



FAC-1

Framework Alliance Contract

The **FAC-1 Framework Alliance Contract** combines the scope of a framework with the collaborative relationships of an alliance and creates new systems for achieving improved value. It is available in hard copy and can also be downloaded on-line at: <http://ACArchitects.co.uk/publications/electronic-contracts> and from www.allianceforms.co.uk

An alternative version of **FAC-1** can be downloaded on-line for use by a single client (**FAC(S)-1**).

FAC-1 is designed for use with any forms of project contract and consultant appointment, for example FIDIC, ICC, JCT, NEC, PPC and RIBA, and with any forms of supply contract and service contract. It has been developed using the UK Cabinet Office/Local Government Association guidance on effective frameworks and experience gained from a range of successful framework alliance case studies.

FAC-1 integrates the work of the *Alliance Members* while acknowledging their separate project appointments with the appointed *Alliance Manager* and the other *Alliance Members*. It can be used to support:

- procurement of any type of works, services and supplies in any sector and in any jurisdiction;
- award of a series of contracts under systems compliant with the Public Contracts Regulations 2015;
- integration of related contracts under systems consistent with the Infrastructure Client Group Alliancing Code of Practice 2015.

The authors and publishers offer guidance and training but cannot accept responsibility for the use of **FAC-1** in practice. For further information please contact office@ACArchitects.co.uk.

FAC-1 was drafted and developed by Professor David Mosey PhD, Director of King's College London Centre for Construction Law and Dispute Resolution, with input from a Consultation Group of over 120 organisations.



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The Association of Consultant Architects Ltd (ACA)
Charlscot, Cudham Road
Tatsfield, Kent. TN16 2NJ
T +44 (0)1959 928 412
Web Site: www.ACArchitects.co.uk
Email: office@ACArchitects.co.uk



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FRAMEWORK ALLIANCE AGREEMENT

A **FRAMEWORK ALLIANCE CONTRACT** is created the day of

IN RELATION TO DRAFT MODULAR BUILDINGCCS112018

(the *Framework Programme*)

as described in the *Framework Documents*

BETWEEN

(the *Client*) and the other *Alliance*

Members who have signed this *Framework Alliance Agreement*

WHO AGREE to work in an *Alliance*, to fulfil their agreed roles and responsibilities and to apply their agreed expertise in relation to the *Framework Programme*, in accordance with and subject to the *Framework Documents*, and who agree that subject to amendment in accordance with the *Contract Terms*:

Reference in

*Contract
Terms*

Clause 1.1 The roles, expertise and responsibilities of the *Alliance Members* are described in the *Framework Documents* and, in addition to the *Client* and the *Alliance Manager*, the *Alliance Members* are:

Clauses 1.3,
1.4 and 1.5 The *Framework Documents*, subject to addition and amendment in accordance with any *Joining Agreements* and the *Contract Terms*, are:

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A **FRAMEWORK ALLIANCE CONTRACT** is created the day of

IN RELATION TO DRAFT MODULAR BUILDINGCCS112018

(the *Framework Programme*)

as described in the *Framework Documents*

BETWEEN

(the *Client*) and the other *Alliance*

Members who have signed this *Framework Alliance Agreement*

WHO AGREE to work in an *Alliance*, to fulfil their agreed roles and responsibilities and to apply their agreed expertise in relation to the *Framework Programme*, in accordance with and subject to the *Framework Documents*, and who agree that subject to amendment in accordance with the *Contract Terms*:

Reference in

*Contract
Terms*

Clause 1.1 The roles, expertise and responsibilities of the *Alliance Members* are described in the *Framework Documents* and, in addition to the *Client* and the *Alliance Manager*, the *Alliance Members* are:

Clauses 1.3,
1.4 and 1.5 The *Framework Documents*, subject to addition and amendment in accordance with any *Joining Agreements* and the *Contract Terms*, are:

- ▶ this *Framework Alliance Agreement* incorporating:
 - ▶ the *Objectives, Success Measures, Targets and Incentives* (Schedule 1);
 - ▶ the *Timetable* (Schedule 2);
 - ▶ the *Risk Register* (Schedule 3);
 - ▶ the *Direct Award Procedure* and *Competitive Award Procedure* (Schedule 4);
 - ▶ the *Template Project Documents* (Schedule 5);
 - ▶ any *Legal Requirements* and *Special Terms* (Schedule 6);
- ▶ the *Contract Terms*;
- ▶ the *Framework Brief*;
- ▶ the *Framework Prices* and *Framework Proposals* each agreed confidentially between the *Client*, any *Additional Clients*, the *Alliance Manager* and another *Alliance Member*;
- ▶ the *Alliance Manager Services Schedule*;
- ▶ the *Alliance Manager Payment Terms* agreed confidentially between the *Client*, any *Additional Clients* and the *Alliance Manager*;

and any additional *Framework Documents* listed below:

Clause 1.6 The *Core Group* members are:

appointed by the *Client*

appointed by the *Alliance Manager*

appointed by:

appointed by:

appointed by:

appointed by:

Clause 1.9.3 The communication systems are:

Clause 1.10 The *Alliance Members* shall engage with the following *Stakeholders* in accordance with
[Delete if not clause 1.10 and the *Framework Documents*:
applicable]

Clause 1.11 The following *Additional Clients* and/or other *Additional Alliance Members* may join the
[Delete if not *Alliance* in accordance with clause 1.11:
applicable]

Clause 3.1 The *Alliance Manager* is:

and the *Alliance Manager's* authority under clause 3.1 is subject to the following restrictions:

Clause 3.2 The *Alliance Manager* may act on behalf of the *Client* in the following matters:

Clause 3.3 The *Independent Adviser* is:
[Delete if not
applicable]

Clauses 4.3 The *Agreed Prices* for each *Project* shall be established in accordance with clause 4:
and 4.4
[Delete if not
applicable]

- ▶ and shall state separately the agreed *Profit* and *Overheads*;
- ▶ and shall state separately any agreed costs established in accordance with *Alliance Activities* under clause 6.

Clause 5.6 Any minimum values and types of *Project Contracts* that shall be awarded to *Alliance*
[Delete if not
applicable] *Members* in accordance with clause 5 are as follows:

Clause 5.7
[Delete if not
applicable]

Any exclusivity granted to any one or more *Alliance Members* under clause 5.7 in respect of all or part of the *Framework Programme* is as follows and is subject to adjustment under Part 2 of Schedule 1:

Clause 6
[Delete if not
applicable]

The *Alliance Members* shall implement the following *Supply Chain Collaboration* and/or other *Alliance Activities* in accordance with clause 6 within the timescales stated in the *Timetable* or as otherwise agreed:

Clause 8.6
[Delete if not
applicable]

The payment periods set out in clause 8.6 are amended as follows:

clause 8.6.1

clause 8.6.2

Clause 8.11 The rate of interest on late payment is:

Clause 10.1 and 10.2 The following amendments apply to the duties of care under clauses 10.1 and/or 10.2:

[Delete if not applicable]

Clause 10.6 The agreed duties of care under clauses 10.1 and 10.2 shall be extended by the following *Alliance Members* to the following other parties by the following means:

[Delete if not applicable]

Clause 12 The following *Alliance Members* shall take out the following types and amounts of insurance cover in accordance with clause 12 in respect of matters governed by the *Framework Alliance Contract*:

Clause 13.2 The following rights of assignment and/or sub-contracting apply under clause 13.2:
[Delete if not applicable]

Clause 13.3 The following amendments apply to the confidentiality provisions in clause 13.3:
[Delete if not applicable]

Clause 14.1 The *Framework Alliance Contract* commences on:

and shall continue for:

subject to the remainder of clause 14 and subject to extension or earlier termination by agreement of all *Alliance Members* or as follows:

Clause 15.2 Any dispute may be referred to conciliation conducted in accordance with clause 15.2 and
[Complete and delete as Part 1 of Appendix 4 by a *Conciliator* who shall be appointed by:

appropriate] /in accordance with the *Conciliation Procedure*.

The *Conciliation Procedure* is:

Any dispute may be referred to a *Dispute Board* in accordance with clause 15.2 and the following *Dispute Board Rules*:

The *Dispute Board* are:

Clause 15.3
[Complete
and/or delete
as
appropriate]

Any dispute may be referred to adjudication conducted in accordance with clause 15.3 and Part 2 of Appendix 4 by an *Adjudicator* who shall be appointed by: / in accordance with the *Model Adjudication Procedure*.

The *Model Adjudication Procedure* shall be:

Clause 15.4
[Complete or
delete as
appropriate]

Any dispute may be referred to arbitration conducted in accordance with clause 15.4 and Part 3 of Appendix 4.

