



SOUTHERN RESPONSE CANTERBURY EARTHQUAKE RECONSTRUCTION PROJECT

GENERAL CONDITIONS OF CONTRACT FOR HOUSING REBUILD AND REPAIRS

SAMPLE

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SOUTHERN RESPONSE CANTERBURY EARTHQUAKE RECONSTRUCTION PROJECT

GENERAL CONDITIONS OF CONTRACT FOR HOUSING REBUILD AND REPAIRS

BACKGROUND

AMI Insurance Limited changed its name to Southern Response Earthquake Services Limited on 5 April 2012.

The Homeowner is or was the owner of a property located in Canterbury (the "Insured Property"), that was insured by Southern Response on the terms and conditions contained in the relevant insurance policy ("**the insurance policy**"). The Insured Property has been damaged by earthquake and requires to be repaired or rebuilt

The work required to carry out those repairs or that rebuilding is included in the Contract Works under this contract. The insurance policy provides that if EQC agrees to pay a claim for loss or damage to the homeowners home Southern Response will provide earthquake top-up cover and make payment to the extent set out in the Insurance Policy. The Homeowner has become entitled to one or more payments by EQC in respect of earthquake damage to the Homeowner's home, and the top up and other provision of the Insurance Policy therefore apply in relation to the repair and rebuilding.

As the amount payable for the Contract Works under this contract exceeds the amount which Southern Response is liable to pay under the top-up and other provisions of the Insurance Policy, the Homeowner has agreed to pay to Southern Response the payments provided for in this contract, including before the commencement of the Contract Works. The Homeowner's agreement to do so has been material to, and a condition of Southern Response's agreement to (i) enter in to this contract for the full scope of the Contract Works and (ii) make the payments as set out in this contract.

1. INTRODUCTION

- 1.1. The Contract Documents will together comprise this contract ("**this contract**").
- 1.2. This contract is a lump sum contract. Payment of the Contract Price will be made in the manner set out in this contract. No adjustments will be made for fluctuations in the cost of materials or labour. There will be no extra costs allowed during or at the completion of this contract unless arising by way of a Variation approved under the terms of this contract.

2. CONTRACT WORKS

- 2.1. The Contract Works include all work required by the content of Appendix A plus any Variations to those works..

3. PROJECT MANAGER

- 3.1. Southern Response may appoint an agent ("**the Project Manager**") for the purposes of the management and administration of the Contact Works and to ensure a clear

channel of communication between the Contractor and Southern Response and the Homeowner.

- 3.2. Southern Response and the Homeowner may also appoint one or more of an architect, structural or geotechnical engineer and surveyor to provide advice and oversight concerning elements of the work. Their representatives will be entitled to access the Site and inspect the Contract Works for the purpose of carrying out their functions.
- 3.3. Except where this contract otherwise provides, instructions, directions or approvals necessary for the administration of the Contract Works shall be given only through the Project Manager (including instructions and directions from any architect, engineer or surveyor appointed by Southern Response and the Homeowner). Any notice to be given by the Contractor to Southern Response or the Homeowner shall be given to the Project Manager, receipt by whom shall be deemed to be receipt by Southern Response and the Homeowner (as the case requires).
- 3.4. Instructions, directions or approvals issued by the Project Manager in accordance with its contract with Southern Response in respect of the Contract Works shall be binding on Southern Response and the Homeowner as if they had been issued by Southern Response and the Homeowner.
- 3.5. The Contractor undertakes to cooperate at all times with the Project Manager and to act in a timely manner in response to all instructions directions or approvals received from the Project Manager. The Contractor shall not act on any other instruction from any other party without first seeking written approval from the Project Manager.
- 3.6. All references in this contract to Southern Response or the Homeowner having the right to do anything or give any instruction, direction, or approval shall be read as including any corresponding right of or action by the Project Manager.

4. THE SITE

- 4.1. The Contractor shall be granted access to the Site sufficient for the execution of the Contract Works. The Contractor acknowledges and has allowed for the fact the Homeowner may be living on the Site during the period of the Contract Works. Specific arrangements (if any) concerning occupation of the Site will be set out in the Contract Agreement.
- 4.2. The Contractor will observe any special access conditions directed by the Project Manager related to the Site and shall at all times operate within those conditions.
- 4.3. Occupancy or use of the Site by the Homeowner or Separate Contractors shall not affect any of the obligations of the Contractor.

5. DESIGN

- 5.1. Where the Contractor is required to provide design and associated observation services as part of the Contract Works, the Contractor shall be responsible for ensuring that the design complies with the requirements of the design brief (as specified in Appendix A), is of a professional standard, and is in accordance with, and complies with, all laws and legal requirements, including, without limitation, the Building Act 2004, the Resource Management Act 1991 and the regulations to those Acts.

5.2. The following shall apply in all cases where the Contract Works includes design for which the Contractor is responsible:

- (a) The Contractor must ensure that the designs produced when built will not require any resource consent to implement and all design work is carried out or supervised by LBPs as required by the Building Act 2004;
- (b) If the relevant building consent authority requires a "PS1" form of producer statement to be prepared and filed to facilitate the application for a building consent, the Contractor shall carry out its design work in a manner which allows it to issue that document and will do all things necessary to prepare and provide that document to the local authority at the necessary time;
- (c) The design work must be carried out with reasonable skill, care and diligence;
- (d) The Contractor must ensure that all design documents are approved "for construction" and signed by the relevant designer before issue;
- (e) All of the Contractor's obligations to Southern Response and the Homeowner relating to quality, and the provision of warranties and guarantees apply including but not limited to the provisions of section 7 of these General Conditions;
- (f) The Contractor must provide all design information and do all things necessary to acquire the necessary project information memoranda and building consents, including but not limited to provision of design producer statements, engineering calculations, drawings and specifications. The information provided must be in a form acceptable to the building certification authority. The cost of obtaining the same shall be borne by the Contractor;
- (g) The copyright in design documents produced for the Contract Works shall vest with the Contractor;
- (h) The Contractor must provide two copies of the final drawings and specifications for the Contract Works to Southern Response via the Project Manager for review, before construction and/or fabrication starts, and allow reasonable time for comment, and approval by Southern Response. The Contractor will remain entirely responsible and liable for the design provided by the Contractor, notwithstanding any review, comment or approval before construction and/or fabrication starts.

