

Quigg
Golden

INSIGHT

No. 45 | Spring 2017



TIME IS OF THE ESSENCE

BREXIT | ADJUDICATION | TENDERING | LADS | PAYMENTS

Welcome to Quigg Golden Insight

Time has always been the rarest of commodities in the construction industry; we just never seem to have enough of it. Whether we are dealing with submitting tenders on time, racing against the clock to get claims and notices in or just waiting on payment to be made, it is all about timing.

In this season's Insight we focus on the issue of time in the construction industry, and there is something for everyone.

Our centre piece articles deal with two very live issues in the industry at the minute; LADs and Delay Damages and Interim Payment Applications made throughout the course of a contract.

David McNeice takes us through the changes to a 100-year (plus) old law on how LADs and delay damages are calculated. Contractors be aware, and Employers, be careful!

Robert Burns reviews a recent case on how the courts are interpreting interim applications, and the ever-occurring problem of getting applications and payment notices in on time.

James Sargeant tells the tale of BAM and the NTMA, when late bidders were still accepted, how this was carried out and the wider implications this will have on procurement in Ireland.

And starting our Insight off, James Golden reminds us of the countdown to Brexit. Now with Article 50 powers granted to the UK Government, what effects will this have in the UK and cross border relationships.

As always, if there are any questions on any of the articles or pieces, there is no time like the present to pick up the phone or get in touch with any of the contributors or the team in the London, Dublin or Belfast offices.



EDWARD QUIGG
BEng LLB LLM PGDipArb MIEI FCIArb
FCInstCES MCIPS
Director



3 What changes will NEC4 bring?

In the last few weeks there has been major news in the world of the New Engineering Contract. Quigg Golden outlines what to expect.

4 Building and Brexit

James Golden provides his personal take on what Brexit could mean for the construction industry.

7 Better Late than Never?

James Sargeant highlights an Irish case which deals with the thorny problem of bidders submitting late tenders.

8 No Time (or Money) to Delay

David McNeice examines how the courts have dealt with the question of LADs

10 In the Interim

Robert Burns reports on the court's strict interpretation of the law surrounding interim applications for payment

Editor
Clare Urquhart
Clare.Urquhart@quiggolden.com

Design
Emma Cowan
emma@summerisland.co.uk

Feedback / Contributions
Quigg Golden,
18-22 Hill Street,
Cathedral Quarter,
Belfast, BT1 2LA.
T: 028 9032 1022
E: Belfast@QuiggGolden.com

Information in this newsletter is for guidance only. Detailed professional advice should be taken before acting on any article written herein. INSIGHT is published by Quigg Golden.
© Quigg Golden Limited 2017.



NEC CONTRACTS

What changes will NEC4 bring?

In the last few weeks there has been major news in the world of the New Engineering Contract. The fourth edition of the NEC contract has been announced for publication on 22 June 2017.

The message from the NEC is that the changes are "evolution not revolution". The announcement came fairly under the radar and it seems to be a bit of a knee-jerk reaction to the series of amendments made to the JCT and FIDIC suites of contracts in 2016. We haven't had anything substantially new from the NEC since 2005 when the third edition was published.

We now have a proper design and build secondary option clause. The NEC3 could always be adapted through the Works Information to make it a D&B, but having a dedicated secondary option clause is welcome news. It will be interesting to see how this secondary option

fits in with the Contractor's responsibilities under core clause 2 and how this interface will be managed.

The NEC famously (or infamously) does not contain a traditional final account mechanism. However, it appears that the NEC will now have its own equivalent of a final account. Saying anything more about the 'NEC Final Account' at this stage would just be conjecture, so we will have to wait and see.

The NEC4 will boast a deemed acceptance mechanism for accepting the Contractor's programme. If the Project Manager fails to respond within the period of reply, due to the extreme emphasis and importance of the programme under the NEC, then notwithstanding clause 50.3 (25% reduction in the Price for Work Done to Date), the Contractor can now rest easy knowing that there will be an Accepted Programme

on the table.

