



Department of
Finance
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CPD

Procurement Guidance Note
PGN 06/14
(as amended)

Standard Conditions of Contract Supplies and Services

Reissued: 28 September 2016



PROCUREMENT GUIDANCE NOTES

[Northern Ireland Public Procurement Policy](#) (NIPPP) was approved by the Northern Ireland Executive in 2002. In approving the policy the Executive took the decision that legislation was not necessary to ensure that Departments, their Agencies, non-Departmental Public Bodies and Public Corporations complied with the policy. Instead, it considered that compliance could be achieved by means of administrative direction.

Procurement Guidance Notes (PGNs) are the administrative means by which Departments are advised of procurement policy and best practice developments. They apply to those bodies subject to NIPPP and also provide useful guidance for other public sector bodies.

PGNs are developed by the Central Procurement Directorate (CPD), in consultation with the Centres of Procurement Expertise (CoPEs), and are subject to the approval of the Procurement Board.

Once endorsed by the Procurement Board, they are issued to the Departments for implementation and copied to CoPEs to develop, if necessary, underpinning procedures supporting the implementation of this guidance in their particular sector. PGNs are also published on [Department of Finance \(DoF\) website](#).

The following PGN was endorsed by the Procurement Board and issued with effect from 01 October 2014 for use by those bodies covered by NIPPP. The PGN has been agreed with Confederation of British Industry (CBI) and CoPEs and has an implementation date of no later than 1 November 2014.

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| First published as Procurement Guidance Note: | 1 October 2014 |
| Revised PGN with Conditions of Contract – V2 | 31 October 2014 |
| PGN with minor amendments to Conditions of Contract – V3 | 5 November 2014 |
| Minor amendments to Conditions of Contract – V4 | 19 December 2014 |
| Reissued Departmental logo and links | 28 September 2016 |

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Annexes as separate documents

- Annex A Standard Conditions of Contract for Services
- Annex B Supplementary Standard Conditions of Contract for Services
- Annex C Standard Conditions of Contract for Supplies
- Annex D Supplementary Standard Conditions of Contract for Supplies

Definition of Terminology

In the preparation of this guide, the term **contractor/supplier** has been used to denote an organisation that contracts directly with a Department, whether it is a supplier, a service provider or a construction contractor.

The term **Department** has been used to refer to those bodies subject to Northern Ireland Public Procurement Policy including Departments, Non-Departmental Public Bodies and Public Corporations. A full list of such bodies is available in Annex A of the [Northern Ireland Public Procurement Policy](#) (NIPPP).

1 BACKGROUND

- 1.1 Previously each of the Centres of Procurement Expertise (CoPEs) developed their own Conditions of Contract for supplies and services. The consequence was that suppliers had to deal with a range of different Conditions of Contract when contracting with departments. From a supplier's perspective this added costs, complexity and acted as a barrier to participation in the public procurement process by small businesses.
- 1.2 The need to develop standard Conditions of Contract for use by all CoPEs was identified as a key objective by a CPD/CBI Task and Finish Group. This work was taken forward by a working group comprising representatives of the supplies and services CoPEs and the Departmental Solicitor's Office.
- 1.3 The use of the agreed standard Conditions of Contract will reduce bureaucracy and costs associated with bidding for contracts managed by CoPEs on behalf of Departments.

2 PURPOSE

- 2.1 The purpose of this guidance note is to provide departments and CoPEs with standard Conditions of Contract for the provision of supplies and services. It also provides supplementary Conditions of Contract which should be added to manage the obligations that are unique to each contract e.g. the period of contract, level of liability.
- 2.2 Using standard Conditions of Contract across CoPEs will allow suppliers to focus on the individual requirements detailed in the specification. It will also allow them to easily identify those supplementary Conditions of Contract which relate specifically to an individual contract.
- 2.3 Conditions of Contract for supplies and services are included as separate documents [online](#).

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| Standard Conditions of Contract for Services | Annex A |
| Supplementary Standard Conditions of Contract for Services | Annex B |
| Standard Conditions of Contract for Supplies | Annex C |
| Supplementary Standard Conditions of Contract for Supplies | Annex D |

3 APPLICATION OF STANDARD TERMS AND CONDITIONS OF CONTRACT

- 3.1 The standard Conditions of Contract are generic and must be applied to all contracts for supplies and services awarded by CoPEs on behalf of departments.
- 3.2 The attention of suppliers must be drawn to any supplementary Conditions of Contract using the template provided with the supplementary Conditions of Contract document. Any additional definitions required to support these Conditions of Contract must also be included within the template.

4 TENDER DOCUMENTATION

- 4.1 When developing the tender documentation for contracts the documents should be presented in a standard format. This will enable suppliers to become familiar with documentation layout and enable them to find the relevant information.
- 4.2 The standard format tender documentation must include:
- instructions to tenderers;
 - the standard Conditions of Contract which includes:
 - a specification schedule detailing the specific requirements of each contract;
 - a pricing schedule containing proposed payment profiles; and

- a contract management/monitoring schedule detailing contract management/monitoring arrangements. Advice and guidance on managing contracts is detailed in [Procurement Guidance Note 01/12 - Contract Management - Principles and Procedures](#).

Schedule templates and guidance are therefore provided as follows:

With standard Conditions of Contract:

Schedule 1 Specification Schedule Template

Schedule 2 Pricing Schedule Template

Schedule 3 Contract Management/Monitoring Schedule Template

With supplementary Conditions of Contract: These templates must be used where appropriate.

5 FURTHER INFORMATION

5.1 Any queries on this Procurement Guidance Note should be addressed to:

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Procurement Policy Branch
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All Procurement Guidance Notes can be found at:

<https://www.finance-ni.gov.uk/articles/procurement-guidance-notes-pgns>