## STANDARD TERMS OF CONTRACT



- 1. The parties to this contract are as stated in the Letter of Engagement.
- 2. The Consultant shall provide the services stated in the attached letter of engagement ("the Letter of Engagement") and any additional services as may be requested by or agreed with the Client (together "the Services").
- 3. The date of this contract shall be the earlier of the date of the Letter of Engagement or the date on which the Consultant first began performance of the Services.
- 4. The Consultant shall exercise reasonable skill and care in the performance of the Services.
- 5. Unless expressly stated in the Letter of Engagement or otherwise agreed in writing by the Client and the Consultant, the Consultant shall not act as the principal designer for the purposes of the Construction (Design and Management) Regulations 2015.
- 6. Subject to clause 5, the Consultant shall perform the Services in compliance with the Construction (Design and Management) Regulations 2015.
- 7. The Client shall ensure that his decisions, instructions, consents or approvals on or to all matters properly referred to him shall be given in such reasonable time so as not to delay or disrupt the performance of the Services by the Consultant.
- 8. The copyright in all drawings and other documents (including material in electronic form) provided to the Client by the Consultant shall remain vested in the Consultant but the Client shall have a licence to copy and use such drawings and other documents for the purposes for which they were provided. In the event of the Client being in default of payment of any fees or other amounts due under this contract, the Consultant may revoke the licence herein granted on giving seven days' notice. The Consultant shall not be liable for the use by any person of any such drawings or other documents for any purpose other than that for which the same were provided by the Consultant.
- 9. Notwithstanding anything to the contrary in this contract, the total liability of the Consultant under or in connection with this contract whether in contract or in tort or in negligence or for breach of statutory duty or otherwise (other than in respect of personal injury or death) shall not exceed amounts recoverable by the Consultant under the professional indemnity insurance policy taken out by the Consultant and in force at the time that the claim or (if earlier) circumstance(s) that may give rise to the claim is/are reported to the insurers in question. This limitation shall not apply if no such amount is recoverable because the Consultant breaches the terms of any such insurance policy or fails to report any such claim or circumstances to insurers in accordance with the policy's terms.
- 10. Without prejudice to clause 9, the liability of the Consultant for any claim or claims shall be further limited to such sum as it would be just and equitable for the Consultant to pay having regard to the extent of the Consultant's responsibility for the loss and damage suffered as a result of the occurrence or series of occurrences in question ("the loss and damage") and on the assumptions that:
  - (i) all other consultants and all contractors and all sub-contractors appointed in connection with the project in question shall have provided contractual undertakings on terms no less onerous than those set out in clause 4 above to the Client in respect of the carrying out of their obligations;
  - (ii) there are no exclusions of or limitations of liability nor joint insurance or co-insurance provisions between the Client and any other party referred to in this clause and any such other party who is responsible to any extent for the loss and damage is contractually liable to the Client for the loss and damage; and
  - (iii) all such other consultants and all such contractors and sub-contractors have paid to the Client such proportion of the loss and damage which it would be just and equitable for them to pay having regard to the extent of their responsibility for the loss and damage.
- 11. The Client shall pay the Consultant for the performance of the Services the fees and expenses set out in the Letter of Engagement plus the fee for any additional services and VAT. Unless otherwise agreed between the parties, the fee for the performance of any additional services shall be calculated on a time spent basis.
  - (i) Unless otherwise stated in the Letter of Engagement, the Consultant shall submit invoices on a monthly basis to the Client. Amounts under this contract shall become due for payment on submission of the Consultant's invoice ("Due Date").
  - (ii) Not later than 5 days after the Due Date, the Client shall notify the Consultant of the sum that it considers to be due and the basis on which that sum has been calculated ("Payment Notice"). The final date for payment ("Final Date") shall be 25 days after the Due Date.
  - (iii) Unless the Client has served a Pay Less Notice (as defined below), the Client shall pay the Consultant the sum referred to in the Payment Notice ("Notified Sum"). If the Client has not served a Payment Notice, the Notified Sum shall be the amount stated in the invoice. The Client shall pay the Consultant the Notified Sum on or before the Final Date.
  - (iv) Not less than 5 days before the Final Date ("Prescribed Period"), the Client may give the Consultant notice that it intends to pay less than the Notified Sum ("Pay Less Notice"). Any Pay Less Notice shall specify the sum that the Client considers to be due on the date the Pay Less Notice is served and the basis on which that sum is calculated.