Our dear old friend Defined Cost remains, no sign of a reversion back to the old terminology of 'Actual Cost' from the NEC2. Defined Cost may be a difficult term to get your head around, but once you understand the concept, the meaning becomes clear. I believe the NEC are right to retain the use of the "Defined Cost" terminology.

There are also a range of other minor changes to the contract terminology. Works Information becomes Scope, Employer becomes Client etc. We are looking forward to working under the NEC4, I hope that it can keep the NEC momentum going and continue to push mutual trust and co-operation to the forefront of construction.

For a further breakdown and summary of the changes please visit our website or contact James Golden or David McNeice.

"The message from the NEC is that the changes are "evolution not revolution". The announcement came fairly under the radar and it seems to be a bit of a knee-jerk reaction to the series of amendments made to the JCT and FIDIC suites of contracts in 2016."



Building and Brexit

JAMES GOLDEN PROVIDES HIS PERSONAL TAKE ON WHAT BREXIT COULD MEAN FOR THE CONSTRUCTION INDUSTRY, THROWING A SPOTLIGHT ON ASPECTS THAT ARE ALREADY HAVING AN IMPACT ON HOW WE DO BUSINESS, NOW AND IN THE FUTURE. NOW THAT ARTICLE 50 CAN BE TRIGGERED, THIS IS THE TIME TO GET YOUR HEAD AROUND THE IMPLICATIONS OF BREXIT AND YOU.

The most understated comment that I heard following the Referendum result in June was “well, *that was a bit of a surprise!*”.

At the moment the UK, the EU and the whole world is trying to come to terms with the British people’s decision that the UK should leave the European Union. Whilst the great and good of the world wrestle with this, I intend to make a few observations from my lowly perch.

Firstly, I know that there are a number of issues which raised their head in relation to the construction industry long before the people spoke. These include:

- Housing – the UK is in the midst of a housing crisis. Home ownership is now beyond the reach of many who would have been on the property ladder if they had been born 20 years younger. There is an urgent need to build more homes and in a way that is affordable;

- Coastal Defence Infrastructure – Global warming is constantly in the news. Annually the UK and Ireland face devastating floods which have a huge economic impact. Hidden behind the headlines is the constant requirement to upgrade the flood protection and coastal infrastructure which maintains the country;

- Transport Infrastructure – HS2 and Crossrail are headline issues in England and in the meantime the infrastructure in the rest of the UK crumbles and needs to be replaced. Even brief travels abroad allow people to see the excellent infrastructure in other countries while we endlessly debate whether there should be an additional runway at either Gatwick or Heathrow; and
- Power Infrastructure – Hesitations on new power generation could be a catastrophe for

the country in the future. Yet Hinckley Point is postponed and our old power stations rumble on.

These are headlines and relate to truly massive construction and procurement challenges. However, all of them are set against issues which have been ever present in the construction industry; or at least present for the duration of the experience of your correspondent. Issues such as:

1. The industry’s susceptibility to booms and crashes and, therefore, the difficulty in obtaining consistent investment in terms of finance and also training and productivity;
2. Skills shortages – This too relates to the boom and bust culture and is usually solved by relying on migrant skilled labour during the booms and massive layoffs in the quiet times. Brexit will have a direct implication on the former;

3. The international nature of the construction industry and the implications of currency fluctuations such as changes in the value of Sterling. This is a benefit to some and a problem for others. There is also the need for international investment. European firms and those from further afield are now commonplace in major construction projects and a huge proportion of our supply chain links us to Europe and the whole world. Brexit may mean looser ties to Europe but potentially closer ties to other English speaking nations and inward investors.

Clearly, Brexit touches many of these issues. But Brexit also has specific, direct implications which we are seeing being brought into effect already. Irish contractors are closely tied into the UK market. They now see their home costs in comparison to the recovery in the Sterling zone dramatically changed. This means UK work is much less inviting. This will have a similar impact for suppliers and contractors from the rest of the EU.

