:

- 11.4.1. If the Contractor has not given a collateral warranty by the date stated in the Schedule, part 1F, the Employer is entitled to deduct from payment to the Contractor the amount stated in the Schedule, part 1F until the collateral warranty is given.
- 11.4.2. If the Contractor has not submitted a programme or given a progress report when required by sub-clauses 4.9 and 4.10, the Employer may deduct 15% of each payment to the Contractor until the programme or report has been submitted or given.
- 11.4.3. If the Contractor has not complied with sub-clause 5.3, the Employer shall be entitled to make the deduction provided for in sub-clause 5.3.6.
- 11.4.4. If the Contractor does not give the certificate required by sub-clause 5.3.7 with an interim statement, there shall be no payment due under sub-clause 11.1 for the relevant Work Item until the certificate is given.
- 11.4.5. Deductions from payments because of obligations that the Contractor has still not complied with by the date the Defects Certificate was issued shall be deducted from the Contract Sum. In the case of a deduction from the Contract Sum because of failure to give the certificate required by sub-clause 5.3.7, the amount deducted shall be the portion of the Contract value of the relevant Work Item that the Employer determines to be the labour portion. The Contractor shall give the Employer any information the Employer requires for this determination.

**11.5. Final Statement**

- 11.5.1. Within 2 months after Substantial Completion of the Works is certified, the Contractor shall give to the Employer's Representative a final statement. The Contractor shall include in that statement all money that the Contractor considers to be due from the Employer to the Contractor under or in connection with the Contract. The Employer shall have no liability to the Contractor under or in connection with the Contract for any matter not detailed in the final statement, except under the indemnities in the Contract or Compensation Events occurring after Substantial Completion of the Works was certified.
- 11.5.2. Within 3 months after receipt of the Contractor's final statement, or if no final statement is issued within the time required, within 5 months after Substantial Completion of the Works is certified, the Employer's Representative shall issue to the Contractor and to the Employer a penultimate payment certificate certifying the amount that, in the Employer's Representative's opinion, will be due from the Employer to the Contractor, less any final retention to be paid after the Defects Certificate is issued, or from the Contractor to the Employer.
- 11.5.3. As soon as practicable, no more than 3 months, after the Defects Certificate is issued, the Employer's Representative shall issue a final payment certificate certifying the amount that, in the Employer's Representative's opinion, is finally due from the Employer to the Contractor, or from the Contractor to the Employer. The amount in the final payment certificate shall be the same as the amount in the penultimate payment certificate, except for:
  - (1) the final payment of retention and
  - (2) adjustments to the Contract Sum because of Compensation Events that happen after Substantial Completion of the Works is certified
  - (3) amounts owed by the Contractor that were not included in the penultimate certificate [for example, for Defects that the Contractor has not rectified]
  - (4) deductions from the Contract Sum under sub-clause 11.4.
- 11.5.4. If the penultimate or final payment certificate states that there is a sum owing to the Contractor, the Contractor shall issue an invoice to the Employer for that sum and the Employer shall pay the amount due on the invoice within 15 working days after receiving the invoice. If the penultimate or final payment certificate states that there is a sum owing to the Employer, the

Contractor shall pay the amount due within 10 working days of receipt of the Employer's demand for payment. [Payments and certificates, including the penultimate and final payment certificates and the Defects Certificate, will not relieve the Contractor of any obligations, or be evidence of the value of work or that work has been completed satisfactorily].

**11.6. Time for Payment and Interest**

11.6.1. When a payment is to be made under the Contract, and no time for payment is stated, the amount due shall be paid within 30 days of receipt of a demand for payment.

11.6.2. Interest shall be added to any payment not made within the time provided in the Contract, from the date the payment was due under the Contract, at the rate provided in the European Communities (Late Payment in Commercial Transactions) Regulations 2002.

**11.7. Value Added Tax**

11.7.1. The Contract Sum includes value-added tax (**VAT**). All other amounts in the Contract, unless otherwise stated, exclude VAT.

11.7.2. Adjustments to the Contract Sum shall be on a net-of-VAT basis, and the appropriate sum for VAT shall be added or subtracted.

11.7.3. The Contractor shall send the Employer, for each payment, an invoice complying with section 17 of the Value-Added Tax Act 1972.

**11.8. Withholding Tax**

The Employer shall be entitled to make any deduction or withholding on account of tax required by Legal Requirements or the practice of the Revenue Commissioners.



## 12. TERMINATION

### 12.1. Termination on Contractor Default

12.1.1. The Employer may, without limiting any other right or remedy, terminate the Contractor's obligation to complete the Works by notice to the Contractor if any of the following occurs:

- (1) the Contractor fails to comply with its obligations under the Contract, and, if the failure can be cured, the Employer's Representative has directed the Contractor to put the matter right, and the Contractor has not done so within 14 days after receiving the direction
- (2) the Contractor abandons or, except where required or permitted by the Contract, suspends the execution of the Works
- (3) the Contractor fails to proceed regularly and diligently with the execution of the Works
- (4) the Contractor fails to maintain the required insurances or performance bond
- (5) the Starting Date has not occurred or the Contractor has not started to execute the Works on the Site within 6 weeks of the date the Contract requires
- (6) any of the Contractor's warranties in sub-clause 2.5.2 or sub-clause 2.6 are untrue
- (7) the Contractor has committed or caused the Employer to commit a serious breach of Legal Requirements concerning the Works
- (8) the Contractor or Contractor's Personnel have committed a breach of the Safety, Health and Welfare at Work Act 2005 or any regulations or code of practice made under it concerning the Works
- (9) the Contractor has not complied with sub-clauses 5.3.2 or 5.3.3 either (a) within 14 days after notice from the Employer requiring a failure to be put right or (b) persistently
- (10) the Contractor has subcontracted all or any part of the Works in breach of the Contract
- (11) any of the following **insolvency events** occur:
  - (a) a petition for the appointment of a liquidator to the Contractor is presented and is not dismissed within 10 working days of presentation
  - (b) any meeting of creditors of the Contractor is convened or held
  - (c) any arrangement or composition with or for the benefit of its creditors [including any compromises or arrangements entered into under sections 201 to 204 of the Companies Act 1963] are proposed or entered into by or in respect of the Contractor
  - (d) a supervisor, receiver, administrator, administrative receiver, trustee or encumbrancer takes possession of or is appointed over the Contractor, or any distress, execution or other process is levied or enforced, and not discharged within 10 working days, on the Contractor or any of its assets
  - (e) the Contractor ceases or threatens to cease carrying on business, or is or is regarded by law or by a court to be, or declares itself to be, insolvent or unable to pay its debts as they fall due
  - (f) a petition is presented to appoint an examiner to the Contractor, or an order is made appointing an examiner to the Contractor
  - (g) the Contractor, being an individual, becomes bankrupt
  - (h) any event similar to the above insolvency events occurs in respect of the

Contractor in any jurisdiction in which it is incorporated or has a place of business

(12) the Contractor, if an individual, dies or becomes incapable of performing the Contract.

12.1.2. If the Contractor is more than one person, if any of the insolvency events occur in respect of any of them, the Employer may either:

(1) terminate the Contractor's obligation to complete the Works or

(2) terminate the obligation to complete the Works of the person concerned and the others shall remain liable to perform the Contractor's obligations.

12.1.3. If any insolvency events occur in respect of any person who has guaranteed the Contractor's performance of the Contract to the Employer, or a guarantee ceases to be enforceable against the guarantor, the Employer may terminate the Contractor's obligation to complete the Works unless, within 10 working days of the event, the Contractor has arranged a replacement guarantee and guarantor to the Employer's satisfaction.

## 12.2. Consequences of Default Termination

If the Contractor's obligation to complete the Works is terminated under sub-clause 12.1, the following shall apply:

12.2.1. The Contractor shall leave the Site in an orderly manner.

12.2.2. Payment of all sums of money that may then be due from the Employer to the Contractor shall be postponed, and the Employer shall not be required to make any further payment to the Contractor except as provided in this sub-clause.

12.2.3. The Employer's Representative shall, as soon as practicable, determine the amount due to the Contractor under the Contract for the Works completed in accordance with the Contract and unpaid (the **termination value**).

12.2.4. The Contractor shall not remove any Works Items or Contractor's Things from the Site unless directed to do so by the Employer, and if directed, shall promptly remove from the Site any Works Items, temporary works and Contractor's Things, as directed.

12.2.5. The Employer may engage other contractors, use any Works Items and Contractor's Things on the Site and do anything necessary for the completion of the Works.

12.2.6. The Contractor shall, if so directed by the Employer's Representative, assign to the Employer [without further payment] the benefit of any Subcontract, contract for the supply of any Works Item, or other contract concerning the Contract.

12.2.7. The Employer may pay to any Subcontractor or supplier to the Contractor any amount due to it that the Employer's Representative certifies as included in any previous interim payment to the Contractor. The Contractor shall re-pay to the Employer such an amount on request.

12.2.8. The Contractor shall give the Employer all Works Requirements and Contractor's Documents it [or Contractor's Personnel] has.

12.2.9. When the Works have been completed and the termination amount as described below has been determined, the Employer's Representative shall give a certificate to the Contractor and the Employer setting out the total of the following (the **termination amount**):

(1) the Employer's additional cost of completing the Works compared with the cost that would have been incurred if the Works had been completed by the Contractor in accordance with the Contract

(2) loss and damage incurred by the Employer as a result of the termination and its cause

- (3) amounts due to the Employer by the Contractor under or in connection with the Contract or in connection with the Works.

12.2.10. If the Employer does not begin to put in place arrangements to complete the Works within 6 months after the termination, the Employer's Representative shall issue this certificate as soon as practicable after the end of this 6 month period, based, if necessary, on estimates.

12.2.11. If the termination amount is less than the termination value, the Contractor shall issue an invoice to the Employer for the difference and the Employer shall pay the amount due on the invoice within 15 working days after receiving the invoice. If the termination amount is more than the termination value, the Contractor shall pay the Employer the difference within 10 working days of receiving the Employer's demand for payment.

### 12.3. **Suspension by the Contractor**

If the Employer fails to pay any amount due under a certificate issued by the Employer's Representative under the Contract, the Contractor may make of the Employer a written demand for payment, and if the payment has not been made within 15 working days of the receipt of the demand, the Contractor may, on giving notice to the Employer, suspend execution of the Works until the amount has been paid. On receiving the payment, the Contractor shall resume execution of the Works.

