

CONTRACTS MANUAL

PART FOUR

PURCHASING CONTRACTS

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In this Part Four the following nomenclature has been adopted.

1. Numbers shown **bold** refer to the clause numbers of this part of this manual.
2. Numbers and text shown in *italics* refer to clause numbers of the Hutt City Council General Conditions of Contract and Conditions of Tendering for the Sale and Purchase of Goods. (See Appendix 79). This document is referred to throughout Part Four as “the General Conditions”.

1. ***Introduction***

Part Four of this Manual covers the policy and process of Purchasing Contracts. Council uses Purchasing Contracts for the purchase of plant, equipment, goods and materials. Purchasing Contracts can be Lump Sum Contracts or Measure and Value Contracts.

Normally, the purchase of goods does not require a formal contract, and the purchase will be made in accordance with the requirements of the Hutt City Council Purchasing Policy (July 2006).

The purchase of large complex or specialised equipment does however, require a formal contract in accordance with the requirement of this Part Four of this Contracts Manual. In addition, a formal contract for the purchase of large complex or specialised equipment is to be in accordance with the Hutt City Council Health and Safety Specification for Purchasing Plant. That Specification is Spec 33.

2. Preliminaries

The following preliminaries must be undertaken before Council calls for tenders.

2.1 Consultation

Purchases that will affect other Divisions of the Council must be discussed with the appropriate officers and the Health and Safety Committee.

Expert advice must be sought about currency fluctuations when goods are to be purchased or sourced from overseas.

2.2 Cost Estimate

The Contract Manager must prepare a cost estimate covering the total purchase price of the goods set out in the contract Documents. This estimate will be included in the Contract Manager's Tender Report.

2.3 Contract Numbers

Corporate Information, Records, holds a register of contract numbers. The Client's Representative must obtain a contract number from Corporate Information, Records.

A new contract number must be obtained for projects that are significantly rescoped or retendered after the issue of the original contract number.

2.4 Seller's Bond

A Seller's performance bond is recommended in accordance with the following table:

<p>Amount</p>	<p>Contracts under \$100,000 No Bond</p> <p>Contracts over \$100,000 10% of the estimated cost of the goods rounded off to the nearest \$5,000.</p>
<p>Form of Bond</p>	<p>The bond shall be in the form of Appendix 72. A copy must be included with the Tender Documents.</p>
<p>Surety</p>	<p>The surety shall be a bank, insurance company or recognised bonding company approved by the Client's Representative.</p>

In all cases where a bond is not required in accordance with the above recommendation, the Client's Representative must agree and the reason documented.

2.5 Insurance

The Seller shall provide insurances as required by *8.1 and 8.2*.

The amount of the covers required in respect of *8.1.1 and 8.2.1* shall be discussed and agreed with the Client's Representative. In special circumstances where there is a perceived unusual or high risk to be insured and where agreed with or directed by the Client's Representative it will be appropriate to consult the Council's insurance brokers for advice prior to finalising the insurance requirements for the Tender Documents.

The minimum amount of cover for *8.2.1* shall be \$1,000,000.

2.6 Liquidated Damages

Liquidated damages compensate Council for the loss which Council estimates it will sustain if the supply of goods is not completed on time.

Where liquidated damages are provided for, the amount must be a genuine pre-estimate of the likely loss to Council that would result from delay of completion.

Where liquidated damages are not provided, Council can recover and the seller will be liable only for such actual loss as Council can prove has resulted from the late supply, being loss of a kind reasonably foreseeable to the parties at the time the contract was made as being likely to result.

Liquidated damages must always be assessed and provided for except in special circumstances and on the specific instructions of the Client's Representative.

The assessment of liquidated damages must be undertaken by the Contract Manager using the Liquidated Damages Assessment Sheet (See Appendix 64). The completed assessment must be filed on the Purchaser's Set.

When assessing the weekly rate of liquidated damages, the following factors must be taken into account.

<p>Costs</p>	<ul style="list-style-type: none"> • Cost of time of the Contract Manager and Engineer, in terms of hours per week and \$xx per hour. • Cost of running a vehicle for the Engineer in terms of kilometers per week at \$xx per kilometer. • Cost of additional engineering or architectural consultancy services. • Cost of maintaining an existing service, eg water or sewerage, because of a delay in replacing the service.
<p>LOSS OF REVENUE</p>	<ul style="list-style-type: none"> • Loss of revenue caused by a delay in completing buildings such as halls and libraries, etc. • Loss of rates revenue caused by a delay in completing subdivisions.
<p>Interest</p>	<ul style="list-style-type: none"> • Interest on an overdraft, when that overdraft is caused by any of the loss of revenue listed above. • Interest on loan monies, when repayment is delayed by loss of revenue from subdivisions not being completed, and houses or subdivided land cannot be sold.