On the other side, the change in the currency rate makes Eurozone work significantly more

lucrative for the British. I have already seen Eurozone claims settled on terms which would have been completely unpalatable before the Brexit result and the dramatic change in the exchange rate put offers comfortably into the acceptable zone for claims. The labour and skills issue has also come dramatically to the fore. Much of the publicity, and it seems much of the rationale, in voting for Brexit was to stop the influx of European migrants, many of whom work in the construction industry. Clearly, Britain will be a much less inviting place following the Brexit vote. So where will the skills for the construction industry come from? There are a number possible answers:

1. Home grown skills – this is the most obvious answer but there is a pernicious difficulty in trying to upskill many of our fellow citizens. We need to invest in it now;

2. Greater productivity – the UK economy, we are told, is far too unproductive. A more productive workforce using the skilled labour and ingenious solutions that occasionally appear may be a more effective solution than simply recruiting more semi-skilled. This could

be a significant upside to a skill shortage; and

3. Immigration from elsewhere is obviously a real possibility but rather defeats the point of cutting down on immigration.

The upshot of all of this is pressure and tension in the industry throughout the UK and Ireland, mapped onto an industry which is used to uncertainty but constantly struggling with it. The pressure this will put on the procurement of new work and the resolution of disputes is at least something that is clear amid all the other uncertainty. The only real difference is going to be where the pressure comes from.

There are a number of practical points for practitioners. The currency issue turns on who takes the currency risk in a given contract, which may come much more to the fore as an issue. The drive for productivity suggests that contractors will want to be innovative in providing the solutions demanded from them and this will put pressure on traditional contracting methods and traditional design processes. This is a long overdue development. The lack of skills and increased costs of labour will make claims

"Brexit also has specific, direct implications which we are seeing being brought into effect already. Irish contractors are closely tied into the UK market. They now see their home costs in comparison to the recovery in the Sterling zone dramatically changed. This means UK work is much less inviting.

This will have a similar impact for suppliers and contractors from the rest of the EU."

more prevalent and perhaps lead to inflation within the construction industry.

From all of this, my conclusion is that there is certainty that we are all in for a bumpy ride. Make sure you have a seat belt that works and a crash zone that won't let you down!

Updates to FIDIC Suite of Contracts

FIDIC is in the process of rolling out several substantive updates to its suite of standard form contracts. Draft editions of the revised Yellow, Red and Silver Books will be rolled out in early 2017. In this short article I discuss some of the main changes which are being made to one of the most commonly used forms, the Yellow Book.

The philosophy of the 1999 Yellow Book remains unchanged. It is still a lump sum contract for works designed by the Contractor. The 2017 amendments bring about some fairly substantial changes which, in my opinion, better align the contract for use in the 21st century.

ROLE OF THE ENGINEER

The Engineer continues to play a crucial role in the contract. One important change is the replacement of the words "the Engineer shall be deemed to act for the Employer" with a statement that he is to act "neutrally". Neutrality is not an easy thing to define and it will be interesting to see how this plays out in real life.

A STIMULUS TO GOOD PROJECT MANAGEMENT

A phrase we often hear associated with the NEC form of contract. The latest edition of the Yellow Book has 'beefed up' the programming requirements in an apparent attempt to push proper project man-

agement to the forefront. The programming software to be used is specified, and it is now a requirement to show the earliest/latest start/finish dates of each activity and to ensure that each is logic-linked. This is a great addition in my mind as this will force Contractors to put much needed effort into preparing a proper programme. This will be to the benefit of both parties.

CLAIMS

Clauses 20.1 and 20.2 have been padded out with much more detail on Employer Claims and Contractor Claims. The 28 day time bar for a Contractor making a claim now also applies to the Employer.