5.3. The Contractor will take all reasonable steps to identify separately:

- (a) Building work required that arises from any work previously done on the Insured Property to the structures or land which did not comply with any building or resource management legislation or rules at the time it was carried out;
- (b) Building work that is not covered by the Earthquake Commission under the Earthquake Commission Act 1993 but which is required to be carried out to repair or rebuild the Property;
- (c) Consents or steps required by any relevant legal requirement relating to the building work including:
 - i. Restrictions on rebuilding on the Property because of earthquakes, land stability or land remediation issues;

- ii. Whether a resource consent may be required for any building work;
 - iii. Whether pre-existing floor levels may need to be raised.
- 5.4. If the Contractor reasonably believes one of more of the issues referred to in clause 5.3 cannot be identified by the Contractor, the Contractor will inform the Homeowner and Southern Response via the Project Manager and if necessary provide an explanation of whether any further investigation may be required.
- 5.5. The Contractor will then take further instructions from Southern Response via the Project Manager before concluding any design documentation if further investigation is required and incorporate those instructions into any final design documentation.

6. DOCUMENTATION DISTRIBUTION AND CONTROL

- 6.1. All documentation and communications relating to the Contract Works and instructions issued under this contract whether for tender, consent, review, construction, or approval or for any other purpose shall be made and recorded in electronic format via the web / internet. To facilitate this process Aconex is to be implemented on all Southern Response Earthquake projects. The Homeowner will, through Southern Response, have access to all information relating to the Contract Works.
- 6.2. The Contractor acknowledges that the Aconex platform will be made available to it for the management of documentation and correspondence associated with the Contract Works.
- 6.3. The Contractor must implement (at its own cost) computer systems sufficient for it to properly use and operate Aconex. The Contractor must undertake training by Aconex staff (at its own cost) to a standard directed by the Project Manager as a prerequisite to commencing any works under this contract.

7. QUALITY

- 7.1. This contract provides for building work to be carried out in relation to a household unit (as those terms are defined in the Building Act 2004). All statutory warranties and guarantees (including those provided for in the Building Act 2004 and the Consumer Guarantees Act 1993) apply to the Contractor, the Contract Works and services provided under this contract, for the benefit of Southern Response in respect of its obligations to the Homeowner under the insurance policy and for the benefit of the Homeowner directly (as the case requires).
- 7.2. The Contract Works must be suitable to allow the premises within which the Contract Works form part to be occupied and used as a household unit (as that term is used in the Building Act). The Homeowner and Southern Response rely on the skill and judgement of the Contractor that the building work and any materials used in carrying out the building work will be reasonably fit for that purpose.
- 7.3. The Contractor must ensure that all work carried out pursuant to this contract is carried out or supervised by LBPs as required by the Building Act 2004.
- 7.4. All work must be carried out in accordance with good trade practice. Materials are to be new, of good quality, and suitable for the intended purpose.

8. GENERAL OBLIGATIONS OF THE CONTRACTOR

- 8.1. The Project Manager, any architect, engineer or surveyor referred to in clause 3.2 and the Homeowner may inspect the Site and the Contract Works at any time and the

Contractor and the Homeowner will allow the Project Manager; any architect, engineer or surveyor referred to in clause 3.2 unimpeded access for that purpose. Prior to inspection of the Site and Contract Works, the Homeowner must, where required by the Contractor, sign-in to the site and must comply with all reasonable health and safety instructions of the Contractor during the inspection.

- 8.2. Prior to starting on Site, the Contractor shall provide evidence satisfactory to the Project Manager that it has:
 - (a) A Site specific health and safety plan in place for the Contract Works; and
 - (b) Insurance as required by this contract.
- 8.3. The Contractor shall at its own cost set out the Contract Works and provide all labour, materials, services, temporary works, equipment and plant required for the proper and timely execution of the Contract Works. All costs of rectifying any errors in the setting out of the Contract Works will be borne by the Contractor.
- 8.4. The Contractor shall comply in all respects with all laws and legal requirements, including, without limitation, the Building Act, the Resource Management Act, and all regulations, by-laws, licences, permits and consents, applicable to the Contract Works.
- 8.5. The Contractor shall be responsible for obtaining all relevant code compliance certificates or consent completion certificates (as applicable) under the Building Act 2004 in relation to the Contract Works and the use of the Contract Works when completed. The cost of obtaining the same shall be borne by the Contractor.
- 8.6. The contractor will appoint appropriate people to:
 - (a) Act as the single point of contact for the relevant council in all matters concerning the building consent inspections process;
 - (b) Actively manage the Site in accordance with the Contractor's quality procedures ensuring that the agreed building consent inspections and tests are completed and certified by the relevant approving authorities.
- 8.7. Subject to the excepted risks in clause 8.11 the Contractor shall be responsible for the protection of the Contract Works, the Site and materials on the Site and to prevent unauthorised entry to the Site from the time it obtains access to the Site until Practical Completion of the Contract Works is achieved.
- 8.8. Subject to the excepted risks in clause 8.11 the Contractor shall be liable for any loss or damage caused to the Contract Works, the Site, materials on the Site or to any existing buildings (in part or in their entirety) on the Site arising out of or in consequence of carrying out of the Contract Works or remedying defects in the Contract Works and performing its obligations under this contract by the Contractor or any of its Sub Contractors.
- 8.9. Without limiting any other rights that Southern Response and the Homeowner may have, if loss or damage occurs to the Contract Works, or materials to be incorporated into the Contract Works, and the Contract is not terminated and the Contractor is responsible for that loss or damage then the Contractor will:
 - (a) Repair or reinstate the loss or damage to the standard required by this Contract without any additional payment;

- (b) Make any claim available to it under any policy of insurance referred in clauses 10.2.1 and 10.3.1;
 - (c) Provide to Southern Response at Southern Response's reasonable request information relating to that claim/s;
 - (d) Be responsible for any excess payable in respect of that claim/s; and
 - (e) Hold on trust for the benefit of Southern Response and the Homeowner any proceeds received by it from such policy of insurance in respect of that loss or damage and apply those proceeds to carry out the required repairs or reinstatement.
- 8.10. Without limiting any other rights that Southern Response, the Homeowner, or the Contractor may have, if loss or damage occurs to the Contract Works, or materials to be incorporated into the Contract Works, and the Contract is not terminated; and the Contractor is not responsible for that loss or damage then if Southern Response requires it, the Contractor will repair or reinstate the loss or damage to the standard required by this Contract and the required repairs or reinstatement will be treated as if they were a Variation.
- 8.11. The excepted risks referred to in this clause are:
- (a) Riot (in so far as it is uninsurable), civil commotion or disorder (unless solely restricted to employees of the Contractor or its Subcontractors and arising from the Contractor's conduct of the Contract Works), war, terrorism, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection of military or usurped power;
 - (b) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosive, or other hazardous properties of any nuclear explosive, nuclear assembly or nuclear component thereof;
 - (c) Pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;
 - (d) The use, occupation or taking over of any portion of the Contract Works by anyone other than the Contractor or its Sub-contractors including but not limited to any portion in respect of which a certificate of Practical Completion has been issued;
 - (e) Any fault, defect, error or omission in the design of the Contract Works for which the Contractor is not responsible under the contract;
 - (f) Any such operation of the forces of nature as an experienced contractor could not foresee or reasonably make provision for, or insure against;
 - (g) Earthquakes and other seismic events;
 - (h) Any risks specifically excepted in the Contract Agreement;
 - (i) Any act or omission of Southern Response or the Homeowner or of the Project Manager or his or her assistants or of any other Person for whose acts or

omissions Southern Response or the Homeowner is as between itself and the Contractor responsible.