### 12.4. **Termination by the Contractor**

The Contractor shall be entitled to terminate the Contractor's obligation to complete the Works by notice to the Employer if any of the following occur:

- (1) the Contractor has suspended the execution of the Works for 15 working days in accordance with clause 12.3, and the Employer has still not paid
- (2) work has been suspended by direction of the Employer's Representative under sub-clause 9.2 and a right to terminate has arisen under that sub-clause
- (3) the execution of the Works or a substantial part of the Works has been suspended for a period of at least 3 months as a consequence of loss or damage that is at the Employer's risk under clause 3.1
- (4) an event or circumstance outside the control of the parties makes it physically impossible or contrary to Law for the Contractor to fulfil its obligations under the Contract for a period of at least 6 months.

### 12.5. **Termination at Employer's Election**

12.5.1. The Employer shall be entitled to terminate the Contractor's obligation to complete the Works at its election on 20 working days notice to the Contractor.

12.5.2. The Employer may not terminate the Contractor's obligation to complete the Works under this sub-clause 12.5 for the purpose of retaining another contractor to execute the Works.

12.5.3. The Employer shall return any performance bond required under this Contract to the Contractor on termination under this sub-clause 12.5.

### 12.6. **Consequences of Termination by Contractor or at Employer's Election**

If the Contractor's obligation to complete the Works is terminated under sub-clause 12.4 or sub-clause 12.5 the following shall apply:

12.6.1. The Contractor shall leave the Site in an orderly manner and remove any Contractor's Things.

12.6.2. The Contractor shall give the Employer all Works Requirements and all Contractor's Documents.

12.6.3. The Contractor shall, as soon as practicable, give the Employer's Representative a statement

of the total of the following (the **termination sum**):

- (1) the unpaid value of the parts of the Works completed to the date of termination in accordance with the Pricing Document, disregarding any provision limiting the Employer's obligation to pay for partially completed work
- (2) the Contractor's reasonable costs of removal from the Site as a consequence of the termination
- (3) all other amounts due to the Contractor under the Contract [but not damages].

12.6.4. Within 10 working days of receiving this statement, the Employer's Representative shall issue a certificate to the Contractor and the Employer of the amount due from the Contractor to the Employer or the Employer to the Contractor, including the termination sum in the calculation of the amount due from the Employer to the Contractor. If the certificate shows an amount owing to the Contractor, the Contractor shall issue an invoice to the Employer for that amount, and the Employer shall pay the amount due on the invoice within 15 working days after receiving the invoice. If the certificate shows an amount due to the Employer, the Contractor shall pay the amount due within 10 working days of receiving the Employer's demand for payment.

#### 12.7. **Survival**

Termination of the Contractor's obligation to complete the Works shall not affect the Contractor's obligations under the Contract, other than the obligation to complete the Works after termination. [In particular the following provisions of the Contract continue to have effect after termination: sub-clauses 1.1, 1.2, 1.3, 1.4, 1.7, 1.8, 1.9, 2.1, 2.6, 3.4, 3.5, 4.13, 4.15, clause 6, this clause 12 and clause 13.]

#### 12.8. **Payment**

On termination of the Contractor's obligation to complete the Works, the Employer's liability to the Contractor under or in connection with the Contract shall be limited to payment of the amount provided for in this clause 12, and any other amount that fell due under the Contract before the termination.

#### 12.9. **Reference to Conciliation**

12.9.1. The Employer may [but is not required to] refer to conciliation under sub-clause 13.1 the issue of whether the Employer has become entitled to terminate the Contractor's obligation to complete the Works under sub-clause 12.1.

12.9.2. Clause 13.1 shall apply to the conciliation, except that the conciliator's time to give the recommendation shall be 21 days after appointment. Clause 13.5 shall also apply.

12.9.3. If the conciliator recommends that the Employer is entitled to terminate the Contractor's obligation to complete the Works under sub-clause 12.1, and the Employer does so within 60 days after receiving the conciliator's recommendation, and it is subsequently found that the Employer was not entitled to do so, then:

- (1) the termination shall stand [even if the circumstances have changed] and have effect as if the Employer's termination notice under sub-clause 12.1 was a valid termination notice under sub-clause 12.5.1
- (2) sub-clauses 12.6.1 to 12.6.4 inclusive shall apply retrospectively from the date of the termination notice under sub-clause 12.1.
- (3) sub-clause 12.5.2 shall not apply
- (4) the Contractor shall have no other rights or remedies under the Contract or otherwise at law for the termination.