The amount of liquidated damages payable per week must be entered in the Special Conditions of Contract.

2.7 Method of Tender Evaluation

Tenders shall be evaluated using the Weighted Attribute Method.

2.8 Administration Checklist

The Contract Manager must complete and file a Contract Administration checklist. (See Appendix 61).

3. *Preparing the Tender Documents*

Tender Documents consist of:

1. Table of Contents
2. Hutt City Council General Conditions of Contract and Conditions of Tendering for the Sale and Purchase of Goods
3. Schedule to Conditions of Tendering
4. Form of Tender
5. Schedule of Prices
6. Special Conditions of Contract
7. Specification
8. Standard Specifications when applicable
9. Drawings
10. Documentation required in terms of Hutt City Council Health and Safety Specification for Purchasing Plant – Spec 33.

All the documents, apart from the plans, must be on A4 size paper, and appropriately bound.

3.1 Checklist

The Contract Manager must file a checklist of all the above tender documents. (See Appendix 62).

3.2 Document Details

1.2.1 General Conditions of Contract and Conditions of Tendering

The General Conditions of Contract and Conditions of Tendering for Purchasing Contracts are:

Hutt City Council General Conditions of Contract and Conditions of Tendering for the Sale and Purchase of Goods.

2.2.2 Schedule to Conditions of Tendering

The Schedule to Conditions of Tendering shall be in the form of Appendix 65. Council's standard policy with regard to the options are:

102.2 A tender document deposit is required. The amount and whether or not it is to be refundable shall be agreed with the Client's Representative.

105.1 Tenders will close at NOON on the _____ day of _____. Tenders shall be enclosed in a sealed envelope addressed to the "Chief Executive, Hutt City Council, Private Bag 31 912, Lower Hutt". Tenders may be posted or, if delivered, handed in at the Customer Service Centre, Ground Floor, Administration Building, 30 Laings Road, Lower Hutt. The envelope shall be marked on the outside top left-hand corner "Contract No. _____ Tender for _____".

105.3 Normally fax tenders will not be acceptable. Where agreed with or directed by the Client's Representative fax tenders will be acceptable provided that the tenderer has made prior arrangement.

105.5 The inclusion of either or both of the following provisions must be agreed with the Client's Representative.

Tenders submitted with an endorsement (ie "Tag") which clarifies any uncertainty or modifies the contract conditions will be considered. During the tender evaluation process the Engineer shall adjust the tender price if necessary to allow for the cost implications of the "Tag" prior to converting the price to a score.

Tenders submitted for alternative designs or methods will be considered provided that full details of the alternative are included with the tender. The details shall be to a similar standard of detail and presentation as the detail of the goods set out in the Tender Documents.

Supplementary information required to be submitted with the tender is:

105.8

- (a) A signed completed Schedule of Prices showing how the tendered sum has been arrived at.
- (b) A list of proposed Subcontractors to install and/or commission, or arrange the Plant.
- (c) Completed certification and other documentation required in terms of Hutt City Council's Health and Safety Specification for Purchasing Plant – Spec 33.

106.2 Evaluation of Tenders

Tenderers shall provide information relating to their attributes to enable the tender to be evaluated in accordance with the weighted attribute method of evaluation.

3.2.3 Form of Tender

The standard Form of Tender shall be used (See Appendix 66).

4.2.4 Schedule of Prices

A Schedule of Prices is required for most lump sum contracts and all measure and value contracts. The *General Conditions, 2.2.2* sets out the limitation on the use of a Schedule of Prices for lump sum contracts. A Schedule of Prices shall only be omitted from a lump sum contract Tender Documents with the prior approval of the Client's Representative.

The Schedule of Prices shall clearly state that all rates and prices are exclusive of GST.

5.2.5 Special Conditions of Contract

The Special Conditions of Contract shall be in the form of Appendix 67.

Council's standard policy with regard to the options available are:

3.1.1 The Seller's bond shall be for a sum determined in accordance with **2.4** above.

5.6.1 A programme is required to be submitted to the Engineer within ten Working Days of the Date of Acceptance of Tender.

