

Domestic Building Contract 2018



Guidance Notes

FOR CONSULTATION PURPOSES ONLY

Guidance Notes

These guidance notes explain the provisions of the Contract and provide step-by-step guidance on what to consider when completing the Contract Details but do not form part of the Contract. For clarity, a 'Definition of Terms' is also provided on pages 17 and 18.

The completed Contract records the arrangements, terms and conditions under which the Client and the Contractor have agreed the Work will be carried out, as well as the Contract Price. It is essential, therefore, that the information provided in the Contract Details, including choice of optional items, is the same as that upon which the Contractor submitted its tender, and that any changes have been agreed before being included.

Summary of the Contract

- The Contract is divided into three parts: the Agreement, the Contract Details and the Contract Conditions. Other documents (called 'Contract Documents') may also form part of the Contract if they are listed in the Contract Details.
- The Contract is between the Client (the person who orders the construction work, known as the 'Works') and the Contractor (the person or organisation carrying out the Works). Together they are referred to as the 'Parties' to the Contract.

When to Use this Contract

- The RIBA Domestic Building Contract is suitable for work carried out on the Client's home (including renovations, extensions, maintenance and new buildings).
- The RIBA Domestic Building Contract is **not** suitable if the Works are for commercial purposes or if the Client is not the owner and present or intended occupier.

Client's Rights and Obligations

- The Client has various obligations under the Contract, including:
 - providing a description of the work required (see *the Agreement and Contract Details*)
 - paying the Contractor for work completed (see *the Agreement and clause 7*)
 - providing for the administration of the Contract (see *clause 5*)
 - making any other appointments that are required, such as cost consultants and structural engineers
 - collaborating with the Contractor to resolve any events that may delay the completion or add to the cost of the Works (see *clause 3*)
 - taking out insurance policies, where applicable (see *guidance note for item J*).

- The Client is required, under the Construction (Design and Management) Regulations 2015, also known as CDM 2015, to appoint a Principal Designer and a Principal Contractor when there is more than one contractor (see *item H*). However, if the Client does not do this (as is common practice) the Client's duties as a domestic client are automatically transferred to the Contractor as Principal Contractor. Before the Works commence, the Architect or Designer can take on the Client's duties under CDM 2015, on the condition that there is a written agreement to do so between the Client and the Architect or Designer. Further guidance can be obtained from the Health & Safety Executive (www.hse.gov.uk).
- The Client also has rights under the Contract, including the right to terminate the Contractor's employment due to any of the reasons set out in clause 12.

Contractor's Rights and Obligations

- The Contractor has various obligations under the Contract, including:
 - carrying out and completing the Works in accordance with the Contract and by the agreed date (see *clause 2*). This could include designing part of the Works, if applicable
 - complying with instructions from the Architect/Contract Administrator (see *clause 5*)
 - taking out insurance policies (see *item J and clause 6*)
 - collaborating with the Client to resolve any events that may delay the completion of or add to the costs of the Works (see *clause 3*).
- The Contractor also has the right under the Contract to:
 - suspend its obligations because the Client has failed to pay an amount due (see *clause 8*)
 - terminate its employment due to any of the reasons set out in clause 12.

Administering the Contract

- The Contract is administered by the Architect/Contract Administrator.
- The Architect/Contract Administrator is the person named in item G of the Contract Details. The Architect/Contract Administrator is not a party to the Contract but is appointed by the Client under a separate contract (contracts suitable for professional services appointments are published by the RIBA).
- The administrative duties of the Architect/Contract Administrator include to:
 - act impartially in administering the Contract
 - issue instructions (see *clause 5*)
 - reject defective work (see *clause 5*)
 - visit the Site and other locations (see *clause 5*)
 - certify the value of work properly completed (see *clause 7*)
 - make decisions on various issues, such as Revisions of Time and additional payment (see *clause 9*).
- The Client can act as the Contract Administrator if item T is selected in the Contract Details. The Client should only choose to act as the Contract Administrator in very limited circumstances, for instance where the Works are very simple or the Client has experience of undertaking such a role. This is important because there are situations where the Architect/Contract Administrator is required to act impartially. Failure to carry out this role appropriately may result in the Works costing more and finishing later than envisaged.

Additionally, selecting this option may cause a potential Contractor to quote a higher price, due to the problems associated with not having an independent Contract Administrator.

Contract Documents

- The Contract Documents describe, in detail, the Works that the Client wants the Contractor to carry out, including any restrictions/limitations that apply.
- It is best practice for the Client to appoint a construction professional to prepare the Contract Documents.
- The choice of what constitutes Contract Documents depends on the complexity of the project. Complex projects will require considerably more detailed information. Further advice on the extent of the requirements to be incorporated within Contract Documents should be sought from the Architect/Contract Administrator.
- If the Contract Documents include more than one document, the documents must all be consistent with each other in terms of the extent of requirements. Having to resolve discrepancies within Contract Documents can result in disputes and potential changes to the Contract Price and/or the Date for Completion.
- All documents to be included in the Contract Documents are to be listed in item D and form part of the Contract between the Client and the Contractor. It is very important that they are clearly identified and kept together with the rest of the Contract.

The Agreement

- The Agreement is the part of the Contract that is signed and dated by both Parties and records the Client's and the Contractor's rights and obligations under the Contract. It is very important to make sure it is signed before the Works commence.
- The Parties can choose whether to sign the Agreement as a simple contract or as a deed. The decision should be dependent on the size, value and complexity of the Works as the choice determines the statutory limitation period within which a Party can bring a claim for breach of contract:
 - simple contract: 6 years from Practical Completion or date of breach, if earlier
 - deed: 12 years from Practical Completion or date of breach, if earlier.
- Because the RIBA Domestic Building Contract is a consumer contract, the Client has the statutory right to cancel the contract within 14 days of signing it and the Contractor shall refund any money received from the Client, apart from any work, services or goods that the Client has agreed to pay for. To cancel the Contract, the Client must send the Contractor a written notice of cancellation (see *clause 12*). A template notice of cancellation is provided in the Appendix.

Completing the Contract Details

- The Contract Details describe the specific features of the Works and are divided into two sections:
 - Main Items: general information required for most projects.
 - Optional Items: additional provisions that allow for more flexibility in control of the Works, which might be required in more complex projects. If any of these are selected, the corresponding 'Optional Clauses' in the Contract Conditions will apply.

Main Items

- **Items A and B – the Client and the Contractor:** Give information about the Parties to the Contract. Please note that any changes to this information will need to be agreed and confirmed to both Parties and the Architect/Contract Administrator in writing.
- **Item C – Description of the Works and Site Address:** Provides a description of the Works and the address of the Site and indicates whether the Site will be occupied while the Works are being carried out.
- **Item D – Contract Documents:** Lists the documents that form part of the Contract. These documents should be clearly identified and both Parties should initial them before attaching them to the Contract itself.
- **Item E – Contract Period:** Sets out the Start Date and the Date for Completion of the Works. The Date for Completion could be either a calendar date or a fixed period, such as '12 weeks after the Start Date'. 'Restrictions on Working Hours' refers to any time periods when the Client doesn't want work or specific activities to take place (for example, early mornings or weekends).
- **Item F – Facilities:** Identifies those facilities to be made available to the Contractor by the Client.
- **Items G and H – Architect/Contract Administrator and Other Appointments by the Client:** Describe those professional appointments made by the Client, in connection with the Works, that are known at the time of signing the Contract.
- **Item I – Consents, Fees and Charges:** Identifies whether the Client or the Contractor will be responsible for obtaining and paying for things like planning permission and Building Regulations approval.
- **Item J – Insurance:** Lists the insurance policies that are applicable to the Works and identifies who is responsible for arranging and paying for them. For each insurance type, state the minimum financial amount of cover it must provide, as well as the basis on which that cover is calculated – either as an amount for each and every claim, or a total of all claims (aggregate) made over the period of the insurance. Also state whether the policy will be in the joint names of the Client and Contractor or specifically in the name of either the Contractor or the Client. Having a joint names policy means, among other things, that either Party may make a claim under the policy, and will be notified of any amendments to it.

