



# **Conditions of Contract**

## **Supply of Goods Period Contract**

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## Table of Contents

<b>Conditions of Contract</b> .....	<b>5</b>
<b>1 Interpretation of Terms</b> .....	<b>5</b>
<b>2 Formation of the Contract</b> .....	<b>7</b>
<b>3 Nature of Contract</b> .....	<b>7</b>
3.1 Type of Contract .....	7
3.2 Basis of Payment.....	8
3.3 Period of Contract.....	8
3.4 Contract Extension .....	8
3.5 Estimated Requirements.....	8
3.6 Price Adjustment.....	8
3.7 Panel Period Contract.....	9
3.8 Applicable Law.....	10
<b>4 Entire Agreement</b> .....	<b>10</b>
<b>5 Principal's Responsibilities and Obligations</b> .....	<b>10</b>
5.1 Principal's Representative.....	10
5.2 Contract Manager .....	10
<b>6 Directions</b> .....	<b>10</b>
<b>7 Contractor's Responsibilities and Obligations</b> .....	<b>10</b>
<b>8 Contractor's Representative</b> .....	<b>11</b>
<b>9 Status of the Contractor</b> .....	<b>11</b>
<b>10 Supply of Goods by Official Order</b> .....	<b>11</b>
<b>11 Notices</b> .....	<b>11</b>
11.1 Services of Notices .....	11
11.2 Effective on Receipt.....	11
<b>12 Site Rules</b> .....	<b>12</b>
<b>13 Work Health and Safety Management</b> .....	<b>12</b>
13.1 Priority to safety issues .....	12
13.2 Compliance with laws and standards .....	12
13.3 Unsafe work.....	12
13.4 Substantive breach .....	13
<b>14 Confidentiality and Publicity</b> .....	<b>13</b>
<b>15 Local Development</b> .....	<b>13</b>
<b>16 Performance Plan</b> .....	<b>13</b>
<b>17 Industry Participation Plan</b> .....	<b>13</b>
<b>18 Liabilities</b> .....	<b>14</b>
18.1 Reduction in Liability .....	14
18.2 Limitation of Liability.....	14
<b>19 Insurances</b> .....	<b>14</b>
19.1 Workers Compensation Insurance .....	14
19.2 Public Liability Insurance .....	15
19.3 Product Liability Insurance .....	15
19.4 Lodgement of Certificates of Currency .....	15
<b>20 Delivery, Acceptance and Rejection</b> .....	<b>16</b>
20.1 Delivery and Acceptance .....	16
20.2 Rejection.....	16

Table of Contents

---

<b>21</b>	<b>Warranty Period.....</b>	<b>16</b>
<b>22</b>	<b>Invoicing and Payment .....</b>	<b>16</b>
<b>23</b>	<b>Variations.....</b>	<b>17</b>
<b>24</b>	<b>Assignment.....</b>	<b>17</b>
<b>25</b>	<b>Sub-Contracting .....</b>	<b>17</b>
<b>26</b>	<b>Disputes.....</b>	<b>17</b>
	26.1 Disputes.....	17
	26.2 Notice of Dispute .....	17
	26.3 Meeting of Parties.....	18
	26.4 Appointment of Mediator .....	18
	26.5 Appointment of Independent Expert.....	18
	26.6 Decision of Independent Expert .....	18
	26.7 Continuation of Work during Disputes.....	18
<b>27</b>	<b>Termination.....</b>	<b>19</b>
<b>28</b>	<b>Voluntary Termination .....</b>	<b>19</b>
<b>29</b>	<b>Rights of Principal to Recover Monies .....</b>	<b>19</b>
<b>30</b>	<b>Contractor's Performance Report .....</b>	<b>19</b>
<b>31</b>	<b>Goods and Services Tax.....</b>	<b>20</b>
<b>32</b>	<b>Privacy .....</b>	<b>20</b>

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# Conditions of Contract

## 1 Interpretation of Terms

In these Conditions of Contract, unless the context otherwise requires:

**'Agency'** means a department, agency or statutory authority of the Northern Territory of Australia.

**'Annexure'** means the section in the RFT detailing the specific requirements applicable to the Conditions of Tendering and Contract.

**'Business Day'** means any day which is not a Saturday, Sunday or a NT wide public holiday within the meaning of the *Public Holidays Act*.

**'Business Hours'** means from 8.00am to 5.00pm on a Business Day at the place where the Goods are to be provided.

**'Completion'** means the Principal has determined that the supply of the particular Goods has been completed.

**'Common Use Contract'** means a Standing Offer arrangement for the provision of Goods to all Agencies.

**'Contract'** means the document that constitutes or evidences or, as the case may be all the documents which constitute or evidence the final and concluded agreement between the Principal and the Contractor concerning supply of the Goods.

**'Contractor'** means the legal entity that, as party to the Contract is bound to supply the Goods in accordance with the Contract and includes the successors and lawful assigns of the Contractor.

**'Contractor's Tender'** means the Tender submitted by the Contractor in response to the RFT.

**'Date of Acceptance'** means the date, which appears on the Notice of Acceptance or Official Order and if no date appears is the date on which the Principal sent the Notice of Acceptance accepting the Contractor's Tender.

**'Goods'** means the items described and quantified, in the Scope of Requirement, Schedule of Prices, Notice of Acceptance or Official Order, which are to be provided by the Contractor in accordance with the Contract, including all variations provided for by the Contract.