The number of arbitrators shall be:

In the absence of agreement between the *Alliance Members* in dispute the appointing authority or equivalent shall be:

An arbitration shall be conducted in the English language and in accordance with the following rules:

The location of an arbitration shall be:

Clauses 13.4 and 15.5 The applicable laws under clauses 13.4 and 15.3 and the courts with non-exclusive jurisdiction are those of:

of/whose registered office is at

and whose e-mail address is

(Client)

SIGNED for and on behalf of the **Client**

or EXECUTED as a DEED by the **Client**

by affixing its common seal in the presence of:

by

(name)

or acting by a director

(title)

and a director/secretary

in the presence of

or in the presence of

of/whose registered office is at

and whose e-mail address is

(Alliance Manager)

SIGNED for and on behalf of the *Alliance Manager*

or EXECUTED as a DEED by the *Alliance Manager*
by affixing its common seal in the presence of:

by

(name)

or acting by a director

(title)

and a director/secretary

in the presence of

or in the presence of

of/whose registered office is at

and whose e-mail address is

SIGNED for and on behalf of

or EXECUTED as a DEED by

by affixing its common seal in the presence of:

by

(name)

or acting by a director

(title)

and a director/secretary

in the presence of

or in the presence of

of/whose registered office is at

and whose e-mail address is

SIGNED for and on behalf of

or EXECUTED as a DEED by

by affixing its common seal in the presence of:

by

(name)

or acting by a director

(title)

and a director/secretary

in the presence of

or in the presence of

of/whose registered office is at

and whose e-mail address is

SIGNED for and on behalf of

or EXECUTED as a DEED by

by affixing its common seal in the presence of:

by

(name)

or acting by a director

(title)

and a director/secretary

in the presence of

or in the presence of

of/whose registered office is at

and whose e-mail address is

SIGNED for and on behalf of

or EXECUTED as a DEED by

by affixing its common seal in the presence of:

by

(name)

or acting by a director

(title)

and a director/secretary

in the presence of

or in the presence of

SCHEDULE 1

PART 1

OBJECTIVES (see clause 2.1)

The *Objectives* are:

Guidance note: The *Objectives* state the agreed objectives of the *Alliance* and the *Framework Programme*, and of the *Alliance Members* in relation to the *Alliance* and the *Framework Programme*. They form the basis for the *Success Measures* and *Targets* stated in Part 2 of this Schedule 1 and for seeking *Improved Value* in accordance with clauses 2.2, 6.1 and 6.3 of the *Contract Terms*.

PART 2

SUCCESS MEASURES AND TARGETS (see clauses 2.3, 5.7 and 14.2)

The *Success Measures* and *Targets* are:

Guidance note: The *Success Measures* are the agreed basis for determining the achievement of the *Objectives* and for measuring the performance of the *Alliance Members*. They state the *Targets* set for each *Success Measure*, including the method of recording relevant data, the *Alliance Member* responsible for measuring against that data and the system for reporting to the other *Alliance Members*.

Any exclusivity granted to *Alliance Members* under the *Framework Alliance Agreement* by reference to clause 5.7 of the *Contract Terms* may be adjusted according to the achievement of *Targets* as follows:

Guidance note: Adjustment of exclusivity according to achievement of agreed *Targets* can be an appropriate *Incentive* under Part 3 of this Schedule 1, for example where multiple *Project Contracts* are awarded pursuant to the *Direct Award Procedure*.

Rights of termination under clause 14.2.2 shall apply in respect of the following *Success Measures* and *Targets* subject to the following procedures:

Guidance note: Exercising a right of termination as a result of *Alliance Members* not achieving agreed *Targets* is a last resort. It is important to state any limitations as to which *Success Measures* and *Targets* may justify the exercise of that right and any additional procedures that precede the exercise of that right.

PART 3

INCENTIVES (see clause 2.4)

The *Incentives* to achieve the following *Objectives* and/or the following *Targets* are:

Guidance note: *Incentives* can include for example:

- additional payments including shares of savings achieved through *Supply Chain Collaboration* and other *Alliance Activities* described in the *Framework Alliance Contract* and clause 6 of the *Contract Terms* (stating whether payable under a *Project Contract* or under clause 8 of the *Contract Terms*);
- adjustment of any exclusivity in the award of *Project Contracts* (under clause 5.7 of the *Contract Terms* and Part 2 of this Schedule 1);
- extension of the duration of the *Framework Alliance Contract* (linked to clause 14.1 of the *Contract Terms*).

SCHEDULE 2

TIMETABLE (see clause 6.1)

Description of action/consent/approval	<i>Alliance Member(s)</i> responsible for action/consent/approval	Period/deadline for action/consent/approval	Additional comments

Guidance note: The *Timetable* states agreed deadlines, gateways and milestones in respect of the *Framework Programme* and achievement of the *Objectives*, and the timescales for *Alliance Activities*, including the nature, sequence and duration of the agreed actions of each *Alliance Member* and any consents or approvals (whether required from *Alliance Members* or third parties) that are pre-conditions to subsequent actions.

SCHEDULE 3

RISK REGISTER (see clauses 9.3 and 9.4)

Risk	Likelihood of risk	Impact of risk on <i>Framework Programme and/or Objectives and/or Alliance Activities</i>	<i>Alliance Member(s)</i> responsible for <i>Risk Management action</i>	<i>Risk Management</i> action	<i>Risk Management action</i> period/deadline

Guidance note: The *Risk Register* states the nature of each risk, its likelihood and impact on the *Framework Programme* and/or achievement of the *Objectives* and/or any *Alliance Activities* (including any anticipated financial impact), the *Alliance Member(s)* responsible for each *Risk Management* action, the agreed *Risk Management* actions (including actions to reduce the likelihood of each risk and to reduce its financial and other impact) and the agreed periods/deadlines for completing those actions.

SCHEDULE 4

PART 1

DIRECT AWARD PROCEDURE

(see clause 5.1)

The following *Direct Award Procedure* shall govern the award of *Project Contracts*:

PART 2

COMPETITIVE AWARD PROCEDURE

(see clause 5.2)

The following *Competitive Award Procedure* shall govern the award of *Project Contracts*:

Guidance note: The *Direct Award Procedure* and *Competitive Award Procedure*:

- state the agreed procedure and timescales for the issue of each *Project Brief*, for the submission of proposed *Agreed Prices* and other *Project Proposals* and for all steps leading to award of *Project Contracts*, including the method, rules and criteria for evaluation of proposed *Agreed Prices* and other *Project Proposals* and the required format for proposed *Agreed Prices* and other *Project Proposals*;
- explain how the *Template Project Documents* will be applied to each *Project*;
- explain the procurement model for each *Project*, including the sources and timing of all contributions to design, *Supply Chain* engagement, costing, programming and *Risk Management*, and incorporating the required approach to *BIM* as appropriate;
- explain all procedures relating to the conditional and/or unconditional award of *Project Contracts* including any intended *Orders* for *Pre-Contract Activities*.

SCHEDULE 5

TEMPLATE PROJECT DOCUMENTS (see clause 5.3)

Each *Direct Award Procedure* and each *Competitive Award Procedure* and all *Project Contracts* shall use the following *Template Project Documents*:

Guidance note: *Template Project Documents* include:

- the *Project Contract Conditions* to be used for each *Project Contract*, comprising the applicable standard forms of contract and any amendments;
- the structure and standard components of the *Project Brief* that forms part of each *Project Contract* describing the scope and nature of a *Project*, setting out the *Client's* technical, management and commercial requirements and expected outcomes in respect of the *Project*, and including all required quality standards and warranties;
- all standard requirements in each *Project Brief* in respect of insurances and securities, and all standard processes and procedures in each *Project Brief* for the management of communication, performance, quality, design, *Supply Chain* engagement, cost, payment, time, change, risk, health and safety and all other project management processes and procedures, in each case including the required approach to *BIM* as appropriate;
- any standard requirements in each *Project Brief* in respect of *Sustainability*, *Operation* and engagement with *Stakeholders* and *Users*;
- the required structure and content of the *Agreed Prices* and other *Project Proposals* forming part of each *Project Contract*.

SCHEDULE 6

PART 1

LEGAL REQUIREMENTS (see clause 13.4)

The following *Legal Requirements* supplement or amend the following *Contract Terms*:

Guidance note: The *Legal Requirements* state any additional or amended *Contract Terms* required in order for the *Framework Alliance Contract* to comply with specific laws of England and Wales or of any other jurisdiction stated in the *Framework Alliance Agreement*.

PART 2

SPECIAL TERMS (see clause 13.5)

The following *Special Terms* supplement or amend the following *Contract Terms*:

Guidance note: The *Special Terms* state any additional or amended *Contract Terms* required by reason of the particular needs of the *Client* or any *Additional Client* or other *Alliance Members* or by reason of the nature of the *Framework Programme*.

CONTRACT TERMS

1 ALLIANCE MEMBERS, FRAMEWORK DOCUMENTS AND CORE GROUP

- | | | |
|--|-----|---|
| Alliance Members | 1.1 | The <i>Alliance Members</i> shall work together and individually in the spirit of trust, fairness and collaboration for the benefit of the <i>Framework Programme</i> , within the scope of their agreed roles, expertise and responsibilities as stated in the <i>Framework Documents</i> , and all their respective obligations under the <i>Framework Alliance Contract</i> shall be construed within the scope of those roles, expertise and responsibilities, and in all matters governed by the <i>Framework Alliance Contract</i> they shall act reasonably and without delay. |
| Definitions | 1.2 | All words and expressions used in the <i>Framework Documents</i> have the meanings stated in the <i>Definitions</i> set out in Appendix 1 and the meanings stated elsewhere in the <i>Framework Documents</i> . |
| Framework Documents | 1.3 | The <i>Framework Documents</i> are described in the <i>Framework Alliance Agreement</i> and any <i>Framework Document</i> created or amended in accordance with these <i>Contract Terms</i> is binding on all <i>Alliance Members</i> , except that: <ul style="list-style-type: none">1.3.1 unless otherwise agreed in the <i>Contract Terms</i>, no <i>Framework Document</i> added or amended after the date of the <i>Framework Alliance Agreement</i> shall add to or amend the role, expertise, responsibilities or other obligations of any <i>Alliance Member</i> who does not agree it;1.3.2 the <i>Alliance Manager Payment Terms</i> shall bind only the <i>Client</i>, any <i>Additional Clients</i> and the <i>Alliance Manager</i>;1.3.3 the <i>Framework Prices</i> and <i>Framework Proposals</i> of an <i>Alliance Member</i> shall bind only the <i>Client</i>, any <i>Additional Clients</i>, the <i>Alliance Manager</i> and that <i>Alliance Member</i>. |
| Responsibility for Framework Documents | 1.4 | Each <i>Alliance Member</i> who prepares any one or more <i>Framework Documents</i> shall be responsible for the consequences of any error or omission in, or any discrepancy between, those <i>Framework Documents</i> or its contributions to them, except to the extent of its reliance (if stated in those <i>Framework Documents</i>) on any information provided by any one or more other <i>Alliance Members</i> . |
| Errors, omissions and discrepancies | 1.5 | All <i>Framework Documents</i> shall be treated as complementary and: <ul style="list-style-type: none">1.5.1 an <i>Alliance Member</i> shall give <i>Early Warning</i> in accordance with clause 1.8 as soon as it becomes aware of any error, omission or discrepancy in or between the <i>Framework Documents</i>;1.5.2 if any error, omission or discrepancy cannot be resolved under clause 1.5.1, the priority between <i>Framework Documents</i> shall follow the sequence set out in the <i>Framework Alliance Agreement</i> in descending order except that the <i>Contract Terms</i> shall have priority over Schedules 1 to 5 to the <i>Framework Alliance Agreement</i> and except where the <i>Alliance Members</i> otherwise agree;1.5.3 if there is any discrepancy between the <i>Framework Documents</i> and any <i>Project Contract</i>, then the <i>Project Contract</i> shall take precedence. |
| Core Group | 1.6 | The <i>Core Group</i> shall review and support the implementation of the <i>Framework Alliance Contract</i> and shall fulfil the other functions stated in the <i>Framework Documents</i> or agreed by the <i>Alliance Members</i> , and: <ul style="list-style-type: none">1.6.1 the <i>Core Group</i> comprises the individuals named in the <i>Framework</i> |