8.1 and 8.2

The Seller shall insure as provided in *8.1 and 8.2*.

Public Liability insurance shall be effected for an amount not less than \$1,000,000. The total amount of cover under the policy shall be agreed with the Client's Representative (Refer to **2.5** above).

9.1.1 The delivery point for the goods whether stockpile site, storage area or place for installation must be nominated in the Special Conditions.

11.4 Liquidated damages shall be provided for and assessed in accordance with **2.6** above. The amount must never be NIL.

12.1.1 This clause provides for a Period of Defects Liability as stated in the Special Conditions. Always confirm the required period for each specific contract with the Client's Representative.

13.3.1 The percentage to be retained from each progress payment and the limit of the total sums retained shall be agreed with the Client's Representative.

13.9.1 Cost fluctuation adjustments shall not normally be paid. In exceptional circumstances, and where agreed with or directed by the Client's Representative provision can be made for cost fluctuation adjustments.

6.2.6 Specifications

The Specifications shall include a main specification for the goods to be supplied and a clearly defined scope for the supply.

Specifications must measure or specify either:-

- methodology by defining a single solution or method;

or

- output by defining a specific product or solution or action;

or

- outcome by defining an overall objective or result.

Refer to the New Zealand Contract Management Manual clause A3.3 for guidance.

7.2.7 Standard Specifications

The Hutt City Council Standard Specifications are to be used with the main specification when applicable. (See Part Three Appendix 55) which lists the standard specifications.

8.2.8 Drawings

The Drawings set out the detail of the goods to be supplied. All Drawings must be numbered (numbers must be in accordance with the appropriate Council series and are available from Engineering Records) and dated, to provide unique identification during and after the contract.

3.3 Health and Safety

The documentation required in terms of Hutt City Council Health and Safety Specification for Purchasing Plant– Spec 33, shall be included in the Tender Documents.

4. Calling for Tenders

4.1 Council Policy on Advertising

Section 12 of the LGA 2002 gives Council freedom to negotiate its contracts it considers appropriate. However that freedom is constrained by the principles relating to Decision-making and Council policies on levels of expenditure and testing the market as well as being subject to : the materiality tests of s79, the requirement for financial management (being prudent (s101)), and the obligation of the CE (consequently to other officers) to ensure efficient and effective management of the affairs of Council (s42) – all of which involves the application of professional judgement.

Council’s current tender advertising policy is:

Anticipated Value of Contract	Tender Requirements
Less than \$50,000	<p>Council does not advertise for open tenders.</p> <p>Council must obtain at least three written quotations from suitably qualified tenderers.</p>
\$50,000 to \$200,000	<p>For general work Council advertises for open tenders.</p> <p>For specialised work Council does not have to advertise but must obtain at least three written quotations from suitably qualified tenderers. The Contract Manager shall discuss and obtain the Client’s Representative’s instructions regarding the requirement to advertise in these circumstances.</p>
More than \$200,000	Council advertises for open tenders.

The policy can be varied, with the approval of the Client’s Representative, if the work is so specialised that there will only be a small number of suitable tenderers.

4.2 Pre-qualification Determination

The tender process for highly specialised goods may include a pre-qualification phase. The tender process will then be one of the following:

<p>1. Pre-qualification Phase Council advertises for expressions of interest from possible tenderers.</p>	<p>2. Tender Phase Council assesses pre-qualification submissions and invites written quotations from suitable tenderers.</p>
<p>1. Pre-qualification Phase Council advertises for general tenders, seeking a broad description of goods and estimated price.</p>	<p>2. Tender Phase Council assess pre-qualification submissions and invites detailed tenders from suitable tenderers.</p>

4.3 Advertising Process

Contracts are advertised a minimum of:

- Through the web-based 'E-tender' (administered by Tenderlink for Hutt City Council).
- Once in The Dominion Post newspaper (either Wednesday or Saturday);
- Once in the weekly Hutt News.

The Client's Representative shall decide whether extra advertising is needed for large or complex contracts.

Each advertisement shall comprise:

- A brief description and scope of the goods;
- Information on where the tender documents are available;
- Closing time and date of tenders.

All advertisements including the closing date of tenders shall be agreed with the Client's Representative, taking into account the size and complexity of the contract.

The standard form of advertisement shall be used. (See Appendix 68).

5. Issuing Tender Documents

5.1 Method of Issuing

Tender Documents may be:

- Sent to prospective tenderers by the Council;
- Collected from the Council;
- Issued from a consultant's office.