- (v) Should the Consultant become insolvent (as defined in section 113 Housing Grants, Construction and Regeneration Act 1996) after the Prescribed Period, the Client shall still be required to pay the Notified Sum.
- (vi) Should the Client fail:
  - (a) to pay in full by the Final Date any sum due to the Consultant under this contract; and
  - (b) serve a Pay Less Notice;

the Consultant may suspend the performance of any or all of the Services and its other obligations under this contract by giving not less than 7 days' written notice to the Client of the Consultant's intention to do so and stating the grounds on which it intends to suspend performance.

- 12. Interest shall be added to all amounts remaining unpaid after the Final Date and shall be calculated at the rate of 8% above the Bank of England base rate from time to time in force. In the event that the Consultant has to use debt collection procedures to recover any sums properly due to it under this contract, the Consultant shall charge the Client such costs as are reasonable and proportionate to the debt owed.
- 13. If the Consultant agrees to appoint sub-consultants on the Client's request, the Client shall pay the Consultant for the sub-consultants' services as part of the payment procedures set out in this contract at cost (plus an arrangement fee) which the Consultant will agree with the Client in advance. In employing sub-consultants on the Client's behalf, the Consultant does not accept any liability to the Client for such sub-consultant's services or for any consequential costs arising therefrom. The Consultant can if required request a letter of reliance in the Client's favour from the sub-consultant warranting their services.
- 14. Either party may terminate the Consultant's engagement under this contract in the event of a material breach of this contract by the other party or in the event of the insolvency of the other party by giving two weeks' notice in writing in respect of all the Services.
- 15. The Client shall be entitled to suspend the Services or any part thereof by giving two weeks' notice in writing. The Consultant shall cease such suspended Services in an orderly and economical manner. If the Client has not asked the Consultant to restart its services within 6 months, the Consultant may make a written request for the Services to be resumed. If the Client does not confirm in writing within two weeks of the Consultant's request that the Services should be resumed, this contract shall then terminate.
- 16. Upon the occurrence of any circumstance beyond the control of the Consultant which is such as to prevent or significantly impede the performance by the Consultant of the Services, the Consultant may suspend the Service by giving two weeks' written notice for up to twenty six weeks. The Consultant shall cease such suspended Services in an orderly and economical manner. At the end of the specified period, the Consultant shall either continue with the provision of the Services or, if the Consultant is still unable to continue the provision of the Services for reasons beyond its control, the Consultant shall terminate its engagement under this contract on two weeks' notice in writing.
- 17. In the event of any suspension or termination in accordance with clauses 11(vi), 13,14 or 15, the Client shall pay the Consultant a fair and reasonable amount commensurate with the Services performed to the date of such termination and any outstanding invoices and expenses.
- 18. Neither party shall assign or transfer the benefit of this contract without the prior written consent of the other party.
- 19. Any notice under this contract shall be in writing and given by sending the same by hand or Royal Mail special delivery to the Client or the Consultant at the address shown in clause 1. For the avoidance of doubt, any notice sent by e-mail shall not be an effective notice under this contract. Notices shall take effect when they have been received by the Client or the Consultant as the case may be.
- 20. This contract shall be governed by and construed in accordance with the laws of England and shall be subject to the exclusive jurisdiction of the English Courts.
- 21. Where this contract is a construction contract within the meaning of the Housing Grants, Construction and Regeneration Act 1996 either party may refer any dispute arising under this contract to adjudication in accordance with the Construction Industry Council Model Adjudication Procedure current at the time of referral.

The work will be carried out on the understanding that these Standard Terms of Contract have been read and agreed to.