- 8.12. The Contractor must remove from the Site all rubbish, debris and waste resulting from its activities, and make good at its own cost all fencing, roads, footpaths, access ways and surfaces which have been disturbed or damaged by the Contractor or any of its SubContractors or suppliers. Neighbouring properties must be cleaned daily if required. All working areas shall be kept clean and free from debris at all times.
- 8.13. The building shall be ready for occupation and a cleaner must be employed by the Contractor to clean up at the end of this contract.
- 8.14. If any existing building on the Site is exposed to the weather elements during this contract, then the Contractor shall fully protect the building from weather damage.
- 8.15. Materials from demolition become the property of the Contractor except where expressly provided otherwise. The Contractor shall remove and dispose of redundant materials from the Site as work proceeds at frequent intervals.

9. INSPECTION AND APPROVAL

- 9.1. If the Contractor considers that the condition of any surface or construction by any Separate Contractor would prevent satisfactory execution and completion of the Contract Works the Contractor shall notify the Project Manager. In such an event the Project Manager shall arrange or undertake an inspection of the relevant surface or construction. Failing such notice, the Contractor will not be relieved of its responsibility for the quality of finish required and shall not be entitled to any additional costs related to a requirement to remedy any defects arising.

10. INSURANCE

10.1. Plant and vehicles

- 10.1.1. The Contractor must insure all construction plant that it brings onto the Site for at least its market value.
- 10.1.2. The Contractor must hold motor vehicle liability insurance for liabilities arising from the use of any motor vehicle belonging to or under the care, custody or control of the Contractor in connection with the execution of the Contract Works.

10.2. Contract Works and the existing building

- 10.2.1. Southern Response will insure the Contract Works and materials to be incorporated in the Contract Works on the terms set out in the Southern Response contract works policy wording provided to the Homeowner and the Contractor, and associated policy schedule attached to this agreement as Appendix C, for the value of the Contract Works up to a total sum insured limit of \$750,000 or if a higher amount is specified in the policy schedule that higher amount.

- (a) The insurance referred in this clause shall be in the joint names of the Homeowner and the Contractor. Southern Response shall maintain that insurance from the time the Contractor gains access to the Site until the issue of the Defects Liability Certificate for the Contract Works.

The insurance provided by Southern Response will not relieve the Contractor of any of its obligations under this contract.

- 10.2.2. If there are existing buildings and other improvements on the Site and the Contract Agreement provides for it, they will be insured in the name of the Homeowner solely on the basis set out in the Contract Agreement.

10.3. Public liability insurance

- 10.3.1. The Contractor shall put in place public liability insurance for the sum stated in the Contract Agreement and if no sum is stated for an amount not less than one million dollars for any one event.
- 10.3.2. The public liability insurance shall extend to cover liability for the loss of use of property whether it has been damaged or not, provided such loss or use results from an insured cause.
- 10.3.3. The Contractor shall maintain the public liability insurance from the time the Contractor gains access to the Site until the issue of the Defects Liability Certificate for the Contract Works.

10.4. Professional indemnity insurance

- 10.4.1. Where the Contract Agreement provides, and without limiting its obligations in this section, the Contractor shall in the name of the Contractor effect professional indemnity insurance relating to all design works procured, supplied or carried out by the Contractor in relation to the Contract Works and the performance of the Contractor's obligations under this contract for the Contractor's design for an amount not less than that stated in the Contract Agreement for any one claim or series of claims arising out of the same occurrence and in the aggregate.
- 10.4.2. The Contractor shall maintain the professional indemnity insurance up to Practical Completion of the whole of the Contract Works and thereafter for a further period of ten years.

11. VARIATIONS

- 11.1. Southern Response shall be entitled to vary the Contract Works including increasing, decreasing, adding to, omitting from, or otherwise changing the Contract Works ("**Variations**"). As between Southern Response and the Homeowner nothing in this clause is to be interpreted as limiting the homeowner's rights under its insurance policy with Southern Response. The Contractor may also make requests for Variations which will be dealt with as set out below.
- 11.2. The value of Variations shall be added to or deducted from the Contract Price.
- 11.3. The Contractor shall not vary the Contract Works without an order in writing from the Project Manager.
- 11.4. Where an instruction is given by the Project Manager which is not in writing or is not expressly stated to be a Variation, and the Contractor considers that the instruction involves a Variation, it shall within seven days of receiving the instruction give written notice to the Project Manager to that effect. Unless the Project Manager by notice in writing within a reasonable time rejects the Contractor's claim the instruction shall be treated as if it was a Variation.

- 11.5. Where possible Variations shall be valued by agreement between the Project Manager and the Contractor, but failing agreement then by taking the Net Value of the Variation and increasing that figure by the percentage specified in the Contract Agreement to cover the Contractor's preliminary and general on-site and off-site overheads and the Contractor's profit.
- 11.6. If requested by the Project Manager, the Contractor shall supply a price for any proposed Variation for approval. The cost of processing Variations shall be included in the Contract Price.
- 11.7. The Project Manager may require any additional work to be performed on a day works basis. The rates applying shall be those included in this contract for this purpose and if no rates are included at rates agreed, and failing agreement at competitive market rates as determined by the Project Manager with reference to respected industry sources.

11.8. Unforeseen Physical Conditions

- 11.8.1. The Contractor shall notify the Project Manager as soon as practicable of any unforeseen condition which the Contractor believes could not reasonably have been foreseen when tendering by an experienced contractor and which will, in the Contractor's opinion, increase its costs or delay progress of the Contract Works or require an extension of time as soon as is practicable and where possible before the conditions are disturbed.
- 11.8.2. For the purpose of this clause physical conditions shall include artificial obstructions and weather conditions away from the building site.
- 11.8.3. If as a result of such conditions the Contractor proposes to make a claim for additional payment, the Contractor shall follow such notice as soon as is practicable with details of the additional materials, plant, labour and programmer works proposed to be used, the anticipated delay to, or interference with the Contract Works and an estimate of the claim of the additional payment.
- 11.8.4. To the extent that the conditions notified could not reasonably have been foreseen by an experienced contractor or will substantially increase the Contractor's costs, the effect of the conditions notified shall be treated as if it was a request for a Variation under this section 11 and/ or a request for and extension of time under clause 13.4.

