

## PREPARATION OF PROJECT MANAGEMENT CONTRACT AGREEMENT, BUILDING CONSTRUCTION WORK

YSE 1998  
asiakirjamalli

projektinjohtourakka, suunnittelun johtaminen, rakennusurakka, sopimus projektledningsentreprenad, planeringsledning, byggnadsentreprenad, avtal management contract, design management, building contract, agreement

This RT standards sheet presents the management contract agreement preparation guide and agreement model. The model is an example only, and the agreement will be prepared in each project separately in view of the properties of the project. The model for the task list to be attached to the agreement is shown in guide card RT 10-10907, LVI 03-10423 Projektinjohtourakan tehtäväluettelo.

The RT standards sheet also presents a sample compensation table for the work site's supervision and administrative resources. The table's examples are aimed to allow itemising the project organisation for each project in groups with different reimbursement bases. The sample has been prepared on the form RT 80328.

The guide has been prepared by, and its content is the responsibility of, the Finnish Association of Building Owners and Construction Clients in co-operation with the Confederation of Finnish Construction Industries RT ry.

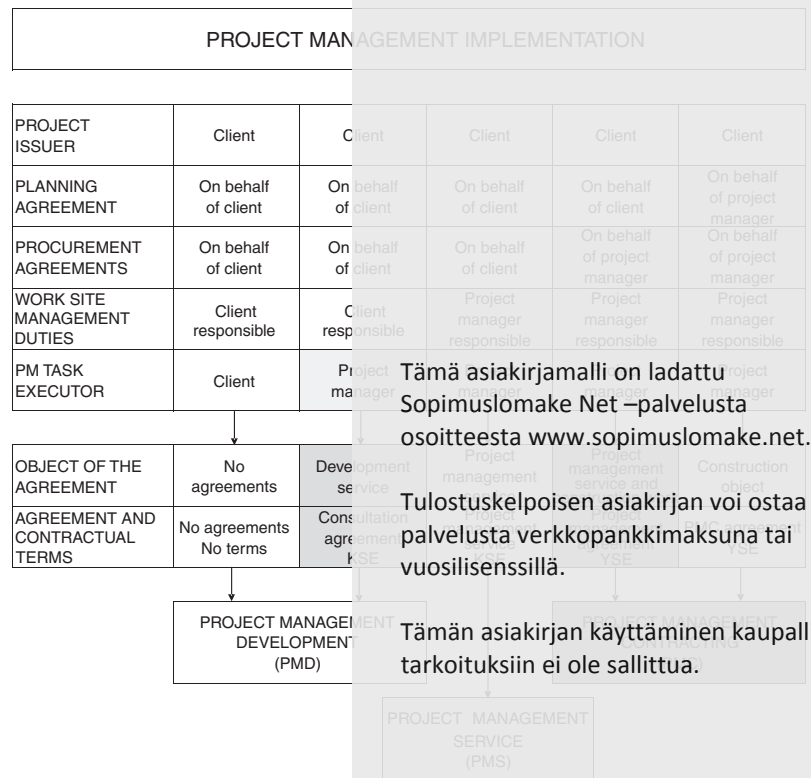
### OVERVIEW

This RT standards sheet provides instructions for preparing a project management contract agreement and presents examples of the project management contract agreement and the work site supervision and administration reimbursement table. The model agreement uses a sample project covering the construction of a building, but the form can also be applied to projects covering other types of work.

'Project management contract' here refers to a procedure wherein the project management contractor assumes liability for project management and construction work as several subcontracts. The principal differences between a project management contract and other project management models and from other forms of construction project implementation are presented on the cover.

The project management contract agreement sample presented in this guide card uses normal typeface for issues that usually remain unchanged in a building construction project regardless of the project. Italic typeface is applied to items that vary with the project and always must be addressed on a case-by-case basis. The project management contract agreement is intended for preparation for the implementation design and construction phases of a building construction project. If the project management contractor participates in the project and draft design stages, a separate consultation agreement should be prepared.

A project management contract adheres to the general terms of contract of a construction contract, YSE 1998 (RT 16-10660, LVI 03-10277), unless the contract states otherwise.



The RT agreement documents related to a project management contract are – RT 80326: Project management contract agreement with target price – RT 80327: Project management contract agreement with target budget – RT 80328: Työmaan johto- ja hallintoresurssien korvaustaulukko – RT 10-10907, LVI 03-10423: Projektinjohtourakan tehtäväluettelo.