When having work carried out on its property, the Client should inform its buildings and contents insurers and seek written confirmation of the extent of cover provided by its own insurance policies in respect of the Work. The Contract Details sets out the main insurance policies that should be in place. This is not an exhaustive list and the specific circumstances and nature of the Works may require additional insurance.

The following are examples of insurances that typically should be included in a contract for building work:

- 'all risks' insurance, in joint names (Client and Contractor), to cover liability for damage to the Works, products and equipment
- public liability insurance, covering the Contractor's liability for damage to third party property and people. This includes personal injury to third parties other than the insured's own employees and for damage to property belonging to third parties
- employers' liability insurance, covering the Contractor's liability for personal injury to or the death of its employees. This includes employee illness or injury sustained as a result of their employment

- professional indemnity insurance, covering the Contractor's liability for failure to provide advice or services of a professional standard, including design services (only required if item P of the Contract Details is selected)
- other insurance, such as buildings and/or contents insurance, which the Parties may agree upon that may be required for the Works.

Insurance is a highly technical subject and the wordings of policies can vary significantly between insurers, so the Parties are advised to consult with insurance brokers in making decisions on the insurance requirements.

- **Item K – Contract Price and Payments:** The Parties may either agree a lump sum for undertaking the whole of the Works or choose that the Contractor will prepare a Pricing Document for each item of the Works. If the latter is selected, the rates specified in the Pricing Document will be used to value each completed item of the Works, and the Contract Price will be calculated accordingly. The format of the Pricing Document should be appropriate to the work being carried out, and agreed between the Parties, with assistance from the Architect/Contract Administrator. If VAT applies, the amount of VAT should be stated in the item or on the schedule of rates and the Contractor will submit a valid VAT invoice separately. The Parties should also specify the frequency at which Payment Certificates will be issued. If the duration of the Works is less than 45 days, the option of a single payment once Practical Completion of the whole of the Works has been certified should be selected. It is important to note that the Contract Price may increase (or decrease) as a result of instructions given by the Architect/Contract Administrator.
- **Item L – Liquidated Damages:** This should be a realistic estimate of the expected daily cost to the Client should the Works not be completed on time and which should not be extravagant and unconscionable. Advice on calculating Liquidated Damages may be sought from the Architect/Contract Administrator. Note that if this section is left blank, the Client cannot recover Liquidated Damages but they may still have the right to claim general damages.
- **Item M – Defects Fixing Period:** This period begins once Practical Completion is certified. The Contractor must put right all defects identified during the Defects Fixing Period, otherwise the Client may get someone else to do it and charge the cost to the Contractor. Depending on the size and complexity of the Works, the Defects Fixing Period could be 3, 6 or 12 months.
- **Item N – Dispute Resolution:** In a contract with a consumer Client, the Client has the right to refer any dispute to the courts, but may wish to attempt to settle the matter by alternative means, such as negotiation or mediation. The court may look favourably on any demonstration that the Parties have attempted an alternative dispute resolution method prior to any legal proceedings. The use of any processes other than legal proceedings must be negotiated by the Parties, but only the Client can make the decision to use arbitration.
 - **Mediation** – involves a third party helping the Parties to come to an agreement resolving their dispute. If managed well, mediation can be less expensive than other methods of dispute resolution and is therefore encouraged by the courts.
 - **Adjudication** – involves a third party providing an independent decision on the dispute. The decision is binding in law unless one of the Parties refers the matter to arbitration or to the courts.
 - **Arbitration** – is an alternative to court litigation and involves a third party (or parties) delivering a final and binding decision.

If the Parties cannot reach agreement on a person to act as Mediator, Adjudicator or Arbitrator, the Contract provides that an appointment shall be made by the Royal Institute of British Architects.

Optional Items

- **Item O – Programme:** Select this item if the Contractor is required to show the sequence in which it intends to carry out the Works.
- **Item P – Contractor Design:** Select this item if it is agreed that the Contractor is to design parts of the Works. Provide a detailed and accurate description of the parts that the Contractor is to design, and identify which Contract Document each part is covered under. The Contractor will need to ensure there is adequate professional indemnity insurance to cover any design it is responsible for. Item P allows a limit to be specified, but it should be adequate to cover the possible liability. The Architect/Contract Administrator may be able to advise on this point.
- **Item Q – Required Specialists:** Select this item where it is agreed that the Client wants to use specific subcontractors or suppliers for parts of the Works. The Contractor retains control over the Required Specialists and is responsible for their performance.
- **Item R – Completion in Sections:** Select this item if the Parties want the Works to be completed in Sections. Dividing the Works into Sections facilitates good management and may be useful where the Site remains occupied during the Works. Clearly describe what needs to be done to achieve Practical Completion for each Section. 'Section value' refers to the proportion of the Contract Price covered by the Section.
- **Item S1 – Milestone Payments:** If this item is selected, the payment certificate frequency section of item K will not apply; instead, Payment Certificates will be issued after each milestone is completed. Clearly describe each milestone in detail and state the anticipated date for achieving it.
- **Item S2 – Payment on Practical Completion of the Works:** Select this item if the Works will last for less than 45 days and it is appropriate to make payment only when Practical Completion has been certified.
- **Item T – Client Acting as Contract Administrator:** Select this item if the Client wants to take on all the duties assigned to the Architect/Contract Administrator (see *Administering the Contract in these Guidance Notes*).
- **Item U – Insurance Backed Guarantee:** It is recommended that this guarantee should cover the whole of the Works as well as defective materials and workmanship in the event that the Contractor ceases to trade. The duration of the guarantee should be a minimum of one year after Practical Completion has been certified.
- **Item V – New Building Warranty:** Select this item only if the Works are a new residential building. A New Building Warranty provides insurance for some defects, inferior materials or poor workmanship discovered after the Defects Fixing Period. The New Building Warranty cover must satisfy the Council of Mortgage Lenders (CML) requirements and should commence no later than the expiry of the Defects Fixing Period.
- **Item W – Evidence of Ability to Pay the Contract Price:** This option can provide assurance to a Contractor working with a new Client. However, it is advised that this option is used sparingly. Evidence may be a bank reference or some form of guarantee.

Contract Conditions

- The clauses within the Contract Conditions allocate the risks of the Works between the Parties and set out the Parties' rights and obligations.
- The Contract Conditions support the items in the Contract Details and so are divided into two sections: 'Main Clauses' and 'Optional Clauses'.
- The Main Clauses always apply. The Optional Clauses will only apply if the corresponding optional item is selected in the Contract Details.