Alliance Agreement or in any *Joining Agreement* subject to changes and arrangements for alternates agreed by the *Alliance Members*;

- 1.6.2 each *Alliance Member* shall ensure at its own cost that any employee who is a *Core Group* member or an agreed alternate shall attend *Core Group* meetings and fulfil the agreed functions of a *Core Group* member in accordance with the *Framework Documents*.

Core Group
meetings and
decisions

1.7 Each meeting of the *Core Group*:

- 1.7.1 shall be convened by the *Alliance Manager* at the request of any *Core Group* member and otherwise as required by the *Framework Documents* at not less than five *Working Days*' notice (unless all *Core Group* members agree a shorter period) issued to all *Core Group* members stating its agenda;
- 1.7.2 shall be chaired by the *Alliance Manager* and shall deal only with the matters listed in its agenda (unless all *Core Group* members otherwise agree);
- 1.7.3 shall make decisions by *Consensus* of all *Core Group* members present at that meeting and the *Alliance Members* shall comply with any decision of the *Core Group* made within the scope of its agreed functions.

Early Warning

1.8 Each *Alliance Member* shall give *Early Warning* to the other *Alliance Members* as soon as it is aware of any matter adversely affecting or threatening the *Alliance* or the *Framework Programme* or its own performance or the performance of another *Alliance Member* under the *Framework Alliance Contract* and:

- 1.8.1 the notifying *Alliance Member* shall submit as part of its *Early Warning* (within the scope of its agreed role, expertise and responsibilities) proposals for avoiding or remedying that matter;
- 1.8.2 the *Alliance Manager* shall convene a *Core Group* meeting within five *Working Days* from the date of *Early Warning* (unless all *Core Group* members agree a shorter period) to agree an appropriate course of action (unless all *Core Group* members agree such course of action without a meeting).

Communications

1.9 Except as otherwise agreed in writing, all communications between *Alliance Members*:

- 1.9.1 shall be in writing with any evidence of receipt and of the authority of the sender as stated in the communication systems referred to in clause 1.9.3;
- 1.9.2 shall be effective from the date of delivery to the address of the relevant *Alliance Member* set out in the *Framework Alliance Agreement* or in any *Joining Agreement* or to a substitute address that an *Alliance Member* shall notify to the other *Alliance Members*;
- 1.9.3 shall use the communication systems stated in the *Framework Alliance Agreement*.

Stakeholders

1.10 The *Alliance Members* shall engage with the *Stakeholders* as stated in the *Framework Alliance Agreement* but no *Alliance Member* shall owe a *Stakeholder* a duty of care unless agreed in accordance with clause 10.6.

Additional
Clients and
other Additional
Alliance
Members

1.11 *Additional Clients* and other *Additional Alliance Members* as listed in the *Framework Alliance Agreement* or as otherwise agreed by the *Alliance Members* may join the

Alliance and:

- 1.11.1 upon receipt of notice from the *Alliance Manager*, the current *Alliance Members* shall enter into a *Joining Agreement* with an *Additional Client* or other *Additional Alliance Member* based on the form set out in Appendix 2;
- 1.11.2 following execution of a *Joining Agreement*, an *Additional Client* or other *Additional Alliance Member* shall be bound by and entitled to implement and enforce the terms of the *Framework Alliance Contract* as an *Alliance Member* with the role, expertise and responsibilities stated in the *Joining Agreement*, and all the provisions of the *Framework Alliance Contract* shall apply to the *Additional Client* or other *Additional Alliance Member* as if it were separately identified in the *Framework Alliance Contract*;
- 1.11.3 without limitation to clause 1.11.2, each *Additional Client* may implement the following provisions of these *Contract Terms* independently and only the *Client* or *Additional Client* implementing these provisions shall be liable to the other *Alliance Members*:
 - 1.11.3.1 the *Direct Award Procedure* and the *Competitive Award Procedure* under clause 5;
 - 1.11.3.2 the award of *Project Contracts* under clause 5;
 - 1.11.3.3 the creation of *Orders* under clause 7;
 - 1.11.3.4 payment of agreed amounts under clause 8;
- 1.11.4 additional and amended *Framework Documents* may be included in a *Joining Agreement* if agreed by all *Alliance Members* in order to describe the role, expertise and responsibilities of each *Additional Client* or other *Additional Alliance Member* and extend the commitments described in clause 1.3;
- 1.11.5 unless otherwise agreed, an *Additional Client* or other *Additional Alliance Member* shall have no rights or obligations under the *Framework Alliance Contract* in relation to any matter arising before the effective date of its *Joining Agreement*.

2 OBJECTIVES, SUCCESS MEASURES, TARGETS, INCENTIVES AND TIMETABLE

- | | | |
|------------------------------|-----|---|
| Objectives | 2.1 | The <i>Alliance Members</i> , within the scope of their agreed roles, expertise and responsibilities, shall seek to achieve the <i>Objectives</i> set out in Part 1 of Schedule 1 to the <i>Framework Alliance Agreement</i> . |
| Improved Value | 2.2 | Each <i>Alliance Member</i> , within the scope of its agreed roles, expertise and responsibilities, shall investigate and submit for <i>Core Group</i> approval proposals for <i>Supply Chain Collaboration</i> and/or other <i>Alliance Activities</i> intended to achieve <i>Improved Value</i> consistent with the <i>Objectives</i> . |
| Success Measures and Targets | 2.3 | The success of the <i>Alliance</i> and the <i>Framework Programme</i> and the performance of the <i>Alliance Members</i> in achieving the <i>Objectives</i> shall be assessed by reference to the <i>Success Measures</i> and <i>Targets</i> set out in Part 2 of Schedule 1 to the <i>Framework Alliance Agreement</i> . |
| Incentives | 2.4 | The <i>Incentives</i> to achieve <i>Objectives</i> and/or <i>Targets</i> are set out in Part 3 of Schedule 1 |

to the *Framework Alliance Agreement* which states whether any financial *Incentives* shall be payable:

2.4.1 as part of the *Agreed Prices* under *Project Contracts*; or

2.4.2 in accordance with clause 8.

Timetable 2.5 Deadlines, milestones and gateways in respect of the *Framework Programme* and achievement of the *Objectives*, and timescales for *Alliance Activities* under clause 6, are stated in the *Timetable* set out in Schedule 2 to the *Framework Alliance Agreement*.

Updated Timetable 2.6 The *Alliance Manager* shall update the *Timetable* for *Core Group* approval to reflect the agreed effects of additional *Alliance Activities* under clause 6, of any *Joining Agreements*, of changes under clause 9.1, of approved actions under clause 14.2.1 and of any other changes agreed in accordance with the *Framework Documents*.

3 ALLIANCE MANAGER

Alliance Manager functions 3.1 The *Alliance Manager* shall fulfil the functions as described in the *Contract Terms* and the *Alliance Manager Services Schedule*, integrating the *Alliance* and exercising any discretion fairly and constructively, and subject to any restrictions stated in the *Framework Alliance Agreement* shall:

3.1.1 implement *Direct Award Procedures* and *Competitive Award Procedures* under clause 5, prepare *Project Contracts* under clause 5 and prepare *Orders* under clause 7;

3.1.2 monitor and support achievement of the *Objectives*, *Success Measures* and *Targets*, monitor and support achievement of deadlines, gateways and milestones in the *Timetable*, and prepare updates of the *Timetable* for *Core Group* approval in accordance with clause 2.6;

3.1.3 call, organise, chair and minute *Core Group* meetings under clauses 1.7 and 15.1;

3.1.4 organise, support and monitor *Supply Chain Collaboration* and other *Alliance Activities* under clause 6 and engagement with *Stakeholders* under clause 1.10;

3.1.5 manage payments under clause 8 and *Incentives* under clause 2.4;

3.1.6 monitor and support *Risk Management* in accordance with the *Risk Register* set out in Schedule 3 to the *Framework Alliance Agreement* and prepare updates of the *Risk Register* for *Core Group* approval in accordance with clause 9.4.

Representation of Client 3.2 The *Client* and any *Additional Clients* authorise the *Alliance Manager* to act on behalf of it or them in those matters stated in the *Framework Alliance Agreement* or in a *Joining Agreement*.

Independent Adviser 3.3 If stated in the *Framework Alliance Agreement*, the *Alliance Members* may appoint an *Independent Adviser* to provide impartial and constructive advice and support to the *Core Group*.