### **13. DISPUTES**

#### **13.1. Conciliation**

- 13.1.1. If a dispute arises under the Contract, either party may, by notice to the other, refer the dispute for conciliation under this sub-clause 13.1. The notice shall state that it is given under sub-clause 13.1 of the Contract.
- 13.1.2. Within 10 working days of the referral of a dispute to conciliation, the parties shall jointly appoint a conciliator who is competent to adjudicate upon the dispute and independent of the parties. If the parties fail to appoint a conciliator within 10 working days of the referral, or if a person appointed refuses to act or becomes unable to act, the conciliator shall be appointed by the appointing body or person named in the Schedule, part 1N, on the application of either party. If there is a fee for making the appointment, the parties shall share it equally. If one party pays the entire fee, it shall be entitled to reimbursement of the other party's share from the other party on demand.
- 13.1.3. Each party shall, within the period set by the conciliator, send to the conciliator and the other party brief details of the dispute stating its contentions as to the facts and the parties' rights and obligations concerning the dispute. The conciliator may, for this purpose, suggest further actions or investigations that may be of assistance.
- 13.1.4. The parties shall promptly make available to the conciliator all information, documents, access to the Site and appropriate facilities that the conciliator requires to resolve the dispute.
- 13.1.5. The conciliator shall consult with the parties in an attempt to resolve the dispute by agreement. The conciliator may do any of the following, or any combination of them:
  - (1) meet the parties separately from each other or together and consider documents from one party and not sent or shown to the other
  - (2) conduct investigations in the absence of the parties
  - (3) make use of specialist knowledge
  - (4) obtain technical or legal advice
  - (5) establish the procedures to be followed in the conciliation
  - (6) make interim recommendations on particular issues.
- 13.1.6. The conciliator shall not be an arbitrator and the Arbitration Acts 1954 to 1998 and the law relating to arbitration shall not apply to the conciliation.
- 13.1.7. The conciliator's terms of appointment shall be those in the Works Requirements or, if there are none, those agreed by the Employer and the Contractor with the conciliator.
- 13.1.8. If the dispute is not resolved by agreement within 42 days after the conciliator was appointed, or a longer period proposed by the conciliator and agreed by the parties, the conciliator shall give both parties a written recommendation. The conciliator shall base the recommendation on the parties' rights and obligations under the Contract.
- 13.1.9. If either party is dissatisfied with the conciliator's recommendation, it may, within 45 days after receiving the conciliator's recommendation, so notify the other party. The notice shall state that it is given under sub-clause 13.1 of the Contract, and shall state the matters in dispute and the reasons for dissatisfaction. If the conciliator has failed to give a recommendation within 45 days after appointment, either party may give a notice of dissatisfaction. If notice of dissatisfaction has been given in accordance with this clause, either party may refer the dispute to arbitration under sub-clause 13.2.

13.1.10. If neither party gives notice of dissatisfaction within 45 days after receiving the conciliator's recommendation, the recommendation shall be conclusive and binding on the parties, and the parties agree to comply with it. If, in such circumstances, a party fails to comply with the conciliator's recommendation, the other party may [without limiting its other rights] refer the failure itself to arbitration under sub-clause 13.2, and need not invoke this sub-clause 13.1 for this reference.

13.1.11. If the conciliator has recommended the payment of money, even if a notice of dissatisfaction is given, the following shall apply.

- (1) The party concerned shall make the payment recommended by the conciliator, provided that the other party first gave the paying party a bond executed by a surety approved by the paying party, acting reasonably, in the form included in the Works Requirements, or if there is none, a form approved by the paying party, acting reasonably, for the amount of the payment.
- (2) If, when the dispute is finally resolved, it is found that the party receiving payment on the conciliator's recommendation was not entitled to some or all of the amount paid, then that party shall repay the amount it was paid and found not to be entitled to, together with interest.
- (3) When the dispute is finally resolved, interest will be deducted from final payment under the award or judgment.
- (4) Interest under this sub-clause is calculated at the reference rate referred to in the European Communities (Late Payment in Commercial Transactions) Regulations 2002 plus 2% per year and runs from the date of the original payment to the date of the repayment or final payment.
- (5) [This provision for interest is confidential under clause 13.1.12, and in particular shall not be taken into account or referred to in arbitration.]

13.1.12. The conciliation shall be confidential, and the parties shall respect its confidentiality, except when any of the exceptions in sub-clause 4.16 apply, or to the extent necessary to enforce a recommendation that has become conclusive and binding. All documents provided by a party in connection with a conciliation shall be returned when the conciliation is concluded.

## 13.2. **Arbitration**

Any dispute that, under sub-clause 13.1, may be referred to conciliation shall, subject to sub-clause 13.1 be finally settled by arbitration in accordance with the arbitration rules identified in the Schedule, part 1N. For purposes of those rules, the person or body to appoint the arbitrator, if not agreed by the parties, is named in the Schedule, part 1N.

## 13.3. **Jurisdiction**

Subject to the above provisions of this clause, the parties submit to the jurisdiction of the Irish courts to settle any dispute that may arise out of or in connection with the Contract or the Works.

## 13.4. **Agent for Service**

If an agent for service of legal proceedings on the Contractor is named in part 2A of the Schedule, the Contractor confirms to the Employer that it has irrevocably appointed the named person as its agent for the service of all documents relating to legal proceedings, and that failure of the agent to notify the Contractor of receipt of a document will not invalidate any proceedings or the service of the document.

## 13.5. **Continuing obligations**

[Despite the existence of a dispute, the parties shall continue to perform their obligations under the

Contract.]

End of Conditions.

## SCHEDULE

### PART 1

(Completed by the Employer before Tender)

#### A Employer's Representative and Communications Sub-clause 4.3 and 4.14

Details for sending notices under clauses 12 and 13 to the Employer are:

For the attention of: .....  
Address  
.....  
.....  
.....

Details for sending other notices to the Employer are:

For the attention of: .....  
Address  
.....  
.....  
.....  
fax.....  
email.....

The Employer's Representative is: .....

Details for sending notices to the Employer's Representative are:

For the attention of: .....  
Address  
.....  
.....  
.....  
fax.....  
email.....

Limitations on the Employer's Representative's authority to perform functions and powers under the Contract:

- Maximum adjustment to the Contract Sum for a single Change Order: €....., unless approved by the Employer
- Maximum cumulative value of adjustments to the Contract Sum for Change Orders in any 3 month period €....., unless approved by the Employer:
- The Employer's Representative shall not make a Change Order causing or contributing to a reduction in safety, scope, quality or usefulness of the Works without the Employer's approval
- The Employer's Representative is to consult with the Employer in relation to any adjustment to the Contract Sum before determining the adjustment
- Where the Employer has appointed a quantity surveyor, the Employer's Representative is to consult with the quantity surveyor in relation to any adjustments to the Contract Sum before determining the adjustment
- .....
- .....