### Rakennustieto Oy

PL 1004

00101 Helsinki

[www.rakennustieto.fi](http://www.rakennustieto.fi)

Puh. 0207 476 400

The agreement documents for a project management contract are part of the online agreement form service ([www.sopimuslomake.net](http://www.sopimuslomake.net)), where forms can be used as blank templates or as a prefilled, editable form included in this standards sheet model.

## TABLE OF CONTENTS

### CONSTRUCTION PROJECT'S CONTACT INFORMATION TERMS OF AGREEMENT AND CONCEPTS INTRODUCTION

1 PROJECT MANAGEMENT CONTRACTOR'S PERFORMANCE OBLIGATION Object of the contract Principal obligation to render services Secondary obligations Project management contract's supervision tasks Project plan Work site management duties Work site services Statutory co-operation Planning control Expense control, monitoring and reporting	11 CHANGES TO THE CONTRACT PRICE Effect of data and design clarification Impact of procurement decisions Determining the cost effect of changes Effect of amendment and additional work on the project management fee Agreement on amendments and additions
2 AGREEMENT DOCUMENTS Contract document list A. Commercial documents B. Technical documents	12 PAYMENT OF THE CONTRACT PRICE Project management fee Work site expenses Payment of the target-based incentive fee Time of payment
3 CLIENT'S OBLIGATION OF CONTRIBUTION General obligation of contribution Acquisition of permits, and issues involving the authorities Plan adaptation and approval Delivery of plan documents Other work and procurement commissioned by the client	13 PRICE REFERENCES
4 QUALITY ASSURANCE	14 OWNERSHIP
5 CONTRACT PERIOD	15 MONITORING
6 PENALTIES FOR DELAY	16 WORK SUPERVISION
7 GUARANTEE Guarantee expenses	17 OCCUPATIONAL SAFETY
8 SECURITIES The project management contractor's securities Client's securities	18 SPECIAL PROVISIONS
9 INSURANCE	19 SHARED DELIVERIES
10 CONTRACT PRICE Payments included in the contract price Project management fee Work site management and administration fee Procurement expenses Target price Maximum price Target budget Target-based incentive fee	20 RESOLUTION OF DISPUTES
	21 DATE OF, AND SIGNATURES TO, THE AGREEMENT

## Sopimuslomake Net

Rakennus- ja kiinteistöalan  
lomake –palvelu internetissä!

## ASIAKIRJAMALLI

Tämä asiakirjamalli on ladattu  
Sopimuslomake Net –palvelusta  
osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa  
palvelusta verkkopankkimaksuna tai  
vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin  
tarkoituksiin ei ole sallittua.

### Rakennustieto Oy

PL 1004  
00101 Helsinki  
[www.rakennustieto.fi](http://www.rakennustieto.fi)  
Puh. 0207 476 400

*guide***CONTACT INFORMATION FOR THE CONSTRUCTION PROJECT**

Record the object of the agreement and the parties to the project, including contact information.

**OTHER PARTIES**

Record the construction project's parties and their roles.

Record the contractors and procurements with contractual relationship with the client. If the project has subsidiary contractors subordinate to the main contractor, the subsidiary contract is subordinated to the main contract with subordination agreement RT 80271, signed by the developer, project management contractor, and subsidiary contractor.

*example***CONSTRUCTION PROJECT'S CONTACT INFORMATION**

**Construction project**  
No.  
**Construction object**  
Work no.

**PARTIES****Client**

**Client's competent representatives**  
– for contract-related matters  
– for work execution matters

**Project management contractor**

**Project management contractor's competent representatives**  
– for contract-related matters  
– for work execution matters

**OTHER PARTIES****Developer****Development consultant****Main contractor**

*The project management contractor works as the main contractor for the site and as the contractor referred to in YSE 1998.*

**Party responsible for work site supervision**  
*Project management contractor*

**Party responsible for work site services**  
*Project management contractor*

**Other contractors and client's procurements**  
*Contract A:*

*Contract B:*

**Subordinated subsidiary contractors****Designers****Sopimuslomake Net**

Rakennus- ja kiinteistöalan lomake –palvelu internetissä!

**ASIAKIRJAMALLI**

Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

**Rakennustieto Oy**

PL 1004  
00101 Helsinki  
[www.rakennustieto.fi](http://www.rakennustieto.fi)  
Puh. 0207 476 400

## guide

**TERMS OF AGREEMENT AND CONCEPTS**

Record the terms of agreement adhered to in the contract and define such concepts relevant to the agreement as are not generally known.

**INTRODUCTION****Nature of a project management contract****Overview**

Record the description of the nature of the project management contract to aid in understanding and interpreting the agreement. The description does not, however, override the provisions in the agreement.