**'Indigenous Person'** is a person of Australian Aboriginal or Torres Strait Islander descent who identifies themselves as Indigenous and is accepted in the community in which they live as an Indigenous person.

**'Intellectual Property'** includes all copyright and neighbouring rights, and all rights in relation to inventions (including patents) registered and unregistered trademarks (including service marks), registered designs, confidential information (including trade secrets and know how) and circuit layouts, and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

**'Notice of Acceptance'** means the written notification and any accompanying documentation sent to the Contractor by the Principal advising acceptance of its Tender to supply the Goods under the Contract.

**'Official Order'** means an order issued on the Contractor, whether on paper or by electronic means, which conveys the essential details of a particular Goods requirement under the Contract and includes any methods of ordering the Goods specifically referred to in the Contract.

**'Ordering Officer'** means any person within the Agency authorised to order Goods under the Contract.

**'Panel Period Contract'** means Standing Offer arrangements have been entered into with more than one Contractor for the supply of Goods of the same type and nature.

**'Principal'** means the Northern Territory of Australia. The Principal for Power and Water Contracts is the Power and Water Corporation.

**'Principal's Representative'** means the person nominated by the Principal or other person from time to time appointed in writing by the Principal to be the Principal's Representative for the purposes of the Contract.

**'Rate'** means the rate (price) per unit of the Goods stated in the Contract or Official Order.

**'Request for Tender (RFT)'** means the document(s) containing or referring to the Conditions of Tendering and Contract, the Annexure, Special Conditions of Contract (if any), Northern Territory Procurement Code, Scope of Requirement, Response Schedules and any other document issued for the purposes of inviting Tenders for the supply of Goods.

**'Schedule of Rates'** means any schedule included in the Contract, which shows the respective unit rate of payment for supply of the Goods.

**'Scope of Requirement'** means the statement set out in the Contract or the Official Order specifying and describing the Goods to be provided.

**'Standing Offer'** means the Contractor agrees to provide the Goods from time to time if and when authorised by the Principal by the issue of an Official Order. The Contractor agrees that the Principal is not obliged to order a specific number of, or any, Goods during the term of the Contract.

**'sub-contractor'** means a person other than the Contractor's employees, engaged by the Contractor who provides goods or services to the Contractor.

**'Tax Invoice'** has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999*.

**'Warranty Period'** means the period identified in the Contract or Official Order for the particular Goods.

In the Contract, unless the contrary intention appears:

- a) headings are for the purpose of convenient reference only and shall not be used in the interpretation of these conditions;
- b) the singular includes the plural and vice-versa;
- c) a reference to one gender includes the other;
- d) a reference to a person includes a natural person, a body politic, body corporate, a partnership, joint venture, incorporated association, government, local government authority or agency;
- e) a reference to a party includes that party's administrators, successors, and permitted assigns, including any person to whom that party novates any part of the Contract;
- f) if the last day of any period prescribed for the doing of an action falls on a day which is not a Business Day, the action shall be done no later than the end of the next Business Day;

- g) a reference to time is to Australian Central Standard Time;
- h) a reference to an Act is a reference to an Act of the Commonwealth, State or Territory of Australia, as amended from time to time, and includes a reference to any subordinate legislation made under the Act;
- i) a reference to a 'dollar', '\$', '\$A' or 'AUD' means the Australian dollar unless otherwise stated;
- j) a reference to a "measurement" means Australian legal units of measurement unless otherwise specified;
- k) a reference to a specification, publication, Commonwealth policy or other document is a reference to that specification, publication, Commonwealth policy or document, in effect on the date of the Notice of Acceptance and updated from time to time, or alternatively, a reference to another version of the document if agreed in writing between the parties;
- l) the word 'includes' in any form is not a word of limitation;
- m) a reference to a clause includes a reference to a subclause of that clause; and
- n) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this Contract, and a reference to this Contract includes any schedule or annexure.

## 2 Formation of the Contract

The Contract between the Principal and the Contractor shall comprise:

- a) these Conditions of Contract and any Special Conditions;
- b) the Notice of Acceptance;
- c) the RFT;
- d) the Contractor's Tender response; and
- e) any other document expressly referred to in items (a) to (c) of this clause as forming part of the contract (together the Contract).

If there is any inconsistency between any part of the Contract, a descending order of precedence shall be accorded to the:

- a) Special Conditions (if any);
- b) these Conditions of Contract;
- c) Annexure to the Conditions of Tendering and Contract;
- d) Notice of Acceptance;
- e) Scope of Requirement;
- f) Drawings included in the RFT (if any);
- g) any other document expressly referred to in items (a) to (f) inclusive of this clause as forming part of the Contract;
- h) Conditions of Tendering and all other documents, other than those specified above in (a) to (f) inclusive, forming the RFT or the Contract (other than the Contractor's Tender); and
- i) the Contractor's Tender response including any drawings;

so that the provision in the higher ranked document, to the extent of the inconsistency, shall prevail.

## 3 Nature of Contract

### 3.1 Type of Contract

The type of Contract is a standing offer arrangement.

### **3.2 Basis of Payment**

The Contractor shall be paid on a Schedule of Rates basis. The sum payable shall be calculated by multiplying the unit Rate for the particular Goods by the number of units delivered and accepted in accordance with the Contract.