Employees 3.4 Each *Alliance Member* shall employ for the purposes of the *Framework Alliance Contract* individuals with the necessary skills, qualifications and experience and shall promptly remove or replace any individual who disrupts or adversely affects

the *Framework Programme* or any *Alliance Activities* or any *Project*.

4 AGREED PRICES

- Agreed Prices 4.1 *Agreed Prices* for all aspects of a *Project* shall be developed and agreed:
- 4.1.1 in accordance with this clause 4 and clause 5;
 - 4.1.2 in accordance with the *Direct Award Procedure* or *Competitive Award Procedure* as completed and issued for that *Project*;
 - 4.1.3 using an *Alliance Member's Framework Prices* in accordance with the *Direct Award Procedure* or *Competitive Award Procedure* for that *Project*;
 - 4.1.4 within any *Budget* stated by the *Client* or any *Additional Client* in the *Direct Award Procedure* or *Competitive Award Procedure* for that *Project*.
- Fluctuations 4.2 *Framework Prices* and *Agreed Prices* shall be subject only to any fluctuation provisions stated in the *Framework Brief* or the *Template Project Documents* or otherwise agreed by the *Alliance Members*.
- Profit and Overheads 4.3 If stated in the *Framework Alliance Agreement*, the *Agreed Prices* shall state separately an *Alliance Member's Profit* and *Overheads* set in accordance with *Framework Prices* and the *Direct Award Procedure* or *Competitive Award Procedure* applicable to each *Project*.
- Costs and Alliance Activities 4.4 If stated in the *Framework Alliance Agreement*, the *Agreed Prices* shall include costs approved by the *Client* and any *Additional Clients* as a result of *Supply Chain Collaboration* or other *Alliance Activities* under clause 6.

5 AWARD OF PROJECT CONTRACTS

- Direct Award Procedure 5.1 Where the *Client* or any *Additional Client* wishes to select an *Alliance Member* for a *Project* without further competition the *Alliance Manager* shall issue to that *Alliance Member* a *Project Brief* using the *Direct Award Procedure* set out in Part 1 of Schedule 4 to the *Framework Alliance Agreement* and that *Alliance Member* shall submit to the *Alliance Manager* its *Project Proposals* and its proposed *Agreed Prices*.
- Competitive Award Procedure 5.2 Where the *Client* or any *Additional Client* wishes to seek competitive offers from *Alliance Members* for a *Project* the *Alliance Manager* shall issue to those *Alliance Members* a *Project Brief* using the *Competitive Award Procedure* set out in Part 2 of Schedule 4 to the *Framework Alliance Agreement* and those *Alliance Members* shall submit to the *Alliance Manager* their *Project Proposals* and their proposed *Agreed Prices*.
- Template Project Documents 5.3 Each *Direct Award Procedure* and *Competitive Award Procedure* shall be completed with details of the relevant *Project* and shall use the *Project Contract Conditions* and other *Template Project Documents* set out or referred to in Schedule 5 to the *Framework Alliance Agreement*.

Issue of Project Contracts	5.4	Subject to the <i>Direct Award Procedure</i> or <i>Competitive Award Procedure</i> as applicable, the <i>Alliance Manager</i> shall issue <i>Project Contracts</i> to <i>Alliance Members</i> , incorporating <i>Agreed Prices</i> and other approved <i>Project Proposals</i> .
Signature of Project Contracts	5.5	An <i>Alliance Member</i> shall execute and return to the <i>Alliance Manager</i> within ten <i>Working Days</i> from the date of receipt a <i>Project Contract</i> issued pursuant to clause 5.4 that is in accordance with the <i>Framework Documents</i> .
Minimum value and type of Project Contracts	5.6	Except as stated in the <i>Framework Alliance Agreement</i> , the <i>Client</i> and any <i>Additional Clients</i> do not guarantee that any minimum value or type of <i>Project Contracts</i> shall be awarded to any other <i>Alliance Member</i> and neither the <i>Client</i> nor any <i>Additional Client</i> shall have any liability in respect of any expenditure of any kind incurred in expectation of a <i>Project Contract</i> except as stated in the <i>Framework Alliance Agreement</i> or in an <i>Order</i> .
Exclusivity and adjustments	5.7	Subject to clause 5.6, any exclusivity granted to <i>Alliance Members</i> in respect of the <i>Framework Programme</i> is as stated in the <i>Framework Alliance Agreement</i> and any adjustments to that exclusivity shall be in accordance with the <i>Success Measures</i> and <i>Targets</i> .

6 ALLIANCE ACTIVITIES, SUPPLY CHAIN COLLABORATION AND TIMETABLE

Alliance Activities	6.1	The <i>Alliance Members</i> shall implement the <i>Alliance Activities</i> described in the <i>Framework Alliance Agreement</i> and the <i>Framework Brief</i> and otherwise agreed by <i>Alliance Members</i> , working within the timescales stated in the <i>Timetable</i> and other timescales agreed by <i>Alliance Members</i> , in order to create <i>Improved Value</i> consistent with the <i>Objectives</i> .
Supply Chain	6.2	The <i>Alliance Members</i> shall seek to establish and develop relationships with <i>Supply Chain</i> members that are complementary to the relationships under the <i>Framework Alliance Contract</i> and that assist in the achievement of the <i>Objectives</i> and <i>Targets</i> and shall use <i>Supply Chain Contracts</i> that are consistent with the corresponding <i>Project Contracts</i> .
Supply Chain Collaboration	6.3	<p>If stated in the <i>Framework Alliance Agreement</i> or the <i>Framework Brief</i> or otherwise agreed by <i>Alliance Members</i>, the <i>Alliance Activities</i> shall include <i>Supply Chain Collaboration</i> in order to achieve <i>Improved Value</i> consistent with the <i>Objectives</i> through more consistent, longer term, larger scale <i>Supply Chain Contracts</i> and through other improved <i>Supply Chain</i> commitments and working practices by means of:</p> <p>6.3.1 agreeing through the <i>Core Group</i>, if not already set out in the <i>Framework Brief</i>, the basis for sharing information between <i>Alliance Members</i> in relation to their current and proposed <i>Supply Chain Contracts</i> and, if not already set out in the <i>Timetable</i>, the timescales for each stage of <i>Supply Chain Collaboration</i>;</p> <p>6.3.2 reviewing and comparing the value offered by each <i>Alliance Member's</i> current and proposed <i>Supply Chain</i>;</p> <p>6.3.3 reviewing the potential for more consistent, longer term, larger scale <i>Supply Chain Contracts</i> and for other improved <i>Supply Chain</i> commitments and working practices;</p>

- 6.3.4 jointly re-negotiating *Supply Chain Contracts* or undertaking joint *Supply Chain* tender processes, in each case through procedures to be approved by the *Core Group*, to be led by one or more agreed *Alliance Members* and to be organised, monitored and supported by the *Alliance Manager*;
- 6.3.5 subject to approval by the *Client* and any *Additional Clients* of the *Improved Value* resulting from *Supply Chain Collaboration*, agreeing and entering into more consistent, longer term, larger scale *Supply Chain Contracts* and other improved *Supply Chain* commitments and working practices.

7 ORDERS AND PRE-CONTRACT ACTIVITIES

Orders, Alliance
Activities and
Pre-Contract
Activities

- 7.1 The *Client* or any *Additional Client* and any other *Alliance Member* may sign an *Order* in the form set out in Appendix 3 describing any payment to be made for *Alliance Activities* or describing any *Pre-Contract Activities* to be undertaken by an *Alliance Member* in advance of entering into a *Project Contract*.
- 7.2 Each *Order* shall be subject to the *Contract Terms* unless stated to be subject to the *Project Contract Conditions*.
- 7.3 Each *Order* shall state the agreed scope, duration and costs of the relevant *Alliance Activities* or *Pre-Contract Activities*.
- 7.4 No *Order* shall be a *Project Contract* or give rise to any rights or obligations beyond its stated scope.
- 7.5 The *Client* or any *Additional Client* that signs an *Order*, or the *Alliance Manager*, shall be entitled to terminate that *Order* by not less than ten *Working Days*’ notice at any time.

8 PAYMENT

Payment for
Projects

- 8.1 Except as otherwise agreed, payment of *Agreed Prices* in respect of *Projects* shall be made under each *Project Contract* and not under the *Framework Alliance Contract*.

Payment
for Alliance
Manager
Services and
Orders

- 8.2 The *Client* or any *Additional Client* as agreed shall be responsible for payment under the *Framework Alliance Contract*:
- 8.2.1 of all agreed amounts due to the *Alliance Manager* under the *Alliance Manager Payment Terms*;
- 8.2.2 of all agreed amounts due to each *Alliance Member* under any *Order*;
- in each case subject only to any fluctuation provisions stated in the *Alliance Manager Payment Terms* or the *Framework Brief* and subject to adjustment in accordance with these *Contract Terms*.