The project management contract form essentially involves close collaboration between the client, project management contractor, and designers. This provides a solution for innovative development of implementation solutions, allows the client to make decisions based on the price-to-quality ratio, and develops the competence of the parties through mutual learning.

## example

**TERMS OF AGREEMENT AND CONCEPTS**

This contract adheres to the general terms of agreement YSE 1998, unless otherwise stated in this agreement. The general terms of agreement for a construction contract are referred to herein as 'YSE'.

In this contract agreement, the concepts of YSE apply with the following amendments. Other concepts are primarily those published elsewhere and commonly used in the construction industry.

*The product and production items are the items in the Talo 2000 collection, 'Hanke- ja tuotantonimikkeistö' (project and production items), 2006 version.*

The abbreviation 'PMC' refers to the project management contractor.

In order to achieve the goals of the project, the duties applying between the parties to the project are clarified as follows:

- Control refers to the provision of information and instruments in a way as to help said party to fulfil its duties within the framework of its agreement.
- Monitoring refers to measures with which the compliance of the project's goals are detected, recorded, and communicated and with which deviations are addressed.
- Co-ordination refers to the adapting of the parties' actions, duties, or plans and detection of conflicts in them and seeing to rectifying measures.
- Addressing refers to the assigning of a task for execution by a party and controlling and monitoring it.

Clarification and supplementation of plans

- A plan is deemed clarified further when a structural part or performance in the agreement documents has been presented and it is clarified as a final design solution during the planning process so that it does not differ from the general contractual level.
- A plan is deemed supplemented by minor additions that do not prevent contract planning because of their general nature and that are required in order to produce the agreed-upon work performance.

**INTRODUCTION****Nature of a project management contract****Overview**

In a project management contract, the project management contractor has responsibility for the project management and construction work. The project management contractor places its competence in these matters at the disposal of the client. Both parties will have an interest in achieving the project's goals.

The project management contractor, in collaboration with the client, creates an efficient implementation method and a collaborative project organisation; carries out its project management duties in accordance with this agreement and the project plan it has skilfully prepared and had approved by the client, seeing to the interest of the client; and functions as the main implementer and contractor of the construction work.

The project management contractor supervises the work site implementation of the construction project, working in close and open partnership with the client, main designer, and other designers with a contractual relationship with the client. Implementation design, procurement, and construction are overlapped by implementing the construction work as several procurements.

The construction work is implemented according to a procurement plan and procurement procedure approved by the client as procurement procedure PL 1004 advances. The client approves the procurement decisions.

The project management contractor co-ordinates the construction work to reach the agreed-upon goals. Upon detecting participating quality anomalies, excessive expenses, delays, or other deviations from the goals, the project management contractor shall immediately inform the client and take the necessary corrective actions. The client contributes to the existence of the premises for implementing the project as planned.

**Sopimuslomake Net**

Rakennus- ja kiinteistöalan lomake –palvelu internetissä!

**ASIAKIRJAMALLI**

Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

**Rakennustieto Oy**  
PL 1004  
00101 Helsinki  
[www.rakennustieto.fi](http://www.rakennustieto.fi)  
Puh. 0207 476 400

*guide***Design**

Record on whose behalf the design assignments are done. This sample project involves a situation wherein the planning agreements are made on behalf of the client. If the agreements are made on behalf of the project management contractor, the solution affects several agreement items, such as design error liabilities and the client's responsibility to contribute to the outcome.

**Non-changeability of fees and expense, quality, and schedule targets**

In order to ensure smoothness of the collaboration between the parties and appropriate goals for it, and to manage the risks of the project, it is important that the agreement itemise the factors whose realisation may alter the original expense and schedule terms of the agreement.

**Risk management**

Project management contracting is suitable for use at sites that involve higher-than-normal construction-time risks. Therefore, the identification and prevention of risks should be a particular area of focus even in the agreement phase.

**Goals of the construction project**

The project management contractor can, with implementation design control, work site planning, and other measures, affect the project's implementation solutions and implementation conditions. Therefore, the central project goals at which these measures should be aimed should be recorded in the agreement. These refer to common goals set for the construction project and also for parties other than those to this agreement that the parties must take into consideration regardless of whether the party has sole juridical responsibility for the issue.

Specific commercial and technical requirements are not recorded here but are presented below in the appropriate sections.