**B Documents**

The **Works Requirements** are:

.....  
.....  
.....  
.....

The **Pricing Document** is:

.....  
.....  
.....  
.....

If there is a Bill of Quantities, the **method of measurement** according to which it was prepared and measurements are to be made is

.....

except when any statement or general or detailed description of the work in the Contract shows the contrary.

**C Property in Contractor's Documents**

*Sub-clause 6.4*

Ownership in Contractor's Documents and Works Proposals described in sub-clause 6.4.2 **does/does not** transfer to the Employer in accordance with sub-clause 6.4. (If neither deleted, read as 'does not')

**D Insurance**  
**Clause 3**

Insurance of the Works: minimum amount insured for professional fees ..... % of reinstatement cost (if none stated, 12½%)

Minimum indemnity limits for public liability and employers' liability Insurance:

- public liability insurance: €..... for any one event, but this limit may be on an annual aggregate basis for products liability, collapse, vibration, subsidence, removal and weakening of supports and sudden and accidental pollution. (If not stated, €6,500,000.)
- employers' liability insurance: €..... for any one event. (If not stated, €13,000,000)

Maximum excess for Insurance:

- insurance of Works and other Risk Items: €.....(If not stated, €10,000)
- public liability: €..... in respect of property damage only (If not stated, €10,000). There shall be no excess for death, injury or illness.
- employers' liability: no excess

Permitted exclusions from the Insurances:

- permitted exclusions from all Insurances:
  - o war, invasion, act of foreign enemies, hostilities [whether war is declared or not], civil war, rebellion, revolution, insurrection or military or usurped power
  - o pressure waves caused by aircraft or other airborne objects travelling at sonic or supersonic speeds
  - o contamination by radioactivity or radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or its components, in each case not caused by the Contractor or the Contractor's Personnel
  - o terrorism (delete if terrorism insurance is required)
  - o asbestos (delete if asbestos insurance is required)
  - o
- permitted exclusions from insurance of the Works and other Risk Items:
  - o use or occupation of the Works by the Employer except in connection with the Works
  - o unless otherwise specified in the Works Requirements: cost of making good defects in the Works but not damage caused by such defects to other sound parts of the Works
  - o wear, tear, normal upkeep or normal repair or gradual deterioration
  - o inventory losses
  - o loss of use or any consequential loss of any nature including penalties for delay, non-completion or non-compliance
  - o failure of information technology
  - o mechanical or electrical breakdown but not resulting damage
  - o cessation of the Works for more than 3 months
  - o
  - o
- permitted exclusions from public liability insurance:
  - o persons under a contract of service or apprenticeship with the insured
  - o property of the insured or in the insured's custody or control other than existing premises and their contents temporarily occupied for the purposes of the Works
  - o defective workmanship or materials but not resulting damage
  - o mechanically propelled vehicles within the meaning of the Road Traffic Acts
  - o loss or damage due to design
  - o gradual pollution or contamination
  - o territorial limits
  - o unless otherwise specified in the Works Requirements: aircraft and waterborne craft
  - o fines, penalties, liquidated damages
  - o
- permitted exclusions from employer's liability insurance:
  - o offshore work
  - o liability compulsorily insurable under the Road Traffic Acts
  - o

- permitted exclusions from professional indemnity insurance
  - o Persons under a contract of service or apprenticeship with the insured.
  - o Ownership, use, occupation or leasing of mobile or immobile property
  - o Effecting or maintenance of insurance of or in connection with the provision of finance or advice on financial matters
  - o Dishonest, malicious, criminal or deliberate illegal acts
  - o Libel and slander
  - o Insolvency
  - o Fines, penalties, liquidated damages or any penal, punitive, exemplary, non-compensatory or aggravated damages
  - o Failure of information technology
  - o Contractual liability that would not apply in the absence of the contract
  - o
  - o

*Optional insurance provisions:*

The Employer shall/shall not have the risk of loss of and damage to its existing facilities and parts of the Works it uses or occupies, in accordance with sub-clause 3.8. (*Delete as applicable.* If none deleted, the Employer shall not have this risk, and sub-clause 3.8 shall not apply.)

If Insurance of the Works and other Risk Items is to include terrorism cover, the minimum sum insured shall be €.....

The Contractor shall / is not required to (*delete one*) extend the insurance of the Works and other Risk Items for a Section that has reached Substantial Completion until the Employer's Representative issues the certificate of Substantial Completion for the whole Works.

Professional indemnity insurance is / is not (*delete one*) required. (If neither deleted, professional indemnity insurance is not required.) If required, the professional indemnity insurance is to be kept in place for ..... years after Substantial Completion of the Works is certified by the Employer's Representative. If required, the minimum indemnity limit for professional indemnity insurance shall be €..... for each and every claim or series of claims arising from the same originating cause/annual aggregate limit (*delete one*). The maximum excess shall be €..... (If none stated, €50,000)

**E Performance Bond**  
*Sub-clause 1.5*

A performance bond **is/is not** required. (*Delete one.* If none deleted, bond is required.)