### **3.3 Period of Contract**

The Contract is a Period Contract. The initial period of the Contract is the period stated in the Annexure. The Contract shall commence in accordance with the nomination in the Annexure, being either a specific date or the Date of Acceptance.

### **3.4 Contract Extension**

The Principal has the right to extend the Contract for any further period(s) as stated in the Annexure. There is no obligation on the Principal to extend the Contract.

An extension to the Contract is not valid until the Principal gives the Contractor the opportunity to submit revised rates and the Principal agrees to any revised rates and notifies the Contractor in writing that the Contract is extended.

### **3.5 Estimated Requirements**

The estimated quantities required are shown in the Schedule of Rates in the Response Schedules. Although every endeavour has been made to form an accurate estimate of requirements during the period of the Contract, the Principal does not bind itself to take the quantities stated, but reserves the right to order greater or lesser of the quantities according to requirements during that time.

If in the opinion of the Principal, specific requirements of the Agency are outside the scope and intent of the Contract, the Principal shall be free to obtain the requirements or any part of them by other means.

### **3.6 Price Adjustment**

The basis of price adjustment if any, to the Contract Unit Rates shall be as stated in the Annexure.

If the Contract allows a review of the Contract unit Rates during the Contract period the Contractor shall submit to the Principal for approval, a written application for price adjustment in accordance with the formula below. The application shall include adequate information to substantiate the adjustment in unit Rates.

It is the intention that revised Rates shall reflect the Contractor's current costs based on relevant cost adjustment indices or other industry factors and shall not provide for increases in profit margin.

Price adjustment shall take effect at either the date allowed for in the Contract or the Contractor's application date, whichever is the latter. There shall be no retrospective adjustment of the Contract unit Rates.

Price Adjustment will be on the following basis:

- a) Contract Rates shall be firm for the first twelve (12) months and thereafter subject to price adjustment.
- b) The adjustment shall be undertaken at either the date allowed for in the Contract or the Contractor's application date, whichever is the latter. Adjustment shall apply until the next adjustment date.
- c) The relevant statistics used for annual calculation of price adjustment shall be drawn from the most recent Australian Bureau of Statistics catalogue number 6401.0 All Groups –



Darwin, available from:  
www.abs.gov.au or by telephoning 1300 135 070 and selecting option 2.

- Pn** Is the New Price, expressed as \$. Calculate New Price by applying the formula set out below to the Base Price.
- Pb** Is the Base Price, expressed as \$. This is the price accepted by the Principal as the initial contract rate or sum.
- Mc** Is the price component subject to price adjustment and shall be 0.90 (90%).
- Fc** Is the price component not subject to price adjustment and shall be 0.10 (10%).
- Mn** Is the New CPI Index 6401.0 All Groups – Darwin, applicable at the adjustment date.
- Mb** Is the Base CPI Index 6401.0 All Groups – Darwin and for this RFT shall be the index effective at closing for this tender.

$$Pn = Pb \times ( (Mc \times (Mn/Mb) ) + Fc )$$

Note: “X” means multiply; “/” means divide by the value following the symbol; calculations in the internal brackets to be performed first.

### 3.7 Panel Period Contract

Subject to any other provisions of the Contract, if the Contract is designated as a Panel Period Contract the following provisions will apply:

- a) Specific Requirements at Unit Rates:
  - i. The Principal will issue an Official Order against the established rates to the Contractor offering the best value-for-money outcome, within the required time frame.
- b) General Requirements with no Unit Rates:
  - i. The Principal will select a Contractor in the following manner:
    - Prepare a request for quotation setting out the details of the Goods including deliverables and time frame for completion.
    - Forward the request for quotation to a number of panel members depending on the estimated value of the particular Goods:
      - If up to \$50,000 at least three panel members, if practicable
      - \$50,000 and greater all panel members.
  - ii. Selection will be based on the panellist offering the best value for money outcome within the required timeframe and against the specified selection criteria.

The Principal recognises that the panel members have been selected on the basis that they are capable of providing the Goods and the opportunity for the different panel members to submit an offer for particular Goods should be approximately equal over the life of the Contract.

Where the Contract is for a general scope of requirements without any rates:

- a) the panel once established will remain closed for a period of twelve (12) months unless the Principal determines that owing to changed circumstances the size of the panel is inadequate.
- b) at the end of every twelve (12) months or sooner if the Principal so determines, the Principal may appoint additional contractors to the panel under the same assessment criteria contained in the RFT.
- c) the Principal will notify existing panel members of any additions to, or withdrawal from, the panel.

### 3.8 Applicable Law

The Contract shall be governed by and construed in accordance with the laws of the Northern Territory of Australia.

## 4 Entire Agreement

The Contract formed between the parties for the supply of the Goods constitutes the entire agreement between the parties and supersedes any previous agreements or understandings.

## 5 Principal's Responsibilities and Obligations

The Principal shall give or cause to be given to the Contractor timely instructions, decisions and information sufficient to define the requirements of the Goods to be supplied under the Contract.

### 5.1 Principal's Representative

The Principal's Representative shall exercise the duties discretions and powers vested in the Principal under the Contract except this power of appointment.

The Principal's Representative is nominated on the Annexure.

### 5.2 Contract Manager

For the purpose of exercising some of the powers, duties, discretions and authorities, vested in him on behalf of the Principal, the Principal's Representative may from time to time appoint a representative ('**Contract Manager**'). The Contract Manager will be notified in the Notice of Acceptance.