The goals to be recorded may involve

- functionality
- quality level
- economy
- time
- special terms to be applied during construction work
- other goals that have not been specifically listed below in the appendices to the agreement

*example*

The level of completeness of plans in a project management contract is set low at the start of the work. There are many issues to be decided upon together, and the schedule is tight. Accordingly, successful implementation requires active, open, and responsible collaboration on the part of the client, the project management contractor, and the designers, as well. The emphasis imposed by it on the parties separate a project management contract from traditional forms of main contract.

**Design**

The client contracts out the design assignments under its responsibility. The client leads the design work, specifies the functionality and qualitative requirements for the completed state, and approves the design. The main contractor controls the general and implementation design as a whole and ensures that the design process leads to the goals set.

The project management contractor, in collaboration with the client and main designer, controls the implementation design as described below in this agreement.

**ASIAKIRJAMALLI****Non-changeability of fees and expense, quality, and schedule targets**

The nature of a project management contract agreement is such that the financial, qualitative, and schedule targets of the contract performance are specified and the agreement is concluded with information and plans supplemented and clarified during the implementation design and construction. Subcontractors and their offers are utilised in design control. Supplementation and clarification are included in the performance of the project management contractor's performance and in the expense framework specified in more detail in the contract if they do not alter the scope or quality level from that specified in the agreement.

**Risk management**

The project management contractor is responsible for proactive identification, assessment, and prevention of risks involved in design and performance, the project manager and subcontractors should also consider the particular circumstances and factors that may affect the project outcome of the construction project.

**Goals of the construction project**

The goal-setting in this section of the agreement does not alter the parties' responsibilities insofar as this contract sets forth the performance and other obligations of the parties.

The common goal shared by all parties in this construction project is to primarily attain the following goals in collaboration among the parties to the project: .....

**Rakennustieto Oy**

PL 1004  
00101 Helsinki  
www.rakennustieto.fi  
Puh. 0207 476 400

## guide

## 1 PROJECT MANAGEMENT CONTRACTOR'S PERFORMANCE OBLIGATION

### Object of the contract

Specify the part of the construction object that the contract applies to and the tasks it covers.

### Principal obligation to render services

Reference: YSE, §1

Specify the PMC's principal obligation to render services.

### Secondary obligations

Reference: YSE, §2

Specify the PMC's secondary obligations in comparison to §2 of the YSE terms and what has been agreed on regarding them.

### Project management contract's supervision tasks

List at least at the accuracy of main headings which tasks of the task list of the project management contract are included in the contract. The task list is appended to the agreement, and detailed clarifications of the tasks can be made there.

### Project plan

A preliminary project plan can be requested with the offer, and can be used to assess the PMC's project management ability.

The project plan usually covers at least the following issues:

1. Project goals
2. Project risks
3. Project organisation
4. Project procedures
5. Expenses
6. Procurement
7. Schedules

### Work site management duties

Reference: YSE, §4

The contractor in charge of management duties for the work site must be named. Otherwise, the client will bear the responsibility.

The management duties for the work site can be clarified with the task list.

## example

## 1 PROJECT MANAGEMENT CONTRACTOR'S OBLIGATION

### Object of the contract

*The supervision tasks and construction and building technology work for the entire ..... construction object.*

### Principal obligation to render services

*The principal obligation to render services includes the project management contract's supervision tasks in accordance with §1 of the YSE terms, and all construction and building technology work completed when assigned to the contractor.*

### Secondary obligations

*With respect to the PMC's performance, the contract includes all measures and obligations referred to in YSE (§2) required by the completed work.*

*With respect to the secondary obligations referred to in YSE, the following applies also: .....*

### Project management contract's supervision tasks

*The PMC's supervision tasks include the tasks referred to in the task list RT10-10907, LVI 03-10423 (Appendix .....,) items A- (including project planning, project control and reporting, procurement, and construction control), work tance and deployment tasks, and guarantee period tasks.*

### Project plan

*The PMC prepares/finalises a preliminary project plan (Appendix .....) and presents it to the client for approval by .....* In the course of the project, the contractor shall prepare a project plan when necessary in mutual understanding with the client for the project. Changes to the project plan are subject to the client's approval.

### Work site management duties

*The PMC is responsible for the work site management duties.*

*In addition to §4 of the YSE terms, the tasks include the management duties listed in task list RT 10-10907, LVI 03-10423 (Appendix .....,) items A- (including project planning, project control and reporting, procurement, and construction control), work tance and deployment tasks, and guarantee period tasks.*

## Sopimuslomake Net

Rakennus- ja kiinteistöalan lomake –palvelu internetissä!