11.9. Land Subsidence and Earth Fill

- 11.9.1. Notwithstanding any other clause in the contract the Contractor shall not be responsible for:
- (a) Any damage to the Contract Works caused by subsidence or any damage to the Site during the period from the commencement of the Contract Works until the issue of the Defects Liability Certificate unless such damage has been caused by any breach of the Contractor's obligations under this contract or a negligent act or omission on the part of the Contractor;

(b) Any additional costs associated with any foundations, defects or difficulties which were not discoverable by the Contractor on a reasonable inspection of the Site.

11.9.2. The Contractor shall not be liable for any damage to or deterioration of any buildings on the Site, or to the Site caused by or resulting from the inadequacy or negligent application of earth fill, unless such damage or deterioration may be properly attributable to any breach of the Contractor's obligations under this contract or a negligent act or omission on the part of the Contractor.

11.9.3. If any circumstances arising from the matters referred to in clause 11.9.1 or 11.9.2 occur the Contractor shall notify the Project Manager as soon as practicable.

11.9.4. If those circumstances may result in the Contractor making a claim for additional payment or may result in delay clauses 11.8.3 and 11.8.4 will apply.

11.10. Additional work

11.10.1. In the event that any work additional to that specified in the plans and specifications or any altered work is required by the building consent authority as a condition of the granting or retention of a building consent or otherwise, or for any part of the Contract Works to comply with the building code, then:

(a) The Contractor and the Project Manager shall consult concerning the requirement for additional work. The Project Manager shall advise the Contractor whether the additional or altered work is to be carried out, or whether some alternative, if any, which will avoid the need for the additional or altered work required by the building consent authority is to be carried out; and

(b) If the requirement by the building consent authority for additional or altered work is due to any discrepancy, error or defect in the plans or specifications supplied by the Project Manager, or is otherwise due to non-compliance with building consent authority, or legislative requirements (such as the Building Act 2004 or the Resource Management Act 1991) which did not arise as a result of any breach of the Contractor's obligations under this contract, and those circumstances may result in the Contractor making a claim for additional payment or may result in delay then such a claim will be treated as if it was a request for a Variation under this section 11 and/or a request for and extension of time under clause 13.4.

12. PRIME COST SUMS

- 12.1. Prime cost sums may be provided for materials to be supplied by the Contractor for incorporation into the Contract Works and for which freedom of selection by the Homeowner is reserved. Those sums will only be incurred on the instructions of the Project Manager. The Contractor will provide sufficient information to the Project Manager to allow the Project Manager to consider any request by the Contractor for that expenditure. The prime cost sums are for the supply only of materials. The Contractor shall allow for the labour required for fitting of prime cost materials to be included in the Contract Price for the Contract Works.
- 12.2. The amount payable to the Contractor in respect of materials covered by prime cost sum items shall be the net purchase price with a margin allowance of 10% for profit and overheads.
- 12.3. The prime cost sums shall be separately included in the amounts tendered making up the Contract Price for the Contract Works.

13. TIME FOR COMPLETION

13.1. Commencement

- 13.1.1. The Date of Commencement for the purposes of calculating timeframes for completion is as set out in the Contract Agreement. The Contractor shall be given access to the Site as set out in the Contract Agreement.
- 13.1.2. In all cases the Contractor shall then proceed with the execution of the Contract Works with due diligence except as may be sanctioned or instructed by the Project Manager.
- 13.1.3. The Contractor shall regularly and diligently proceed with and complete the Contract Works in an expeditious and workmanlike manner and shall do everything reasonably necessary to prevent any delay and to mitigate the effects of such delay.
- 13.1.4. If the Contractor is responsible for causing any delay it shall at its own cost take all necessary steps to overcome the delay and indemnifies Southern Response for any and all costs and/or losses incurred by Southern Response as a result of the delay. Southern Response may deduct the amount of its actual costs and/or losses from any monies payable to the Contractor. Southern Response's rights under this clause are without prejudice to any other remedies available to it under this Contract or at law.

13.2. Due Date for Completion

- 13.2.1. The Due Date for Completion of the Contract Works shall be in accordance with the Contract Agreement. If the Contract Agreement specifies timeframes within which other tasks are to be completed, the Contractor shall also meet those timeframes.
- 13.2.2. The Contract Works shall be carried out to the stage of Practical Completion by the relevant Due Date for Completion.

13.3. Acceleration

13.3.1. The Project Manager may require the Contractor to take steps to accelerate progress in respect of the Contract Works at any time, irrespective of whether a delay has occurred, by applying additional resources as necessary or working longer hours or in whatever other manner that the Project Manager may require. The Contractor shall be entitled to be paid the reasonable cost of applying such resources or work, such amount to be valued in the same way as for a Variation under clause 11.5 unless the reason for the need to accelerate progress has been caused by the Contractor in which case the Contractor shall carry out the steps required at its own cost.

13.4. Extensions of time

13.4.1. The Project Manager shall grant an extension of the time for completion of the Contract Works if the Contractor is fairly entitled to an extension by reason of:

- (a) The net effect of any Variation; or
- (b) Any circumstances not reasonably foreseeable by an experienced contractor at the time of tendering and not due to the fault of the Contractor.

13.4.2. The Project Manager shall not be bound to grant an extension unless:

- (a) The Contractor notifies the Project Manager that it claims an extension and states the grounds for the extension; and
- (b) The notice is given within 10 Working Days after the circumstances arise which are relied on as the grounds for the extension, or as soon as practicable thereafter; and
- (c) The notice either gives details of the period of extension sought or is followed within a reasonable time by a further notice giving such details.

13.4.3. Upon receipt of details of the period of extension sought by the Contractor, the Project Manager shall, if it has determined that the Contractor is entitled to an extension, then determine the period of the extension and notify the Contractor of its decision as soon as practicable.

13.4.4. Where the Project Manager determines that the Contractor is entitled to an extension of time the Project Manager may approve the taking by the Contractor of steps to accelerate the Contract Works. In such case, clause 13.3 will apply.

13.4.5. The Contractor shall not be entitled to compensation for time related costs where an extension of time is granted on grounds other than the net effect of a Variation.