The Contract Manager will act as first point of contact for matters under the Contract.

The Contractor shall recognise and accept notices from the Contract Manager as if the Principal's Representative issued such. Any reference to the Principal within these conditions shall be deemed to be a reference to the Contract Manager so far as it concerns the exercise of the Contract Manager's powers by virtue of his appointment.

## 6 Directions

The Contractor shall comply with any direction either orally or in writing issued, given or served upon them by the Principal. Any direction given orally shall, as soon as practicable after it is given, be confirmed in writing.

For the purposes of this clause the word "direction" includes any agreement, approval, authorisation, certificate, decision, demand, determination, direction, explanation, instruction, notice, notification, order, permission, rejection, request or requirement which the Principal may make, give or issue pursuant to the provisions of the Contract.

## 7 Contractor's Responsibilities and Obligations

The Contractor warrants that:

- a) the Contractor has the right and shall transfer title to the Goods to the Principal;
- b) the Goods shall be new and shall comply in all respects with the Scope of Requirements;
- c) the Goods shall conform to the description, model number and the sample (if any) provided by the Contractor;
- d) the Goods have been manufactured or assembled at the place disclosed by the Contractor; and
- e) the Goods are free from defects and conform to any legally applicable standards.

The Contractor shall, unless the Contract otherwise provides, supply at its own cost and expense everything necessary for the supply of the Goods and the proper performance of its obligations under the Contract.

The Contractor shall observe and comply with requirements of all Acts of the Commonwealth of Australia, Acts of the Northern Territory, and with the requirements of all regulations, by-laws, orders or subordinate legislation made or issued under any such Act, the Northern Territory Procurement Code and with the lawful requirements of any relevant authority, regulator or standard setting entity as shall be in force in the place affecting or applicable to supply of the Goods.

## **8 Contractor's Representative**

The Contractor shall appoint a representative ('**Contractor's Representative**') to be the first point of contact with the Principal. The Contractor's Representative shall be nominated to the Principal in writing.

Any direction given to the Contractor's Representative shall be deemed to be a direction issued to or served upon the Contractor.

Matters within the knowledge of the Contractor's Representative shall be deemed to be within the knowledge of the Contractor.

The Contractor or its representative shall have sufficient command of the English language to be able to read, converse and receive instructions in English.

The Contractor may, with the prior written approval of the Principal, cancel the appointment and shall nominate another Contractor's Representative.

## **9 Status of the Contractor**

The Contractor, employees and sub-contractors thereof, in supplying the Goods, are not for any purpose a servant or employee of the Principal.

## **10 Supply of Goods by Official Order**

The Contractor shall fulfil all Official Orders for particular Goods placed by the Ordering Officer during the currency of the Contract.

## **11 Notices**

### **11.1 Services of Notices**

Notice must be:

- a) in writing, in English and signed by a person duly authorised by the sender; and
- b) hand delivered or sent by prepaid post or by electronic means to the recipient's address for Notices set out in the Contract, as varied by any Notice given by the recipient to the sender.

The Principals address for service of Notices is as stated in the Annexure.

### **11.2 Effective on Receipt**

Any notice given in accordance with the above sub-clause sent to the address set out in the Contract, takes effect when it is taken to be received (or at a later time specified in it) and is taken to be received:

- a) if hand delivered, on delivery;

- b) if sent by post, three (3) Business Days after the date of posting (or seven (7) Business Days after the date of posting if posted to or from a place outside Australia); and
- c) if sent by electronic transmission, on receipt by the sender of a transmission report from the despatching machine indicating that the notice sent was received in its entirety at the recipient's machine unless, within eight (8) Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice;

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 8.00am on the next Business Day.

## 12 Site Rules

The Contractor, his employees and sub-contractors required to enter the Site in connection with the Services shall comply with all rules and regulations in force at the Site, including security screening through Criminal History Checks where required.

The Contractor is responsible for obtaining all relevant permits and the payment of all associated fees and/or charges which are levied by the appropriate Authority.

## 13 Work Health and Safety Management

### 13.1 Priority to safety issues

In supplying the Goods, the Contractor:

- a) must give priority to and is responsible for ensuring safe work practices in relation to the Goods and the Contract;
- b) must supply the Goods safely and so as to protect persons and property; and
- c) must maintain appropriate safety precautions and programs so as to prevent injury to persons or damage to property as a result of supplying the Goods.

### 13.2 Compliance with laws and standards

Without limiting clause 13.1 or any other provision in the Contract, in supplying the Goods, the Contractor must, and must ensure that all persons for whom it is responsible or over whom it is capable of exercising control (including its subcontractors), comply with all laws and standards that are applicable to the supply of the Goods and with any reasonable direction issued by the Principal or any other person with control and management of the supply of the Goods.

### 13.3 Unsafe work

If the Principal considers:

- a) there is a risk of injury to people or damage to property arising from the supply of the Goods; or
- b) there is an unsafe or potentially unsafe practice or there is a breach of the requirements of this clause 13 then, in addition to any other rights it has under the Contract, the Principal may:
  - i. direct the Contractor to change its manner of working; or
  - ii. suspend the performance of the Contract associated with the unsafe practice or breach, and not lift the suspension until the work area is made safe and the unsafe practice removed, or the breach rectified.

All costs, delay and disruption caused by any action taken under this clause 13.3 are the responsibility of the Contractor.