The RIBA Domestic Building Contract 2018 is endorsed by the following organisations:



Chartered Institute of
Architectural Technologists



Royal Society of Architects
in Wales



Royal Society of
Ulster Architects



Home Owners
Alliance

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Building Contract 2018



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Contract Checklist

ONCE THE CONTRACT DETAILS HAVE BEEN COMPLETED, AND BEFORE THE AGREEMENT IS SIGNED, CHECK THIS LIST.

If you are unable to answer 'yes' to any of the following questions, you are not ready to sign the Contract.

	YES
Have the points of contact with the Client, the Architect/Contract Administrator and the Contractor been agreed?	<input type="checkbox"/>
Has the precise scope of the Works – in particular, if Contractor Design and/or Required Specialist options have been selected – been agreed?	<input type="checkbox"/>
Have the Contract Price and payment dates been agreed?	<input type="checkbox"/>
Have the Parties agreed who is responsible for payment of any fees and charges, e.g. building control approvals or public utilities fees?	<input type="checkbox"/>
Have the Start Date, the Date for Completion and the Programme (if selected) been agreed?	<input type="checkbox"/>
Have all the Contract Documents (drawings, specification, schedules, etc.) been agreed and listed?	<input type="checkbox"/>
Have the arrangements for access, working hours and the use of facilities been agreed?	<input type="checkbox"/>
Have the roles of Client, Principal Contractor and Principal Designer, under the CDM Regulations 2015, been properly considered and clearly allocated to the relevant parties?	<input type="checkbox"/>
Have the Parties agreed and put in place the relevant insurance policies?	<input type="checkbox"/>
Has it been agreed whether any warranties or guarantees are required and, if so, who is to provide them?	<input type="checkbox"/>
Have the Parties agreed and set out the preferred dispute resolution process, in case something goes wrong?	<input type="checkbox"/>
Has all of the information contained within the Contract Details been completed?	<input type="checkbox"/>

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Agreement

This Agreement is between:

The Client (refer to item A of the Contract Details for full information)

AND

The Contractor (refer to item B of the Contract Details for full information)

Who agree as follows:

- The Client shall pay the Contractor the Contract Price, which will be calculated in accordance with the Contract.
- The Contractor shall carry out the work described in the Contract Details (the Works).
- The Contract is the RIBA Domestic Building Contract 2018.

Signed/Executed as a: simple contract deed**For and on behalf of the Client (complete as appropriate):**

Name:

Signature:

Client's signature witnessed by:

Name:

Address:

Signature:

The Client has the right to cancel this agreement within 14 days of signing it – see Appendix.

For and on behalf of the Contractor (complete as appropriate):Contractor **is not** a registered company

Name:

Signature:

Contractor's signature witnessed by:

Name:

Address:

Signature:

ORContractor **is** a registered companyCompany registration
number:VAT registration
number:

First signatory (Director/Company Secretary):

Name:

Signature:

Contractor's signature(s) witnessed by:

Name:

Address:

Signature:

Second signatory – optional (Director/Company Secretary):

Name:

Signature:

This Agreement is dated and delivered on:

Contract Details

Main Items

A. The Client (see clause 1)

Name:

Address:

Telephone number:

Email address:

B. The Contractor (see clause 2)

Name:

Address:

Telephone number:

Email address:

Registered company
address
(if different to above):

Trade association
membership:

C. Description of the Works and Site Address (see clause 1.1)

Description of the Works:

Site address:

Site will be occupied during the Works: Yes No**D. Contract Documents (see clause 1.1.2)**

Select the documents that apply and provide a reference number and date for each. Additional documents can be listed in the blank spaces below.

	Reference number	Date
<input type="checkbox"/> Drawings		
<input type="checkbox"/> Pricing Document		
<input type="checkbox"/> Specification		
<input type="checkbox"/> Contractor's design proposal		

Others (please specify):

E. Contract Period (see clause 1.1.2)Start Date: (subject to clause 1.4)Date for Completion: Restrictions on Working Hours: **F. Facilities (see clause 2.5)**

The Contractor may have the free use of the following facilities at the Site (select all that apply):

 Electricity Parking Telephone Washroom/toilet WaterOther: **G. Architect/Contract Administrator (see clause 1.3)**Name: Address:

Telephone number: Email address: **H. Other Appointments by the Client (see clause 1.3)**Name: Address:

Telephone number: Email address: *Continue on a separate sheet if necessary.*

I. Consents, Fees and Charges (see clause 2.1.2)

Responsibility for obtaining and paying for regulatory and statutory consents, fees and charges as set out below:

	Client	Contractor

Continue on a separate sheet if necessary.

J. Insurance (see clause 6)

The following insurance policies are required to be in place before the Works are started (for each insurance type, state the type and amount of cover required, whether the amount is an aggregate or per claim and who is responsible for arranging it).

Insurance type	Amount (per claim/aggregate)	Responsibility
Public liability insurance	£	Contractor
Contractor's employers' liability insurance	£	Contractor
All risks insurance in the joint names to cover damage to the Works, products and equipment	£	
All risks insurance in the joint names to cover damages to the existing structures	£	

Other insurance policies, such as buildings and/or contents insurance (please specify)

Insurance type (excluding Professional Indemnity insurance covered under item P of the Contract Details)	Amount (per claim/aggregate)	Responsibility
	£	
	£	
	£	

Continue on a separate sheet if necessary.

K. Contract Price and Payments (see clause 7)

The Contract Price

Select one of the following options:

<input type="checkbox"/> Contract Price:	£
VAT (if applicable):	£
Total (amount including VAT):	£

Contract Price calculated in accordance with the Pricing Document listed under item D.

Interim Payment Frequency

The Interim Payment Date is at regular intervals (unless optional item S1 or S2 of the Contract Details has been selected). Select the frequency of interim payments:

Payment frequency (default monthly):

First Interim Payment Date:

(If no date is provided, the default date will be 30 days after the Start Date or the nearest business day.)

Interest on Late Payment:

Interest rate: %

(default 5% above the current Bank of England base rate, see clause 7.16).

L. Liquidated Damages (see clause 10)

Amount, per day, for non-completion of the Works: £

OR

For completion in Sections, see item R.

M. Defects Fixing Period (see clauses 10.2–10.6)

Period

*(minimum 3 months):***N. Dispute Resolution (see clause 13)**

Select the preferred process(es) for dispute resolution. If no options are selected, then disputes shall be referred to mediation, in the first instance, and then to the appropriate court for a final decision, if necessary.

Where an Alternative Dispute Resolution mechanism has been selected to apply but a party has not been named, or is unable to act upon appointment, then selection can be made by the Royal Institute of British Architects.

Initial/Preferred Dispute Resolution Process*(negotiated and selected by the Client and the Contractor)***Mediation** Applies

Name of Mediator:

Adjudication*(in accordance with the RIBA Adjudication Scheme for Consumer Contracts)* Applies

Name of Adjudicator:

Final Dispute Resolution Process**Arbitration***(the Client can select this as an alternative to litigation)* Applies

Name of Arbitrator:

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Optional Items

O. Programme (see clause 14) ■ Applies

Indicate the activities the Contractor will carry out to complete the Works, the start and finish dates of each activity and the relationship of each activity to the others, which may include lead and lag times.

Continue on a separate sheet if necessary.

P. Contractor Design (see clause 15) ■ Applies

The Contractor is to design the parts of the Works listed below (include reference to the relevant Contract Documents).

Description

Contract Document
(include location in document)

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Continue on a separate sheet if necessary.

