**Order Schedule 27 - Construction Contracts**

1. **Construction contracts**
   1. Where an Order Contract is a construction contract within the meaning of the Housing Grants, Construction and Regeneration Act 1996 as amended by the Local Democracy, Economic Development and Construction Act 2009 (**“Construction Act”**), the provisions in this Paragraph 2 shall apply to the Deliverables which constitute construction operations.

**Payment**

* 1. The Charges shall be calculated and paid in instalments in accordance with the Order Form. If not set out in the Order Form, the Charges shall be paid at intervals of not less than one month, beginning one month after the Supplier began providing the Deliverables.
  2. The Supplier shall submit to the Buyer an invoice for each instalment of the Charges, together with any supporting documents that are reasonably necessary to check the invoice. The invoice and supporting documents (if any) shall specify the sum that the Supplier considers will become due on the payment due date in respect of the instalment of the Charges, and the basis on which that sum is calculated.
  3. Payment shall be due on the date the Buyer receives each invoice.
  4. No later than five days after payment becomes due, the Buyer shall notify the Supplier of the sum that the Buyer considers to have been due at the payment due date in respect of the payment and the basis on which that sum is calculated.
  5. The final date for payment shall be 30 days after the date on which payment becomes due.
  6. Subject to Paragraph 2.10 and unless the Buyer has served a notice under Paragraph 2.8, the Buyer shall pay the Supplier the sum referred to in the Buyer’s notice under Paragraph 2.5 (or, if the Buyer have not served notice under Paragraph 2.5, the sum referred to in the invoice referred to in Paragraph 2.3) (the **“Notified Sum”**) on or before the final date for payment of each invoice.
  7. Not less than seven days before the final date for payment (the **“Prescribed Period”**), the Buyer may give the Supplier notice that the Buyer intends to pay less than the Notified Sum (a **“Pay Less Notice”**). Any Pay Less Notice shall specify:
     1. the sum that the Buyer considers to be due and intends to pay under the invoice; and
     2. the basis on which that sum is calculated.

If the Buyer gives a Pay Less Notice in accordance with this Paragraph 2.8 the Buyer’s obligation to pay the Notified Sum in Paragraph 2.7 applies only in respect of the sum specified in that Pay Less Notice.

* 1. If the Buyer fails to pay an amount due to the Supplier by the final date for payment and fails to give a Pay Less Notice under Paragraph 2.8, then the Buyer shall pay interest on the overdue amount at the rate of [4%] per annum above [Full name of bank]'s base rate. Such interest shall accrue on a daily basis from the final date for payment until actual payment of the overdue amount, whether before or after judgement. The Buyer shall pay the interest together with the overdue amount. The Parties acknowledge that the Buyer’s liability under this Paragraph 2.9 is a substantial remedy for the purposes of section 9(1) of the Late Payment of Commercial Debts (Interest) Act 1998.
  2. Notwithstanding Paragraph 2.7 and Paragraph 2.8 and without prejudice to Clause 10.6 of the Core Terms (Ending the contract or any subcontract), if there is a Supplier Insolvency Event after the Prescribed Period, the Buyer shall not be required to pay the Supplier the Notified Sum on or before the final date for payment.

**Suspension of Performance**

* 1. Notwithstanding any other provision of the Contract, if:
     1. the Buyer fails to pay in full the Notified Sum to the Supplier by the final date for payment under Paragraph 2.6; and
     2. the Buyer has not given a Pay Less Notice complying with Paragraph 2.8,

the Supplier may suspend performance of any or all of the Deliverables and other obligations under the Contract by giving not less than five Working Days’ notice to the Buyer of its intention to do so and stating the ground or grounds on which it intends to suspend performance.

* 1. In the event of a suspension in accordance with Paragraph 2.11, the Buyer shall pay the Supplier a reasonable amount in respect of costs and expenses reasonably incurred by the Supplier as a result of any exercise of its right referred to in Paragraph 2.11 and such payment shall be the Supplier's sole compensation for suspension of the Deliverables and other obligations under the Contract.

**Requirement to Adjudicate**

* 1. Notwithstanding any other provision of the Contract, either party may refer a Dispute to adjudication at any time in accordance with the Technology and Construction Solicitors' Association adjudication rules, current at the date the Dispute is referred to adjudication.  Such rules are deemed to be incorporated into the Contract.