13.5. Certificate of Practical Completion

13.5.1. Practical Completion of the Contract Works is that stage in the execution of the Contract Works when:

- (a) They are complete except for minor omissions and minor defects which do not prevent the Contract Works from being reasonably capable of being used for their intended purpose; and
 - (b) A successful inspection has been completed and confirmed in writing by the relevant building consent authority to the effect that the Contract Works have been completed to a stage where a code compliance certificate or consent completion certificate (as applicable) can be issued.
- 13.5.2. When the Contract Works are believed to qualify for the issue of a certificate of Practical Completion the Contractor shall notify the Project Manager accordingly and provide the Project Manager with a producer statement (commonly referred to as a PS3) in the form specified by the relevant building consent authority to be relied on by that authority for the purposes of establishing compliance with building consent relating to the Contract Works.
- 13.5.3. Within five Working Days of receipt of such notice or as soon as practicable thereafter the Project Manager shall inspect the Contract Works and shall, following consultation with the Homeowner, either:
- (a) Issue a certificate of Practical Completion stating the date and time at which the Contract Works were so completed; or
 - (b) Give the Contractor written notice of the work to be altered or completed in order to qualify for a certificate of Practical Completion.
- 13.5.4. On satisfactory completion of any work required under clause 13.5.3, the Project Manager shall, following consultation with the Homeowner, issue a certificate of Practical Completion stating the date and time at which the Contract Works were so completed.

13.6. Suspension of work

- 13.6.1. If, in the absolute discretion of Southern Response, the suspension of the whole or a part of the Contract Works becomes necessary the Project Manager may instruct the Contractor in writing to suspend the progress of the whole or any part of the Contract Works for such time as Southern Response may think fit, and the Contractor shall comply with the instruction.
- (a) Southern Response may suspend the whole or a part of the Contract Works under this clause if it believes it is necessary to do so in order to assess the circumstances and potential solutions available before an order for a Variation is given under clause 11 or an extension of time is approved under clause 13.4.
- 13.6.2. During the suspension the Contractor shall properly secure and protect the Contract Works against damage and leave the Site in a safe and tidy condition.
- 13.6.3. Unless the suspension is due to default on the part of the Contractor, the suspension shall be treated as if it was a Variation.
- 13.6.4. If the suspension remains in effect for more than three months, the Contractor may request Southern Response in writing to permit the suspended work to be continued. If Southern Response does not grant

permission to continue within one month of receipt of the request, then the Contractor shall be entitled to treat the suspension as a Variation deleting the uncompleted portion of the suspended work from this contract.

- 13.6.5. Southern Response may treat the suspension as a Variation deleting the uncompleted portion of the suspended work from this contract, by giving the Contractor ten working days written notice at any time during the period of suspension.
- 13.6.6. In any of the events described in clause 13.6.4 or 13.6.5 above, the Contractor shall be entitled to payment for the balance of the value of the Contract Works executed. The Contractor shall not be entitled to any payment for its anticipated profits. The payment for any outstanding amounts shall be adjusted, as necessary, by any sums to which the Homeowner or Southern Response, as appropriate, are entitled.

14. DEFECTS LIABILITY

- 14.1. The Contractor shall be liable for any defect in the Contract Works (including defective design if the Contractor has design responsibility), during the term of this contract and thereafter to the full extent permitted by law and shall at its own cost and within 10 Working Days rectify any defects notified to it during the Defects Liability Period to the satisfaction of the Project Manager. Without limiting anything else in this clause the Contractor shall rectify as soon as possible all urgent defects notified to it during the Defects Liability Period.
- 14.2. If the Contractor fails to rectify any defect in the Contract Works within the time required under this clause, the Project Manager may arrange for the work to be done by others and Southern Response may recover any cost, expense or loss from the Contractor.
- 14.3. Unless noted otherwise in the Contract Agreement, the Defects Liability Period shall be a period of three months from the date of issue of the certificate of Practical Completion for the Contract Works. The Project Manager shall give notice in writing to the Contractor during the Defects Liability Period of defects to be remedied.
- 14.4. The Contractor shall not be liable for fair wear and tear during the Defects Liability Period.
- 14.5. **Defects Liability Certificate**
 - 14.5.1. When the Defects Liability Period under clause 14.3 has expired and the Contractor has remedied the defects referred to in clause 14.1 above, the Contractor shall give to the Project Manager a provisional Defects Liability Certificate confirming that the Defects Liability Period has expired and that there are no outstanding defects.
 - 14.5.2. Within 10 Working Days of receipt of a provisional Defects Liability Certificate under clause 14.5.1 the Project Manager may inspect the Contract Works and, following consultation with the Homeowner, may notify the Contractor of any work which has to be altered or completed to satisfy the Contractor's obligation to remedy defects under clause 14.1.
 - 14.5.3. If, following consultation with the Homeowner, the Project Manager does not within the period provided for in 14.5.2 above give notice thereunder, then the provisional Defects Liability Certificate issued by the Contractor under

14.5.1 shall be the Defects Liability Certificate and shall be deemed to have issued at the expiry of that period.

14.5.4. Where notice has been given under clause 14.5.2, and the Contractor believes it has carried out all work to be altered or completed so as to qualify for a Defects Liability Certificate the Contractor shall again issue a provisional Defects Liability Certificate under clause 14.5.1 and clauses 14.5.2 to 14.5.4 shall again apply.

14.5.5. The Contractor will remain liable for the fulfillment of any obligation of the Contractor under this contract which has not yet been performed.

15. PAYMENT CLAIMS

15.1. The Construction Contracts Act

15.1.1. The provisions of this section provide an agreed payment mechanism required by the Construction Contracts Act 2002 (“the CCA”).

15.2. Form of Claim

15.2.1. Payment claims will be addressed to Southern Response as payer and must as a minimum contain the information required by the CCA for such claims and must be in the form attached as Appendix B.

15.2.2. The Contractor must provide the Contractor's GST number with any payment claim.

15.2.3. The payment claim amount must be shown as per the pre-agreed cash flow for the Contract Works (based on milestone programming), plus any approved Variations.

15.2.4. Payment claims for the Contract Works shall be issued to the Project Manager either on a monthly basis or contemporaneously with each milestone as set out in the Contract Agreement.

15.3. Payment

15.3.1. The Project Manager shall issue a payment schedule to the Contractor within seven Working Days of receipt of the Contractor's payment claim setting out the Project Manager's assessment of the amount to be paid for the Contract Works. The payment schedule shall set out the reason or reasons for any deduction or adjustment made which may include issues relating to compliance with the terms of this contract, the Project Manager's assessment of the work carried out, deductions from the amount claimed including for retentions, remedial costs for defective work, abatements in the value of the Contract Works as a result of defects, contra claims and by way of set off. The Project Manager may include in the payment schedule adjustments to correct for any error in assessing previous payment claims.

15.3.2. The Project Manager shall issue a buyer created tax invoice as agent for Southern Response at the same time that it issues the payment schedule referred to in clause 15.3.1 for the amount specified for payment in the payment schedule.

15.3.3. Payment in accordance with the payment schedule and invoice (excluding any retention still to be held or any other deductions entitled to be made) will be made by Southern Response to the Contractor within 10 working days of the issue of the buyer created invoice. For the purposes of section 24 (2) of the Goods and Services Tax Act 1985 Southern Response and the Contractor agree that the Contractor shall not issue a tax invoice in respect of the supplies to which this clause relates.