### **13.4 Substantive breach**

Where, in the opinion of the Principal, the Contractor has committed a substantive breach of its obligations under clause 13.3, the Principal may immediately terminate this Contract, by written notice to the Contractor.

The remedy provided in this clause 13.4:

- a) applies notwithstanding any other provision of the Contract; and
- b) is in addition to the other remedies under this Contract.

## **14 Confidentiality and Publicity**

All information received or otherwise acquired by the Contractor under this Contract is deemed to be confidential and remains the property of the Principal.

The Contractor or its employees, agents, directors, partners, shareholders, sub-contractors or consultants shall not disclose to any third party, any information or documentation relating to the Principal, the affairs of the Principal or the affairs of others which may have come to its or their knowledge as a result of the Contract or the supply of the Goods and shall take all necessary precautions to prevent unauthorised access to or disclosure of such information or documentation.

The Contractor shall not divulge any information regarding the Contract or the nature or progress of the Contract or engage in any publicity concerning the Contract or the supply of Goods unless it first obtains the written consent of the Principal.

## **15 Local Development**

The Contractor shall, except in those cases where the Contractor can reasonably demonstrate to the Principal that it is impractical for commercial, technical or other reasons so to do:

- a) use labour including apprentices and trainees and Indigenous labour available within the Northern Territory; and
- b) use the services located and obtain supplies/materials available within the Northern Territory.

The Contractor shall, when requested by the Principal, submit a written report concerning the compliance with the provisions of this clause.

## **16 Performance Plan**

Where a Performance Plan has been specified in the Annexure, the Contractor will establish, document, implement and maintain a Performance Plan throughout the course of the Contract.

Within fourteen (14) days of award of Contract, the Contractor shall submit to the Principal for approval, one copy of the Performance Plan. The Principal shall within a reasonable time from receipt either approve the Performance Plan, or reject it, giving reasons for the rejection. The Contractor shall rectify the deficiencies and resubmit the Performance Plan for approval.

## **17 Industry Participation Plan**

Where an Industry Participation Plan has been specified, the Contractor will implement and maintain the Industry Participation Plan throughout the course of the Contract.

Within fourteen (14) days of award of Contract, the Contractor shall submit one copy of the Industry Participation Plan to the Principal for approval. The Principal shall within a reasonable

time from receipt, either approve the Industry Participation Plan, or reject it, giving reasons for the rejections. The Contractor shall rectify the deficiencies and resubmit the Plan for approval.

The Contractor will be required to provide the Principal with a report on compliance (achievements against the objectives/goals) with the Industry Participation Plan within thirty (30) days of the completion of the Contract.

## 18 Liabilities

The Contractor must indemnify the Principal and employees or agents of the Principal against any legal liability, loss, claim, action or proceeding for personal injury to, or death of any person or for damage to any property arising from the carrying out or in connection with the Services and from any costs and expense that may be incurred in connection with any such loss, claim, action or proceeding.

### 18.1 Reduction in Liability

The Contractor's liability to indemnify the Principal under this clause is reduced proportionately to the extent that any negligent act or omission of the Principal contributed to the relevant liability, loss, claim, action or proceeding.

### 18.2 Limitation of Liability

If specified in the Annexure, the liability of the Contractor in respect of each single occurrence or a series of related occurrences arising from a single cause to the extent caused or contributed by the Contractor in connection with or directly arising out of this Contract be limited to the amount specified in the Annexure.

Unless otherwise specified, any limit on the liability of the Contractor does not apply in relation to:

- a) personal injury (including sickness and death);
- b) an infringement of Intellectual Property rights;
- c) a breach of any obligation of confidentiality, security requirement or privacy; or
- d) liability which is or would have been included in an insurance policy, but for:
  - i. the inclusion of the limit on liability under sub-clause 18.1; or
  - ii. a failure by the Contractor to fulfil its insurance obligations under the Contract or the insurance policies or due to the insolvency of the insurer for the relevant insurance.

## 19 Insurances

### 19.1 Workers Compensation Insurance

For the purpose of this clause "worker" shall have the definition it is given in the *Return to Work Act 2015* (NT).

Before commencing the Contract the Contractor shall take out and shall maintain for the duration of the Contract appropriate Workers Compensation insurance cover for all workers employed by the Contractor. This cover shall comply with the *Return to Work Act 2015* (NT) of the Northern Territory and policies shall be purchased from Northern Territory approved insurers. Details can be found at the following web address:

[www.worksafe.nt.gov.au/ServiceProviders/Insurers/Pages/Find-an-Approved-Insurance-Company.aspx](http://www.worksafe.nt.gov.au/ServiceProviders/Insurers/Pages/Find-an-Approved-Insurance-Company.aspx)

The Contractor shall ensure that all sub-contractors who employ workers have Workers Compensation insurance cover in accordance with the *Return to Work Act 2015* (NT).



The Contractor shall ensure that all persons employed under labour hire agreements, whether by the Contractor or through a Labour Hire Firm, are appropriately covered by Workers Compensation insurance.

Self-employed Contractors should ensure that they have adequate insurance coverage in place.

The Contractor shall be responsible for ensuring that all sub-contractors have appropriate insurance policies, and, upon request, shall provide to the Principal copies of all Certificates of Currency, including those of any sub-contractors (including self-employed Contractors and persons employed under Labour Hire Agreements).

