

GENERAL CONDITIONS OF CONTRACT



1. Definitions

'We', 'Us' and 'Our' means London Metropolitan University.

'You' and 'Your' means the person, firm or company to whom the purchase order is addressed and any employees, sub-contractors or agents of said person, firm or company.

'Goods' means the materials, articles, works and services described in the contract.

'Package' means any type of package including bags, cases, carboys, cylinders, drums, pallets, tank wagons and other containers.

'Authorised Officer' means our employee authorised, either generally or specifically, by us to sign our purchase order, confirmation of which may be obtained from the Department or School secretary or Accounts Payable Supervisor.

'Authorised' means signed by one of our authorised officers.

'Purchase Order' means our authorised purchase order having these general conditions of purchase on its reverse or attached to it or referring to these general conditions of purchase on its face.

'Order Amendment' means our authorised order amendment or series of order amendments, each order amendment having precedence over any earlier order amendment.

'Contract' has the meaning given in Condition 2 below.

'Price' has the meaning given in Condition 3 below.

'Sale of Goods Act 1979' shall mean the Sale of Goods Act 1979 as amended by the Sale and Supply of Goods Act 1994.

'Supply of Goods and Services Act 1982' shall mean the Supply of Goods and Services Act 1982 as amended by the Sale and Supply of Goods Act 1994.

'FOIA' means the Freedom of Information Act 2000 and any subordinate legislation made under this Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such legislation;

'Information' has the meaning given under section 84 of the Freedom of Information Act 2000;

'Requests for Information' shall have the meaning set out in FOIA or any apparent request for information under the FOIA, the Environmental Information Regulations.

'Confidential Information' means any information which has been designated as confidential by either Party in writing or that ought to be considered as confidential (however it is conveyed or on whatever media it is stored) including information which relates to the business, affairs, properties, assets, trading practices, [Goods/Services], developments, trade secrets, Intellectual Property Rights, know-how, personnel, customers and suppliers of either Party, [all personal data and sensitive personal data within the meaning of the Data Protection Act 1998] and the Commercially Sensitive Information;

2. The Contract

You agree to sell and we agree to purchase the goods in accordance with the contract. The contract shall comprise (in order of precedence): any order amendments, the purchase order, these general conditions of purchase and any other document (or part document) referred to on the purchase order. The contract shall not include any of your conditions of sale, notwithstanding reference to them in any document. However, should this contract be held by a court of competent jurisdiction to include your terms and conditions of sale then in the event of any conflict or apparent conflict these general conditions of purchase shall always prevail over your terms and conditions of sale. Delivery of goods in response to a purchase order or order amendment shall be taken to imply that you have accepted the terms and conditions of this contract.

3. Price

You will sell us the goods for the firm and fixed price stated in the contract. If no price is stated in the contract then the price shall be a fair price, taking into account prevailing market conditions. The price shall include storage, packing, insurance, delivery, installation and commissioning (as applicable) but shall exclude VAT.

4. Variations

We shall have the right, before delivery, to send you an order amendment adding to, deleting or modifying the goods. If the order amendment will cause a change to the price or delivery date then you must suspend performance of the contract and notify us without delay, calculating the new price and delivery date at the same level of cost and profitability as the original price. you must allow us at least 10 working days to consider any new price and delivery date. The order amendment shall take effect when but only if our authorised officer accepts in writing the new price and delivery date

within the time you stipulate. If our authorised officer fails to confirm the order amendment within the time you stipulate then performance of the contract shall immediately resume as though the said order amendment had not been issued (except that we may still exercise our right of cancellation in accordance with Condition 5).

5. Our right of cancellation

In addition to our other rights of cancellation under this contract, we may cancel the purchase order and any order amendment thereto at any time by sending you a notice of termination. You will comply with any instructions that we may issue with regard to the goods. If you submit a termination claim then we will pay to you the cost of any commitments, liabilities or expenditure which in our reasonable opinion were a consequence of this contract at the time of termination. The total of all payments made or due to you under this contract, including any termination payment, shall not exceed the price. If you fail to submit a termination claim within three months of the date of our notice of termination then we shall have no further liability under the contract.