15.3.4. The Homeowner is liable to Southern Response for and will pay to Southern Response the total value of:

15.3.4.1. The amounts payable under the Contract Price for:

- (a) The Contract Works up to the full amount of the EQC payout sum; plus
- (b) The amount of any further sums paid by EQC to the Homeowner in respect of earthquake damage to the Insured Property (which may include damage to land and buildings as stated in the relevant Deed of Assignment of EQC claims between the Homeowner and Southern Response) in addition to the amounts stated in the Contract Agreement; plus
- (c) The amount of any excess payable by the Homeowner under the insurance policy; plus
- (d) The Homeowner's contribution to the Contract Price excluding foundation and ground works as set out in the Contract agreement (if any); plus
- (e) The Homeowner's contribution to the Contract Price for foundation and ground works as set out in the Contract agreement (if any);

15.3.4.2. A contribution to the insurance premium for contract works insurance referred to in clause 10.2.1 as set out in the Contract Agreement (if any); plus

15.3.4.3. GST payable in respect of all of those amounts.

15.3.5. If any Variation arises which increases the Contract Price and the Homeowner is liable to pay a contribution to the Contract Price as referred to in clause 15.3.4.1(d) or 15.3.4.1(e) above, the Homeowner is liable to Southern Response for and will pay to Southern Response a proportion of the increase in the Contract Price as follows:

15.3.5.1. If the increase in the Contract Price is for any element of the Contract Works excluding foundation and ground works the proportion is the same proportion as the Homeowner's contribution to the Contract Price excluding foundations bears to the Contract Price excluding foundation and ground works.

15.3.5.2. If the increase in the Contract Price is for any element of the foundation and ground works the proportion is the same proportion as the number of square meters by which the floor area of the

Contract Works exceeds the floor area specified in the insurance policy bears to the total floor area of the Contract Works.

- 15.3.6. The homeowner must pay any increase in the Contract Price due to additional work that arises by way of a Variation and is required to properly complete the Contract Works because:
- (a) A notice had been served requiring compliance with the Building Act or the Resource Management Act relating to the Insured Property before damage caused by the earthquakes occurred; or
 - (b) The Insured Property did not comply with the relevant government building controls when it was built or at the time of any alteration;
 - (c) The work, which is not (original) Contract Works, is required to be done to parts of the Insured Property due to circumstances or events, or conditions arising or existing before the time the Contract Works was carried out for which the homeowner was not insured, (such as pre-existing rot which may need to be rectified before repairs to be carried out as Contract Works under this contract can properly be completed).
- 15.3.7. The Homeowner will pay to Southern Response the amounts referred to in this clause 15 on the terms and at the times required by Southern Response. Southern Response may require the amounts specified in the Contract Agreement relating to the EQC payout sum, the amount of the any excess payable by the Homeowner under the insurance policy, amounts payable by the Homeowner on account of the Contract Price and the amount payable by the Homeowner for the insurance premium for contract works insurance to be paid to Southern Response before any work commences. This contract is conditional on payment of those sums in the manner set out in the Contract Agreement.
- 15.3.8. If the Homeowner receives any further sums from EQC in respect of earthquake damage to the Insured Property caused by an earthquake event occurring on or before 5 April 2012 in addition to the amounts stated in the Contract Agreement the Homeowner will pay those sums plus the amount of any excess payable by the homeowner in respect of that cover provided by EQC plus GST to Southern Response immediately after receipt.
- 15.3.9. If Southern Response agrees to allow Variations which have the effect of increasing the Contract Price and the Homeowner is liable to pay for all or part of that increase, the homeowner will pay the amount required to Southern Response on the terms and at the times required by Southern Response and in all cases before that addition work is commenced and before those additional amounts become payable.
- 15.3.10. If the Homeowner does not make the payments required by the Homeowner to Southern Response on the terms and at the times required by Southern Response, Southern Response will inform the Contractor and may suspend the progress of all or part of the Contract Works under clause 13.6 of this contract. If suspension occurs the Homeowner will be liable for and will pay Southern Response for any additional sums payable to the Contractor arising from the operation of clause 13.6.3 and for any other losses suffered by Southern Response.

15.4. Final Account

- 15.4.1. Not later than fifteen Working Days after the issue of the Certificate of Practical Completion under clause 13.5.3, the Contractor must submit a final account of all the Contractor's payment claims in relation to the Contract Works to the Project Manager. The account shall be endorsed "final payment claim". Submission of the final account will be conclusive evidence that the Contractor has no further claims against Southern Response or the Homeowner except for amounts still payable under the claim and retentions still payable (if any).
- 15.4.2. On receipt of the final payment claim the Project Manager shall assess the total value of the Contract Works and within twenty Working Days issue a payment schedule summarising the final contract value for the Contract Works for the Contractor to sign and return.
- 15.4.3. If the Project Manager fails to assess the final payment claim and issue a payment schedule within the time allowed, the final payment claim will be deemed to be accepted by the Project Manager.
- 15.4.4. If the Contractor fails to submit a final payment claim within the time allowed, the Project Manager may assess the total value of the Contract Works based on information available to the Project Manager at the time and issue a payment schedule to the Contractor.
- 15.4.5. If the Contractor fails to either sign and return the final payment schedule, or disputes the amount set out in that schedule, in writing, within fifteen Working Days of issue by the Project Manager, the amount set out in the release letter shall be deemed to be accepted by the Contractor.
- 15.4.6. Any payment to settle the final payment claim (excluding any retention still to be held or any other deductions entitled to be made) shall be made by Southern Response, within twenty Working Days of either receipt of the release letter signed by the Contractor or the deemed acceptance date. This clause is subject to clause 15.3.9.
- 15.4.7. The Project Manager shall issue a buyer created tax invoice as agent for Southern Response at the same time that it issues the final payment schedule.

15.5. Precondition to payment of final account

- 15.5.1. Notwithstanding anything else contained within section 15 herein, it shall be a precondition to payment of the final account for the Contract Works, that the Contractor shall have provided all of the following in relation to the Contract Works:
 - (a) Code compliance certificate or consent completion certificate (as applicable); and
 - (b) All guarantees as specified in the Contract Documents; and
 - (c) All relevant producer statements; and
 - (d) All relevant as built drawings.

16. RETENTIONS

- 16.1. Unless otherwise provided in the Contract Agreement, 5% of the value of the Contract Price shall be withheld until the Defects Liability Certificate for the Contract Works has been issued. Payment of that sum will be made within 10 working days after the Defects Liability Certificate has been issued. The Project Manager shall issue a buyer created tax invoice as agent for Southern Response at the same time that it issues the Defects Liability Certificate for the amount payable.
- 16.2. Where the Contract Agreement requires, the Contractor must provide a Contractor's bond. The bond shall be in the amount and on the terms specified in the Contract Agreement.