Payment
applications
and Due Dates

- 8.3 Each relevant *Alliance Member* shall at the end of each calendar month (unless different periods are agreed in the *Alliance Manager Payment Terms* or the *Framework Brief*) submit to the *Client* or any *Additional Client* as agreed and to the *Alliance Manager* applications for payment of amounts due:
- 8.3.1 with supporting information as stated in the *Alliance Manager Payment Terms* or the *Framework Brief*;

	8.3.2	stating the amount the <i>Alliance Member</i> considers due to it on the <i>Due Date</i> ;
	8.3.3	specifying the basis on which that amount is calculated.
Payment Notices to Alliance Members	8.4	Within five days from receipt of each application for payment made by an <i>Alliance Member</i> (other than the <i>Alliance Manager</i>) in accordance with clause 8.3, the <i>Alliance Manager</i> shall issue to that <i>Alliance Member</i> and the <i>Client</i> or any <i>Additional Client</i> as agreed a <i>Payment Notice</i> :
	8.4.1	stating the amount the <i>Alliance Manager</i> considers due on the <i>Due Date</i> ;
	8.4.2	calculated in accordance with the <i>Framework Prices</i> to establish the value of the <i>Alliance Activities</i> or in accordance with the relevant <i>Agreed Prices</i> to establish the value of <i>Pre-Contract Activities</i> less the total of all amounts previously paid to that <i>Alliance Member</i> under the <i>Framework Alliance Contract</i> ;
	8.4.3	specifying the basis on which that amount is calculated.
Payment Notices to Alliance Manager	8.5	Within five days from receipt of each application for payment made by the <i>Alliance Manager</i> in accordance with clause 8.3, the <i>Client</i> or any <i>Additional Client</i> as agreed shall issue to the <i>Alliance Manager</i> a <i>Payment Notice</i> :
	8.5.1	stating the amount the <i>Client</i> or the <i>Additional Client</i> considers due on the <i>Due Date</i> ;
	8.5.2	calculated in accordance with the <i>Alliance Manager Payment Terms</i> to establish the value of the <i>Alliance Manager Services</i> less the total of all amounts previously paid under the <i>Framework Alliance Contract</i> ;
	8.5.3	specifying the basis on which that amount is calculated.
Payments to Alliance Members and Alliance Manager	8.6	Subject to any revised periods stated in the <i>Framework Alliance Agreement</i> and subject to any <i>Pay Less Notice</i> issued under clause 8.8, the <i>Client</i> or any <i>Additional Client</i> as agreed shall pay:
	8.6.1	to each <i>Alliance Member</i> (other than the <i>Alliance Manager</i>) the amount stated in a <i>Payment Notice</i> issued pursuant to clause 8.4 within twenty <i>Working Days</i> from the <i>Due Date</i> and that date shall be the <i>Final Date for Payment</i> ;
	8.6.2	to the <i>Alliance Manager</i> the amount stated in a <i>Payment Notice</i> issued pursuant to clause 8.5 within twenty <i>Working Days</i> from the <i>Due Date</i> and that date shall be the <i>Final Date for Payment</i> .
Default Payment Notices	8.7	If the <i>Alliance Manager</i> or the <i>Client</i> or any <i>Additional Client</i> as agreed does not issue a <i>Payment Notice</i> in accordance with clause 8.4 or clause 8.5 respectively:
	8.7.1	the relevant <i>Alliance Member's</i> application for payment under clause 8.3 shall be treated as the <i>Payment Notice</i> ;
	8.7.2	subject to any <i>Pay Less Notice</i> issued under clause 8.8, the <i>Client</i> or the <i>Additional Client</i> shall pay the amount stated as due in the application for payment by the <i>Final Date for Payment</i> .
Pay Less Notices	8.8	Not later than five <i>Working Days</i> before the <i>Final Date for Payment</i> of any amount due and if the <i>Client</i> or any <i>Additional Client</i> as agreed considers a lesser amount to be due than the amount stated in an application for payment:

	8.8.1	the <i>Client</i> or the <i>Additional Client</i> may give a <i>Pay Less Notice</i> to another <i>Alliance Member</i> specifying the amount that the <i>Client</i> or the <i>Additional Client</i> considers due on the date that the notice is served and the basis on which that amount is calculated;
	8.8.2	if a <i>Pay Less Notice</i> is issued under this clause 8.8, the <i>Client</i> or the <i>Additional Client</i> shall pay the amount stated in that <i>Pay Less Notice</i> by the <i>Final Date for Payment</i> .
Adjustment of notices and payments	8.9	No notice or payment shall:
	8.9.1	prevent its later reconsideration and adjustment;
	8.9.2	imply or be evidence of approval or acceptance of any part of any <i>Alliance Activities</i> or <i>Pre-Contract Activities</i> or <i>Alliance Manager Services</i> .
Suspension of performance	8.10	If the <i>Client</i> or any <i>Additional Client</i> as agreed fails to make any payment due in accordance with this clause 8 by the <i>Final Date for Payment</i> , and if that failure shall continue for seven days after another <i>Alliance Member</i> has given the <i>Client</i> or the <i>Additional Client</i> notice of its intention to suspend performance of its <i>Alliance Manager Services</i> or <i>Alliance Activities</i> or <i>Pre-Contract Activities</i> and the grounds for the intended suspension, then:
	8.10.1	that <i>Alliance Member</i> may suspend performance of any or all of its notified obligations to the <i>Client</i> or the <i>Additional Client</i> until the payment due is received in full;
	8.10.2	where an <i>Alliance Member</i> exercises this right of suspension the <i>Client</i> or the <i>Additional Client</i> shall pay to that <i>Alliance Member</i> a reasonable amount in respect of costs and expenses reasonably incurred by it as a result of the exercise of this right.
Interest on late payment	8.11	Any delay in a due payment beyond the <i>Final Date for Payment</i> shall entitle an <i>Alliance Member</i> to be paid interest at the rate stated in the <i>Framework Alliance Agreement</i> .
	9	CHANGE AND RISK MANAGEMENT
Change	9.1	Any change to the scope or nature of the <i>Framework Programme</i> or to any other aspect of the <i>Framework Alliance Contract</i> shall be by agreement of all <i>Alliance Members</i> unless stated otherwise in the <i>Framework Documents</i> .
Risk Management	9.2	The <i>Alliance Members</i> recognise the risks involved in the <i>Framework Programme</i> and shall undertake <i>Risk Management</i> together and individually in accordance with the <i>Framework Documents</i> in order to analyse and manage those risks using the most effective methods.
Risk Register	9.3	The <i>Alliance Members</i> shall undertake the <i>Risk Management</i> actions described in the <i>Risk Register</i> within the periods stated in the <i>Risk Register</i> and as otherwise agreed by the <i>Alliance Members</i> .
Updated Risk Register	9.4	The <i>Alliance Manager</i> shall update the <i>Risk Register</i> for <i>Core Group</i> approval at the intervals stated in the <i>Timetable</i> and as otherwise agreed by <i>Alliance Members</i> .

10 DUTY OF CARE

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| Skill and care | 10.1 | Subject to any amendments stated in the <i>Framework Alliance Agreement</i> , in all matters governed by the <i>Framework Alliance Contract</i> the <i>Alliance Members</i> shall use reasonable skill and care appropriate to their respective roles, expertise and responsibilities as stated in the <i>Framework Documents</i> . |
| Mutual duties | 10.2 | Subject to clauses 1.11.3, 10.3, 10.4, 10.5 and 11.2 and any amendments stated in the <i>Framework Alliance Agreement</i> , the <i>Alliance Members</i> shall owe each other a duty of care under the <i>Framework Alliance Contract</i> . |
| Specific documents | 10.3 | An <i>Alliance Member</i> shall owe a duty of care in respect of its <i>Framework Proposals</i> , <i>Framework Prices</i> , <i>Project Proposals</i> and <i>Agreed Prices</i> only to the <i>Client</i> , any <i>Additional Clients</i> and the <i>Alliance Manager</i> and not to the remaining <i>Alliance Members</i> . |
| Alliance Manager | 10.4 | Only the <i>Client</i> and any <i>Additional Clients</i> owe a duty of care to the <i>Alliance Manager</i> in respect of the <i>Alliance Manager Payment Terms</i> . |
| Pre-Contract Activities | 10.5 | Under an <i>Order for Pre-Contract Activities</i> only the <i>Client</i> or <i>Additional Client</i> who issues it, the other <i>Alliance Member</i> who signs it and the <i>Alliance Manager</i> shall owe each other a duty of care. |
| Duties to other parties | 10.6 | The duty of care of an <i>Alliance Member</i> may be extended to other parties by the means stated in the <i>Framework Alliance Agreement</i> or as otherwise agreed. |

11 INTELLECTUAL PROPERTY RIGHTS

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| Alliance Activities and Intellectual Property Rights | 11.1 | Subject to clause 11.2, each <i>Alliance Member</i> warrants to the other <i>Alliance Members</i> that nothing it contributes to <i>Alliance Activities</i> shall infringe any <i>Intellectual Property Rights</i> , and undertakes to indemnify the other <i>Alliance Members</i> in respect of any legal liability and related costs arising out of or in connection with any infringement. |
| Pre-Contract Activities and Intellectual Property Rights | 11.2 | The <i>Client</i> or any <i>Additional Client</i> and each other <i>Alliance Member</i> implementing a <i>Direct Award Procedure</i> or <i>Competitive Award Procedure</i> or undertaking <i>Pre-Contract Activities</i> warrant to each other (but not to the other <i>Alliance Members</i>) that nothing that each of them contributes to the <i>Direct Award Procedure</i> , <i>Competitive Award Procedure</i> or <i>Pre-Contract Activities</i> shall infringe any <i>Intellectual Property Rights</i> , and undertake to indemnify each other (but not the other <i>Alliance Members</i>) in respect of any legal liability and related costs arising out of or in connection with any infringement. |
| Ownership and licence to copy and use | 11.3 | Each <i>Alliance Member</i> shall retain <i>Intellectual Property Rights</i> in all documents that it prepares forming part of or pursuant to the <i>Framework Alliance Contract</i> and each <i>Alliance Member</i> grants to the other <i>Alliance Members</i> an irrevocable, non-exclusive, royalty-free licence to copy and use all those documents for any agreed <i>Alliance Activities</i> , in all cases with the right to transfer and sub-license those rights for the same purposes, and shall ensure that licence shall have the benefit of the same rights from third parties as necessary to allow the grant of that licence. |
| Liability for use of documents | 11.4 | No <i>Alliance Member</i> shall be liable in respect of any document that it prepares forming part of or pursuant to the <i>Framework Alliance Contract</i> to the extent of any use for any purpose other than the purpose for which it was agreed to be prepared as stated in, or which can reasonably be inferred from, the <i>Framework Documents</i> . |