6. Quality and description

a. The goods shall

- i. conform in every respect with the provisions of the contract;
- ii. be capable of all standards of performance specified in the contract
- iii. be fit for any purpose made known to you expressly or by implication and in this respect we rely on your skill and judgement
- iv. be new (unless otherwise specified on the purchase order) and be of sound materials and skilled and careful workmanship
- v. correspond to their description or any samples, patterns, drawings, plans and specifications referred to in the contract
- vi. be of satisfactory quality
- vii. comply with any current legislation

b. Unless specifically required under the contract, there shall be no asbestos content in the goods.

7. Work on our premises

If the contract involves any works or services which you perform on our premises, the following conditions shall apply:

- a. You shall ensure that you and your employees, your sub-contractors and their employees and any other person associated with you will adhere in every respect to the obligations imposed on you by current safety legislation.
- b. You shall ensure that you and your employees, your sub-contractors and their employees and any other person associated with you will comply with any regulations that we may notify to you in writing.

8. Progress and inspection

- a. You shall at your expense provide any programmes of manufacture and delivery that we may reasonably require. You shall notify us without delay in writing if your progress falls behind or may fall behind any of these programmes.
- b. We shall have the right to check progress at your works or the works of subcontractors at all reasonable times, to inspect and to reject goods that do not comply with the contract. Your sub-contracts shall reserve such right for us.
- c. Any inspection, or approval shall not relieve you from your obligations under this contract.

9. Package

Unless otherwise stated in the contract, all package shall be non-returnable. If the contract states that package is returnable, you must give us full disposal instructions before the time of delivery. The package must be clearly marked to show to whom it belongs. You must pay the cost of all carriage and handling for the return of package. We shall not be liable for any package lost or damaged in transit.

10. Safety

You shall observe all legal requirements of the United Kingdom, European Union and relevant international agreements in relation to health, safety and environment, and in particular to the marking of

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hazardous goods, the provision of data sheets for hazardous materials and all provisions relating to food.

11. Delivery

- a. The goods shall be properly packed, secured and dispatched at your expense to arrive in good condition at the time or times and the place or places specified in the contract.
- b. If you or your carrier deliver any goods at the wrong time or to the wrong place then we may deduct from the price any resulting costs of storage or transport.

12. Late delivery

If the goods or any part of them are not delivered by the time or times specified in the contract then we may by written notice cancel any undelivered balance of the goods. We may also return for full credit and at your expense any goods that in our opinion cannot be used owing to this cancellation. In the case of services, we may have the work performed by alternative means and any additional costs reasonably so incurred shall be at your expense. This shall not affect any other rights that we have.

13. Property and risk

- a. You shall bear all risks of loss or damage to the goods until they have been delivered and shall insure accordingly.
- b. Ownership of the goods shall pass to us
 - i. when the goods have been delivered but without prejudice to our right of rejection under this contract, and
 - ii. if we make any advance or stage payment, at the time such payment is made, in which case you must as soon as possible mark the goods as our property.

14. Acceptance

We shall have the right to reject the goods in whole or in part whether or not paid for in full or in part within a reasonable time of delivery if they do not conform with the requirements of this contract. It is agreed that we may exercise the right of rejection notwithstanding any provision contained in section 11 or section 15A or section 30 (subsections 2A and 2B) or section 35 of the Sale of Goods Act 1979. We shall give you a reasonable opportunity to replace the goods with new goods that conform with this contract, after which time we shall be entitled to cancel the purchase order and purchase the nearest equivalent goods elsewhere. In the event of cancellation under this condition you shall promptly repay any moneys paid under the contract without any retention or offset whatsoever. Cancellation of the purchase order under this condition shall not affect any other rights we may have. You must collect all rejected goods within a reasonable time of rejection or we shall return them to you at your risk and expense.

15. Payment

Unless stated otherwise in the contract we shall pay you within 45 days of receipt of a correctly rendered invoice. Your invoice must be addressed to the Finance Department and must quote the full purchase order number, and must specify the currency of payment. We shall not be held responsible for delays in payment caused by your failure to comply with our invoicing instructions.

16. Your Warranty

It is expressly agreed between us that:

- a. You shall promptly make good at your expense any defect in the goods that we discover under proper usage during the first of 12 months of actual use or 18 months from the date of acceptance by us whichever period shall expire first. Such defects may arise from your faulty design, your erroneous instructions as to use or inadequate or faulty materials or poor workmanship or any other breach of your obligations whether in this contract or at law.
- b. Repairs or replacements will themselves be covered by the above warranty but for a period of 12 months from acceptance by us.
- c. You will ensure that compatible spares are available to facilitate repairs (where applicable) for a period of at least 10 years from the date of delivery of the goods.