A welcome addition for Contractors. The requirement for the Contractor to submit a fully detailed claim within 42 days remains, but the Employer is now under a similar obligation. Another welcome addition for Contractors.

This is only a brief overview of the looming changes which will be made to the Yellow Book and then across the suite of FIDIC contracts in general. Look out for a more in depth article in the coming months when FIDIC publish the full draft editions. For any questions, get in touch with David McNeice or William Brown.



Better late than Never?

BAM PPP PGGM Infrastructure Cooperative U.a.-v- National Treasury Management Agency & anor [2016] IEHC 546

**JAMES SARGEANT
HIGHLIGHTS THE
CASE OF BAM AND
NTMA, WHICH DEALS
WITH THE THORNY
PROBLEM OF BIDDERS
SUBMITTING LATE
TENDERS AND
CONTRACTING
AUTHORITIES POWERS
OF DISCRETION.**

The case of *BAM PPP PGGM Infrastructure Cooperative U.a.-v- National Treasury Management Agency & anor [2016] IEHC 546* dealt with the lawfulness of accepting tenders submitted by bidders after the deadline for submission had expired. The Contract related to the design and build, financing and maintenance for a number of buildings for Dublin Institute of Technology (DIT) at the Grangegorman campus. The project had an expected capital value of €180 - €200m, which was to be procured under a single PPP contract using the Negotiated Procedure.

BAM was one of three tenderers who submitted bids. The NTMA identified a competing tenderer, Eriugena (a consortium), as the Most Economically Advantageous Tender and wished to proceed to award them the Contract. BAM was notified of this decision in a letter from

the NTMA which included the following paragraph:

"The Authority wishes to note that at the time of submission of the Tender documents to Asite, the uploading of a small number of the Eriugena documents was not completed until shortly after the 5pm deadline on 28th November, 2014. Having investigated the matter, the Authority was fully satisfied that no unfair advantage was gained by Eriugena in the circumstances and the Authority exercised its discretion to accept the Eriugena Tender prior to the evaluation exercise commencing."

The central issue in this case was whether or not the NTMA was entitled under the Invitation to Negotiate ("ITN") provisions, and the relevant legal rules, to accept a tender that was received in whole or in part after the expiration of the tender period. It is worth noting at this stage that Eriugena submitted a number of documents over an hour later than the deadline.

It was determined by the Courts that the key principles to consider in this matter were equal treatment and proportionality. While the NTMA had some discretion as set out in the ITN, it is imperative that the NTMA ensured that no advantage was given to any Tenderer as a result of late submission of documents and that a proportionate, fair and transparent response was taken. The NTMA had a re-

sponsibility to fully explore the reasons for and nature of late document submission before any decision is made.

It was determined that Under Section 7.1 of the ITN as part of the Compliance Check the NTMA had a discretion to accept documents/files submitted after the Tender deadline, and to treat a tender as compliant, where the lateness was due to clerical or administrative error or omission. Further, and in the alternative, the NTMA had a discretion under general law to accept late tender documents.

The exercise of such discretion, whether under the ITN or the general law, was subject to the Authority not infringing the general principles of equal treatment, non-discrimination, proportionality and transparency.

This case highlights the fact that public bodies do have an element of discretion, with regards to accepting late tender documents. However, to ensure that this cannot be disputed, it is advisable for the public body to clearly write that it has discretion within the procurement document itself, and even with this, it may still not fully protect itself from such a challenge being mounted. It is imperative therefore that lessons are learnt and that every Contracting Authority ensures that they give the necessary level of thought

"The central issue in this case was whether or not the NTMA was entitled under the Invitation to Negotiate ("ITN") provisions, and the relevant legal rules, to accept a tender that was received in whole or in part after the expiration of the tender period. It is worth noting at this stage that Eriugena submitted a number of documents over an hour later than the deadline. It was determined by the Courts that the key principles to consider in this matter were equal treatment and proportionality."

with regards to the process and ensure that they show internally and where required, externally, that they have kept to the general principles.