12 INSURANCES

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| Insurances | 12.1 | Each <i>Alliance Member</i> shall take out insurances of the types and for the amounts stated against its name in the <i>Framework Alliance Agreement</i> or any <i>Joining Agreement</i> for matters governed by the <i>Framework Alliance Contract</i> . |
| Insurance terms | 12.2 | All insurances stated in the <i>Framework Alliance Agreement</i> or any <i>Joining Agreement</i> shall be placed with insurers for those risks, with those exclusions and deductibles, and on those other terms as shall be stated in the <i>Framework Brief</i> or otherwise agreed by the <i>Client</i> , and all those insurances shall be maintained from the date of the <i>Framework Alliance Agreement</i> or the relevant <i>Joining Agreement</i> until the expiry or earlier termination of the <i>Framework Alliance Contract</i> and no <i>Alliance Member</i> shall do anything to invalidate those insurances. |
| Insurance details | 12.3 | Each <i>Alliance Member</i> shall provide to another <i>Alliance Member</i> upon request copy policies or detailed certification as evidence of its agreed insurances. |

13 GENERAL

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| Exclusion of Partnership | 13.1 | Nothing in the <i>Framework Documents</i> creates, or shall be construed as creating, a <i>Partnership</i> between any of the <i>Alliance Members</i> and no <i>Alliance Member</i> shall conduct itself so as to create an impression that such a <i>Partnership</i> exists. |
| Assignment and sub-contracting | 13.2 | No <i>Alliance Member</i> shall assign or sub-contract any of its rights or obligations under the <i>Framework Alliance Contract</i> or any <i>Joining Agreement</i> or any <i>Order</i> without the prior consent of the <i>Client</i> and any <i>Additional Clients</i> except as stated in the <i>Framework Alliance Agreement</i> or as otherwise agreed. |
| Confidentiality | 13.3 | <p>Subject to any amendments stated in the <i>Framework Alliance Agreement</i>, the <i>Alliance Members</i> shall not reveal to any third party (except as expressly agreed or as obliged by law) any information exchanged between them, if and to the extent that it is stated or known by them to be confidential, and shall use such information only for the purposes of the <i>Framework Programme</i> and without limitation:</p> <p>13.3.1 the <i>Alliance Manager Payment Terms</i> are confidential as between the <i>Alliance Manager</i>, the <i>Client</i> and any <i>Additional Clients</i>;</p> <p>13.3.2 the <i>Framework Prices</i> and <i>Framework Proposals</i> of an <i>Alliance Member</i> are confidential as between that <i>Alliance Member</i>, the <i>Client</i>, any <i>Additional Clients</i> and the <i>Alliance Manager</i>.</p> |
| Legal Requirements | 13.4 | The <i>Alliance</i> members shall comply with all laws and regulations currently in force in the country stated in the <i>Framework Alliance Agreement</i> and with the terms of all statutory and other legally binding requirements relating to the <i>Framework Programme</i> and with any <i>Legal Requirements</i> amending or supplementing the <i>Contract Terms</i> as set out in Part 1 of Schedule 6 to the <i>Framework Alliance Agreement</i> . |
| Special Terms | 13.5 | Any <i>Special Terms</i> supplementing or amending the <i>Contract Terms</i> are as set out in Part 2 of Schedule 6 to the <i>Framework Alliance Agreement</i> . |
| Third party rights | 13.6 | Subject only to clauses 1.11.2, 10.6 and 14.6 and except as otherwise agreed, nothing in the <i>Framework Alliance Contract</i> shall confer any benefit or right to enforce any of its terms on any person who is not a party to it. |

14. DURATION AND TERMINATION

- Duration 14.1 The duration of the *Framework Alliance Contract* is stated in the *Framework Alliance Agreement*, subject to the remainder of this clause 14 and subject to extension or earlier termination by agreement of the *Alliance Members* or in accordance with the procedures set out in the *Framework Alliance Agreement*.
- Targets not achieved 14.2 If any of the *Targets* set out in Part 2 of Schedule 1 to the *Framework Alliance Agreement* are not achieved then:
- 14.2.1 the *Core Group* shall meet and propose actions necessary to achieve those *Targets* or revised *Targets* and any actions approved by the *Client* and any *Additional Clients* shall be signed by all *Alliance Members* as a supplement to the *Timetable*;
- 14.2.2 subject to Part 2 of Schedule 1 to the *Framework Alliance Agreement*, if the *Client* or any *Additional Client* gives notice that it does not approve actions proposed under clause 14.2.1 or if any approved actions are not implemented, then:
- 14.2.2.1 the notifying *Client* or *Additional Client* may by not less than ten *Working Days*' notice cease to be a party to the *Framework Alliance Contract*; or
- 14.2.2.2 the *Client* and any *Additional Clients* may jointly by not less than ten *Working Days*' notice terminate the *Framework Alliance Contract* or the appointment of an *Alliance Member* that has failed to meet *Targets* or revised *Targets*.
- Insolvency Event 14.3 If any *Alliance Member* suffers an *Insolvency Event*, then, unless otherwise agreed by all other *Alliance Members*:
- 14.3.1 that *Alliance Member* shall cease to be a party to the *Framework Alliance Contract* with immediate effect; or
- 14.3.2 if that *Alliance Member* is the only or last remaining *Client* or *Additional Client*, then the appointment of all other *Alliance Members* shall automatically terminate with immediate effect.
- Alliance Member breach 14.4 If any *Alliance Member* breaches the *Framework Alliance Contract* so as to have a demonstrable adverse effect on the *Alliance* or the *Framework Programme* or any *Project* or *Alliance Activities* and does not remedy that breach within ten *Working Days* from the date of notice from another *Alliance Member* specifying the breach, then, after notifying the *Core Group* and allowing a period of ten *Working Days* from the date of that notification to receive and consider its recommendations:
- 14.4.1 if the notifying *Alliance Member* is not the *Client* or an *Additional Client*, the notifying *Alliance Member* may terminate its own appointment under the *Framework Alliance Contract* by notice with immediate effect; or
- 14.4.2 if the notifying *Alliance Member* is the *Client* or an *Additional Client*, either it may cease to be a party to the *Framework Alliance Contract* or the *Client* and any *Additional Clients* may jointly terminate the appointment of the *Alliance Member* in breach, in either case by notice with immediate effect.
- Existing Project Contracts 14.5 Notwithstanding any termination under this clause 14 all *Project Contracts* in existence at the time of termination shall remain in full force and effect, subject to

the termination rights in those *Project Contracts*.

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| Other Alliance Members | 14.6 | Notwithstanding an <i>Alliance Member</i> for any reason ceasing to be a party to the <i>Framework Alliance Contract</i> , as between all other <i>Alliance Members</i> the <i>Framework Alliance Contract</i> shall remain in full force and effect, and, in the event of termination of the appointment of the <i>Alliance Manager</i> , the <i>Client</i> and any <i>Additional Clients</i> shall jointly identify a replacement and all <i>Alliance Members</i> shall enter into a <i>Joining Agreement</i> with the replacement <i>Alliance Manager</i> . |
| Accrued rights and obligations | 14.7 | Any termination under this clause 14 shall not affect the mutual rights and obligations of the <i>Alliance Members</i> under the <i>Framework Alliance Contract</i> accrued at the date of termination. |

15. PROBLEM-SOLVING AND DISPUTE RESOLUTION

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|-------------------------------|------|---|
| Notice and Core Group meeting | 15.1 | As soon as it is aware of any dispute, an <i>Alliance Member</i> shall give notice to the other <i>Alliance Members</i> involved in a dispute and to the <i>Alliance Manager</i> who shall convene a <i>Core Group</i> meeting, notifying all available information and inviting all involved <i>Alliance Members</i> who shall all attend (with any <i>Independent Adviser</i>) and who shall make constructive proposals in seeking to achieve an agreed solution. |
| Conciliation or Dispute Board | 15.2 | If any dispute is not resolved in accordance with clause 15.1 and provided that no <i>Alliance Member</i> has by reason of that dispute exercised a right of termination under clause 14, then, if stated in the <i>Framework Alliance Agreement</i> , the <i>Alliance Members</i> involved in a dispute may refer it to conciliation in accordance with Part 1 of Appendix 4 and the <i>Conciliation Procedure</i> stated in the <i>Framework Alliance Agreement</i> or to a <i>Dispute Board</i> in accordance with the <i>Dispute Board Rules</i> stated in the <i>Framework Alliance Agreement</i> . |
| Adjudication | 15.3 | If adjudication is provided for under the laws of the country stated in the <i>Framework Alliance Agreement</i> , then the procedures under clauses 15.1 and 15.2 are without prejudice to the rights of any <i>Alliance Member</i> involved in a dispute to refer it to adjudication in accordance with Part 2 of Appendix 4 and the procedure stated in the <i>Framework Alliance Agreement</i> . |
| Litigation and arbitration | 15.4 | Any dispute that is not resolved in accordance with clauses 15.2 or 15.3 may be referred by any <i>Alliance Member</i> involved in that dispute either to the courts stated in the <i>Framework Alliance Agreement</i> or, if stated in the <i>Framework Alliance Agreement</i> , to one or three arbitrators as stated in the <i>Framework Alliance Agreement</i> who shall be appointed as stated in the <i>Framework Alliance Agreement</i> and who shall conduct that arbitration in the location and in accordance with Part 3 of Appendix 4 and the rules stated in the <i>Framework Alliance Agreement</i> . |
| Law and Jurisdiction | 15.5 | The <i>Framework Alliance Contract</i> is governed by the laws of the country stated in the <i>Framework Alliance Agreement</i> and is subject to the non-exclusive jurisdiction of its courts. |