Professional indemnity insurance: £ per claim/aggregate.

Q. Required Specialists (see clause 16) ■ Applies

The Client requires that the Contractor uses the following specialist(s) for the parts of the Works identified at the tender stage and listed in the Contract Documents:

Details of Required Specialist(s)

Part of the Works

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Continue on a separate sheet if necessary.

R. Completion in Sections (see clause 17) Applies

Section no:

Description:

Section start date:

Date of Completion
of the Section:

Section value:

£

Liquidated Damages:

£

per day

Section no:

Description:

Section start date:

Date of Completion
of the Section:

Section value:

£

Liquidated Damages:

£

per day

Section no:

Description:

Section start date:

Date of Completion
of the Section:

Section value:

£

Liquidated Damages:

£

per day

Continue on a separate sheet if necessary.

S1. Milestone Payments (see clause 18) Applies**Schedule of Milestones**

Milestone no:

Description:

Date to be
achieved by:Payment (*value or
% of Contract Price*):

Milestone no:

Description:

Date to be
achieved by:Payment (*value or
% of Contract Price*):

Milestone no:

Description:

Date to be
achieved by:Payment (*value or
% of Contract Price*):*Continue on a separate sheet if necessary.***S2. Payment on Practical Completion of the Works***(The duration of the Works is less than 45 days.)* Applies**T. Client Acting as Contract Administrator
(see clause 19)** Applies

U. Insurance Backed Guarantee (see clause 20) Applies

Scope:

Duration:

V. New Building Warranty (see clause 21) Applies

Warranty provider:

Length of cover:

Details of cover:

W. Evidence of Ability to Pay the Contract Price (see clause 22) Applies

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Contract Conditions

Definition of Terms

Architect¹/Contract Administrator: the person or organisation that the Client appoints to carry out the role described in clause 5 of the Contract.

Certificate of Practical Completion or Section Completion: a certificate that the Architect/Contract Administrator issues to the Parties in accordance with clause 9.11.1 of the Contract.

Contract: the Agreement, Contract Details, Contract Conditions and all documents listed as Contract Documents in item D of the Contract Details.

Contract Price: the amount that the Client shall pay to the Contractor for carrying out and completing the Works, calculated in accordance with clause 7 of the Contract. Note: The Contract Price may increase (or decrease) as a result of instructions given by the Architect/Contract Administrator.

Date for Completion: the date stated in item E or item R (if applicable) of the Contract Details by which the Contractor is required to achieve Practical Completion of the Works or a Section of the Works.

Defects Fixing Period: the period specified in item M of the Contract Details and described in clause 10 of the Contract.

Final Date for Payment: the date, specified in clause 7, following the due date for interim or final payment, by which a payment that is due should be paid.

Force Majeure: an exceptional event or circumstance (*see clause 9*) which:

- is beyond the control of the Parties
- is not caused by either Party
- neither Party could have reasonably foreseen when entering the Contract.

Insurance Backed Guarantee: a scheme to protect the Client if the Contractor ceases to trade, or to meet the costs of replacing defective materials and putting right poor workmanship. Some trade associations provide guarantees of this kind on behalf of their members (*see clause 20*).

Interim (or Final) Payment Date: the date specified in clause 7 and item K of the Contract Details representing the date on which the amount of any payment due under the Contract is calculated and becomes due.

Liquidated Damages: a rate specified in item L and/or optional item R of the Contract Details, that may be deducted by the Client if the Contractor fails to complete the Works or a Section of the Works by the relevant Date for Completion.

¹ 'Architect' is a legally protected designation to be used only by persons registered under the Architects Act 1997.

Material Breach: a Material Breach of the Contract means that there has been a failure to perform a major part of the Contract. This failure has to be serious enough to prevent the continuous progress of the Works so that the Contract cannot be completed. For example, a Material Breach could be:

- persistent failure to engage sufficient labour
- failure to comply with statutory obligations, particularly those regarding health and safety
- any criminal act or evidence of corruption.

New Building Warranty: a warranty that provides insurance for some defects, inferior materials or poor workmanship discovered after the Defects Fixing Period (see clause 21).

Partial Possession: when the Client takes over the use of part of the Works from the Contractor (see clause 9).

Parties: the signatories to the Agreement: the Client and the Contractor described in items A and B of the Contract Details.

Pay Less Notice: a notice that one Party may issue to the other, in accordance with clause 7, indicating an intention to pay less than the sum shown as due on a Payment Certificate or Payment Notice.

Payment Certificate: a certificate that the Architect/Contract Administrator issues, in accordance with clause 7, showing the amount to be paid, how it was calculated and the period in which the payment is due.

Payment Notice: a notice that the Contractor issues to the Client, in accordance with clause 7, showing the payment that the Contractor considers is due and how it was calculated.

Practical Completion: when the Works or a Section of the Works is certified complete in accordance with clause 9.

Pricing Document: a document provided in accordance with item D (and item K, where applicable) and completed by the Contractor, to show a breakdown of the pricing of the Works. The Pricing Document may be used for the assessment of the cost of the ongoing Works, and also as the basis for calculating Interim Payments or valuing changes to the Contract Price.

Programme: (where item O is selected in the Contract Details) a programme is a plan of the activities that the Contractor intends to undertake to complete the Works.

Required Specialist(s): the specialist(s) identified and made known to the Contractor by the Client to carry out the aspects of the Works specified in item Q of the Contract Details.

Retention: a percentage of the amount included in a Payment Certificate that is deducted from a payment in accordance with clause 7.

Revision of Time: a revision to the Date for Completion of the Works or a Section of the Works that the Architect/Contract Administrator certifies in accordance with clause 9.

Risk Register: a document identifying potential and actual risks which could affect the progress of the Works and setting out procedures to deal with them.

Section: part of the Works separately identified and described for start and completion in item R of the Contract Details.

Working Hours: standard working hours are Monday to Friday, between 08.30 and 17.30 excluding bank holidays and public holidays, unless alternative arrangements are specified in item E of the Contract Details.

Works: work or services described in the Contract Details that the Contractor (and its subcontractors) is to carry out, including all incidental work to ensure that the work or services are completed properly.

Main Clauses

1. Client

- 1.1 The Client shall provide the Contractor with access to the Site for the following purposes:
- 1.1.1 pre-construction inspection
 - 1.1.2 carry out and complete the Works set out in the Contract Documents, from the Start Date until the Date for Completion
 - 1.1.3 fulfilling its obligations during the Defects Fixing Period.
- 1.2 The Client shall provide the Contractor with access to any part(s) of the Works or part(s) of a Section of the Works taken over from the Contractor prior to Practical Completion (under Clause 9.12).
- 1.3 The Client has appointed the Architect/Contract Administrator identified in item G of the Contract Details and other appointments identified in item H of the Contract Details in connection with the Contract, and will inform the Contractor of any other appointments or replacements.
- 1.4 The Client may postpone access to the Site or Sections of the Site. The Contractor may be entitled to a Revision of Time and any costs that result from this.
- 1.5 The Client shall comply with all of the relevant health and safety legislation.

2. Contractor

Obligation

- 2.1 The Contractor shall:
- 2.1.1 carry out and complete the Works in accordance with the Contract, in good and workmanlike manner, by the Date for Completion
 - 2.1.2 be responsible for obtaining all regulatory and statutory consents, fees and charges as set out under item I of the Contract Details
 - 2.1.3 comply with all of the relevant health and safety legislation
 - 2.1.4 comply with all statutory obligations applicable to the Works.