No time (or money) to delay

DAVID MCNEICE EXAMINES HOW THE COURTS HAVE DEALT WITH THE QUESTION OF LADS AND, IN ESSENCE, DELAY DAMAGES AND HOW THEY SHOULD BE CALCULATED IN A SUPREME COURT DECISION THAT HAS THE POTENTIAL TO SEND SHOCKWAVES THROUGH THE INDUSTRY.

"The Courts decided that the genuine pre-estimate of loss test needed to be amended in light of what can be considered a penalty, and that the loss being unconscionable will need to have a direct correlation to the commercial reality of this situation. It is not correct in saying that the genuine pre-estimate of loss now ceases to exist entirely, however, the Supreme Court rejected that this test would be the definitive test in determining whether a penalty existed or not."

Following on from the landmark conjoined Supreme Court decision at the end of last year in *Cavendish Square Holdings BV v Talal El Makdessi and Parking-Eye Limited v Beavis* we look at how the courts are interpreting the new rules relating to LADs and penalty clauses. Both of the conjoined cases dealt with the question of LADs and whether or not these were classified as penalties in a commercial context. The decision handed down was set to send shockwaves throughout the construction industry in relation to the implementation of delay damages and LADs.

So, what was the law? Most of us still recognise that LADs must be a:

- genuine
- pre-estimate
- of loss suffered by the Employer
- at the time the contract was created

If the Employer could demonstrate that all of these points were satisfied (even if the loss stated did not meet the actual loss that they had suffered) the LAD (or delay damage) would have been justified. The law on whether these damages could be classed as penalties goes back over 100 years old (*Dunlop Pneumatic Tyre Co Ltd v New Garage & Motor Co Ltd [1915]*), and some say was due for updating.

Further to this "penalty test" as set out in Dunlop, years of jurisprudence evolved this test by asking whether or not the damages in question were "unconscionable", if there was a "wide gulf" between actual loss and estimated loss, and finally, whether or not these "damages" were used to "incentivise" contractors. If any of these elements was satisfied, the Courts tended to claim they were penalties.

As we know the law changed due to the Supreme Court decision above, and although the facts

are not particularly applicable to the construction industry (the cases regarded terms of a share sale agreement (*Cavendish*) and an £85 parking fine (*ParkingEye*)), the effects of this decision cannot be understated.

So, what is the new test? The Courts decided that the genuine pre-estimate of loss test needed to be amended in light of what can be considered a penalty, and that the loss being unconscionable will need to have a direct correlation to the commercial reality of this situation. It is not correct in saying that the genuine pre-estimate of loss now ceases to exist entirely, however, the Supreme Court rejected that this test would be the definitive test in determining whether a penalty existed or not. With this in mind, the Courts chose to consider the **effect** that would be caused by non-compliance with a contract, such as delay, instead of the valuation of the loss and substantiation of it. The Court looked at the Employer's position and the losses that they would suffer, or that they may estimate would suffer at pre-contractual stage. The test is formulated as such:

"A secondary option which imposes a detriment on the contract breaker out of all proportion to any legitimate interest of the innocent party in the damages clause, that interest will rarely extend beyond compensation for the breach..."

This new test can be summarised then as looking first at what the innocent party's interest is in the performance. If the primary point of the contract is to have it completed on time, (which is presumed in all construction contracts) then we must look at what the legitimate interest the Employer has. In summary, the test now can be stated as:

- damages can only be compensatory and not more than the loss estimated to occur by the contractors

breach; and

- if the delay is a secondary obligation that causes the Contractor losses or a detriment that is wholly unrealistic to the loss that the Employer suffered, by cause of that breach (i.e delay) then the clause will be held to be a penalty.

What then are the practical implications this new test on the industry?