APPENDIX 1

DEFINITIONS

(see clause 1.2)

In the *Framework Documents* the following words and expressions have the following meanings, whether used in the singular or the plural and whatever their gender, and cross-references are to clauses of the *Contract Terms* unless stated otherwise:

Additional Alliance Member – an additional *Alliance Member* with which the *Alliance Members* enter into a *Joining Agreement* under clause 1.11;

Additional Client – an additional *Client* with which the *Alliance Members* enter into a *Joining Agreement* under clause 1.11;

Adjudicator – an individual identified as an adjudicator under the *Framework Alliance Agreement*, the *Model Adjudication Procedure* and Part 2 of Appendix 4;

Agreed Prices – prices in respect of a *Project* as proposed by an *Alliance Member* and as may be agreed pursuant to a *Direct Award Procedure* or a *Competitive Award Procedure*;

Alliance – the framework alliance created between the *Alliance Members* and governed by the *Framework Alliance Contract*;

Alliance Activities – any activities agreed to be performed by *Alliance Members* under clause 6 in order to achieve *Improved Value* consistent with the *Objectives*, including agreed *Supply Chain Collaboration*, agreed innovation and education, agreed exchanges of information, and agreed integration, adaptation and standardisation of roles, expertise and responsibilities;

Alliance Manager – the party named in the *Framework Alliance Agreement* to fulfil the role of *Alliance Manager* as described in clauses 3.1 and 3.2, subject to replacement in accordance with clause 14.6;

Alliance Manager Payment Terms – a document forming part of the *Framework Alliance Contract* describing the amounts payable to the *Alliance Manager* and the terms of payment including any agreed fluctuations;

Alliance Manager Services – the services described in the *Alliance Manager Services Schedule*;

Alliance Manager Services Schedule – a document forming part of the *Framework Alliance Contract* describing the role, expertise and responsibilities of the *Alliance Manager*;

Alliance Members – the *Client*, the *Alliance Manager*, all other parties who execute the *Framework Alliance Agreement* and any *Additional Clients* and other *Additional Alliance Members* who execute *Joining Agreements*;

BIM – building information modelling;

Budget – the *Client's* or any *Additional Client's* monetary allowance for the *Project* referred to in clause 4.1.4 and as may be stated in a *Direct Award Procedure* or *Competitive Award Procedure*;

Client – the party named in the *Framework Alliance Agreement* to fulfil the role of *Client* as described in the *Framework Documents*;

Competitive Award Procedure – the competitive procedure leading to the award of a *Project Contract* as set out in Part 2 of Schedule 4 to the *Framework Alliance Agreement*;

Conciliation Procedure – the procedure governing the work of a *Conciliator* as may be stated in the

Framework Alliance Agreement and Part 1 of Appendix 4;

Conciliator – an individual who may be identified as a conciliator under the *Framework Alliance Agreement*, the *Conciliation Procedure* and Part 1 of Appendix 4;

Consensus – unanimous agreement following reasoned discussion;

Contract Terms – the contract terms, including appendices, as annexed to the *Framework Alliance Agreement*;

Core Group – the individuals identified in the *Framework Alliance Agreement* or in a *Joining Agreement* as *Core Group* members, subject only in each case to agreement of changes and alternates in accordance with clause 1.6.1;

Definitions – the definitions set out in this Appendix 1;

Direct Award Procedure – the procedure leading to award of a *Project Contract* without further competition among *Alliance Members* as set out in Part 1 of Schedule 4 to the *Framework Alliance Agreement*;

Dispute Board – a group of individuals who may be identified in the *Framework Alliance Agreement* to advise the *Alliance Members* on the avoidance or resolution of any dispute;

Dispute Board Rules – the rules governing the work of a *Dispute Board* as may be stated in the *Framework Alliance Agreement*;

Due Date – the date of receipt by the *Client* of an application for payment submitted in accordance with clause 8.3;

Early Warning – early warning in accordance with clause 1.8;

Environment – all and any land, water and air including air within any natural or man-made structure above or below ground;

Final Date for Payment – the final date for payment pursuant to clauses 8.6.1 and 8.6.2;

Framework Alliance Agreement – the agreement executed by the *Alliance Members*;

Framework Alliance Contract – the framework alliance contract created by and between the *Alliance Members* by executing the *Framework Alliance Agreement* and any *Joining Agreements*;

Framework Brief – one or more documents forming part of the *Framework Alliance Contract* describing the scope and nature of the *Alliance* and of the *Projects* comprising the *Framework Programme* and setting out the *Client's* and any *Additional Clients'* technical, management and commercial requirements including the required approach to design, *Supply Chain* engagement, costing, *Risk Management* and programming and all other relevant procedures and expected outcomes and where appropriate the required approach to BIM;

Framework Documents – the documents comprising the *Framework Alliance Contract* as set out in the *Framework Alliance Agreement* subject to addition and amendment in accordance with any *Joining Agreements* and the *Contract Terms*;

Framework Prices – each of the documents forming part of the *Framework Alliance Contract* describing the prices of an *Alliance Member* in response to the *Framework Brief*, agreed confidentially between that *Alliance Member*, the *Client*, any *Additional Clients* and the *Alliance Manager*;

Framework Programme – the works and/or services and/or supplies governed by the *Framework Alliance Contract*, as described in the *Framework Documents*;

Framework Proposals – each of the documents forming part of the *Framework Alliance Contract* describing the proposals of an *Alliance Member* in response to the *Framework Brief*, agreed confidentially between that *Alliance Member*, the *Client*, any *Additional Clients* and the *Alliance Manager*;

Improved Value – improved value consistent with the *Objectives*, which may include (if and as stated in the *Objectives*) improved cost and/or time certainty, cost and/or time savings, improved quality, improved *Operation*, improved staff and other resources, improved health and safety and other working procedures, improved *Sustainability*, improved efficiency, improved profitability and other benefits to *Alliance Members*, *Users* and *Stakeholders*;

Incentives – the incentives set out in Part 3 of Schedule 1 to the *Framework Alliance Agreement*;

Independent Adviser – an independent adviser who may be identified in the *Framework Alliance Agreement* and appointed on terms agreed by the *Alliance Members* to provide fair and constructive advice to the *Alliance Members* on the implementation of the *Framework Alliance Contract* and the avoidance or resolution of any dispute;

Insolvency Event – an event of insolvency as referred to in clause 14.3, arising under the laws of the country in which an *Alliance Member* is incorporated or established and including:

- any event where any *Alliance Member* being a corporate body has an order made for its winding up or a petition is presented or a meeting is convened for purpose of considering a resolution for its winding up or that resolution is passed (except for any members' voluntary winding up for the purposes of amalgamation or reconstruction on terms previously approved in writing by all the other *Alliance Members*); or has a receiver (including an administrative receiver) or manager appointed in respect of the whole or any part of its property, assets or undertaking; or has an administrator appointed (whether by the court or otherwise) or any step taken (whether in or out of court) for the appointment of an administrator or any notice given of an intention to appoint an administrator; or has any distress, execution or other process levied or applied for in respect of the whole or any part of its property, assets or undertaking; or has any composition in satisfaction of its debts or any scheme of arrangement of its affairs or any compromise or arrangement between it and its creditors and/or members or any class of its creditors and/or members proposed, sanctioned or approved; or
- any event where any *Alliance Member* being an individual is the subject of a bankruptcy order, or has a bankruptcy petition filed against him or her; or enters into an individual voluntary arrangement, a deed of arrangement or any other composition or arrangement with his or her creditors in satisfaction of his or her debts; or has any distress, execution or other process levied or applied for in respect of the whole or any part of any of his or her property or assets; or
- any event equivalent to any of the above in any jurisdiction outside England and Wales;

Intellectual Property Rights – all intellectual property rights (including, without limitation, patents, trade marks, designs, design rights, copyright, inventions, trade secrets, know-how and confidential information) and all applications for protection of any of those rights;

Joining Agreement – an agreement executed by the *Alliance Members* with an *Additional Client* or other *Additional Alliance Member* based on the form set out in Appendix 2;

Legal Requirements – any legal requirements supplementing or amending the *Contract Terms* pursuant to clause 13.4, as set out in Part 1 of Schedule 6 to the *Framework Alliance Agreement*;

Model Adjudication Procedure – the procedure governing the work of an *Adjudicator* as may be stated in the *Framework Alliance Agreement* and Part 2 of Appendix 4;

Objectives – the agreed objectives of the *Alliance* and the *Framework Programme* and of the *Alliance*

Members in respect of the *Alliance* and the *Framework Programme* as set out in Part 1 of Schedule 1 to the *Framework Alliance Agreement*;

Operation – use, occupation, operation, maintenance, repair, alteration and demolition of a *Project*;

Order – an order governing *Alliance Activities* or *Pre-Contract Activities* issued under clause 7 and based on the form set out in Appendix 3;

Overheads – overhead levels set in accordance with the *Framework Prices* and/or in accordance with a *Direct Award Procedure* or *Competitive Award Procedure*;

Partnership – a business entity creating joint and several liability between its members;

Pay Less Notice – a notice issued in accordance with clause 8.8;

Payment Notice – a notice specifying the amount that the *Alliance Manager* considers to be due in accordance with clause 8.4 or that the *Client* or an *Additional Client* as applicable considers to be due in accordance with clause 8.5;

Pre-Contract Activities – any activities agreed to be performed by an *Alliance Member* in relation to a *Project* before the award of a *Project Contract*;

Profit – profit levels set in accordance with the *Framework Prices* and/or in accordance with a *Direct Award Procedure* or *Competitive Award Procedure*;

Project – a project forming part of the *Framework Programme* as described in the *Framework Brief* and in a *Project Brief* issued pursuant to a *Direct Award Procedure* or *Competitive Award Procedure*;

