

Contractual Awareness Introduction

CORPORATE OVERVIEW



- Founded in 1973 in Manchester specialising in construction dispute resolution
- Headquarters at Warrington, Cheshire
- Additional offices in London, Cumbria and Teesside
- In September 2006, acquired by **Hill International, Inc.**, one of the largest construction consulting firms in the world providing project management and construction claims services to public and private clients worldwide
- Access to over 4,000 professionals in 100 offices worldwide, each with a local understanding of their respective markets - ***the world's largest construction claims practice***

CONSTRUCTION CLAIMS



Knowles
A Hill International Company

Dispute Avoidance

- Contractual Advice and Contract Drafting
- Procurement and Partnering Advice
- Construction Defects Diagnosis and Technology
- Seminars and Training

Dispute Resolution

- Adjudication / Mediation / Conciliation / Expert Determination
- Claim Preparation
- Delay and Disruption Analysis
- Expert Witness Testimony

Dispute Management

- Litigation Support
- Cost and Damages Assessment
- Project, Risk and Strategic Management

GERALDINE FLEMING



- BSc (Hons) Quantity Surveying
- MRICS
- Worked for main contractor for 5 years as site QS
- Completed law degree in 2002
- Completed solicitor's exams in 2004
- Worked for Knowles for over 18 years
- Vice President and Executive Director

Our courses



- Contractual Awareness
- Forms of contract (JCT, NEC, bespoke)
- Credit management
- We've done the work, how do we get paid?
- Delays, extensions of time and liquidated damages
- Other issues – collateral warranties / retention etc

Some commissions

- Internal training on NEC contracts to a main contractor
- Internal training on JCT contracts to a subcontractor
- Producing a set of terms and conditions for a subcontractor (ensuring that he can agree variation prices before having to do the work)
- Reviewing an NEC subcontract, and successfully agreeing significant alterations to the form on the subcontractor's behalf
- Writing supply only terms, including limitation of liability clauses
- Contractual advice regarding retention release and liability for defects
- Acting in an adjudication for a main contractor
- Negotiating an account with a difference of over £700k

After this course ...

- Review your credit management systems
- Check your own terms – vital document for your business
- Review your current contracts
- Keep your ear to the ground
 - Find out who is paying and who is not
 - Find out who is involved in problem jobs

The Contract

You need one - unless you enjoy playing poker



What should it cover?

- Specification for the goods
- Delivery
- Quality
- Title to the goods
- Risk to the goods
- Price / payment (VAT)
- Suspension / termination
- Limitation of liability
- Force majeure
- Scope of works (testing / commissioning / maintenance?)
- Drawings (what revision) and specification

The Contract – main / subcontractors

- What should it cover?
 - Scope of works (testing / commissioning / maintenance?)
 - Drawings (what revision) and specification
 - Payment (incl discount / retention / MOS)
 - Design responsibility
 - Insurance
 - Programme (sectional completion?)
 - Subcontracting
 - Attendances
 - LD's
 - Bonds, warranties, PCG's
 - Limitation of liability clause
 - Retention

Payment – an intro



- Why are you in business ... to make money
- You need to understand the rules of engagement regarding payment

Payment – for suppliers

- You need clear terms, eg
 - Advance payment
 - Interim payments if the working period is over 28 days
 - You will send interim bills
 - They must pay within ___ days
 - If they disagree, they must challenge within ___ days of receiving the bill – with reasons, and must still pay the undisputed items in full

Payment – for main / subcontractors

- You are in contract with another organisation – could be a main contractor, local authority, school or another M&E subbie
- You are supplying and installing
- It does include working on a house where you are working directly for a main contractor
- You need to ensure your contract clearly uses the following terms
 - Due date
 - Final date for payment
 - Payment notice
 - Pay less notice

Contact Details



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