

Circular L12/06

20th December 2006

WATER SERVICES INVESTMENT PROGRAMME

New Conditions of Engagement for Construction Consultants and New Forms of Construction Contracts for Public Works Implementation on Water Services Projects

I refer to the Department of Finance Circular 33/06 setting out the revised arrangements with effect from 1st January 2007 (Standard Conditions of Engagement for Construction Consultants) and with effect from Monday, 19th February 2007 (new Forms of Construction Contracts for Public Works). Three forms of contract are of relevance to traditionally procured civil engineering contracts in the water services sector:-

1. Public Works Contract for the Provision of Civil Engineering Works Designed by the Employer
2. Public Works Contract for the Provision of Civil Engineering Works Designed by the Contractor
5. Minor Works Contract for the Provision of Building and Civil Engineering Works Designed by the Employer.

The Minor Works Contract is to be used on contracts valued at €5m and below, although contracting authorities are permitted, in exceptional circumstances, to use one of the main forms on contracts valued between €1m and €5m.

The contracts can be found on the Department of Finance website under the headings: www.finance.gov.ie, Policy Areas & Publications – Construction Procurement Reform.

This circular sets out how the requirements of Circular 33/06 are to be implemented on projects under the Water Services Investment Programme.

Training Framework

The Department of Finance are putting in place a Framework Agreement with a number of firms to provide training for local authority staff on a call down basis commencing early in 2007.

Conditions of Engagement for Construction Consultants

The new Conditions of Engagement for Construction Consultants should be used for all appointments after 1st January 2007. Briefs for projects in the WSIP submitted for Department approval should be accompanied by completed Schedules A and B. Appendix 1 to this circular contains sample completed Schedules A and B to assist local authorities in this regard.

New Forms of Construction Contracts for Public Works

The new Forms of Contract should be used for all contract documents for traditional contracts where development of contract documents has not been substantially completed by 19th February 2007. Contract documents for projects in the WSIP submitted for Department approval in accordance with the requirements of Circulars L1/06 and L7/06 should be accompanied by completed Schedule to the Contract. Appendix 2 to this circular contains sample completed Schedule for the main contract designed by the Employer to assist local authorities in this regard.

These forms of contract allow the Employer (Contracting Authority) make choices with regard to certain terms or risks. Appendix 3 to this Circular sets out the recommended choices in respect water services projects designed by the Employer for both the main and minor contract forms.

Terry Allen

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Environment Infrastructure and Services Division

To: City and County Managers

cc: Directors of Services (Water Services)