Carrying out the Works

- 2.2 The Contractor shall use methods that prevent nuisance, trespass and pollution.
- 2.3 The Contractor shall ensure that a suitably qualified representative is available during the Works to answer queries and receive instructions on its behalf.
- 2.4 The Contractor shall take all reasonable steps and precautions to ensure that security is maintained on the Site at all times.
- 2.5 The Contractor may use, free of charge, the Client's facilities listed in item F of the Contract Details and shall be responsible for any loss or damage arising from such use.
- 2.6 The Contractor shall be solely responsible for carrying out the Works and for the performance of all subcontractors and suppliers, including any Required Specialists listed in item Q of the Contract Details (if selected).

3. Collaborative Working

Pre-start Meeting

- 3.1 At least 10 days before the Start Date, the Parties and the Architect/Contract Administrator are to meet and:
- 3.1.1 set out expectations from each other
 - 3.1.2 set out the administration and communication procedures, including any specific rules on written and electronic communications
 - 3.1.3 identify potential and actual risks and set out procedures to deal with them, to include the preparation of a Risk Register, if appropriate.

Advance Warning and Joint Resolution of Delay

- 3.2 If an event occurs which affects or is likely to affect the progress of the Works and/or the Contract Price, the Parties shall:
- 3.2.1 notify each other and the Architect/Contract Administrator of the event as soon as they become aware of it
 - 3.2.2 work together to resolve the event. If necessary the Architect/Contract Administrator may hold a meeting with the Parties and other related stakeholders to do this
 - 3.2.3 take reasonable steps to minimise the effects of the event on the Contract.
- 3.3 If either Party fails to comply with clause 3.2, the Architect/Contract Administrator takes this into account when considering any time and/or cost implications arising from the event and advises on changes to the Date for Completion and/or Contract Price.

Improvements and Cost Savings

- 3.4 The Contractor may propose changes to the Works that will improve quality and/or the overall programme and/or the Contract Price. The Architect/Contract Administrator considers the proposal with the Client and either:
- 3.4.1 rejects the proposal or
 - 3.4.2 issues instructions regarding its implementation.
- 3.5 Any cost savings resulting from the changes shall be divided equally between the Parties.

4. Assignment

- 4.1 Neither Party shall assign its rights or benefits under the Contract without informing and receiving consent from the other Party in writing.

5. Architect/Contract Administrator

- 5.1 The Architect/Contract Administrator is not a Party to the Contract but administers the Contract, issuing instructions and certificates and taking decisions.
- 5.2 The Architect/Contract Administrator:
- 5.2.1 provides the Contractor with up to two copies of the Contract Documents
 - 5.2.2 issues any required changes and variations.
- 5.3 The Architect/Contract Administrator may visit the Site (including off-site locations in connection with the Works).

Instructions

- 5.4 The Architect/Contract Administrator may issue the following instructions:
- 5.4.1 requiring change to the Works
 - 5.4.2 postponing the Works or one or more Sections of the Works
 - 5.4.3 resolving any inconsistency in the Contract Documents or in a previous instruction
 - 5.4.4 rejecting work not in accordance with the Contract
 - 5.4.5 requiring further documents.
- 5.5 The Architect/Contract Administrator may instruct that work be uncovered and inspected/tested and:
- 5.5.1 if the work is not in accordance with the Contract, the Contractor shall bear the time and/or costs of the instruction and of correcting the defects
 - 5.5.2 if the work is in accordance with the Contract, the Date for Completion and Contract Price shall be adjusted to take account of the time and costs incurred in connection with the instruction.
- 5.6 The Contractor shall comply with Architect/Contract Administrator's instructions promptly.
- 5.7 If the Architect/Contract Administrator gives an oral instruction, such instruction will subsequently be confirmed in writing to the Contractor promptly.
- 5.8 If the Contractor fails to comply with an Architect/Contract Administrator's instruction, the Architect/Contract Administrator may issue the Contractor with a 7-day notice to comply. If the Contractor fails to comply within the 7-day period, then the Architect/Contract Administrator may advise the Client to employ and pay other contractors to carry out the instruction and:
- 5.8.1 the Client shall have the right to employ other contractors to carry out the instruction
 - 5.8.2 the Contractor shall cooperate with the new contractors
 - 5.8.3 the new contractors shall have access to the Site
 - 5.8.4 the Contractor shall be responsible for all costs incurred by the Client.

Inconsistency in the Contract Documents

- 5.9 If the Contractor finds any inconsistency in the Contract Documents and/or an instruction, it shall inform the Architect/Contract Administrator immediately. The Architect/Contract Administrator is to issue instructions to resolve the inconsistency.
- 5.10 The Contractor shall not be entitled to any adjustment to the Contract Price and/or Date for Completion if the inconsistency is in or between the documents set out under item P of the Contract Details.

Change to Works Instructions

- 5.11 Subject to clause 5.10, upon receiving a change to Works instruction, including where relevant an instruction under clause 5.9, the Contractor shall calculate the effect (if any) of the instruction on the Contract Price and/or the Date for Completion, and submit details to the Architect/Contract Administrator.
- 5.12 If the Contractor submits a calculation in accordance with clause 5.11, the Architect/Contract Administrator and the Contractor aim to agree on any Revision of Time and/or additional payment implications promptly.
- 5.13 If the Architect/Contract Administrator and the Contractor are unable to agree or the Contractor fails to submit the calculation within 7 days, the Architect/Contract Administrator will determine the appropriate adjustment to the Date for Completion and/or Contract Price.

- 5.14** Within 7 days of receiving a change to Works instruction, the Contractor shall notify the Architect/Contract Administrator if it believes that any of the following apply:
- 5.14.1** the instruction is not in accordance with the Contract
 - 5.14.2** implementing the instruction would have adverse health and safety implications
 - 5.14.3** the instruction adversely affects any part of the Works designed by the Contractor (if applicable).
- 5.15** On receiving a notification under clause 5.14, the Architect/Contract Administrator may modify, amend, withdraw or confirm the instruction. The Contractor shall comply accordingly.
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6. Risks, Liability and Insurance

Client's Liability

- 6.1** In so far as the event has not been caused by the Contractor, or its employees or agents, in carrying out the Works, the Client's liability includes:
- 6.1.1** damage to existing structures and fixtures
 - 6.1.2** damage to neighbouring property caused by the carrying out of the Works.

Contractor's Liability

- 6.2** In so far as the event has not been caused by the Client, or its employees or agents, in carrying out the Works, the Contractor's liability includes:
- 6.2.1** loss of or damage to the Works
 - 6.2.2** loss of or damage to the property
 - 6.2.3** loss of or damage to products and equipment
 - 6.2.4** death of or bodily harm to any person working for the Contractor, arising in connection with the Works during the course of their employment
 - 6.2.5** death of or bodily harm to a third party caused by the carrying out of the Works
 - 6.2.6** any other loss or damage that is not the liability of the Client.