## ASIAKIRJAMALLI

Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

**Rakennustieto Oy**

PL 1004

00101 Helsinki

[www.rakennustieto.fi](http://www.rakennustieto.fi)

Puh. 0207 476 400

*guide***Work site services**

Reference: YSE, §3  
Specify who is responsible for work site services and what work is concerned, as well as, for example, whether any reimbursement provisions other than those of the YSE terms apply for them.

**Statutory co-operation**

Reference: YSE, §7  
When constructing and designing elements at the same time in a project management contract, it is very important that the collaboration of the parties work as planned and smoothly. The obligations imposed on the PMC for managing the collaboration should therefore be recorded here.

**Planning control**

Record the rights and obligations assigned to the PMC for controlling the planning. With the control, design solutions may be found that promote reaching of the project's goals.

**Expense control, monitoring and reporting**

Agree on how the PMC will carry out expense control and monitoring and report on this to the client.

*example***Work site services**

The PMC is responsible for arranging work site services to: .....

In addition to §3 of the YSE terms and commercial documents, the following has been agreed on regarding work site services: .....

**Statutory co-operation**

The PMC co-ordinates the collaboration between project parties and sees to it that the designers, PMC subcontractors, and the subordinate subsidiary contractors, as well as separate vendors of the client as itemised in the agreement or agreed upon later, are aware of the project goals, progress, and other action obligations in the project related to their performance.

The PMC's duty is to keep the client and other separately agreed-upon parties aware of the project's progress and to inform the client of all issues significant for the parties. The PMC must immediately communicate any problems detected to the client and present the proposed solutions.

The PMC makes a proposal, with justifications, concerning all issues related to its performance that require the client's decision in carrying out the project. The proposals must be prepared far enough in advance that the client will have sufficient time to become familiar with the decision-making grounds and consider the decision. The most important issues affecting the schedule must be itemised in the project plan and are subject to the client's approval.

**Planning control**

The PMC controls the implementation design, procurement, and construction. The control applies to the content and timing of design documents. The PMC's duty is to verify the time, expense, and quality conformance of the plans as well as their implementability and make professional suggestions related to the design. On the basis of the proposals, the main designer ensures the compatibility of the plans and design. The PMC acquires the client's approval for the implementation plans before carrying out the construction work.

The PMC informs the client immediately if reaching of the goals is jeopardised and shall actively propose corrective action.

**Expense control, monitoring and reporting**

The PMC prepares for and delivers to the client within ..... of the signing of the agreement a target budget based on a cost estimate and procurement package distribution as the basis of cost control and monitoring.

The PMC is responsible for professional and proactive expense control and monitoring of the project and reports to the client any agreements concluded, and on fixed expenses and the implementation cost forecast of the target budget on a monthly basis, by the ..... day of each month.

The PMC will actively utilise expense monitoring and procurement data in design control and its other contractual obligations in detecting or anticipating a threat of exceeding of the target budget and take the necessary corrective actions without delay and take the necessary corrective actions if influence.

**Sopimuslomake Net**

Rakennus- ja kiinteistöalan sopimukset  
lomake –palvelu internetissä!

**ASIAKIRJAMALLI**

Tämä asiakirjamalli on ladattu  
Sopimuslomake Net –palvelusta  
osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa  
palvelusta verkkopankkimaksuna tai  
vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin  
tarkoituksiin ei ole sallittua.

**Rakennustieto Oy**

PL 1004

00101 Helsinki

[www.rakennustieto.fi](http://www.rakennustieto.fi)

Puh. 0207 476 400

## guide

**2 AGREEMENT DOCUMENTS**

Reference: YSE, §12

The contract agreement is based on several documents that define the task execution, the final product to be accomplished, the process, and reimbursement to be paid.

Reference: YSE, §13

The order of precedence of the documents related to the agreement is specified, particularly if it differs from the order of interpretation of the YSE terms.

**Contract document list****A. Commercial documents**

Here, list the commercial documents, in order of precedence, of the contract. The names, number, and scope of the documents may vary from one project to the next.

**B. Technical documents**

This section lists, in the order of interpretation, the technical documents of the contract that describe the construction object and the requirements set for it.

Reference: YSE, §12 and §13

The relationship of the agreement text to the YSE provisions can be clarified here.

## example

**2 AGREEMENT DOCUMENTS**

The contract adheres to this agreement and the related documents.

