

**CONTRACTS MANUAL**

**SUPPLEMENT TO  
PART THREE**

**PHYSICAL WORKS CONSTRUCTION CONTRACTS**

**PHYSICAL WORKS MAINTENANCE CONTRACTS**

## SUPPLEMENT TO PART THREE

This Supplement to Part Three covers the areas where Physical Works Maintenance Contracts differ from Physical Works Construction Contracts.

The clause numbers below refer to clause numbers of **Part Three**.

### **2.7 Liquidated Damages**

The period for which liquidated damages will be paid by the Contractor to the Council in accordance with *NZS 3910:2003 Appendix C clauses, C5.4, 10.5.1* shall be any period during which the Contractor fails to comply with the Specifications.

When assessing the weekly rate of liquidated damages the costs to Council arising from the Contractor's failure to comply with the Specification must be taken into account in addition to those factors set out in **Part Three 2.7**.

#### ***3.2.1 General Conditions of Contract and Conditions of Tendering***

The General Conditions of Contract, used for most Physical Works Maintenance Contracts are:

*NZS 3910:2003 Conditions of Contract for Building and Civil Engineering Construction.*

For Road or term Maintenance Contracts the Special Conditions shall state that 'the contract is either "a (Road) Construction Contract in public roads' or "a term Maintenance Contract' (including roading maintenance contract')'. In this case the provisions of *NZS 3910:2003, Appendix B or Appendix C* respectively shall apply (refer to *NZS 3910:2003, 2.5.1*).

For work which is unlike traditional maintenance work, such as maintaining computer database systems, contract specific Conditions of Contract may need to be developed. Wherever possible *NZS 3910:2003* should be adopted with relevant modifications set out in the Special Conditions. Specific instructions in this regard must be obtained from, or agreed with, the Client's Representative.

The policies and process outlined in this **Supplement to Part Three** assume that the provisions of *NZS 3910:2003, Appendix C* apply to the contract.

### **3.2.5 Special Conditions of Contract**

2.5 The contract is a roading term maintenance contract.

#### **12.3.1 Retention Monies**

The duration of a Physical Works Maintenance Contract can mean that a fixed percentage of retention monies may become an unreasonably large amount.

The percentages to be retained, which are usually at varying rates, shall be agreed with the Client's Representative and clearly set out.

## **10. Job Diary**

Most Physical Works Maintenance Contracts require the Contractor to provide regular contract reports on their performance. The Contract Manager must ensure that all these reports are received and filed in the same way as the job diary.

When the Contractor provides regular contract reports, the Contract Manager is not obliged to keep a detailed job diary. However, it is good work practice for the Contract Manager to keep a job diary that notes:

- any problems
- specific instructions or variations
- unusual weather conditions
- any other unusual situations or events

## **15. Completion of Work**

Differences relating to time for completion, defects liability and payment of retention monies are set out in *NZS 3910:2003, Appendix C clauses C5, C6 and C7*.