Responsibility for Arranging Insurance

- 6.3** Each Party is responsible for arranging insurance that is stated to be its responsibility in item J of the Contract Details for the amounts stated and for keeping it in place until Practical Completion. The Contractor shall give assurances to the Client that any Required Specialists, as indicated in item Q of the Contract Details, have adequate insurance in relation to their portion of the Works.
- 6.4** No later than 10 days before the Start Date, and after that on request, the Client or Contractor shall provide the Architect/Contract Administrator with evidence of up-to-date and adequate insurance stated to be its responsibility. If this evidence is not provided by either Party, then the Architect/Contract Administrator will notify the other Party, which shall take out the required insurance instead and the Contract Price will be adjusted accordingly.
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7. Contract Price and Payments

Interim Payments

- 7.1** Until the final payment due date is fixed under clause 7.13, the Interim Payment Date will be as described in item K of the Contract Details or, where applicable, under item S1 or item S2 of the Contract Details.

- 7.2 No later than 7 days before each Interim Payment Date, the Contractor may send the Architect/Contract Administrator an application for payment which complies with the requirements of clause 7.5.
- 7.3 No later than 5 days after each Interim Payment Date, the Architect/Contract Administrator will send the Parties a Payment Certificate which complies with the requirements of clause 7.5.
- 7.4 If the Architect/Contract Administrator does not issue a Payment Certificate as required by clause 7.3 then:
- 7.4.1 the Contractor's application for payment under clause 7.2 shall become a Payment Notice; or
 - 7.4.2 if the Contractor has not submitted an application for payment under clause 7.2, they may do so at any time after the expiry of the period in which the Architect/Contract Administrator may send a Payment Certificate and this shall become a Payment Notice.

Interim and Final Payments

- 7.5 Any application for payment, Payment Certificate or Payment Notice shall state the:
- 7.5.1 date and period to which it relates
 - 7.5.2 value of work completed in accordance with the Contract
 - 7.5.3 amount of any adjustments required in accordance with the Contract
 - 7.5.4 amount of any Retention
 - 7.5.5 total amount included in previous Payment Certificates or Payment Notices
 - 7.5.6 balance due (from the Client to the Contractor or from the Contractor to the Client) at the relevant payment due date.
- 7.6 Unless a Pay Less Notice is given in accordance with clause 7.9, the Client or the Contractor, whichever is making the payment, shall pay to the other Party the amount set out in the Payment Certificate or Payment Notice (as applicable) by the Final Date for Payment.
- 7.7 Subject to clause 7.8, the Final Date for Payment of an interim payment and the final payment shall be 14 days after the relevant payment due date.
- 7.8 Where a Payment Notice is given under clause 7.4.2 or 7.12.2, the Final Date for Payment of the sum stated in the notice shall be postponed by the same number of days that it took the Contractor to issue the Payment Notice after the 5-day period in clause 7.3 or 7.12.1 expired (as applicable).
- 7.9 If, in respect of any payment, the Client or the Contractor intends to pay less than the sum set out in the Payment Certificate or Payment Notice (as applicable) it shall no later than 5 days prior to the Final Date for Payment give written notice (a Pay Less Notice) to the other Party.
- 7.10 The Pay Less Notice shall state the sum that the paying Party considers due at the date the notice is given and the basis upon which this is calculated.

Final Contract Price

- 7.11 Calculation and agreement:
- 7.11.1 no later than 90 days after Practical Completion, the Contractor shall send to the Architect/Contract Administrator its calculation of the final Contract Price, along with relevant supporting documentation
 - 7.11.2 within 30 days of receipt of the Contractor's calculation, the Contractor and the Architect/Contract Administrator shall aim to agree the final Contract Price

7.11.3 if the Architect/Contract Administrator and the Contractor are unable to agree, or if the Contractor fails to send a calculation then, no later than 14 days after the end of the 30 day period referred to in clause 7.11.2, the Architect/Contract Administrator will calculate the final Contract Price and notify it to the Contractor in writing

7.11.4 the final Contract Price is subject to resolution of any defects arising during the Defects Fixing Period.

Final Payment

7.12 No later than 5 days after the end of the Defects Fixing Period or, where applicable, the period set out in clause 7.11, whichever is the later:

7.12.1 the Architect/Contract Administrator shall issue a final Payment Certificate which complies with the requirements of clause 7.5 representing the amount due for final payment, or

7.12.2 if the Architect/Contract Administrator fails to issue a final Payment Certificate as required by clause 7.12.1, then the Contractor may issue a final Payment Notice at any time after the expiry of the period in clause 7.12, which complies with the requirements of clause 7.5.

7.13 The payment due date for the final payment shall be the date of issue of the final Payment Certificate under clause 7.12.1 or the date of issue of the final Payment Notice under clause 7.12.2 (as applicable).

Retention

7.14 The Retention percentage shall be 5% of the Contract Price for the Works or a Section of the Works. This shall be reduced to 2.5% after Practical Completion is certified and all Retention shall be released in the final Payment Certificate.

VAT

7.15 Contractor's VAT invoice, if applicable:

7.15.1 the Contractor shall issue the Client with a valid VAT invoice for every Payment Certificate or Payment Notice on or before the Final Date for Payment of that Payment Certificate or Payment Notice

7.15.2 the Client shall pay the invoice promptly.

Interest on Late Payment

7.16 The Contractor shall be entitled to simple interest on any unpaid amount at the annual rate of interest stated in item K of the Contract Details, calculated from the Final Date for Payment until the payment is made in full.

8. Contractor's Right to Suspend

8.1 If the Client fails to pay an amount that is due to the Contractor after the Final Date for Payment has passed:

8.1.1 the Contractor may issue the Client with a 7-day notice of its intention to suspend some or all of its obligations under the Contract

8.1.2 the notice shall state the amount owed and the date that the suspension will take effect

8.1.3 if the Client fails to make payment within the 7-day notice period, the Contractor may suspend some or all of its obligations.

8.2 If the Contractor suspends some or all of its obligations following the procedure in clause 8.1, then it shall be entitled to a Revision of Time, reasonable expenses and costs resulting from the suspension.

9. Force Majeure, Revision of Time, Additional Payment, Practical Completion and Partial Possession

Force Majeure

- 9.1 If Force Majeure occurs, either Party shall inform the other Party and the Architect/Contract Administrator promptly. If it becomes necessary, the Architect/Contract Administrator may instruct the Contractor to stop all or part of the Works.
- 9.2 Force Majeure may entitle the Contractor to an application for a Revision of Time and/or additional payment.

Revision of Time

- 9.3 The Contractor may apply (with supporting documentation) for a Revision of Time if the Works are or are likely to be delayed by any of the following:
- 9.3.1 the Architect/Contract Administrator issues a change to Works instruction
 - 9.3.2 the Client defers or withdraws access to the Site
 - 9.3.3 the Client or its agents cause delay or disruption to the Works or part of the Works
 - 9.3.4 the Client or its agents cause the Works or part of the Works to be suspended
 - 9.3.5 subject to clause 5.5.1, an instruction issued for work to be uncovered and inspected/tested under clause 5.5
 - 9.3.6 the action or omission of a utility company or statutory body, subject to advance warning notification under clauses 3.2 and 3.3
 - 9.3.7 an event under clause 8 (Contractor's Right to Suspend)
 - 9.3.8 an event under clause 9.1 (Force Majeure).
- 9.4 The Contractor shall inform the Architect/Contract Administrator of any event affecting the progress of the Works and shall apply for a Revision of Time, with supporting documentation, within a reasonable time of its occurrence.
- 9.5 The Architect/Contract Administrator and the Contractor shall aim to agree on the Revision of Time promptly.
- 9.6 If the Architect/Contract Administrator and the Contractor are unable to agree a Revision of Time, the Architect/Contract Administrator may make a reasonable assessment of the Revision of Time, taking into consideration all the supporting documentation.