For Employers; be aware that although you still should put your mind to calculating and substantiating the genuine pre-estimate of loss, this contemporaneous evidence does not need to be put under as much scrutiny as previously required. With delay damages being struck out due to their unconscionable or incentivising nature, now all Employer's need to do is show a reasoned approach that is **proportionate**, being a reasonable estimate of what the Employer is likely to suffer. This may, however, put a larger strain on what Public Realm or Environmental Improvement Works, as loss may be hard to estimate proportionality. However, this estimate again need only be reasonable and the amount of scrutiny is a lot less than previously required.

For Contractors; be aware that now Employers will not need to demonstrate and provide substantiating calculation as to how the loss has been created, (although they still should), you now must demonstrate that the losses that are being posed be disproportionate and extremely out of kilter with what the Employer is likely to actually lose. With this in mind, you must always remember that it is implicit in commercial contracts where there is a fair bargaining power that the Courts will generally uphold LADs if you had an ability to negotiate and still agreed to the delay damages. It has now become apparent that no longer can Contractors sign



up to delay damages and later claim that they are unconscionable or a penalty clause, which in some instances would have been permitted under the old test.

A year on from the joint decisions of Cavendish and Parking-Eye we are starting to see changes in the industry. However, these

are few and far between and we are still holding out for case law to confirm what is a "legitimate commercial interest" (being the test for what the Employer has actually lost), to be provided by the Courts. Although, some changes are happening in terms of public sector substantiating

losses, the landmark decision is only having ripple effects in terms of what is changing in practice, which is in direct conflict with the shockwaves that this decision promised to cause throughout the industry.

As is often the case, there is a 'wait and see' approach to

the effects that this will have, but as we currently look a year on from the Supreme Court decision, the ramifications that promised to be vast haven't arrived, and the practical implications seem to suggest there is no hurry in seeing the effects of delay damages changes.



In the interim...

Jawaby Property Investment Ltd v The Interiors Group Ltd [2016] EWHC 577 (TCC).

ROBERT BURNS REPORTS ON THE COURT'S STRICT INTERPRETATION OF THE LAW SURROUNDING INTERIM APPLICATIONS FOR PAYMENT

In "Jawaby", a contract was originally entered into between a company called Tekxel Ltd and The Interiors Group Ltd ("Interiors"). The contract was an amended JCT Design and Build 2011. The contract was then novated by Tekxel Ltd to Jawaby. Jawaby thereby becoming the new Employer under the contract.

At the same time as entering into the building contract

Tekxel had signed an Escrow Agreement with Interiors. This Escrow Agreement confirmed a minimum deposit balance of £1m, which had been deposited by Tekxel into the Escrow account. The balance was held as security payable, if the following default should occur:

"Failure by the employer to pay the whole of any part of any sum properly due under the terms of the Contract by or

on the final date for payment thereof".

Jawaby also stepped in to Tekxel's shoes in regards to the Escrow Agreement by way of a separate novation between the parties.

This case was heard by the Technology and Construction Court ("TCC") with Jawaby seeking declaratory relief from payment of the Escrow account.

"The Employer had waived any requirement for hard copy documents as it had accepted email communications for all previous interim applications. As such, the employer was estopped from alleging the email notification was invalid."

ment for valuation 007, this is based upon progress update and on site review carried out earlier this week."

The deadline for the pay less notice of the Escrow account was 2 February 2016 and on 18 February 2016 in an attempt to pre-empt a call-in Jawaby commenced court proceedings seeking a Part 8 declaration that the contractor had not served a valid interim application under clause 4.8.1 of the contract which stated:

"In relation to each interim application, the Contractor shall make an application to the Employer (an interim application) ... stating that the sum the Contractor considers to be due to him and the basis on which that sum has been calculated..."

Jawaby also argued that the email was not a valid interim application on the basis that the email format did not comply with requirements of service prescribed by the amended clause 1.7 of the contract.

WAS INTERIM APPLICATION NO. 7 VALID?

