



CLAIMS CLASS

MODULE 8

Termination and Suspension

VIDEO 2

Suspension and Termination by Contractor

Clause 16 – Suspension and Termination by Contractor

16.1 Contractor's Entitlement to Suspend Work

- If the Engineer fails to certify payment, the Employer fails to provide details of financial arrangements, or fails to make payment, the Contractor may, after giving not less than 21-days' notice, suspend or reduce the rate of work
- If the Contractor suffers delay or incurs Cost as a result of these matters, he shall give notice and be entitled to an extension of time and the payment of Cost plus reasonable profit

Clause 16 – Suspension and Termination by Contractor

16.2 Termination by Contractor

- The Contractor shall be entitled to terminate the Contract if:
 - The Contractor does not receive reasonable evidence within 42-days after giving notice under Sub-Clause 16.1 (*Contractor's Entitlement to Suspend Work*) in respect of the Employer's Financial Arrangements
 - The Engineer fails, within 56-days after receiving a Statement, to issue the relevant Payment Certificate
 - The Contractor does not receive the amount due under an Interim Payment Certificate 42-days after the date that payment should have been made

Clause 16 – Suspension and Termination by Contractor

16.2 Termination by Contractor

- The Employer substantially fails to perform his obligations under the Contract
- The Employer fails to enter into a Contract Agreement
- The Employer assigns the Contract without agreement
- A prolonged suspension affects the whole of the Works
- The Employer becomes bankrupt or insolvent, goes into liquidation or has a receiving or administration order made against him
- The Contractor shall give 14-days notice of termination
- In the case of bankruptcy etc. or corruption, the Contractor may terminate immediately on giving notice

Clause 16 – Suspension and Termination by Contractor

16.3 Cessation of Work and Removal of Contractor's Equipment

- After a notice of termination has taken effect the Contractor shall:
 - Cease all work, except for any work instructed by the Engineer for protection or safety
 - Hand over Contractor's Documents, Plant, Materials and other work, for which the Contractor has received payment
 - Remove all other Goods and leave the Site

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16.4 Payment on Termination

- After a notice of termination has taken effect the Employer shall:
 - Return the Performance Security
 - Pay the Contractor in accordance with Sub-Clause 19.6 (*Optional Termination, Payment and Release*)
 - Pay to the Contractor the amount of any loss of profit or other loss or damage sustained by the Contractor as a result of this termination

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Process: Contractor's Suspension or Termination