Additional Payment

- 9.7 If an event attributable to the Client or its agents adds costs to the Works, the Contractor shall inform the Architect/Contract Administrator and shall apply for an adjustment to the Contract Price (with supporting documentation) within a reasonable time of its occurrence.
- 9.8 The Architect/Contract Administrator and the Contractor shall aim to agree the additional payment promptly.
- 9.9 If the Architect/Contract Administrator and the Contractor are unable to agree an additional payment, the Architect/Contract Administrator may make a reasonable assessment, taking into consideration all the supporting documentation.

Practical Completion

- 9.10 For Practical Completion to occur, the following must apply:
- 9.10.1 any requirements stated in the Contract Documents and required by law shall have been satisfied
 - 9.10.2 no aspect of the Works or Section of the Works shall be outstanding
 - 9.10.3 the Works shall be uncluttered and safe.

- 9.11** When the Contractor considers that Practical Completion of the Works or a Section of the Works has been achieved, it shall notify the Architect/Contract Administrator:
- 9.11.1** if the Architect/Contract Administrator agrees that Practical Completion has been achieved for the Works or a Section of the Works, the Architect/Contract Administrator issues a Certificate of Practical Completion
- 9.11.2** when Practical Completion has been certified, the Contractor is entitled to half the amount currently retained in accordance with clause 7.15.

Partial Possession

- 9.12** The Client may request to take over any part(s) of the Works or part(s) of a Section of the Works before Practical Completion of the Works or the relevant Section. If doing so will not interfere with achieving Practical Completion of the remainder of the Works, the Contractor shall agree to the request.
- 9.13** Once Partial Possession is agreed:
- 9.13.1** the Architect/Contract Administrator issues a notice clearly identifying the part(s) taken over and the date of takeover, as well as any outstanding work and arrangements for access by the Contractor
- 9.13.2** Practical Completion will be deemed to have taken place on the date of takeover for the relevant part(s)
- 9.13.3** the Defects Fixing Period for that part(s) shall start from that date
- 9.13.4** in respect of the Contract Price for that part of the Works, the Contractor is entitled to half the amount currently retained in accordance with clause 7.15.

10. Liquidated Damages and Defects Fixing Period

Liquidated Damages

- 10.1** If the Contractor does not achieve Practical Completion of the Works or a Section of the Works on the relevant Date for Completion, taking into consideration any Revision of Time, the Client shall be entitled to deduct Liquidated Damages at the rate stated in item L or item R of the Contract Details.

Defects Fixing Period

- 10.2** The Defects Fixing Period shall start from the date stated in the Practical Completion Certificate issued by the Architect/Contract Administrator for the Works or a Section of the Works, and shall last for the period stated in item M of the Contract Details.
- 10.3** The Contractor shall remedy all defects associated with the Works notified to them during the Defects Fixing Period.
- 10.4** When the Architect/Contract Administrator is satisfied that all defects are fixed, the Architect/Contract Administrator issues a certificate of making good defects.
- 10.5** If the Contractor fails to fix any defects notified to them during the Defects Fixing Period, then the Architect/Contract Administrator issues the Contractor with a notice to fix the defects.
- 10.6** If the Contractor fails to comply with a notice under clause 10.5 promptly, the Client may employ others to fix the defects. The Contractor shall be liable for any resulting costs.

11. Priority of Contract Documents, Governing Law, Rights of Third Parties and Severability and Communication and Notices

Priority of Contract Documents

- 11.1 All parts of the Contract shall be read together as a whole; however in all circumstances the Agreement, Contract Details and these Contract Conditions shall take precedence over all other Contract Documents.

Governing Law, Rights of Third Parties and Severability

- 11.2 The Contract is governed by the law of England and Wales.
- 11.3 The Contract does not limit other legal remedies available to the Parties.
- 11.4 Unless otherwise stated in the Contract, third parties have no rights under the Contract.
- 11.5 If any court finds that some of the clauses in the Contract are unenforceable, the remaining clauses shall remain in force, including clause 13 (Dispute Resolution).
- 11.6 A reference to legislation or regulations includes any amendment, update or replacement of that legislation.
- 11.7 The Contract is the entire agreement between the Parties. Any change to the Contract that the Parties agree shall be written down and signed by both Parties.

Communication and Notices

- 11.8 All communication, notifications and notices under the Contract shall be in writing and, unless specifically stated otherwise under clause 3.1.2, shall be issued to the Parties with a copy to the Architect/Contract Administrator.
- 11.9 All notices relating to suspension and/or termination of the Contract shall only be effective from the date of delivery. Such notices are to be sent to the Parties by recorded delivery to the addresses stated in items A and B of the Contract Details or as they may have been amended by notice.

12. Termination and Cancellation

Termination by the Client

- 12.1 If the Contractor:
- 12.1.1 abandons the Works
 - 12.1.2 fails to proceed regularly and diligently
 - 12.1.3 fails to comply with instructions
 - 12.1.4 is in Material Breach of the Contract
- then the Architect/Contract Administrator may issue the Contractor with a notice of intention to terminate, stating the reason.
- 12.2 If the Contractor fails to remedy the default within 14 days of receiving notice of intention to terminate, the Contractor's employment may be terminated by the Architect/Contract Administrator issuing the Contractor with a notice of termination.

Termination by the Contractor

- 12.3 If the Client is in Material Breach of the Contract, then the Contractor shall issue the Client with a 14-day notice of its intention to terminate, referring to this clause and stating the Material Breach.

- 12.4** If the Client fails to remedy the default within 14 days of receiving the notice, the Contractor may terminate its employment under the Contract by issuing the Client with a notice of termination.

Termination Due to Insolvency

- 12.5** If either Party is declared insolvent or bankrupt under any applicable law, the other Party may terminate the Contractor's employment by issuing the insolvent Party with a notice of termination.

Termination by either Party

- 12.6** Either Party may terminate the Contractor's employment if any event not caused by and not the responsibility of the Parties prevents the Works from being carried out for a continuous period of 60 days.

Consequence on Termination

- 12.7** If the Contractor's employment is terminated by either Party, except under clause 12.6, for a reason:
- 12.7.1** set out under clauses 12.1 and 12.2, the Client shall be entitled to the costs incurred in employing another contractor to complete the Works and to any other reasonable costs incurred due to the termination
 - 12.7.2** set out under clauses 12.3 and 12.4, the Contractor shall be entitled to payment for all costs and losses it incurred because of the termination, along with all payments due under the Contract.
- 12.8** The balance of payment due under clause 12.7.1 shall not be calculated until the related Works are completed by another contractor.
- 12.9** The balance of payment due under clause 12.7.2 is within 14 days of either the Contractor making an application for payment or the Architect/Contract Administrator certifying the final payment due, whichever occurs first.

Access to the Site and Security on Termination

- 12.10** If the Contractor's employment under the Contract is terminated for any reason, the Contractor shall:
- 12.10.1** lose its right to access the Site
 - 12.10.2** remove all its materials and equipment within a reasonable time
 - 12.10.3** no longer be responsible for the security of the Site.