Before turning to the Court's decision in this case it is useful to look at recent cases where the TCC has commented on the form and approach that interim applications must take. There is indication that the court is seeking to tighten the law around interim payment applications.

• *Caledonian Modular Ltd v Mar City Developments Ltd [2015] EWHC 1855 (TCC), Coulson J emphasised the "draconian consequences" that can arise from an employer's failure to serve a valid pay less notice and commented that:*

"... if contractors want the benefit of these provisions, they are obliged, in return, to set out their interim payment claims with proper clarity."

• *Henia Investments Inc v Beck Interiors Ltd [2015] EWHC 2433 (TCC), Akenhead J stated that an*

alleged interim valuation:

"... must be in substance, form and intent an Interim Application stating the sum considered by the Contractor as due at the relevant due date and it must be free of ambiguity."

In this instance, the court held that application No. 7 was not a valid interim application and did not conform with clause 4.8.1. Most significantly, Interiors had described their assessment as being "initial". Thus, it could not be construed as a statement by Interiors of what it actually considered to be due and thus Jawaby could not be expected to treat it as such. The impression given was that this application set out the sum that might be due subject to further consideration, not the sum that was due.

In addition, and in support of this position, the valuation was also presented in a way which gave the impression that it was a provisional application. This valuation summary sheet had been erroneously marked as relating to valuation 6 and more importantly, it did not value the works up onto the contractual due date, being 8 January 2016. Unlike all previous interim applications.

As such, the court concluded that "the reasonable recipient of the valuation would not have regarded it as unambiguously informing them that this was an interim application".

Regarding Jawaby's argument that the application did not adhere to amended clause 1.7, the court did not entertain this argument. Amended clause 1.7 stated:

"Any notice, approval, request or other communication to be given by either party under this Contract shall be sufficiently served if sent by hand, by fax or by post to the registered office, or if there is none then the last known address of the party to be served..."

The court interpreted this clause as neither expressly nor implicitly excluding electronic communications.

Further, and importantly, the Employer had waived any requirement for hard copy documents as it had accepted email communications for all previous interim applications. As such, the employer was estopped from alleging the email notification was invalid. However, it is important to note that the course of conduct established did not extend to the acceptance of "initial" applications.

LESSONS LEARNT

Should the parties depart from the contractual requirements of the contract then this will be taken into account when assessing whether these contractual requirements have been waived and whether estoppel arises. However, there are limits to this principle.

When the parties depart from the contractual requirements and adopt a course of dealing which suits the practicalities of the situation, it is still the case that whatever procedure the parties have adopted, the contractor's notices must be clear and unambiguous. Departing from a contractual procedure does not give the contractor carte blanche and the contractor must still act consistently with the procedure that the parties have adopted.

If you are a contractor or subcontractor then ensure that any applications submitted by you are free from ambiguity and clearly state the sum that you consider to be due as of the due date. Also, ensure that you follow any contractual clauses strictly regarding dates, form and substance of your applications. When a course of conduct has been established, ensure that you do not go outside of this established course of conduct when submitting any applications.

For their interim applications, Interior would submit a valuation to Jawaby by email with details, backup sheets attached and a statement of the sum being applied for. Valuations 1 - 6 valued Interior's works up to the due date of 8th of each month, and stated that the valuation was for "approval" or "consideration".

Interior's 7th interim application was in the sum of £2.35m. In keeping with the previous approach of the parties, this application was submitted by email. It was submitted on 7 January 2016. The cover email stated:

"Please see our initial assess-

Understanding NEC3 Compensation Events (ECC)

Tuesday 16 May 2017

CORK

The use of NEC3 in Ireland on building and civil engineering contracts is steadily increasing. This seminar, presented by **David McNeice** is a must for those who are administering or managing an NEC3.

Collateral Warranties – What are you signing up to?