17. Indemnity and insurance

- a. You shall indemnify us against all loss, actions, costs, claims, demands, expenses and liabilities whatsoever (if any) which we may incur either at common law or by statute in respect of personal injury to or death of any person or in respect of any loss or destruction of or damage to property (other than as a result of any default or neglect of ourselves or of any person for whom we are responsible) which shall have occurred in connection with any work executed by you under this contract or shall be alleged to be attributable to some defect in the goods.
- b. This purchase order is given on the condition that (without prejudice to the generality of Condition 17(a)) you will indemnify us against all loss, costs, claims, demands, expenses and liabilities whatsoever (if any) which we may incur either at common law or by statute (other than as a result of any default or neglect of ourselves or of any person for whom we are responsible) in respect of personal injury to or death of any of your or our employees, agents, sub-contractors or other representatives while on our premises whether or not such persons are (at the time such personal injury or deaths are caused) acting in the course of their employment.
- c. You will indemnify us against any and all loss, costs, expenses and liabilities caused to us whether directly or as a result of the action, claim or demand of any third party by reason of any breach by you of these conditions or of any terms or obligations on your part implied by the Sale of Goods Act 1979, the Supply of Goods and Services Act 1982 or any other statute or statutory provision relevant to the contract or to goods or work covered thereby. This indemnity shall not be prejudiced or waived by any exercise of our rights under Condition 14.
- d. You shall hold satisfactory insurance cover with a reputable insurer to fulfil your insurance obligations for the duration of this contract including public liability insurance cover of at least £2M (two million pounds Sterling). You shall effect insurance against all those risks arising from your indemnity in Condition 17(c). Satisfactory evidence of such insurance and payment of current premiums shall be shown to us upon request.

18. Recovery of Sums Due

Whenever under the contract any sums of money shall be recoverable from or payable by you, they may be deducted from any sums then due, or which at any later time may become due to you under this contract or under any other contract you may have with us.

19. Matters beyond control

If either party is delayed or prevented from performing its obligations under this contract by circumstances beyond the reasonable control of either party (including without limitation any form of government intervention, strikes and lock-outs relevant to the purchase order or breakdown of plant), such performance shall be suspended, and if it be completed within a reasonable time after the due date as specified in the purchase order, then the contract may be cancelled by either party. We shall pay to you such sum as may be fair and reasonable in all the circumstances of the case in respect of work performed by you under the purchase cannot order prior to cancellation but only in respect of work that we have received full benefit as originally contemplated in the contract. This provision can have effect only if it is called into operation by the party wishing to rely on it giving written notice to the other to that effect.

20. Articles on loan and use of information

- a. All tools, materials, drawings, specifications and other equipment and data ('the Articles') loaned by us to you in connection with the contract shall remain always our property and be surrendered to us upon demand in good and serviceable condition (fair wear and tear allowed) and are to be used by you solely for the purpose of completing the contract. You agree that no copy of any of the articles will be made without the consent in writing of our authorised officer. Until you return all the articles to us they shall be at your risk and insured by you at your own expense against the risk of loss, theft or damage. Any loss of or damage to such

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- articles shall be made good by you at your expense. All scrap arising from the supply of such articles must be disposed of at our discretion and all proceeds of sales of such scrap must promptly be paid to us in full.
- b. Any information derived from our property or otherwise communicated to you in connection with the contract shall be kept secret and confidential and shall not without the consent in writing of our authorised officer be published or disclosed to any third party, or made use of by you except for the purpose of implementing the contract.

21. Ownership of results

If the contract involves design and/or development work:

- a. All rights in the results of work arising out of or deriving from this contract, including inventions, designs, copyright and knowledge, shall be our property and we shall have the sole right to determine whether any letters patent, registered design,
- b. You shall promptly communicate to us all such results and shall if requested and at our expense do all acts and things necessary to enable us or our nominee to obtain letters patent, registered designs and other protection for such results in all territories and to assign the same to us or our nominee.
- c. You shall ensure that all technical information (including computer programs and programming information) arising out of or deriving from this contract is held in strict confidence except for any such information which becomes public knowledge other than by breach of this contract.

