
Overview

This unit is concerned with procuring the services of contractors and subcontractors. This could be a contract between your contractor and your organisation, or between the contractor and your client, or between your organisation and your client. It is about drafting a contract suitable for the project in hand.

You must have an understanding of the standard forms of contract and how to amend them; and you must be able to prepare draft contracts and have them approved. It is about striking the deal which is best for all parties involved.

You must have a good knowledge of contract procedure and of the current and relevant issues; and you must be able to negotiate fairly and confidently with the contractor.

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Prepare and agree forms of contract in built environment design management

Performance criteria

Prepare and modify standard forms of contract

- You must be able to:*
- P1 confirm the standard form of contract, contract clauses and documents appropriate for the form of procurement proposed
 - P2 amend standard forms of contract so that the clauses and documents are suitable for the form of procurement proposed
 - P3 draft particulars and preliminaries which accurately describe the needs of all the people involved in the form of contract
 - P4 check that contract clauses, appendices and amendments meet statutory requirements
 - P5 obtain expert advice on the implications of drafting non-standard clauses and explain why this is necessary to the people involved in the contract
 - P6 obtain necessary checks and approvals for the draft forms of contract

Negotiate and agree a contract

- You must be able to:*
- P7 negotiate contracts using a style and manner which maintains good long term relationships with all the people involved in the contract
 - P8 negotiate and agree the most equitable position, contract terms, conditions and amendments
 - P9 record the results of negotiations accurately and pass the information on, promptly and in accordance with legal requirements, to all the people involved in the contract
 - P10 prepare accurate copies of the final contract documents, check that they meet legal requirements and arrange for them to be signed
 - P11 identify the obligations of the parties to the contract and obtain valid, written proof that they are able to meet the obligations
 - P12 check that all the contract documents are complete, accurate and stored securely

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Knowledge and understanding

You need to know and understand:

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- K1 how to confirm the standard form of contract, contract clauses and documents appropriate for the form of procurement proposed (application)
- K2 how to amend standard forms of contract so that the clauses and documents are suitable for the form of procurement proposed (application)
- K3 how to draft particulars and preliminaries which accurately describe the needs of all the people involved in the form of contract (application)
- K4 how to check that contract clauses, appendices and amendments meet statutory requirements (application)
- K5 how to obtain expert advice on the implications of drafting non-standard clauses and explain why this is necessary to the people involved in the contract (application)
- K6 how to obtain necessary checks and approvals for the draft forms of contract (application)

Negotiate and agree a contract

You need to know and understand:

- K7 how and why to negotiate contracts using a style and manner which maintains good long term relationships with all the people involved in the contract (synthesis)
- K8 how and why to negotiate and agree the most equitable position, contract terms, conditions and amendments (synthesis)
- K9 how to record the results of negotiations accurately and pass the information on, promptly and in accordance with legal requirements, to all the people involved in the contract (application)
- K10 how to prepare accurate copies of the final contract documents, check that they meet legal requirements and arrange for them to be signed (application)
- K11 what to identify as the obligations of the parties to the contract (understanding)

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- K12 how to obtain valid, written proof that they are able to meet the obligations (application)
- K13 how to check that all the contract documents are complete, accurate and stored securely (application)

Additional Information

Scope/range

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1. Contracts - type:

- 1.1. main contract
- 1.2. sub-contract
- 1.3. lump sum
- 1.4. design and construct
- 1.5. schedule based
- 1.6. prime cost based
- 1.7. firm priced
- 1.8. labour and materials
- 1.9. labour only
- 1.10. fluctuating price
- 1.11. goods and material supply only
- 1.12. service contracts

2. Form of procurement:

- 2.1. open competitive
- 2.2. two stage
- 2.3. selected list
- 2.4. negotiated
- 2.5. partnering

3. Amending and drafting:

- 3.1. allocation of risks and responsibilities
- 3.2. structure of contract
- 3.3. key instructions

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4. Contracts requirements - relating to:

- 4.1. legal factors
- 4.2. main contract
- 4.3. sub-contract
- 4.4. lump sum
- 4.5. design and construct
- 4.6. schedule based

- 4.7. prime cost based
- 4.8. firm price
- 4.9. fluctuating price
- 4.10. labour and materials
- 4.11. labour only
- 4.12. goods and material supply only
- 4.13. service contracts

5. People involved in the contract:

- 5.1. clients
- 5.2. main contractors
- 5.3. sub-contractors
- 5.4. consultants
- 5.5. third parties**

6. Amendments:

- 6.1. allocation of risks and responsibilities
- 6.2. structure of contract
- 6.3. key instructions
- 6.4. information management
- 6.5. Legal requirements:
- 6.6. legal factors
- 6.7. statutes
- 6.8. regulations, including European Union regulations
- 6.9. codes of practice and procedure
- 6.10. common law

7. Contract documents:

- 7.1. invitation to tender
- 7.2. forms of tender
- 7.3. specifications
- 7.4. survey reports
- 7.5. drawings and schedules
- 7.6. bills of quantities/schedules of rates
- 7.7. health and safety plans
- 7.8. scope of services
- 7.9. terms and conditions

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8. Obligations:

- 8.1. insurances
- 8.2. bonds
- 8.3. warranties
- 8.4. statutory
- 8.5. financial guarantees
- 8.6. competence of people
- 8.7. information management

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Developed by ConstructionSkills

Version number 2

Date approved December 2012

Indicative review date January 2018

Validity Current

Status Original

Originating organisation ConstructionSkills (CIC)

Original URN COSBEDMO17

Relevant occupations Architects; Civil Engineers; Graphic Designers; Architectural Technologists; Town Planning Technicians; Building Surveyors

Suite Built Environment Design Management

Key words contract; procurement