## **19.2 Public Liability Insurance**

Before commencing the Contract the Contractor shall take out and shall maintain during the currency of the Contract a Public Liability policy of insurance to cover its liabilities to third parties.

The Policy shall:

- a) note the Principal for its respective rights and interests;
- b) include a cross-liability clause in which the insurer accepts the term “insured” as applying to each of the persons covered by the insurance as if a separate policy of insurance had been issued to each of them; and
- c) be for an amount of not less than the sum stated in the Annexure, for any one occurrence.

The effecting of insurance shall not limit the liabilities or obligations of the Contractor under other provisions of the Contract.

The Contractor shall ensure that all sub-contractors take out Public Liability Insurance that meets the requirements of this clause.

## **19.3 Product Liability Insurance**

Before commencing the Contract the Contractor shall take out and shall maintain during the currency of the Contract a Product Liability Insurance policy for an amount not less than the sum stated in the Annexure.

The Contractor shall continue to maintain a Product Liability policy after the conclusion of the Contract for such period and for such amount as is necessary to indemnify the Contractor in respect of all liabilities arising out of this Contract. The Contractor’s liability to the Principal shall not be limited or otherwise affected by the terms of any such insurance policy.

## **19.4 Lodgement of Certificates of Currency**

The Contractor shall provide the Principal with copies of Certificates of Currency and summaries of key provisions for all insurance policies required under clause 19 including those of any sub-contractors (including self-employed contractors and persons employed under labour hire agreements):

- a) prior to commencing the Contract;
- b) within two (2) days of a written request by the Principal;
- c) within seven (7) days after the Contractor renews an insurance policy; and
- d) within seven (7) days after the Contractor makes any change to an insurance policy.

The Contractor will not cancel any insurance policy, or conduct itself in a manner that brings about such a cancellation of an insurance policy, except with the written consent of the Principal.

## 20 Delivery, Acceptance and Rejection

### 20.1 Delivery and Acceptance

The Contractor shall deliver the Goods to the place or places and within the time or times stated in the Contract and/or Official Order and shall obtain a receipt of their delivery. Title in the Goods shall pass to the Principal upon satisfactory delivery of the Goods by the Contractor in accordance with the Contract. Delivery and receipt of the Goods shall not be an acceptance of the Goods by the Principal. The Principal may reject Goods, which are not in accordance with the Contract.

Receipt of delivery, acceptance or payment shall not prejudice the right of the Principal to maintain an action for breach of condition or warranty should the Goods prove to be of inferior quality or in any respect contrary to the requirements of the Contract.

### 20.2 Rejection

Upon rejection of any Goods the Principal shall notify the Contractor and may direct that the rejected Goods be removed and replaced or rectified at the Contractor's risk and expense within such reasonable time as the Principal may direct. Should the Contractor fail to remove or rectify rejected Goods within the time directed, the Principal may have the rejected Goods re-delivered at the Contractor's risk and expense.

## 21 Warranty Period

Without limiting any other warranty implied by statute or generally at law:

- a) if a defect (fair wear and tear excepted) appears in the Goods within the Warranty Period the Contractor shall promptly remedy such defect by either repairing or replacing the defective Goods without cost to the Principal; and
- b) the Contractor shall obtain for the Principal the benefit of any manufacturer's warranty.

## 22 Invoicing and Payment

The Contractor shall provide to the Contract Manager a Tax Invoice showing the quantity and value of the Goods delivered and accepted, based on the particular Goods requirement under the Contract as set out in the Official Order.

The Contractor's Tax Invoice will include details of any Adjustments under clause titled "Goods and Services Tax" of the Conditions of contract and an explanation as to how such Adjustments were calculated.

The Contractor shall provide any further details in regards to the Goods and/or Tax Invoice upon request by the Principal.

Principal shall make payments within thirty (30) days of receipt of a Tax Invoice that is not disputed.

If the Principal disputes the invoice amount the Principal shall certify the amount it believes is due for payment, which shall be paid by the Principal and the liability of the balance of the payment shall be determined in accordance with the Contract.

The payment of monies pursuant to this clause shall not be taken as evidence against or as an admission by the Principal or the Agency that the Goods have been supplied in accordance with the Contract or the value thereof, but shall be taken to be payment on account only.

Failure by the Principal to pay the amount by the due date:



- a) will not be grounds to vitiate or avoid the contract; and
- b) will entitle the Contractor to make a claim for interest penalties on the late payment.

Interest penalties must be claimed within ninety (90) days of the date the late payment was made by the Principal and the claim must be in the form of a tax invoice. Interest penalties are to be calculated daily, for the period after the due date until the date payment is made by the Principal, at the ninety (90) day bank bill swap rate published on 1 June each year by the Australian Financial Markets Association. Where an interest penalty period spans 1 June, the rate shall be the rate published in the year the original invoice was issued.

The Principal will not be liable for interest penalties on any payments in respect of interest penalties.

## **23 Variations**

The Principal may direct a variation to the quantity, method, point or time of delivery of the Goods or to the character or quality of any material or work and such direction shall not invalidate the Contract. The variation shall be valued by mutual agreement between the Contractor and the Principal, or, failing agreement, by the Principal and the amount payable to the Contractor increased or decreased accordingly.