22. Infringement of patents

With the exception of goods made to our design or instructions, you warrant that neither the goods nor our use of them will infringe any patent registered design trade mark copyright or other protected right and undertake to indemnify us against all actions claims demands costs charges and expenses arising from or incurred by reason of any infringement or alleged infringement of any such right.

23. Non-observance of conditions

If you breach or fail to observe any provision of this contract we may give you written notice of such breach or non-observance and you shall have 28 days from receipt of the notice in which to rectify the breach or non-observance. Should you fail to rectify the breach or non-observance, then we shall have the right to give you written notice terminating the contract with immediate effect.

24. Your insolvency

If you become insolvent or bankrupt or (being a company) make an arrangement with your creditors or have an administrative receiver or administrator appointed or commence to be wound up (other than for the purposes of amalgamation or reconstruction) we may without replacing or reducing any other of our rights terminate the contract with immediate effect by written notice to you or any person in whom the contract may have become vested.

25. Assignment and sub-letting

The contract shall not be assigned by you nor sub-let as a whole. You shall not sublet any part of the contract without our written consent, but we shall not refuse such consent unreasonably. The restriction contained in this condition shall not apply to sub-contracts for materials for minor details or for any part of which the makers are named in the contract. You shall be responsible for all work done and goods supplied by all sub-contractors.

26. Corrupt gifts

In connection with this or any other contract between you and us you shall not give, provide, or offer to our staff and agents any loan, fee, reward, gift or any emolument or advantage whatsoever. In the event of any breach of this Condition, we shall, without prejudice to any other rights we may possess, be at liberty forthwith to terminate this and any other contract and to recover from you any loss or damage resulting from such termination.

27. Waiver

A failure at any time to enforce any provision of the contract shall in no way affect the right at a later date to require complete performance of the contract, nor shall the waiver of the breach of

any provision be taken or held to be a waiver of any subsequent breach of the provision or be a waiver of the provision itself.

28. Notice

All notices and communications required to be sent by you or us in this contract shall be made in writing and sent by first class mail and if sent to you sent to your registered or head office and if sent to us sent to the invoice address stated on our order, and shall be deemed to have reached the party to whom it is addressed on the next business day following the date of posting.

29. Amendment

No addition, alteration or substitution of these conditions will bind us or form part of the contract unless and until accepted in writing by our authorised officer.

30. Compliance with Race Relations (Amendment) Act 2000

- a. You agree to comply with Our policies and procedures to prevent unlawful discrimination on the grounds of sex, race, disability, sexual orientation, age, religion and belief.
- b. In accordance with its responsibilities under the Race Relations Act 1976 (as amended by the Race Relations (Amendment) Act 2000 and the Race Relations Act 1976 (Amendment) Regulations 2003 to eliminate unlawful racial discrimination, promote equal opportunities and promote good relations between people of different racial groups, the University requires its contractors and sub-contractors to comply with the terms of this section.
- c. You warrant that Your practices and procedures comply with legislation to prevent unlawful discrimination and that Your employees are fully trained on matters relating to the prevention of unlawful discrimination.
- d. You will provide such information as required by Us in relation to its compliance with anti-discrimination legislation and will co-operate with any investigation by Us or a body empowered to carry out such investigations under the relevant legislation.
- e. Where any investigation is conducted, or proceedings are brought which arise directly or indirectly out of any act or omission by You, Your agents or sub-contractors and where there is a finding against the Contractor in any such investigation or proceedings, You shall indemnify Us with respect to all costs, charges and expenses (including legal and administrative expenses) incurred by Us during or in connection with any such investigation or proceedings and further indemnify Us for any compensation, damages, costs or other award We may be ordered or required to pay to a third party.
- f. Without prejudice to its remedies set out above, We may terminate the contract if notice has been given to You of a substantial or persistent breach of this clause providing that a reasonable period has been given during which the breach may have been rectified and You have failed to remedy the breach within the stated period.

31 Confidentiality

31.1 Each Party:-

- shall treat all Confidential Information belonging to the other Party as confidential and safeguard it accordingly; and
- shall not disclose any Confidential Information belonging to the other Party to any other person without the prior written consent of the other Party, except to such persons and to such extent as may be necessary for the performance of the Contract or except where disclosure is otherwise expressly permitted by the provisions of this Contract.