17. TERMINATION

- 17.1. If the Contractor fails to progress the Contract Works at a reasonable rate, or commits any breach of this contract not capable of remedy, or represents that it is unable to or unwilling to complete the Contract Works, or becomes insolvent or bankrupt, or being a company goes into liquidation, or has a receiver, administrator or statutory manager appointed, Southern Response shall have the power to immediately terminate this contract without prejudice to any rights that it, or the Homeowner, may have hereunder or at law.
- 17.2. If the Contractor fails to progress the Contract Works at a reasonable rate or commits any breach of this contract capable of being remedied, and fails to remedy such breach within 10 Working Days of receiving written notification from the Project Manager of the breach, Southern Response shall have the power to terminate this contract without prejudice to any rights that it, or the Homeowner, may have hereunder or at law.
- 17.3. In the event of termination under clause 17.1 or clause 17.2 all monies that would otherwise be payable to the Contractor may be retained by Southern Response by way of setoff until any disputes between the parties are resolved. Such termination shall not prejudice any right of Southern Response and the Homeowner to recover from the Contractor damages for any breach of contract.
- 17.4. If Southern Response fails to make any payment due under this Agreement and fails to remedy such breach within 10 Working Days of receiving written notification from the Project Manager of the breach, or goes into liquidation, or has a receiver, administrator or statutory manager appointed, the Contractor shall have the power to:
 - (a) Suspend the carrying out of the Contract Works until the default has been remedied; and/or
 - (b) Terminate this contract without prejudice to any rights that it, may have hereunder or at law.

18. ASSIGNMENT/SUBCONTRACTING

- 18.1. The Contractor shall not assign this contract without the written consent of the Project Manager in relation to the Contract Works. Any subletting or other appointment of a SubContractor shall not relieve the Contractor from any liability or obligation under this contract and all actions or omissions of any SubContractor shall be treated as if they were actions or omissions of the Contractor itself.

19. NOTICES

- 19.1. Any notice to be given to the Contractor must be given in accordance with section 6 of this contract.
- 19.2. Any notice to be given to Southern Response and/or the Homeowner must be given in accordance with section 6 of this contract and shall be sufficiently given if provided to the Project Manager.

20. CONTRACTOR REPRESENTATIVE

- 20.1. The Contractor shall appoint a competent single point of contact representative responsible for all of the Contractor's activities. The representative shall have authority to accept instructions from the Project Manager, on behalf of the Contractor.

21. HEALTH AND SAFETY

- 21.1. The Contractor and its SubContractors must comply with the requirements and intent of the Health and Safety in Employment Act 1992 and all other related health and safety legislation.
- 21.2. The Contractor must establish, and prior to commencing the Contract Works have approved by the Project Manager a Site specific health and safety plan for the Contract Works that at the least satisfies the requirements of the Health and Safety in Employment Act 1992. The Contractor must also carry out any further requests, deemed necessary, by the Project Manager to comply with the agreed Site specific health and safety plan and render activities on Site safe, which may exceed the requirements of the Health and Safety In Employment Act 1992.
- 21.3. The Homeowner must carry out any requests of the Project Manager that are deemed necessary by it for health and safety reasons and must comply with all notices and warning placed at the site by the Contractor.
- 21.4. No persons under 15 (fifteen) years of age or animals are permitted on the site.

22. DISPUTES

22.1. General

- 22.1.1. No dispute or difference shall exist between the Homeowner and/or Southern Response and the Contractor until such time as one party gives written notice to the other party or parties setting out the issue in dispute and the remedy sought ("**Notice of Dispute**").

22.2. Contract Dispute Procedures

- 22.2.1. If a dispute arises the parties will firstly attempt to resolve it by amicable negotiation between themselves, within 10 Working Days of the Notice of Dispute.
- 22.2.2. If the parties are unable to resolve the dispute or make material progress towards its resolution within 10 Working Days, then the dispute shall be referred to mediation.

22.2.3. If the parties are unable to resolve the dispute by mediation within twenty Working Days of it being referred to mediation, and either party wishes to take the issue further, the dispute shall be referred to arbitration.

22.2.4. Arbitration shall be before a single arbitrator in accordance with the provisions of the Arbitration Act 1996, or any Act in amendment thereto or substitution therefore. The provisions of articles 3(1)(a) and 3(1)(b) of the second schedule to the Arbitration Act 1996 shall not apply to that arbitration. The award in the arbitration shall be final and binding on both parties.

22.2.5. Where a dispute arises the Contractor is not entitled to delay or suspend execution of the Contract Works or any Variations ordered except to the extent such suspension is permitted under the Construction Contracts Act 2002.

22.3. Adjudication Procedures - Construction Contracts Act 2002

22.3.1. The contract dispute procedures above apply concurrent with the adjudication procedures of the Construction Contracts Act 2002.

23. GOVERNING LAW

23.1. This contract shall be governed by New Zealand law.

24. NON WAIVER

24.1. No waiver or amendment of any provision of this contract shall be effective unless it is recorded in writing and has been signed by the Project Manager, the Contractor and the Homeowner. Any waiver shall only affect the matter that it expressly refers to and shall not apply to any other or later matter.

25. ENTIRE AGREEMENT

25.1. This contract shall constitute the entire agreement between the parties hereto for the performance of the Contract Works by the Contractor. It supersedes all prior negotiations, representations or warranties except where they have been expressly incorporated in this contract.

26. INTERPRETATION

26.1. **Contract Agreement** means the written agreement for the fulfilment of this contract to be signed by the Homeowner, the Contractor and Southern Response.

26.2. **Contract Documents** means the Contract Agreement and documents referred to in and forming part of the Contract Agreement.

26.3. **Contract Price** means the sum named in the Contract Agreement as payable for the completion of the Contract Works subject to such adjustments (including Variations) as are provided for in the Contract Agreement.

26.4. **Contract Works** means all works to be performed by the Contractor.

26.5. **Contractor** means the person or firm named as such in the Contract Documents and includes his / her executors, administrators and successors.