Instead of §13 of the YSE terms, the order for interpretation of the documents is as follows after this agreement document:

**Contract document list****A. Commercial documents**

Document no.	Appendix	Date
1.	<i>Contract negotiation protocol</i>	
2.	<i>Contract/project programme</i>	
3.	<i>Developer's safety document (RT 80325)</i>	
4.	<i>Project management contract's task list RT 10-10907, LVI 03-10423</i>	
5.	<i>General terms of agreement of a construction contract YSE 1998 (RT 16 10660, LVI 03-10277)</i>	
6.	<i>Procurement limit appendix</i>	
7.	<i>Preliminary general schedule</i>	
8.	<i>Preliminary delivery schedule for design documents</i>	
9.	<i>Work site supervision and management resource reimbursement table (RT 80328)</i>	
10.	<i>Project management fee instalment table</i>	
11.	<i>Preliminary project plan</i>	
12.	<i>Offer</i>	
13.	<i>Description of the calculation bases for the target price</i>	

**B. Technical documents**

Document no.	Appendix
1.	<i>Construction method statement</i>
2.	<i>General design</i>
	– <i>Architect's design according to list .....</i>
	– <i>Construction design according to list .....</i>
	– <i>General building technology design</i>
	– <i>Structural part maintenance schedule targets</i>
3.	<i>Studies</i>
	– <i>Foundation survey</i>
	– <i>Asbestos survey report</i>
	– <i>Condition assessment</i>
	– <i>Structural safety risk assessment</i>
	<i>etc.</i>

The provisions of this agreement document and the contract negotiation protocol supersede the items in the general terms of agreement for a construction contract, YSE 1998, only insofar as differing text has been written. In all other parts, the agreement documents supplement each other in accordance with the YSE terms.

**Sopimuslomake Net**

Rakennus- ja kiinteistöalan  
lomake –palvelu internetissä!

**ASIAKIRJAMALLI**

Tämä asiakirjamalli on ladattu  
Sopimuslomake Net –palvelusta  
osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa  
palvelusta verkkopankkimaksuna tai  
vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin  
tarkoituksiin ei ole sallittua.

**Rakennustieto Oy**

PL 1004  
00101 Helsinki  
[www.rakennustieto.fi](http://www.rakennustieto.fi)  
Puh. 0207 476 400



## guide

### 3 CLIENT'S OBLIGATION OF CONTRIBUTION

#### General obligation of contribution

Specify which decisions the client will make, and how. To ensure the progress of the project, the client must be active in fulfilling its obligation of contribution. Cf. the PMC's collaboration obligation.

The client's obligation of contribution includes active communication of changes to the preliminary data that affect the PMC's performance.

Reference: YSE, §24

The client is responsible for the plans it has had made and for the instructions, orders and approvals, and information it has given.

Record the measures with which the client creates the overall premise for the progress of the project's implementation planning and for the PMC's possibility of controlling the implementation design overlapping with the construction.

#### Acquisition of permits, and issues involving the authorities

Reference: YSE, §8

If the agreement is concluded before application for a construction permit, the agreement should include provisions for the procedures for and consequences of a situation wherein the permits may not be obtainable or are obtained for a considerably changed project.

Reference: YSE, §2

The contractor's responsibilities include obtaining the permits required in its work. In some cases, the matter of acquisition of the permits should be clarified.

#### Plan adaptation and approval

The procedure pertaining to the approval of plans is recorded.

#### Delivery of plan documents

Reference: YSE, §8

Record who is responsible for the delivery of the plan documents. Cf. the material on the PMC's obligation in the 'Delivery of plan documents' section.

## example

### 3 CLIENT'S OBLIGATION OF CONTRIBUTION

#### General obligation of contribution

Upon the PMC's proposal, the client will make the decisions listed in the task list and/or in the project plan and otherwise required by the construction project in such a way that the faultless progress of the project management contract is possible.

The client must actively provide the preliminary data that affect the contract design, implementation, and expenses changes after the conclusion of the agreement.

The design agreements are made on behalf of the client.

The client sees to it that the designers and other actors with a contractual relationship to the client are committed to working so as to support the implementation of the project management contract and the goals of the entire project, as well as collaboration. The design control and management tasks and the design scheduling principles are reviewed under the client's supervision and, if necessary, clarified in implementation design start-up meeting arranged with the PMC and the designers.

#### Acquisition of permits, and issues involving the authorities

The client is responsible for obtaining the construction permit. *The permit has been issued, on ....., and because of the change in the project for a permit was submitted on .....*

**Sopimuslomake Net**  
Rakennus- ja kiinteistöalan lomake –palvelu internetissä!

Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

The PMC obtains the permits required for performance of the work.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

#### Plan adaptation and approval

The client approves the plans before they are implemented and is responsible for the plans of designers in contractual relationship with the client and for the compatibility of the plans.