31.2 You shall take all necessary precautions to ensure that all Confidential Information obtained from Us under or in connection with the Contract:-

- is given only to such of the Staff and professional advisors or consultants engaged to advise it in connection with the Contract as is strictly necessary for the performance of the Contract and only to the extent necessary for the performance of the Contract;

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- is treated as confidential and not disclosed (without prior Approval) or used by any Staff or such professional advisors or consultants otherwise than for the purposes of the Contract.

31.3 You shall not use any Confidential Information it receives from Us otherwise than for the purposes of the Contract.

31.4 The provisions of Clauses 31.1 to 31.3 shall not apply to any Confidential Information received by one Party from the other:-

- a which is or becomes public knowledge (otherwise than by breach of this Condition);
- b which was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party;
- c which is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure;
- d is independently developed without access to the Confidential Information; or
- e which must be disclosed pursuant to a statutory, legal or parliamentary obligation placed upon the Party making the disclosure, including any requirements for disclosure under the FOIA, or the Environmental Information Regulations pursuant to Condition 32 (Freedom of Information).

31.5 Nothing in this Condition shall prevent Us:-

- a disclosing any Confidential Information for the purpose of:-
 - (i) the examination and certification of Our accounts; or
 - (ii) any examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which We have used our resources; or
- b disclosing any Confidential Information obtained from You:-
 - (i) to any government department or any other Contracting Authority. All government departments or Contracting Authorities receiving such Confidential Information shall be entitled to further disclose the Confidential Information to other government departments or other Contracting Authorities on the basis that the information is confidential and is not to be disclosed to a third party which is not part of any government department or any Contracting Authority; or
 - (ii) to any person engaged in providing any services to Us for any purpose relating to or ancillary to the Contract;

provided that in disclosing information under sub-paragraph (b) We disclose only the information which is necessary for the purpose concerned and requires that the information is treated in confidence and that a confidentiality undertaking is given where appropriate.

31.6 Nothing in this Condition shall prevent either Party from using any techniques, ideas or know-how gained during the performance of the Contract in the course of its normal business, to the extent that this does not result in a disclosure of Confidential Information or an infringement of Intellectual Property Rights.

31.7 In the event that You fail to comply with this Condition 31, We reserves the right to terminate the Contract by notice in writing with immediate effect.

31.8 The provisions under this Condition 31 are without prejudice to the application of the Official Secrets Acts 1911 to 1989 to any Confidential Information.

32. Freedom of Information

32.1 You acknowledge that We are subject to the requirements of the Code of Practice on Access to Government Information], the FOIA and the Environmental Information Regulations and shall assist and cooperate with Use (at Your expense) to enable Us to comply with these Information disclosure requirements.

32.2 You shall and shall procure that its sub-contractors shall:

- transfer the Request for Information to Us as soon as practicable after receipt and in any event within

[two]Working Days of receiving a Request for Information;

- provide Us with a copy of all Information in its possession or power in the form that We requires within [five] Working Days (or such other period as We may specify) of Us requesting that Information; and
- provide all necessary assistance as reasonably requested by Us to enable Us to respond to a Request for Information within the time for compliance set out in section 10 of the FOIA [or regulation 5 of the Environmental Information Regulations].

32.3 We shall be responsible for determining at its absolute discretion whether the Commercially Sensitive Information and/or any other Information:

- is exempt from disclosure in accordance with the provisions of the Code of Practice on Access to Government Information, the FOIA or the Environmental Information Regulations;
- is to be disclosed in response to a Request for Information, and
- in no event shall You respond directly to a Request for Information unless expressly authorised to do so by Us.

32.4 You acknowledges that We may, acting in accordance with the Department for Constitutional Affairs' Code of Practice on the Discharge of Functions of Public Authorities under Part I of the Freedom of Information Act 2000, be obliged under the Code of Practice on Access to Government Information (2nd Edition), the FOIA, or the Environmental Information Regulations to disclose Information:-

- without consulting with You, or
- following consultation with You and having taken Your views into account.

32.5 You shall ensure that all information produced in the course of the Contract or relating to the Contract is retained for disclosure and shall permit Us to inspect such records as requested from time to time.

32.6 You acknowledge that any lists or schedules provided by it outlining Confidential Information are of indicative value only and that We may nevertheless be obliged to disclose Confidential Information in accordance with Clause 32.4.

33. Law

This contract shall be subject to English Law and the jurisdiction of the English courts.

Signed... ..
Company Name... ..
Position in Firm
Date