

Contents

| | | |
|------------------|---|----------|
| | Conditions | 1 |
| Section 1 | Definitions and Interpretation | 1 |
| | Definitions | |
| 1.1 | Definitions | |
| | Interpretation | |
| 1.2 | Reference to clauses etc. | |
| 1.3 | Sub-Contract to be read as a whole | |
| 1.4 | Headings, references to persons, legislation etc. | |
| 1.5 | Reckoning periods of days | |
| 1.6 | Contracts (Rights of Third Parties) Act 1999 | |
| 1.7 | Notices and other communications | |
| 1.8 | Effect of Final Payment Notice | |
| 1.9 | Consents and approvals | |
| 1.10 | Applicable law | |
| Section 2 | Carrying out the Sub-Contract Works | 9 |
| | Sub-Contractor's Obligations | |
| 2.1 | General obligations | |
| 2.2 | Sub-Contractor's Designed Works | |
| 2.3 | Time of commencement and completion | |
| 2.4 | Materials, goods and workmanship | |
| 2.5 | Compliance with the Main Contract and indemnity | |
| | Supply of Documents, Setting Out etc. | |
| 2.6 | Sub-Contractor's Designed Works information | |
| 2.7 | Further drawings, details and directions | |
| | Errors, Discrepancies and Divergences | |
| 2.8 | Preparation of Bills of Quantities and Contractor's Requirements | |
| 2.9 | Bills of Quantities, Contractor's Requirements and Sub-Contractor's Designed Works Analysis – errors and inadequacy | |
| 2.10 | Notice of discrepancies etc. | |
| 2.11 | Discrepancies | |
| 2.12 | Divergences from Statutory Requirements | |
| | Sub-Contractor's Designed Works | |
| 2.13 | Design liabilities and limitation | |
| 2.14 | Errors and failures – other consequences | |
| | Unfixed Materials and Goods | |
| 2.15 | Unfixed Materials and Goods | |
| | Adjustment of Period for Completion | |
| 2.16 | Related definitions and interpretation | |
| 2.17 | Notice by Sub-Contractor of delay to progress | |
| 2.18 | Fixing Period for Completion | |
| 2.19 | Relevant Sub-Contract Events | |
| | Practical Completion and Lateness | |
| 2.20 | Date of practical completion | |
| 2.21 | Failure of Sub-Contractor to complete on time | |
| | Defects | |
| 2.22 | Sub-Contractor's liability | |
| 2.23 | Deductions under the Main Contract Conditions | |

| | | |
|------------------|---|-----------|
| | Sub-Contractor's Design Documents | |
| 2.24 | As-built Drawings | |
| 2.25 | Copyright and use | |
| | Third Party Rights and Collateral Warranties etc. | |
| 2.26 | Particulars and notices | |
| 2.27 | Rights of termination, variation etc. | |
| Section 3 | Control of the Sub-Contract Works | 21 |
| | Assignment and Sub-Contracting | |
| 3.1 | Non-Assignment | |
| 3.2 | Consent to sub-contracting | |
| 3.3 | Conditions of sub-contracting | |
| | Contractor's Directions | |
| 3.4 | Power to issue directions | |
| 3.5 | Compliance with directions | |
| 3.6 | Non-compliance with directions | |
| 3.7 | Directions other than in writing | |
| 3.8 | Person-in-charge | |
| 3.9 | Access for Contractor and Employer | |
| | Opening Up and Remedial Measures | |
| 3.10 | Directions to open up and test | |
| 3.11 | Work not in accordance with the Sub-Contract | |
| 3.12 | Instructions and deductions under the Main Contract | |
| 3.13 | Workmanship not in accordance with the Sub-Contract | |
| 3.14 | Indemnity by Sub-Contractor | |
| 3.15 | Effect of non-compliant work by others | |
| | Attendance and Site Matters | |
| 3.16 | Attendance | |
| 3.17 | Temporary buildings | |
| 3.18 | Site clearance | |
| 3.19 | Asbestos, contaminated material and unexploded ordnance | |
| | Health and Safety, CDM Regulations and Part 2A of the Building Regulations | |
| 3.20 | Health and Safety | |
| 3.21 | CDM Regulations and Part 2A of the Building Regulations | |
| | Suspension of Main Contract by Contractor | |
| 3.22 | Notification by Contractor | |
| 3.23 | Directions following suspension | |
| | Other Provisions | |
| 3.24 | Strikes | |
| 3.25 | Benefits under the Main Contract | |
| 3.26 | Statements and notices under the Main Contract | |
| Section 4 | Payment | 28 |
| | Sub-Contract Sum and Sub-Contract Tender Sum | |
| 4.1 | Adjustment Basis | |
| 4.2 | Remeasurement Basis | |
| 4.3 | Taking adjustments into account | |
| | Taxes | |
| 4.4 | VAT | |
| 4.5 | Construction Industry Scheme (CIS) | |
| | Payments and Notices – general provisions | |
| 4.6 | Interim payments – due dates, applications and sums due | |
| 4.7 | Interim and final payments – final date, notices and amount | |
| 4.8 | Sub-Contractor's right of suspension | |
| | Interim Payments – calculation of sums due | |
| 4.9 | Gross Valuation | |
| 4.10 | Sums due as interim payments | |