Thursday 13 April 2017

BELFAST

Collateral warranties can be extensive and are often bespoke; so how do you know what you are signing up to? **Kenny Caldwell** provides a general overview and advice.

Adjudication: Review of recent case law

Thursday 4 May 2017

BELFAST

The Adjudication Society reports there are on average 1500 adjudications per year in the UK, of which nearly 50% relate to payment or withholding / pay less disputes. **Kenny Caldwell** provides a practical and tactical perspective.

Understanding NEC3 Time and Programming (ECC)

Thursday 1 June 2017

CORK

The NEC3 is becoming more widely used in Irish Construction industry projects. It is vital that those working with an NEC3 ECC understand the mechanisms of the Early Warning and Compensation Event system. **Brian Quinn** will outline the essentials.

Tendering for Success: Assessing and Evaluating Tenders

Thursday 7 September 2017

GALWAY

Pauric Marray will discuss how to assess and evaluate tenders, from the initial selection of assessors through to how to deal with unsuccessful tenders.

Anatomy of a Procurement Challenge

Wednesday, 20th September 2017

MAIDSTONE

Jonathan Parker examines the new rules under the Public Contract Regulations 2015 and their impact on Contracting Authorities and unsuccessful tenderers.

Sub-contracting under the NEC3

Thursday 25 May 2017

MAIDSTONE

Presented by **David McNeice**, this seminar is a must for all those working on NEC3 projects where sub-contracting is required.

NEC3 -v- JCT: The Best Option For You

Thursday 22 June 2017

MAIDSTONE

This seminar, presented by **David McNeice**, is a must for Contracting Authorities and Contractors alike who are working under both NEC3 and JCT Contracts.

MAKING RECORD TIME

During working hours, Jonathan Parker, Barrister and Director with Quigg Golden is the 'go to' man for construction and EU procurement. He has detailed knowledge of construction law, the Public Contracts Regulations and associated case law. At work, he is analytical, thorough, highly organised and a natural leader who drives his agenda to tight deadlines. That same description could apply equally to Jonathan's life 'at play'.

Why? Well, this is the man who smashed the record for the fastest bicycle ride from London to Paris in August 2016. Jonathan, 42, set off from Greenwich on Sunday, August 28, and arrived at the Eiffel Tower just over half a day later. The remarkable time included



a five-hour ferry crossing from Newhaven to Dieppe, which came after 60 miles of the 170-mile journey. Having reached France, Jonathan faced a 110-mile time trial to the finish line. Cycling at an average speed of 26mph for 170 miles, he arrived in Paris in a time of 12 hours and 31 minutes, setting a new world record and raising over £11,000 for Cyclists Fighting Cancer in the process.

Civil Engineering ice Law and Contract Management

Quigg Golden runs the ICE Law and Contract Management Course annually in Belfast, Dublin and London. This course is a must for anyone involved in the legal or construction industry working with the standard forms of construction contract.

The 2017/18 courses will begin in September 2017.

For more information contact Laura.Oswald@QuiggGolden.com

QUIGG GOLDEN

Adjudication | Conciliation and Mediation | Procurement Consultancy | Construction Claims | Contract Advice and Drafting | Procurement Challenges | Arbitration | Litigation Appointments | Bid Support | Project Management | Training and Professional | Litigation Support | Expert Witness Service | Petrochemical | International Disputes

LONDON

Central Court
25 Southampton Buildings
Chancery Lane, London WC2A 1AL
London@QuiggGolden.com
+44(0) 20 7022 2192

MAIDSTONE

I Tonbridge Road
Maidstone
Kent, ME16 8RL
Maidstone@QuiggGolden.com
+44 (0) 1622 541700

DUBLIN

31 Waterloo Road
Ballbridge
Dublin 4
Dublin@QuiggGolden.com
+353(0)1 676 6744

BELFAST

18-22 Hill Street
Cathedral Quarter
Belfast, BT1 2LA
Belfast@QuiggGolden.com
+44(0) 28 9032 1022