The person issuing the documents must ensure the following information is recorded in the Contract Book, held in the Hutt City Council Customer Service Centre:

- Name, postal address and contact telephone number of the firm taking out the documents;
- Set number and date of issue of the documents.

5.2 Tender Document Deposits

Tender document deposits limit the costs of excessive sets of documents, and ensure that only bona fide tenderers collect the tender document sets.

Deposit Required	Unless waived by the Client's Representative.
Amount of Deposit	As stated in Schedule to Conditions of Tendering
Deposit Paid	When documents are collected or before documents are posted out
Deposit Banked and Received	As soon as practicable after payment
Deposit Refunded	See Schedule to Conditions of Tendering – may be non-refundable. Otherwise in accordance with <i>102.2</i> .

5.3 Confidentiality

The names of parties taking out the documents are normally confidential, and should not be made known to others without obtaining the Client's Representative's approval.

6. Receiving Tenders

6.1 Submission of Tenders

All tenders must be submitted in accordance with the requirements set out in the Schedule to Conditions of Tendering.

6.2 Late Tenders

Council will only accept late tenders that are in the Tenders Box prior to it being opened.

6.3 Opening Tenders

Tenders shall be cleared from the Tenders Box as soon as possible but not later than 60 minutes after the closing time. The Contract Manager shall open and record the tenders, witnessed by an appropriate independent Council officer.

Both officers shall complete and sign a Tender Opening Schedule. This schedule notes the names and addresses of all the tenders received, and each tendered sum (See Appendix 69).

6.4 Checking Tenders

Tenders must be checked to ensure that:

- The tender conforms with all the requirements set out in the Tender Documents.
- The Health and Safety Certification and other health and safety documentation is complete against the checklist in Spec 33.
- Where a bond is required, the surety is a bank, insurance company or recognised bonding company approved by the Client's Representative.
- The Schedule of Prices, including the extensions and additions, has no discrepancies or errors.

7. Evaluating Tenders

7.1 Evaluation Procedure

All tenders shall first be assessed against Spec 33.

Non conforming tenders shall be set aside as failed tenders.

All conforming tenders shall be evaluated using the method identified in the Schedule to Conditions of Tendering.

The tender evaluation process should seek to identify the tender which provides the best overall value to Council in the circumstances of the particular contract. Value to Council can be measured in many ways including quality, availability of spares and/or technical backup, compatibility with equipment already owned by Council, etc.

The most important factors may vary from contract to contract.

7.2 Tenders for Alternative Designs or Methods

Council may consider and accept tenders for alternative designs or methods, providing tenderers have not varied the scope of the goods so much that the tenders submitted by other tenderers are unfairly disadvantaged.

The Tender Report must clearly state that a tender for an alternative design or method is recommended.

7.3 Tender Report

The Contract Manager shall prepare the Tender Report – limited to the conforming tenders that passed health and safety assessment against Spec 33 - after tenders have been evaluated. (See Appendix 70).

Contains	Sent To:
<ol style="list-style-type: none"> 1. A brief description of the goods 2. The Contract Manager's estimate of the overall cost of the goods 3. The method of calling for tenders 4. List of tenders received, with tender prices 5. Details of any errors or tags in any of the tenders 6. A brief summary of the evaluation process 7. Source of funds, with reference to the Hutt City Council Annual Plan 8. Comment and explanation on any relevant matters 9. Answers to any questions that can reasonably be anticipated 10. A recommendation on which tender should be accepted. 	<ul style="list-style-type: none"> • The Client's Representative, for their approval and action. The Client's Representative will require copies for forwarding to: <ul style="list-style-type: none"> • General Manager • Divisional Manager • Asset manager • Hutt City Council Corporate Information Records.

8. *Accepting a Tender*

Tenders are accepted in terms of the Hutt City Council Delegations Register. The Client's Representative reports to the relevant committee, and that committee formally advises Council of acceptance.

8.1 **Advising Tenderers**

Successful and unsuccessful tenderers must be advised in writing of the acceptance of tender. *General Conditions, 107 and 108*, set out the requirements. The following table sets out the additional requirements for the letter to the successful tenderer.

Letter of Acceptance

Sent To:	Successful tenderer
When	As soon as practicable after the decision to accept tender.
Must Include	<ol style="list-style-type: none"> 1. Advice of Acceptance 2. Confirmation of the tendered sum for the goods. 3. Two copies of the Form of Seller's Performance Bond (see Appendix 72) where a bond is provided for in the special Conditions. 4. Request for insurance certificate(s) if required in terms of 8.3.2 enclosing Form of Certificate as to Seller's Insurances (see Appendix 73) and copies of insurance policies if required for checking. 5. Request other requirements of the Contract Documents prior to the commencement of the supply e.g. programme.