## **24 Assignment**

The Contractor shall not assign the Contract, mortgage, charge or encumber any of the monies payable under the Contract or any other benefit whatsoever arising under the Contract, without written consent of the Principal. Such consent shall not be unreasonably withheld.

## **25 Sub-Contracting**

Should the Contractor desire to sub-contract any part or parts of the Contract it shall submit to the Principal for approval the names of the proposed sub-contractors, the nature and value of the Goods, that it is intended they undertake. No sub-contractor shall be employed in connection with the Contract unless such approval is first obtained. Such approval shall not be unreasonably withheld.

Any sub-contract shall be in writing and contain the provision that progress payments to the sub-contractor shall be made within fourteen (14) days after the Contractor has received payment from the Principal.

Any approval by the Principal to engage a sub-contractor for any part of the supply of the Goods shall not relieve the Contractor from any of its liabilities under the Contract. The Contractor shall be fully liable to the Principal for the work of the sub-contractor or any employee or agent of the sub-contractor.

## **26 Disputes**

### **26.1 Disputes**

Each party must follow the procedures in this clause 26 before starting court proceedings, other than for interlocutory relief.

### **26.2 Notice of Dispute**

Any party to this Contract who wishes to claim that a dispute has arisen must give written notice to the other party setting out details of the dispute.

### **26.3 Meeting of Parties**

Within five (5) Business Days of the provision of the written notice, a nominated representative of each of the parties must meet to take whatever actions or investigations as each deems appropriate, in order to seek to resolve the dispute.

### **26.4 Appointment of Mediator**

If the dispute is not resolved within five (5) Business Days of the parties meeting (or within such further period as the parties agree is appropriate) then one or both parties may nominate a mediator to determine the dispute.

If the parties fail to agree to the identity of a mediator within five (5) Business Days of a party nominating a mediator, then either or both of the parties may refer the matter to the President for the time being of the Law Society of the Northern Territory who will nominate a mediator to mediate the dispute.

The parties will bear the costs of the mediator equally.

### **26.5 Appointment of Independent Expert**

If the dispute is not resolved within twenty (20) Business Days after the appointment of the mediator (or within such further period as the parties agree is appropriate) then one or both parties may nominate an independent expert to determine the dispute.

If the parties fail to agree to the identity of an independent expert within five (5) Business Days of a party nominating an independent expert, then either or both of the parties may refer the matter to the President for the time being of the Law Society of the Northern Territory who will nominate an independent expert to determine the dispute.

The expert must not be the same person as the mediator.

The parties will bear the costs of the independent expert's determination equally, unless the independent expert determines otherwise.

The parties will make available to the independent expert all materials requested by it and will furnish it with all other materials which are relevant to the determination.

### **26.6 Decision of Independent Expert**

The decision of the independent expert is absolute and final and will bind the parties accordingly and this Contract will be deemed to be amended to incorporate the terms of the independent expert's decision.

The independent expert will be deemed to be acting in making any decision as an expert and not an arbitrator.

### **26.7 Continuation of Work during Disputes**

During disputes and until such time that work under the Contract are completed, the Contractor must, at all times, continue to fulfil its obligations under the Contract and comply with all directions given to it by the Principal in accordance with the provision of the Contract, provided that such directions do not touch upon the subject matter of the dispute in respect of which written notice has been given in accordance with this clause.

The Contractor shall, in respect of any dispute or difference arising out of the Contract and not later than fourteen (14) days after the dispute or difference arises, submit the matter at issue in writing with detailed particulars of the matter at issue to the Principal for decision and the Principal shall as soon as practicable thereafter give a decision in writing to the Contractor.

If the Contractor is dissatisfied with the decision of the Principal, the Contractor may, not later than twenty-eight (28) days after the decision is given, notify the Principal that it requires the matter to be referred for expert determination, in accordance with the expert determination process detailed in "Northern Territory of Australia - Expert Determination", a copy of which is available from the place of issue of the RFT documents or from the following web address:  
[www.dob.nt.gov.au/business/tenders-contracts/legislative\\_framework/tendering-contract/Pages/eddr.aspx](http://www.dob.nt.gov.au/business/tenders-contracts/legislative_framework/tendering-contract/Pages/eddr.aspx)

If the Principal does not receive the notice requiring expert determination within the prescribed time, the Principal's decision shall not be subject to expert determination.

## **27 Termination**

Without prejudice to any other remedy of the Principal at Law if the Contractor fails to supply Goods as and when required by the Contract; fails in any other way to comply with the Contract; neglects or omits to carry out any direction of the Principal in respect of the Contract; intimates that they are unwilling or unable to complete the Contract; becomes insolvent or bankrupt or being a company goes into liquidation; is placed under official management or enters into a compromise or other arrangement with creditors; the Principal may by notice in writing to the Contractor, terminate the Contract. The termination shall be without prejudice to any claim by the Principal against the Contractor or any assignee or subcontractor arising out of the Contract.

If the Principal terminates the Contract in accordance with this clause, the Principal may obtain similar Goods from another source of supply. If practicable the Principal shall obtain competitive prices and any additional costs incurred by the Principal in the re-supply of the Goods shall be a debt due to the Principal by the Contractor..

## **28 Voluntary Termination**

Either party may terminate the Contract by giving thirty (30) days written notice to the other party.

Termination of the Contract under this clause shall not relieve the Principal or the Contractor of their respective rights and obligations under the Contract or any Official Order up to and including the date of any such termination.