The amount of the performance bond shall be .....% of the initial Contract Sum up to certification of Substantial Completion of the Works, and .....% of the initial Contract Sum for the subsequent period stated in the form of bond in the Works Requirements. (If not stated, 25% up to Substantial Completion, and 12.5% for 15 months after that.)

**F Collateral Warranties**  
*Sub-clause 5.5*

Collateral warranties are required from the following categories of Specialists, by the following dates; and the amount withheld from payments under sub-clause 11.4.1 are as follows:

Category of Specialist	Date for warranty	Amount withheld

**G Dates for Substantial Completion, Sections, liquidated damages, retention**

<i>(Employer to complete names of sections)</i>	Date for Substantial Completion <i>(unless to be completed by Contractor in part 2)</i> <i>(Last day of period starting on the Contract Date or date)</i>	Rate of liquidated damages	Reduction in retention on Substantial Completion of Section  (%)
The Works		€ .....per .....	
Section: .....		€ .....per .....	
Section: .....		€ .....per .....	
Section: .....		€ .....per .....	
Section: .....		€ .....per .....	

**H Early completion**

*Sub-clause 9.6*

The Employer's Representative **is / is not** required to issue the certificate of Substantial Completion if the Works or a Section reaches Substantial Completion before its Date for Completion. (If neither deleted, read as 'is required')

**I Defects Period**

The initial Defects Period is ..... from the date of Substantial Completion of the Works. (If none stated, one year.)

**J Random Checks for Employment Records**

Sub-clause 5.3.3A(2) **shall be / shall not be** part of the Contract.  
*Delete as applicable. If neither is deleted, read as "shall be".*

**K Delay Events, Compensation Events, Programme Contingency, Delay Costs, Adjustments**  
(Sub-clauses 9.3, 9.4, 10.1, 10.6, 10.7)

Delay Events and Compensation Events are as follows:  
(Employer to complete the shaded boxes “Yes” or “No”)

Event	Delay Event	Compensation Event
1. The Employer’s Representative gives the Contractor a Change Order	Yes	Yes
2. The Employer’s Representative directs the Contractor to search for Defects or their cause and no Defect is found, and the search was not required because of a failure of the Contractor to comply with the Contract	Yes	Yes
3. The Employer’s Representative directs the Contractor to suspend work under sub-clause 9.2	Yes	Yes
4. The Contractor suspends work in accordance with sub-clause 12.3	Yes	Yes
5. There is a factual error in information about the Site or setting out information in the Works Requirements. [This does not include an error of interpretation.]	Yes	Yes
6. (not used)		
7. The Employer’s Representative does not give the Contractor an instruction required under sub-clause 4.5.4 within the time required under sub-clause 4.11.2 when the Contractor has asked for the instruction in accordance with sub-clause 4.11.1	Yes	Yes
8. The Employer does not allow the Contractor to occupy and use a part of the Site in accordance with sub-clause 7.1	Yes	Yes
9. The Employer does not give the Contractor a Works Item or other thing as required by the Contract when the Contractor has asked for it in accordance with sub-clause 4.11.1	Yes	Yes
10. Employer’s Personnel interfere with the execution of the Works on the Site, and the interference is unforeseeable and not in accordance with the Contract	Yes	Yes
11. The Employer instructs the Contractor under sub-clause 3.2.3 to rectify loss of or damage to Risk Items for which the Contractor is not responsible	Yes	Yes
12. Loss of or damage to the Works that is at the Contractor’s risk in accordance with clause 3.2	Yes	No
13. A <b>weather event</b> as described below	Yes	No
14. A strike or lockout affecting the construction industry generally or a significant part of it, and not confined to employees of the Contractor or any Contractor’s Personnel	Yes	No
15. Delay to the Works caused by the order or other act of a court or other public authority exercising authority under Law, that did not arise as a result of or in connection with an act, omission or breach of Legal Requirements of the Contractor or the Contractor’s Personnel or a breach of the Contract by the Contractor	Yes	No
16. A breach by the Employer of the Contract delaying the Works that is not listed elsewhere in this table.	Yes	Yes
17. A difference between the Contract value of the Works according to the quantities and descriptions in the Bill of Quantities [taking into account the method of measurement identified below when it applies] and the Contract value of the Works described in the Works Requirements, because the Bill of Quantities, when compared with the Works Requirements: <ul style="list-style-type: none"> <li>• includes an incorrect quantity or</li> <li>• includes an item that should not have been included or</li> <li>• excludes an item that should have been included or</li> <li>• gives an incorrect item description</li> </ul> and the difference for an item in, or that should have been in, the Bill of Quantities is more than €500.	No	
18. An item of value or archaeological interest or human remains is found on the Site, and it was unforeseeable	Yes	Yes
19. The Contractor encounters on the Site unforeseeable ground conditions or man-made obstructions in the ground, other than Utilities	Yes	Yes
20. The Contractor encounters unforeseeable Utilities in the ground on the Site	Yes	Yes
21. Owners of Utilities on the Site do not relocate or disconnect Utilities as stated in the Works Requirements, when the Contractor has complied with their procedures and the procedures in the Contract, and the failure is unforeseeable	Yes	Yes

In the above table:

**Utilities** means conducting media and apparatus for water, sewage, electricity, gas, oil, telecommunications, data, steam, air, or other services, and associated apparatus and structures.

A condition, circumstance or occurrence is **unforeseeable** if an experienced contractor tendering for the Works could not have reasonably foreseen it on the Designated Date, having inspected the Site and its surroundings and having satisfied itself, insofar as practicable and taking into account any information in connection with the Site provided by the Employer, as to all matters concerning the Site, including its form and nature and its geotechnical, hydrological and climatic conditions.