Project Brief – one or more documents forming part of the *Template Project Documents* and each *Direct Award Procedure* or *Competitive Award Procedure*, describing the scope and nature of a *Project*, setting out the *Client's* technical, management and commercial requirements and expected outcomes in respect of the *Project*, including all required quality standards and warranties, including all requirements in respect of insurances and securities, including all processes and procedures for management of communication, performance, quality, design, *Supply Chain* engagement, cost, payment, time, change, risk, health and safety and all other project management processes and procedures, including the required approach to *BIM* as appropriate, and including all requirements in respect of *Sustainability*, *Operation*, and engagement with *Stakeholders* and *Users*;

Project Contract – a contract awarded by the *Client* or an *Additional Client* to any *Alliance* member in respect of a *Project* in accordance with clause 5 and based on the *Template Project Documents*;

Project Contract Conditions – the terms and conditions governing a *Project Contract*;

Project Proposals – proposed *Agreed Prices* and other proposals in respect of a *Project* submitted by an *Alliance Member* under a *Direct Award Procedure* or a *Competitive Award Procedure*;

Risk Management – a structured approach to ensure that risks are identified at the earliest opportunity, that their potential impacts are allowed for and that by agreed actions such risks and/or their impacts are eliminated, reduced, insured, shared or apportioned;

Risk Register – the risk register set out in Schedule 3 to the *Framework Alliance Agreement* and updated in accordance with clause 9.4, describing recognised risks and agreed *Risk Management* actions in relation to the *Framework Programme* and agreed *Alliance Activities*;

Special Terms – any terms amending or supplementing the *Contract Terms* pursuant to clause 13.5, as set out in Part 2 of Schedule 6 to the *Framework Alliance Agreement*;

Stakeholders – any one or more organisations or groups of individuals, as stated in the *Framework Alliance Agreement* by reference to clause 1.10, who are not *Alliance Members* and who have an interest relating to the *Framework Programme*;

Success Measures – the success measures in respect of achievement of the *Objectives* and the performance of the *Alliance Members* as set out in Part 2 of Schedule 1 to the *Framework Alliance Agreement*;

Supply Chain – any party or parties providing to one or more *Alliance Members* works or services or supplies of goods, materials or equipment;

Supply Chain Collaboration – any activities agreed to be performed by *Alliance Members* under clause 6.3 in order to achieve *Improved Value* through more consistent, longer term, larger scale *Supply Chain Contracts* and through other improved *Supply Chain* commitments and working practices;

Supply Chain Contract – a contract entered into between an *Alliance Member* and any of its *Supply Chain*;

Sustainability – measures intended to reduce carbon emissions, to reduce use of energy and or natural and manmade resources, to improve waste management, to improve employment and training opportunities, and otherwise to protect or improve the condition of the *Environment* or the well-being of people;

Targets – the targets in respect of the *Success Measures*, as set out in Part 2 of Schedule 1 to the *Framework Alliance Agreement*;

Template Project Documents – the template documents used in each *Direct Award Procedure* and *Competitive Award Procedure* and in creating each *Project Contract* as described in Schedule 5 to the *Framework Alliance Agreement* including the *Project Contract Conditions*;

Timetable – the timetable set out in Schedule 2 to the *Framework Alliance Agreement* and updated in accordance with clause 2.6 stating agreed deadlines, gateways and milestones in respect of the *Framework Programme*, achievement of the *Objectives* and the timescales for *Alliance Activities*;

User – any person or party using a *Project*;

Working Day – any day other than a weekend or public holiday recognised in the country where the *Framework Programme* is located.

FORM OF JOINING AGREEMENT

(see clauses 1.11 and 14.6)

THIS JOINING AGREEMENT is made the _____ day of _____

IN RELATION TO DRAFT MODULAR BUILDINGCCS112018
(the *Framework Programme*)

BETWEEN (the *Additional Alliance Member*)
and the *Alliance Members* named below to a framework alliance contract dated
(the *Framework Alliance Contract*)

WHO AGREE that words and expressions in this *Joining Agreement* shall have the same meanings as in the *Framework Alliance Contract*, and that with effect from the *Additional Alliance Member* shall be a party to the *Framework Alliance Contract* and that the *Additional Alliance Member's* role, expertise and responsibilities, its *Core Group* member, its agreed insurances and any additional and amended *Framework Documents* shall be as follows:

The role, expertise and responsibilities of the *Additional Alliance Member* are:

The *Core Group* member nominated by *Additional Alliance Member* is:

The insurances of *Additional Alliance Member* are:

The additional and amended *Contract Terms* and other *Framework Documents* are:

[Executed by the *Client*, the *Additional Alliance Member* and all other *Alliance Members*]

APPENDIX 3

FORM OF ORDER (see clause 7)

The ***Client/Additional Client*** and the other ***Alliance Member*** named below in accordance with and subject to the framework alliance contract dated (the ***Framework Alliance Contract***)

made between them and others in relation to (the ***Framework Programme***) **DRAFT MODULAR BUILDINGCCS112018**

AGREE under this Order that:

1. Words and expressions used in this *Order* shall have the same meanings as in the *Framework Alliance Contract*.
2. The *Alliance Member* shall undertake the following *Alliance Activities/Pre-Contract Activities*:
3. The dates for completion of those *Alliance Activities/Pre-Contract Activities* are:
4. The *Client/Additional Client* shall pay the *Alliance Member* the following amounts for those *Alliance Activities/ Pre-Contract Activities*:
5. [Delete if not applicable] If a *Project Contract* is entered into, then the *Pre-Contract Activities* shall be treated as part of the *Project* and shall be governed by the *Project Contract Conditions*. Applicable
6. [Other terms as required]

Signed for and behalf of
(***Client/Additional Client***)

by

Dated

Signed for and behalf of
(***Alliance Member***)

by

Dated

APPENDIX 4

PART 1

CONCILIATION

(see clause 15.2)

1. The “*Conciliator*” shall mean the individual named in or pursuant to the *Framework Alliance Agreement* or otherwise an individual to be agreed between the *Alliance Members* seeking conciliation within ten *Working Days* after one has given the other(s) a written request to agree the appointment of a *Conciliator*.
2. If, at any time before reference of a dispute to litigation or arbitration in accordance with the *Contract Terms*, the *Alliance Members* in dispute agree to conciliation in respect of that dispute, they shall apply jointly to the *Conciliator* who shall conduct the conciliation in accordance with the “*Conciliation Procedure*” stated in the *Framework Alliance Agreement* current at the date of the relevant application.
3. Any written agreement signed by the *Alliance Members* in dispute, which records the terms of any settlement reached during the conciliation, shall be final and binding and they shall comply with that settlement in accordance with its terms. If any of them fails to do so, then the other(s) shall be entitled to take legal proceedings to secure such compliance.

PART 2

ADJUDICATION

(see clause 15.3)

1. The “*Adjudicator*” shall mean the individual named in or pursuant to the *Framework Alliance Agreement* or otherwise an individual to be appointed in accordance with the model adjudication procedure stated in the *Framework Alliance Agreement* and current at the date of the relevant notice of adjudication (the “*Model Adjudication Procedure*”) and the following provisions shall override the *Model Adjudication Procedure* in the event of any conflict.
2. Any *Alliance Member* has the right to refer a dispute for adjudication by giving notice at any time of its intention to do so. The notice shall be given and the adjudication shall be conducted under the *Model Adjudication Procedure*.
3. The *Adjudicator* shall be appointed and the dispute referred to him or her within seven days following the giving of a notice by any *Alliance Member* under paragraph 2 above.
4. The *Adjudicator* shall reach his or her decision within twenty-eight days following the date of referral, or any longer period agreed by the *Alliance Members* in dispute after the dispute has been referred. The *Adjudicator* may extend the period of twenty-eight days by up to fourteen days with the consent of the *Alliance Member* who referred the dispute.
5. The *Adjudicator* shall act impartially and may take the initiative in ascertaining the facts and the law.
6. The *Adjudicator* may correct his or her decision so as to remove a clerical or typographical error arising by accident or omission within five days following the date of communicating his or her decision to the *Alliance Members* in dispute.
7. The *Adjudicator’s* decision shall be binding until the dispute is finally determined by legal

proceedings, by arbitration (if provided for in the *Framework Alliance Agreement*) or by agreement.

8. The *Adjudicator* shall be required to give reasons for his or her decision.
9. Without prejudice to their rights under the *Framework Alliance Contract*, the *Alliance Members* in dispute shall comply with any decision of the *Adjudicator*. If any of them fails to do so, then the other(s) shall be entitled to take legal proceedings to secure such compliance pending final determination of the difference or dispute.

PART 3

ARBITRATION (see clause 15.4)

1. If arbitration is provided for in the *Framework Alliance Agreement*, any *Alliance Member* may give notice to the other one or more *Alliance Members* in dispute, requiring that the matter be referred to arbitration by one or more arbitrators, in accordance with the rules and at the location as are stated in the *Framework Alliance Agreement*.
2. If, in the opinion of any *Alliance Member* in dispute, any dispute to be referred to arbitration under the *Framework Alliance Contract* raises matters which are connected with matters raised in another dispute between the same and/or other *Alliance Members* that has already been referred to arbitration under the *Framework Alliance Contract*, then the *Alliance Members* in dispute shall arrange for their dispute to be referred to the arbitrator(s) first appointed who shall have the power to deal with all those connected disputes as he or she or they think most just and convenient.
3. The arbitrator(s) appointed under the *Framework Alliance Contract* shall have full power to open up, review and revise any notice, decision, consent, approval, valuation, opinion or instruction of any *Alliance Member*, and his or her or their award shall be final and binding on the *Alliance Members* in dispute.

FAC-1
Framework Alliance Contract

Between the following parties

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