| | | |
|------------------|--|-----------|
| | Listed Items | |
| 4.11 | Listed Items | |
| | Retention | |
| 4.12 | Rules governing Retentions | |
| 4.13 | Retention Bond | |
| | Loss and Expense | |
| 4.14 | Matters affecting regular progress | |
| 4.15 | Notification and ascertainment | |
| 4.16 | Relevant Sub-Contract Matters | |
| 4.17 | Contractor's reimbursement | |
| 4.18 | Reservation of rights and remedies of Contractor and Sub-Contractor | |
| | Final Adjustment and Final Payment | |
| 4.19 | Final Sub-Contract Sum – Adjustment Basis | |
| 4.20 | Final Sub-Contract Sum – Remeasurement Basis | |
| 4.21 | Calculation of Final Sub-Contract Sum | |
| 4.22 | Final payment | |
| Section 5 | Valuation of Work and Variations | 38 |
| | General | |
| 5.1 | Definition of Variations | |
| 5.2 | Valuation of Work | |
| 5.3 | Variation Quotation | |
| 5.4 | Sub-Contractor's right to be present at measurement | |
| 5.5 | Giving effect to Valuations, agreements etc. | |
| | The Valuation Rules | |
| 5.6 | Measurable Work – Adjustment Basis | |
| 5.7 | Measurable Work – Remeasurement Basis | |
| 5.8 | General rules | |
| 5.9 | Daywork | |
| 5.10 | Sub-Contractor's Designed Works – Valuation | |
| 5.11 | Change of conditions for other work | |
| 5.12 | Additional provisions | |
| Section 6 | Injury, Damage and Insurance | 43 |
| | Definitions | |
| 6.1 | Definitions | |
| | Injury to Persons and Property | |
| 6.2 | Liability of Sub-Contractor – personal injury or death | |
| 6.3 | Liability of Sub-Contractor – injury or damage to property | |
| 6.4 | Injury or damage to property – Main Contract Works and Site Materials excluded | |
| 6.5 | Insurance against personal injury and property damage | |
| | Insurance – Loss or Damage to Work and Site Materials | |
| 6.6 | Specified Perils cover under the Works Insurance Policy | |
| 6.7 | Sub-Contractor's responsibility – damage to the Sub-Contract Works etc. | |
| 6.8 | Terrorism Cover – non-availability – Employer's options | |
| 6.9 | Damage to Sub-Contractor's plant, etc. | |
| | Sub-Contractor's Designed Works Professional Indemnity or Product Liability Insurance | |
| 6.10 | Obligation to insure | |
| 6.11 | Increased cost and non-availability | |
| | Joint Fire Code – compliance | |
| 6.12 | Application of clauses | |
| 6.13 | Compliance with Joint Fire Code | |
| 6.14 | Breach of Joint Fire Code – Remedial Measures | |
| 6.15 | Joint Fire Code – amendments/revisions | |

| | | |
|-------------------|--|-----------|
| Section 7 | Termination | 49 |
| | General | |
| 7.1 | Meaning of insolvency | |
| 7.2 | Notices under section 7 | |
| 7.3 | Other rights, reinstatement | |
| | Termination by Contractor | |
| 7.4 | Default by Sub-Contractor | |
| 7.5 | Insolvency of Sub-Contractor | |
| 7.6 | Corruption | |
| 7.7 | Consequences of termination under clauses 7.4 to 7.6 | |
| | Termination by Sub-Contractor etc. | |
| 7.8 | Default by Contractor | |
| 7.9 | Termination under the Main Contract | |
| 7.10 | Insolvency of Contractor | |
| 7.11 | Consequences of termination under clauses 7.8 to 7.10 | |
| | Termination Payment – final date, notices and amount | |
| 7.12 | Termination Payment – final date, notices and amount | |
| Section 8 | Settlement of Disputes | 56 |
| | Notification and negotiation of disputes | |
| 8.1 | Notification and negotiation of disputes | |
| | Mediation | |
| 8.2 | Mediation | |
| | Adjudication | |
| 8.3 | Adjudication | |
| | Arbitration | |
| 8.4 | Conduct of arbitration | |
| 8.5 | Notice of reference to arbitration | |
| 8.6 | Powers of Arbitrator | |
| 8.7 | Effect of award | |
| 8.8 | Appeal – questions of law | |
| 8.9 | Arbitration Act 1996 | |
| <hr/> | | |
| | Schedules | 58 |
| <hr/> | | |
| Schedule 1 | Supplemental Provisions | 58 |
| Schedule 2 | Variation and Acceleration Quotation Procedures | 60 |
| Schedule 3 | Forms of Bonds | 63 |
| | Part 1: Bond in respect of payment for off-site materials and/or goods | |
| | Part 2: Retention Bond | |
| Schedule 4 | Sub-Contract Code of Practice | 69 |
| Schedule 5 | Third Party Rights | 70 |
| | Part 1: Third Party Rights for Purchasers and Tenants | |
| | Part 2: Third Party Rights for a Funder | |
| | Part 3: Third Party Rights for the Employer | |
| Schedule 6 | Design Submission Procedure | 78 |