A **weather event** is when for any month between the Contract Date and the Date for Substantial Completion of the Works, the value for any of the weather listed below, as measured at ..... weather station, is higher than the highest value occurring at least once every 10 years in the corresponding month of the year, on average according to historical data from the same station:

- cumulative rainfall for the month
- number of days in the month with rainfall exceeding 20mm
- number of days with minimum air temperature less than 0° Celsius
- number of days with maximum mean 10 minute wind speed exceeding 20 metres per second
- .....

If no weather station is named above, the Met Éireann weather station nearest the Site shall be used. If the weather station named above, or the nearest one, does not measure or record data for any of the above weather, the nearest station to the Site that measures and records that data shall be used for that weather.

In sub-clause 10.6.4(3), the rates to be used to determine the cost of plant are the rates in ..... and any rates in the Pricing Document.

In sub-clause 9.4 the programme contingency threshold is ..... Site Working Days of delay caused by Compensation Events

In sub-clause 10.7, the amount to be added for delay cost is (whichever is marked “yes”):

	the daily rate tendered by the Contractor in the Schedule, part 2E (clause 10.7.1(1))
	the expenses unavoidably incurred as a result of the delay (clause 10.7.1(2))

The definition of craftspersons in part 2E includes the following additional categories:  
.....  
.....

For purposes of clause 10.7, the Contractor is to tender in part 2E:

- a single daily rate for delay costs
- separate daily rates for delay costs for each of the following periods/portions of the Works:
  - o .....
  - o .....
  - o .....

*If the above are blank, Contractor is to tender a single daily rate*

**L Payment Particulars**

*Clause 11*

Period for interim payment is ..... (If none stated, monthly.)

Minimum amount for interim payments, except release of retention, €.....(If none stated, there is no minimum.)

When permitted by the Pricing Documents, up to % of the Contract value of unfixed Works Items may be included in an interim payment. (If none stated, 90%).

The retention percentage is .....%. (If none stated, 10%.)

**M** (not used)

**N Conciliation and Arbitration**

*Sub-clause 13.1.2*

Failing agreement, the conciliator will be appointed by .....

*Sub-clause 13.2*

The arbitration rules are the Public Works Arbitration Rules, 2007

The person or body to appoint the arbitrator, if not agreed by the parties, is .....



**PART 2**  
**(Completed by the Contractor and included with Tender)**

**A      Communications**  
*Sub-clause 4.14*

The details for sending notices under clause 12 or 13 to the Contractor are:

For the attention of: .....

Address

.....  
.....  
.....

The details for sending other notices to the Contractor are:

For the attention of: .....

Address

.....  
.....  
.....

fax.....

email.....

The Contractor's agent in the Republic of Ireland for service of legal process is:

Name: .....

Address:

.....  
.....  
.....  
.....

*Note: An agent in the State must be named if the Contractor's registered office or other principal place of business is outside the State.*

**B      (not used)**

**C      Works Proposals**

The **Works Proposals** are the following

.....  
.....  
.....  
.....  
.....  
.....

**D Dates for Substantial Completion**

	Date for Substantial Completion Number of Working Days after the Contract Date <i>(to be completed by Contractor in Tender <b>ONLY</b> if not completed by Employer in Part 1)</i>
The Works	
Section: <i>(Employer to complete name of Section)</i> .....	
Section: <i>(Employer to complete name of Section)</i> .....	
Section: <i>(Employer to complete name of Section)</i> .....	
Section: <i>(Employer to complete name of Section)</i> .....	

**E Adjustments to the Contract Sum including Delay Costs**

*Sub-clauses 10.6 and 10.7*

The Contractor's tendered hourly rates for labour and related costs [including PRSI, benefits, tool money, travelling time and country money]:

- Craftspersons € .....per hour
- General Operatives €.....per hour
- Apprentices €.....per hour

(If left blank, or stated as a negative value, read as zero.)

**Craftspersons** means those categories of work persons described as “craftsmen” or “electricians” in employment agreements registered under the Industrial Relations Acts 1946 to 2004, and, any additional categories listed in part 1K

**General Operatives** means all direct labour other than craftspersons

**Apprentices** means categories of work persons under a contract of apprenticeship for trades whose practitioners fall within the above definition of Craftspersons

The Contractor's tendered percentage addition for costs of materials.....%

The Contractor's tendered percentage addition/deduction for costs of plant.....%

All of the above shall include on-costs, overheads and profit, and exclude VAT.

(If either of the above is left blank, read as zero.)

The Contractor's tendered rate of delay costs is: €..... excluding VAT per Site Working Day. (If left blank, or stated as a negative value, read as zero.)

If part 1K states that separate rates are to be tendered for separate periods or parts of the Works, the Contractor's tendered rates are as follows:

<u>Period/portion of the Works (part 1K)</u>	<u>Tendered Rate</u>
o .....	€.....per Site Working Day
o .....	€.....per Site Working Day
o .....	€.....per Site Working Day

## CLAUSE PV1

### PV1 PRICE VARIATION

#### PV1.1 Contract Sum Adjustment

The Contract Sum is adjusted for fluctuations in costs of resources only in respect of increases or decreases that occur in workers' wages or expenses, or material prices, or are made by law, as follows:

##### *PV1.1.1 Timing:*

- (a) The **Base Date** means the first day of the 31<sup>st</sup> month after the Contract Date.
- (b) No increase or decrease that comes into being after the Date for Substantial Completion shall be taken into account for the purpose of this clause PV1.