- 26.6. **Defects Liability Certificate** means a certificate issued under clause 14.5.
- 26.7. **Defects Liability Period** is the period stipulated for defects liability in clause 14.3 of these General Conditions.
- 26.8. **Due Date for Completion** is the date stipulated in clause 13.2 of these General Conditions.
- 26.9. **EQC** means the Earthquake Commission, a New Zealand Government owned Crown entity.
- 26.10. **EQC payout sum** means the total of the sums described in the Contract Agreement.
- 26.11. **Homeowner** means the person or entity named as such in the Contract Agreement and includes his / her executors, administrators and successors.
- 26.12. **LBP** means licensed building practitioner as defined in section 7 of the Building Act 2004.
- 26.13. **Net Value** means the Project Manager's assessment of the cost to the Contractor of the Variation based on competitive market prices and rates and after deduction of normal trade discounts the applicable hourly labour rate specified in the Contract Agreement, all excluding GST, and exclusive of the Contractor's preliminary and general on-site and off-site overheads and the Contractor's profit. The Net Value may be either positive or negative.
- 26.14. **Notice of Dispute** means a notice issued pursuant to clause 22.1.1 of these General Conditions.
- 26.15. **Practical Completion** has the meaning referred to in clause 13.5.1 of these General Conditions.
- 26.16. **Project Manager** means Arrow International (NZ) Limited as described in section 3 of these General Conditions.
- 26.17. **Separate Contractors** means those Contractors engaged to undertake work on the Site not included in this contract.
- 26.18. **Site** means the land or other places on or over or under which the Contract Works are to be carried out together with any other places made available to the Contractor by the Homeowner for the purposes of the Contract Works.
- 26.19. **SubContractor** means any person who contracts with the Contractor to design, carry out or supply part of the Contract Works on behalf of the Contractor.
- 26.20. **Working Day** means a calendar day other than any Saturday, Sunday, Public Holiday or any day falling within the period from 24 December to 5 January both days inclusive irrespective of whether work is actually carried out on any of those days.
- 26.21. The words "day" or "days" refer to calendar days unless specifically indicated otherwise.
- 26.22. **Working times** mean times agreed to with the Homeowner and neighbours if required, as well as complying with standard local bylaw restrictions.



APPENDIX A

CONTRACT WORKS SCHEDULE AND PRELIMINARY AND GENERAL SPECIFICATION – SOUTHERN RESPONSE EARTHQUAKE REBUILD

SAMPLE

PRELIMINARY AND GENERAL SPECIFICATION - SOUTHERN RESPONSE EARTHQUAKE REBUILD

1. Interpretation

References to National Standards, Codes of Practice, Department of Building and Housing (DBH) Guidelines, Manufacturer's Instructions or similar publications, whether a date is given or not, means the latest published versions.

2. Design provided by the Contractor

Where the Contractor is providing a Design & Build solution the following design scoping requirements shall apply:

- (a) Prior to commencing the design, the Contractor shall visit the Site and verify all relevant Site requirements such as but not limited to site services location and levels etc.
- (b) The Contractor shall design all works to fully comply with the Councils District Plan Rules, all relevant Council By Laws, the NZ Building Code and the Department of Building and Housing Repairs & Reconstruction Guidelines Document Dec 2010 and shall deliver a fully compliant design solution which does not require resource consent. Any interpretive issues between the above documents should be clarified in writing with the Project Manager during the design process.
- (c) Ground Conditions;- The Project Manager shall provide a Site specific Geotechnical report on the Site ground conditions. The Contractor shall employ a suitably qualified registered structural engineer to interpret the Geotechnical report and to prepare suitable foundation designs that meet the requirements of the Building Code and that provide a structural & foundation solution that are in general accordance with the Department of Building and Housing Repairs & Reconstruction Guidelines Document Dec 2010.
- (d) With some Councils a streamlined building consents process is allowed. In such instances the Contractor upon request may be required to attend preliminary design review meetings with the council building consents officer and the Project Manager.
- (e) The Contractor shall employ fully qualified LBP designers & engineers who as and when required shall provide the necessary producer's statements to facilitate the building consents process and to enable a code compliance certificate or consent completion certificate (as applicable) to issue at the completion of the works.
- (f) The Contractor and / or their designers shall carry out on-Site inspections and which with the specific agreement of the Council may include building consent inspections normally carried out by Council consenting officers.

3. Site Verification

Where required, Site boundaries will be verified by Southern Response's land surveyor prior to the commencement of the works. It is the Contractor's responsibility to accurately set out the works from the surveyed boundary pegs. Any Site set out discrepancy shall be immediately reported to the Project Manager for verification and shall be made good by the Contractor as directed by the Project Manager.

4. Levels and Dimensions

The level and contours shown on the drawings are intended to show the Site and the work, but it shall be the Contractor's responsibility to check all levels and dimensions and accurately set out and position the work. The Contractor shall verify all dimensions on the Site before commencing the work.

5. Council Records, Site Services & Site Inspection

In most cases the supplied Council property files will indicate where the Site services enter the Site and where possible these services have been identified on the final consent plans. Notwithstanding this it is Contractor's full responsibility to verify the location of such services by site inspection prior to commencement of the works on Site and to allow for all connections of services.

6. Protection of Property and Trees

The Contractor shall take all necessary precautions to protect all property and trees on or in the vicinity of the Site from damage. The Contractor shall make good at his own expense any damage or nuisance caused by the execution of the works.

7. Noise and Nuisance

The Contractor must take all necessary precautions to prevent or minimise nuisance from water, noise, smoke, dust, exhaust fumes, rubbish or any other cause resulting from execution of the works. The lighting of fires on the Site is strictly prohibited.

8. Tidiness

The Contractor shall keep its work area clean and tidy at all times. All rubbish is to be removed from Site as it accumulates. On completion of the Works the Contractor shall remove all debris and waste, temporary works and construction plant leaving the work area clean to the satisfaction of the Project Manager. The Contractor shall properly store all materials used in the works and cover and protect any materials where exposure to the weather, dust or other adverse conditions may cause damage.

9. Temporary Power and Water

The Contractor shall arrange and pay for temporary power and water supply for the Site. The Contractor shall be responsible for the means of distributing power and water to the workplace.

10. Scaffolding & craneage

The Contractor shall provide the necessary scaffolding and craneage for the various parts of the building operations to complete the works in a safe manner.

11. Signboard

The Contractor will erect and maintain a project signboard at the street boundary. No other company signs will be permitted on the Site without the prior approval of the Project Manager.

12. Safety/Security Fencing

The Contractor will erect and maintain fencing to secure the construction site for the duration of the works. The type and style of fencing will be agreed with the Project Manager before the work starts.

13. Boundary Fencing

The Contractor shall be responsible for liaising directly with the Homeowner to ensure any required fencing notices are issued and that any required boundary fences are erected before the construction work starts

SAMPLE



APPENDIX B

FORM OF PAYMENT CLAIM

SAMPLE



APPENDIX C

SOUTHERN RESPONSE - CONTRACT WORKS INSURANCE SCHEDULE

SAMPLE



APPENDIX D

EXISTING STRUCTURES INSURANCE FURTHER TERMS (IF ANY)

SAMPLE