

Draft Fair Treatment Charter © [Issue 2 May 2013]

1 No charge or other payment or allowance of any kind to be on a tender list or to be an “approved” sub-contractor.

2 No unfair misleading or electronic auction tendering processes.

3 Honest and open feed back on tenders, which include compulsory notification and feedback to any tenderer where that tenderers price is more than 15% cheaper than the next lowest tenderer.

4 No unfair or misleading allocation of risk in any document forming the enquiry or contract.

5 Before entering into any contract the parties shall jointly check that the time, cost and specification/scope obligations, and the terms of the contract are clearly defined, and fully understood.

6 No hidden or annual rebates or other allowances to be included in any pricing.

7 Bespoke Sub-Contracts shall not be used. Use only un-amended Standard Form Sub-Contracts e.g. the JCT or NEC suite of Sub-Contracts.

8 Adopt an honest and open culture, and a collaborative approach in respect of any matters causing delay or disruption. Contractors to encourage, rather than deter proper delay notification, progress reporting, and agreement of facts.

9 Adopt an honest open culture, and a collaborative approach in respect of variations. Unless it is not possible, the time and cost implications of variations shall be agreed (which agreement shall be binding) in advance of the varied work being undertaken.

10. Adopt and encourage the proper notification and agreement of variations on an ongoing basis, such that the difference between the value of variations instructed and the value of variations agreed, does not exceed the greater of 5% of the original contract sum or 15% of the total agreed value of variations. Instructions that are issued outwith such limits shall be of no binding effect.

11 Adopt an open and honest problem solving, rather than blame culture. Where any matter is likely to give rise to a difference or dispute, the parties shall give brief particulars to the other as soon as possible, and meet for direct good faith negotiations to try to resolve the matter.

12 Payment

.1 wherever possible the parties should meet to agree the valuations

.2 only in extreme circumstances should it be necessary to issue pay less notices which in any event shall not change the measured works value agreed

.3 payment is to be made (preferably within 30 days but a maximum of 45 days) on time in accordance with the terms of the contract.

.4 retention shall not exceed 3% and dates for release shall be discussed understood and agreed

.5 simple monitoring measures shall be put in place to ensure that these payment terms are adopted right through the supply chain on all publicly funded projects

This Draft Fair Treatment Charter has been produced by;

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