#### Delivery of plan documents

The client is responsible for delivering the plan documents according to the confirmed delivery schedule for plan documents as plan packages.

**Rakennustieto Oy**  
PL 1004  
00101 Helsinki  
[www.rakennustieto.fi](http://www.rakennustieto.fi)  
Puh. 0207 476 400

## guide

**Other work and procurement commissioned by the client**

Reference: YSE, §§ 7-8

Record the other work and procurement that may affect the PMC's performance.

**4 QUALITY ASSURANCE****Client's quality assurance**

Reference: YSE, §§ 8-9

Record the client's quality assurance measures.

These assurance measures may involve, for instance

- addressing of permit issues
- design schedules
- design compatibility
- performance of separate procurement

**PMC's quality assurance**

Reference: YSE, §10-11

Record the PMC's quality assurance measures.

The quality assurance procedures can be described as part of the project plan or via a separate quality plan.

Describe the content of quality assurance and the execution responsibilities for the following tasks, among others:

- Implementation design control
- Procurement
- Subcontractors' start-up meetings, work stage implementation plans, monitoring, and trials
- Assurance of readiness for delivery
- Separate plans, if any (e.g., humidity management)

**5 CONTRACT PERIOD**

Reference: YSE, §17

Record when the contractor has the right/obligation to start the work. Tasks related to project management may start before the construction work begins.

## example

**Other work and procurement commissioned **Sopimuslomake Net****

Rakennus- ja kiinteistöalan lomake –palvelu internetissä!

The client simultaneously has other work done at the site as specified under 'Other contractors and client's procurement'.

The client notifies the PMC later of separate procurements it has decided on in such a way that the PMC can consider these and adapt them to suit the project management.

The potential impact of separate procurement not itemised in this agreement on the contract price and construction time is subject to agreement, as with additional and amendment work.

**ASIAKIRJAMALLI****4 QUALITY ASSURANCE**

The client takes its quality assurance actions to ensure the fulfilment of its contractual obligations in such a way that the contractor can in that respect fulfil its contractual obligations. Essential among these quality assurance measures are

- .....
- .....
- .....

Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

The PMC considers to be part of the finalising of the project plan any quality assurance measures pertaining to its performance and bears responsibility for the performance and documentation. The central quality assurance project plan to be clarified later and approved by the

- .....
- .....
- .....

Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

The PMC sees to the maintenance of an inspection on work and monitors the performance of its actions and those of others responsible for inspection, recording this in the summary section of the inspection protocol.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

The inspection protocol and the related conformance procedure are reviewed, and the review document is signed by the parties as part of the target's delivery.

**5 CONTRACT PERIOD**

The PMC commences the project management tasks **immediately after the signing of the contract / by/from .....**

*The PMC has the right to begin the construction work **immediately after the signing of the contract**, provided that a final construction permit has been obtained ..... and the work at the work site can start .....*

**Rakennustieto Oy**

PL 1004

00101 Helsinki

[www.rakennustieto.fi](http://www.rakennustieto.fi)

Puh. 0207 476 400

*guide*

Record the requirements for the completion of the work and the intermediate targets.

If the agreement is concluded before the construction permit is obtained, the procedures for use in case the permit is not obtained or is delayed should be recorded.

## 6 PENALTIES FOR DELAY

Reference: YSE, §18

Record the delay-related penalties to be collected because of delayed completion and intermediate targets.

## 7 GUARANTEE

Reference: YSE, §29

Record the beginning date and the duration of the guarantee period.

Record the guarantee periods that are longer than the general guarantee period, and indicate who bears the responsibility for these to the client.

### Guarantee expenses

In a project management contract, the subcontractor interfaces may expose within-guarantee errors with respect to which the responsibility cannot be assigned to any subcontractor. For the rectification of these errors, a liability reservation may be allocated by the client with which the correction of the errors is covered. In this case, the agreement must state whose benefit the non used reserve will become.

Cf. the section 'Procurement expenses'.

*example*

The work must be performed in such a way that the work stages are completed according to a schedule *agreed upon / to be agreed upon* and that the contract performance is ready and deliverable to the client.

With respect to intermediate targets, the following milestones apply:

Intermediate target 1:

.....

The above completion time and intermediate targets have been specified with the assumption that the construction permit is final by ..... If obtaining of the permit is delayed from this date, the parties will agree on the schedule and/or cost impact of the delay separately, with the following grounds: .....