9. Contract Documents

The Contract Manager shall arrange for the Contract Agreement to be executed by the Supplier and Council. The Contract Agreement shall be on Council's standard form (see Appendix 71).

If the Seller has not specifically asked for a copy executed by Council then, the Seller shall execute the Contract Agreement in accordance with 2.4.3. The Council shall then execute the Contract Agreement in accordance with 2.4.4.

If the Seller is a registered company, the Contract Agreement must be executed in the way set out in the company's constitution. In executing the Contract Agreement both the seller and the Council shall initial each page of the documents and any alterations to any of the documents.

If the Seller has specifically asked for a copy executed by Council the Contract Manager shall arrange for a photocopy of the executed documents to be forwarded to the Seller.

9.1 Purchaser's Set

The Purchaser's Set is the official file for the contract. It shall contain:

1. Contract Agreement and the following related documents:
 - The Schedule to Conditions of Tendering
 - Notices to Tenderers (if any)
 - The Seller's tender including the Schedule of Prices
 - The notification of acceptance of tender
 - The Special Conditions of Contract
 - The Specification
 - Spec 33
 - The Drawings

2. Other documents generated during the course of the contract such as:
 - Letters to unsuccessful tenderers
 - Seller's Bond
 - Certificates issued by the Engineer

The following table summaries the Purchaser's Set:

Contains	The signed Contract Agreement and related documents, other documents generated during the contract.
Held By	Corporate Information records Never remove from the Administration Building
Used For	Official contract file
Kept Until	Permanent Record

The Contract Manager must complete and file a checklist of the Purchaser's Set documents as a quality assurance measure. (See Appendix 63).

9.2 Engineer's File

The Contract Set retained by the Engineer shall be kept on the Engineer's file. The following table summaries the Engineer's file.

Contains	<ol style="list-style-type: none"> 1. Copy of Contract Agreement and related documents 2. All relevant documents created during the contract, such as: <ul style="list-style-type: none"> • Progress claims and payment certificates • Correspondence • Variation orders
Held By	Engineer
Used For	Engineer's record during the contract
Kept Until	The end of the contract, when relevant papers are transferred to the Purchaser's Set.

9.3 Unsuccessful Tenders

The Corporate Information Records must hold all documents relating to unsuccessful tenders.

10. Variations

The *General Conditions, Section 10* sets out the requirements in respect of Variations to a contract.

All Variations must be authorised on the Council standard Variation Order form. (See Appendix 74). No variation in the contract can take place without a Variation Order.

10.1 Valuation of Variations

The value, if any, of each Variation shall be determined in accordance with *General Conditions, Clause 10.3*.

The Engineer shall have authority to vary the contract to the amount previously agreed with the Client's Representative and described as the value limit. The Engineer shall not vary the contract beyond that sum without consulting the Client's Representative.

11. Progress Payments

The Seller may submit claims for payment and the Engineer shall issue progress payment certificates in accordance with *13.1 and 13.2*. Attention is drawn to the time limits set out in *13.2* in relation to the issue of a certificate by the Engineer and the payment by the Purchaser. No payment certificate shall be issued until the Seller and its surety have executed and delivered the Seller's Bond to the Council – see *General Conditions, 3.1.4*.

Progress payment certificates shall be on the Council's standard form. (See Appendix 75).

Retention monies shall be retained by the Council in accordance with *General Conditions, 13.3*. The Engineer shall show the amount to be retained as a deduction on the progress payment certificate.

11.1 Liquidated Damages

In assessing, and where necessary amending the Seller's claims, the Engineer should not make any deduction for liquidated damages. The power to deduct liquidated damages is vested in the Council by *General Conditions, 11.4.2* and the deduction is made from the amount certified as payable by the Engineer. The Engineer shall advise the Client's Representative of any amount which Council is entitled to deduct for liquidated damages. *The General Conditions, 11.4* sets out the provisions relating to damages for late supply of goods.

12. Tax Invoices

Payment certificates also serve as GST tax invoices.