## **29 Rights of Principal to Recover Monies**

Should the Principal take action pursuant to the Clause titled "Termination" then all losses, costs, charges and expenses incurred or sustained by the Principal in completing the Services will be deemed to be a debt due to the Principal by the Contractor and will be deducted from any monies that may then or may thereafter become due to the Contractor and if the monies are less than the amount so deductible the amount of the deficiency shall be a debt due by the Contractor to the Principal.

## **30 Contractor's Performance Report**

The Contractor agrees that upon delivery of each Official Order under the Contract, or every twelve (12) months, and upon completion of the Contract term or the termination of the Contract:

- a) the Principal will prepare a Contractor's Performance Report ('**Report**');

- b) the Principal shall liaise with the Contractor in completing the Report although the Principal reserves the ultimate right to complete the Report (other than the contractor's comments); and
- c) the Principal may use and/or release the Report to any other Agency of the Commonwealth or any State or Territory for evaluation of the Contractor's performance in the assessment of future Tenders.

The Contractor agrees that neither the Contractor nor any other person shall have any claim against the Principal or employees or agents of the Principal under any circumstances as a result of the preparation and use of the Report.

## 31 Goods and Services Tax

For the purposes of this Clause unless the context otherwise requires:

**'GST'** means any tax imposed on Supplies by or through the *New Tax System (Goods and Services Tax) Act 1999* ('**Act**') and any related *Tax Imposition Act* and "New Tax System Changes" has the meaning it bears in the *New Tax System (Trade Practices Amendment) Act 1999* ('**TPA**'). Where any other term is used in this clause which is defined in the Act or the TPA it shall have the meaning which it bears in the Act, or (if the term is not defined in the Act) then the meaning which it bears in the TPA;

**'GST Rate'** means the percentage amount of GST payable determined under section 9-70 of the Act as amended from time to time;

**'Input Tax Credit'** has the meaning it bears in the Act;

**'Recipient' 'Entity' and 'Supplies'** have the meaning they bear in the Act, and, in addition for the purposes of this contract shall also be read as follows:

- a) "**Entity**" shall also mean Contractor;
- b) "**Recipient**" shall also mean Principal;
- c) "**Supplies**" shall also mean the Goods and/or Service.

**'Adjustment'** means each form of adjustment to consideration provided for in this clause.

The parties acknowledge that the consideration under this Contract is inclusive of GST, where GST is calculated using the GST rate at the time of forming this Contract.

The Contractor shall provide the Recipient with a Tax Invoice and/or adjustment notes in relation to the supply prior to an amount being paid by the Recipient under this Contract, and shall do all things reasonably necessary to assist the Recipient to enable it to claim and obtain any Input Tax Credit available to it in respect of a Supply.

Where the GST rate is changed after the date of formation of this Contract the consideration under this Contract will be increased or decreased so that the consideration remains inclusive of GST, with GST calculated using the new GST Rate from the date of the change of the GST Rate that applies at the date of formation of this Contract.

## 32 Privacy

For the purposes of this Clause unless the context otherwise requires:

**'Act'** means the *Information Act (NT)*;

**'Privacy Laws'** means the Act; and the Information Privacy Principles set out in the Act or any "code of practice" approved under the Act that applies to any of the parties to this Contract.

**'Personal Information'** means all information about a person that is "personal information" as defined in the Act, which is collected and/or handled by any of the parties in connection with this Contract.

The Contractor agrees to deal with all Personal Information in a manner, which is consistent with the Privacy Laws and any other relevant privacy legislation, as if the Contractor were a public sector organisation.

The Contractor is to collect, use, disclose or otherwise deal with Personal Information only for the purposes of fulfilling its obligations under this Contract.

The Contractor is not to disclose Personal Information without the written authority of the Principal, and in any event disclosure is to be in accordance with the Privacy Laws. The Contractor is to immediately notify the Principal where it becomes aware that a disclosure of Personal Information may be required by law.

The Contractor is to ensure that any employees, agents or subcontractors, and any other person who may have access to Personal Information held by the Contractor, are aware of the obligations of the Contractor under this Contract and undertake to not collect, access, use, disclose or otherwise deal with Personal Information except in performing their duties of employment and in accordance with this Contract.

The Contractor is to take all reasonable measures to ensure that Personal Information is protected from misuse, loss, unauthorised access, modification, disclosure or other misuse and that only personnel necessary to fulfil the obligations under this Contract have access to the Personal Information.

The Contractor is to develop, and obtain the written approval of the Principal:

- a) policies for the management of personal information; and
- b) complaint handling procedures.

Each party is to immediately notify the other when a complaint is received. The Contractor acknowledges that individuals have the right to request access to, or correction of, the Personal Information held about them.

The Contractor must not transfer Personal Information outside the Northern Territory without the prior approval of the Principal. The Contractor, in respect to Personal Information, is to immediately notify the Principal where the Contractor becomes aware of a breach of this clause or the Privacy Laws.

The Contractor indemnifies the Principal in respect of any liability, loss or expense incurred arising out of or in connection with a breach of the obligations of the Contractor under this Contract.

When this Contract expires or is terminated, the Contractor must, at the Principal's discretion:

- a) either return to the Principal all records containing Personal information;
- b) retain any material containing Personal Information in a secure manner as approved by the Principal; or
- c) destroy or delete any Personal Information.

This sub-clause will survive the expiration or termination of this Contract.