##### *PV1.1.2 Workers' wages and expenses*

The Contract Sum shall be adjusted by the amount of an increase or decrease in workers' wages or expenses that satisfies all these requirements:

- (i) it is made to the standard normal and overtime hourly wage rates or expenses payable to workers according to the Labour Court's Registered Employment Agreement dated 15 March 1967 as varied from time to time under Section 28 of the Industrial Relations Act 1946 and
- (ii) it becomes payable after the Base Date in accordance with that agreement and
- (iii) it is in respect of General Round Increases conforming to the guidelines of the Social Partnership Agreements between the government, employer organisations and trade unions relating to such increases, or, in the absence of a Social Partnership Agreement and guidelines, increases in accordance with the guidelines on General Round Increases issued by the Department of Finance and
- (iv) the workers in respect of whom an increase is being claimed have received in Ireland for the relevant work at least the increased standard wage rates and expenses.

**workers** means: -

- (a) craftspersons
- (b) semi-skilled and unskilled labour
- (c) drivers and operators of plant and machinery
- (d) time-keepers and clerical staff stationed on site and
- (e) any foreperson, charge hand or other person who supervises or administers while performing duties within (a) - (c), but in respect only of the standard wage rates according to sub-clause PV1.1.2(i) and expenses applicable to those duties and 50% of their total hours worked.

[Site agents, managers, other full time supervisors and administrators, and surveyors, for example, are excluded.]

**General Round Increases** means increases in workers' wages to the extent that they apply generally in the construction industry and are compliant with Government guidelines and Social Partnership Agreements.

**expenses** means expenses payable for country money and PRSI payable by the Contractor as employer.

[All other increases are excluded, even where calculated as a percentage of a standard rate. So, for example, the Contractor is not entitled to any payment for local or site bargaining provisions; any parity or restructuring increases; any bonus under a site agreement, productivity, incentive, or other bonus; insurance premiums, other on-costs or consequential costs].

*PV1.1.3 Materials*

The Contract Sum shall be adjusted by the amount of an increase or decrease in the Price of material that results from either or both of these calculations where applicable:

™ So far as the Price of any material at the Purchase Date has increased by more than 50 percent of the Price at the first business day of the month in which the purchase occurred or the Price at the Designated Date (whichever is highest) then that excess percentage over 50 percent is applied to its Price at the Designated Date.

™ So far as the Price of any material at the Base Date has increased or decreased at the Purchase Date by more than 10 percent, then that excess percentage over 10 percent is applied to the Price at the Base Date.

**material** means only:

- (a) material invoiced to the project
- (b) for incorporation in the permanent Works [as fixtures or unfixed goods],
- (c) or for temporary works used on the Site
- (d) and not used on any previous project or usable on any subsequent one [for example, replaceable components in formwork]. [Tools or equipment are not 'material'. There is no deduction of normal wastage from the allowable quantity of material, or of extra or surplus material taken over by the Employer].

**Purchase Date** means the date when the particular material was invoiced to the project.

**Price** means the average price at which the relevant volume of the relevant material is available in the market at the relevant time from a representative number of reputable manufacturers or suppliers.

[There is no adjustment for any alteration in the price of material except as specified in this sub-clause].

*PV1.1.4 Law*

The Contract Sum shall be adjusted by the amount of any increase or decrease in the Contractor's cost of performing its obligations under the Contract as a result of a change in Law made after the Designated Date that:

- (i) changes [whether by alteration, addition or removal] Value Added Tax, excise duty or tariff, requirements for a licence to import or export any commodity or Pay-Related Social Insurance and
- (ii) is not identified in the Works Requirements and
- (iii) has not resulted in an adjustment in the Contract Sum under another part of this clause PV1 or the Contract.

**PV1.2 Communications**

The Contractor shall maintain arrangements to become aware of any significant possibility of an

increase or decrease in the Contract Sum that may arise in accordance with this clause PV1 and shall immediately notify the Employer's Representative of any such possibility and keep him informed of any opportunities to minimise an increase.

**PV1.3 Compensation Events**

The Pricing Document and the valuation rules in sub-clause 10.6 shall not cease to determine, apply to or be the basis of the valuation of a Compensation Event by reason of price fluctuations in material costs, but the following principles shall apply -

- (i) No departure from rates in the Pricing Document shall be made in respect of fluctuations affecting the cost of material omitted by a Change Order.
- (ii) Valuation of a Change Order shall include any increase in the cost to the Contractor of material substituted or added by the Change Order that is due to price fluctuation after the Designated Date so far as it is likely to exceed the price fluctuation increase that under this clause PV1 would have been the Contractor's risk for the original material.

No adjustment under this clause PV1 shall apply to an adjustment or the part of an adjustment of the Contract Sum valued under sub-clauses 10.6.4 or 10.7.

**PV1.4 Efficiency**

[In addition to sub-clause PV1.1.1(b),] increases of the Contract Sum will only apply so far as the increased costs incurred by the Contractor occur despite its efficient progress and procurement and reasonable efforts to minimise increases.

**PV1.5 Certificates & payment**

The Contractor shall fully detail and vouch any fluctuations in costs relevant to this clause PV1 as soon as practicable, and they shall then be allowed for in interim and final certificates and payments under and subject to clause 11.