Client's Cancellation Rights

- 12.11** The Client may cancel the Contract within 14 days of signing it and the Contractor shall refund any payments received from the Client. However, if within the 14 days of signing the Contract the Client agrees in writing for the Contractor to undertake any work and/or provide services and/or goods, the Client shall be liable to pay for that work, services and/or goods.

13. Dispute Resolution

Negotiation or Mediation

- 13.1** In the event of any dispute or difference arising under the Contract, the Parties may attempt to settle the dispute, in the first instance, by negotiation or mediation as specified in item N of the Contract Details.

Adjudication

- 13.2** Where it is stated in item N of the Contract Details that adjudication applies:
- 13.2.1** either Party may give notice at any time of its intention to refer a dispute or difference to an Adjudicator
 - 13.2.2** the appointment of the Adjudicator shall be made in accordance with the procedure identified in item N of the Contract Details
 - 13.2.3** the referral of the dispute to an Adjudicator shall be made within 7 days of the issue of the notice
 - 13.2.4** the Parties may agree who shall act as the Adjudicator or the Adjudicator shall be a person nominated, at the request of either Party, by the nominating body specified in item N of the Contract Details
 - 13.2.5** the Adjudicator may allocate between the Parties the costs relating to the adjudication, including the fees and expenses of the Adjudicator
 - 13.2.6** the adjudication rules will be as stated in item N of the Contract Details.
- 13.3** If the initial/preferred dispute resolution process is not successful, the dispute shall be referred to the final resolution process, as set out in item N of the Contract Details.

Arbitration

- 13.4** Where it is stated in item N of the Contract Details that arbitration applies:
- 13.4.1** where in item N as an alternative to litigation in the Contract Details an arbitration agreement is made and either Party requires a dispute or difference (except in connection with the enforcement of any decision of an Adjudicator) to be referred to arbitration, then that Party shall serve on the other Party a notice of arbitration to that effect and the dispute or difference shall be referred to a person to be agreed between the Parties or, failing agreement within 14 days of the date on which the notice is served, a person appointed by the appointing body specified in item N in the Contract Details on the application of either Party
 - 13.4.2** the Client or the Contractor may litigate any claim for a financial remedy which does not exceed the financial limit provided by order made under section 91 of the Arbitration Act 1996
 - 13.4.3** in such arbitration the Construction Industry Model Arbitration Rules (CIMAR) current at the date of the referral shall apply
 - 13.4.4** the Arbitrator shall not have the power referred to in section 38(3) of the Arbitration Act 1996.

Legal proceedings

- 13.5** Either Party may start court proceedings to settle the dispute at any time.

Optional Clauses

14. Programme

- 14.1 If item O of the Contract Details is selected, then the Contractor shall submit a Programme, in the format agreed, to the Architect/Contract Administrator no later than the date of the pre-start meeting.

15. Contractor Design

- 15.1 If item P of the Contract Details is selected, the Contractor shall:
- 15.1.1 use reasonable skill, care and diligence to the standard that a professional designer competent in designing Works of a similar nature would use
 - 15.1.2 subject to clause 15.1.1 ensure that its design is in accordance with the Client's specifications as stated in the Contract Documents.
- 15.2 At least 21 days before carrying out any part of the Works listed under item P of the Contract Details, the Contractor shall submit details of its design to the Architect/Contract Administrator for comment.
- 15.3 The Contractor shall notify the Architect/Contract Administrator of any discrepancies that it finds between its designs and those designs prepared by, or on behalf of, the Client.
- 15.4 The Contractor retains the intellectual property rights in its design but grants the Client an irrevocable licence and permission to use the design for the Works.
- 15.5 The Contractor shall ensure that there is adequate professional indemnity insurance for its design responsibilities, as set out in item P of the Contract Details, and that it remains in place until the end of the limitation period.

16. Required Specialists

- 16.1 If item Q of the Contract Details is selected, then the following clauses shall apply:
- 16.1.1 the Contractor is solely responsible for all the work, services and performance of the Required Specialists, including any design undertaken by them
 - 16.1.2 if the Contractor decides to terminate the employment of a Required Specialist, it shall notify the Architect/Contract Administrator with the reason for this termination and provide a list of suitable alternative specialists
 - 16.1.3 the Architect/Contract Administrator, in considering the list of alternative specialists with the Client and the Contractor, issues an instruction regarding a replacement
 - 16.1.4 the Contractor is responsible for ensuring that insurance is maintained in respect of work carried out by Required Specialists.
- 16.2 The Contractor shall, at the Start Date or thereafter as appropriate, employ the Required Specialists to undertake the part(s) of the Works described in item Q of the Contract Details.
- 16.3 The Contractor shall be responsible for any delay or additional costs arising from the termination and replacement of a Required Specialist.

17. Completion in Sections

- 17.1 If item R of the Contract Details is selected, then the Works shall be divided into Sections as described in the schedule under that item.

18. Milestone Payments and Payment on Practical Completion of the Works

- 18.1 If item S1 or item S2 of the Contract Details is selected, then the part of item K of the Contract Details regarding payment certificate frequency shall not apply.
- 18.2 If item S1 of the Contract Details is selected, then the Interim Payment Date shall be the dates on which the milestones are achieved.
- 18.3 When the Architect/Contract Administrator is satisfied that a milestone has been achieved it will notify the Parties.
- 18.4 If item S2 of the Contract Details is selected, the Interim Payment Date shall be 7 days after the Architect/Contract Administrator has certified Practical Completion.

19. Client Acting as Contract Administrator

- 19.1 If item T of the Contract Details is selected, then the Client shall act as the Contract Administrator for the Works. The Client shall carry out all duties and bear all the responsibilities of the Architect/Contract Administrator's role under the Contract.

20. Insurance Backed Guarantee

- 20.1 If item U of the Contract Details is selected, then the Contractor shall provide, before the Start Date, evidence of the Insurance Backed Guarantee and the nature of the cover. The guarantee shall:
- 20.1.1 be issued by a reputable organisation
 - 20.1.2 be for the benefit of the Client
 - 20.1.3 become effective if the Contractor ceases to trade.

21. New Building Warranty

- 21.1 If item V of the Contract Details is selected, then the Contractor shall provide the Client with a New Building Warranty, as set out in that item, within a reasonable period following Practical Completion.

22. Evidence of Ability to Pay the Contract Price

- 22.1 If item W of the Contract Details is selected, then the Client shall provide evidence of its ability to pay the Contract Price within 21 days of receiving a request from the Contractor. Such request shall be made no later than 21 days prior to the Start Date.
- 22.2 If the Client fails to provide such evidence, the Contractor may suspend some or all of its obligations under clause 8 of the Contract.

Appendix

Notice of Cancellation

The Client has the right to cancel the Contract, for any reason, by sending (including by email) a notice of cancellation to the Contractor within 14 days of signing the Agreement.

The notice of cancellation may be worded as follows:

Dear [*Contractor's name or name of business*]

Notice of Cancellation

The Client [*Client's name*] hereby gives notice that the RIBA Domestic Building Contract 2018 entered into with the Contractor [*Contractor's name or name of business*] on [*date stated at end of Agreement section*] is cancelled.

Yours sincerely

[*Client's signature*]

[*Date*]

Note: The Client may cancel the Contract within 14 days of signing it and the Contractor shall refund any payments received from the Client. However, if within 14 days of signing the Contract, the Client agrees in writing that the Contractor shall undertake any work and/or provide services and/or goods, the Client shall be liable to pay for that work, services and/or goods.

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