



***CLAIMS CLASS***

## **MODULE 8**

### **Termination and Suspension**

#### **VIDEO 1**

#### **Notices to Correct, Termination by Employer**

# Clause 15 – Termination by Employer

## 15.1 Notice to Correct

- If the Contractor fails to carry out any obligation, the Engineer may, by notice, require the Contractor to make good the failure within a reasonable time

# Clause 15 – Termination by Employer

## 15.2 Termination by Employer

- The Employer shall be entitled to terminate the Contract if the Contractor:
  - Fails to provide the Performance Security
  - Fails to comply with a notice to correct
  - Abandons the Works or demonstrates intention not to continue performance of his obligations
  - Fails to commence the Works
  - Fails to comply with a notice of rejection or requiring remedial work within 28 days

# Clause 15 – Termination by Employer

## 15.2 Termination by Employer

- Subcontracts the whole of the Works or assigns the Contract
- Becomes bankrupt or insolvent, goes into liquidation, has a receiving or administration order made against him
- Gives or offers any bribe, gift, gratuity, commission as an inducement or reward
- The Employer shall give 14 days' notice to terminate
- In the case of financial conditions or corruption, the Employer may terminate immediately on giving notice

# Clause 15 – Termination by Employer

## 15.2 Termination by Employer

- On being issued with a notice of termination, the Contract shall:
  - Leave the Site and deliver any Goods, Contractor's Documents and other design documents to the Engineer
  - Arrange for the removal of Equipment and Temporary Works
- After termination, the Employer may complete the Works or arrange for others to do so
- The Employer may use any Goods, Contractor's Documents and other design documents

# Clause 15 – Termination by Employer

## 15.2 Termination by Employer

- The Contractor shall arrange for the removal of the Contractor's Equipment and Temporary Works, at the risk and cost of the Contractor
- If the Contractor has failed to make any payment due to the Employer, these items may be sold by the Employer

# Clause 15 – Termination by Employer

## 15.3 Valuation at Date of Termination

- After a notice of termination has been issued the Engineer shall agree or determine the value of the Works, Goods and Contractor's Documents and any other sums due to the Contractor

# Clause 15 – Termination by Employer

## 15.4 Payment after Termination

- After a notice of termination has been issued, the Employer may:
  - Claim any incurred costs from the Contractor
  - Withhold further payments until all other costs incurred by the Employer have been established
  - Recover any losses and damages incurred by the Employer and any extra costs for completing the Works
  - After recovering any losses, damages and extra costs, the Employer shall pay any balance to the Contractor



# Clause 15 – Termination by Employer

## 15.5 Employer's Entitlement to Termination

- The Employer shall be entitled to terminate the Contract, at any time, for the Employer's convenience
- In the case of termination for convenience, the Employer shall issue a notice 28-days before termination is to take place
- The Employer shall return the Performance Security before termination takes effect
- The Employer shall not terminate the Contract in order to execute the Works himself or for the Works to be executed by others