Where the Seller is registered under the Good and Services Tax Act 1985, any progress or final claim prepared by the Seller shall not be a tax invoice for the purposes of the Goods and Services Tax Act 1985. When the Engineer has signed a progress payment certificate under *13.2.1* or a Final Payment Certificate under *13.5.1*, he or she shall on behalf of the Council ensure that the certificate is in the form required to constitute a tax invoice under the Goods and Services Tax Act 1985.

To ensure that the payment certificate is in the form required to constitute a tax invoice under the Act, it must be endorsed with the word "Buyer Created Invoice, IRD Approved". The Seller must not issue a tax invoice or subsequent adjustment note in respect of the supply of the goods covered by the certificate. If the Seller is furnishing returns to the Inland Revenue Department on the invoice basis of accounting, it must account for the GST content of the payment made pursuant to the certificate in the taxable period in which the certificate is issued.

The Special Conditions must contain a clause concerning the invoicing procedure for payment and must include the following information:

- Council will raise all the tax invoices required under the GST legislation for payments associated with the contract.
- The copy of the Payment Certificate will be the Seller's copy of the tax invoice.
- Council will not, under any circumstances, accept a tax invoice from Seller's for the following reasons:
 - Only one tax invoice is permitted for each payment.
 - It would not be possible to operate a payments system with some Sellers supplying tax invoices and some not.
 - Tax invoices supplied by Sellers may in many instances not be agreed to by the Engineer.

Both the Council's and the Seller's GST registration numbers must be shown on the payment certificate.

12.1 Paying on Payment Certificates

The total amount certified by the Engineer on a payment certificate shall be split and debited to two charge numbers as follows:

- The GST amount to charge number 9240000.9050
- The balance to the charge number raised for the contract.

13. Completion

The following tables set out the sequence of events for the completion of Purchasing Contracts.

13.1 Provisional Acceptance

TIME FOR COMPLETION	Specified in <i>General Conditions, 11.3.</i>
Provisional Acceptance	Stage of the work where the Supply of Goods complies with the requirements of <i>9.2.</i>
Certificate of Provisional Acceptance	Issued by the Engineer in accordance with <i>9.2.1.</i> Use Council's standard form. (See Appendix 76).
Liquidated Damages	Payable by the Seller to the Council for the period between the Time for Completion and the date of Provisional Acceptance. Refer to <i>11.4</i> and 11.1 above.
Ownership of Goods	Passes to Council on the issue of the certificate of Provisional Acceptance. See 9.3 above.

13.2 Defects Liability

PERIOD OF DEFECTS LIABILITY	<p>The period set out in the Special Conditions commencing on the date of Provisional Acceptance.</p> <p>During the Period of Defects Liability the Seller shall fulfil the obligations imposed on the Seller by the <i>General Conditions, 9.2.2 and 9.2.3.</i></p>
Certificate of Final Acceptance	<p>Issued by the Engineer when:</p> <ul style="list-style-type: none"> • The Period of Defects Liability has expired, and • The Seller has satisfied any requirement of <i>9.2.2 and 9.2.3.</i> <p>Use Council's standard form (See Appendix 77).</p>

The Engineer shall inform the Client's Representative of Council's obligation to release the Seller and its surety from the bond – see *General Conditions, 3.1.5.*

13.3 Final Payment

Final Claim	Made by the Seller not later than two months after the expiry of the Period of Defects Liability all in accordance with <i>13.4</i> .
Final Payment Certificate	<p>Issued by the Engineer as soon as practicable after receipt of the Seller's final claim all in accordance with <i>13.5</i>.</p> <p>The Final Payment Certificate must be:</p> <ul style="list-style-type: none"> • A recipient-created tax invoice as set out in 12 above. • Accompanied by a reconciliation showing additions and deductions to the tendered price. <p>Use Council's standard form. (See Appendix 78).</p>
Payment	Must be made by Council within 10 Working Days of issue of the Final Payment Certificate. See <i>13.5.4</i> .

14. Disputes

Every dispute or difference concerning the contract shall be dealt with in accordance with the *General Conditions, Section 14*. Note that there are time limits for giving notice to the Engineer set out in *14.1.1 and 14.2.1*.

14.2 sets out the requirements for the Engineer to review every dispute or difference and also options available to the Seller and the Engineer to assist them to resolve any dispute amicably (see *14.2.2 and 14.2.3*).

The Seller or Council may require the Engineer to make a formal decision under *14.2.4*.

If Council or the Seller is dissatisfied with the formal decision, or the Engineer makes no formal decision, the dispute may be referred to mediation or arbitration (see *14.3 and 14.4*).