## 6 PENALTIES FOR DELAY

Upon delay of the contract performance from the dates specified in Section 5, 'Contract period', with respect to the whole contract or the intermediate targets, the client is entitled to receive payment of a delay penalty from the PMC at .....

## 7 GUARANTEE

The PMC is responsible for the conformance of its performance to the contract throughout a term of guarantee, which is 24 months from the approved acceptance of the *entire work site / staged subparts*.

### Option A:

The PMC transfers the extended warranties such that they are between the client and the respective subcontractors.

In addition to the 24-month general guarantee that covers its entire performance, the PMC sees to it that each of the subcontractors involved in the extended warranties listed below is directly responsible to the client for the compliance of its performance during the following guarantee periods:

– .....

### Option B:

The PMC is responsible to the client for the extended warranties.

In addition to the 24-month general guarantee that covers its entire performance, the PMC is responsible to the client for the contract compliance of its performance throughout the following extended guarantee periods, from approved acceptance of the *entire work site / subparts*.

– .....

### Guarantee expenses

In order to correct such within-guarantee faults as cannot be assigned to the responsibility of any individual subcontractor, ..... euros is reserved. With respect to the amount by which the guarantee expenses exceed this amount and that becomes the liability of its subcontractors, the PMC bears the responsibility.

The guarantee liability reservation is included into consideration in the final financial settlement. The guarantee expenses and taken into consideration in the final financial settlement of the realised construction expenses, assigned to the guarantee liability, should guarantee liability allocation remain unused at the end of the PMC's own guarantee period, *the benefit remains solely with the client / the remaining amount is divided between the client and the PMC with a ratio of ..... / the benefit remains solely with the PMC.*

## Sopimuslomake Net

Rakennus- ja kiinteistöalan lomake –palvelu internetissä!

following milestones apply:

## ASIAKIRJAMALLI

Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

**Rakennustieto Oy**

PL 1004

00101 Helsinki

[www.rakennustieto.fi](http://www.rakennustieto.fi)

Puh. 0207 476 400

## guide

**8 SECURITIES****The project management contractor's securities**

Reference: YSE, §36

Record the securities to be granted by the PMC that in principle are determined in the same way as with a total-price contract.

Record the within-guarantee securities to be given by the PMC that in principle are determined in the same way as with a total-price contract.

**Client's securities**

Reference: YSE, §37

Record the securities to be granted by the client that in principle are determined in the same way as with a total-price contract.

**9 INSURANCE**

Reference: YSE, §38

Record the insurance policies to be purchased by the PMC that in principle are determined in the same way as with a total-price contract. If the client is not liable for VAT, the insurance value must include the value added tax.

Record the liability insurance required from the PMC and its subcontractors that in principle is determined in the same way as with a total-price contract.

**10 CONTRACT PRICE**

Reference: YSE, §39

The contract price is the reimbursement paid to the contractor and agreed upon in the contract agreement. Indicate whether prices including or excluding value added tax are used in the agreement. Prices with tax are used when the client is not liable for value added tax.

## example

**8 SECURITIES****The project management contractor's securities**

To guarantee the fulfilment of its obligations during the construction work, the PMC is bonded with *the surety being a bank or insurance company and the amount pledged being ..... / other security approved by the client.*

To guarantee the fulfilment of its obligations during the 24-month guarantee period, the PMC undertakes *suretyship with a bank or insurance company in the amount of ..... / other security approved by the client.*

**Client's securities***Option A:*

The client offers security in the amount of ..... euros.

*Option B:*

The client does not provide security.

**9 INSURANCE**

The PMC will purchase construction work insurance for the construction object on behalf of the client for the estimated realisation cost confirmed by the client plus the value of the client's procurement, the total value being ..... euros.

The PMC must have valid operations liability insurance where the maximum amount of reimbursement for an individual damage item is at least ..... euros. A certificate of the validity and terms of the liability insurance must be presented.

The PMC must require an operations liability insurance from its subcontractors acting on the work site.

**10 CONTRACT PRICE**

The client pays a contract price to the PMC for its performance. The price, the amount of the client's payment liability, and other terms are presented below.

The monetary amounts specified in this agreement are stated without value added tax, and the calculations referred to in this contract are prepared, and costs and feed processed, without value added tax.

The value added tax conformant to the applicable legislation is added to the invoice total.

**Sopimuslomake Net**

Rakennus- ja kiinteistöalan lomake –palvelu internetissä!

**ASIAKIRJAMALLI**

Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

**Rakennustieto Oy**

PL 1004

00101 Helsinki

[www.rakennustieto.fi](http://www.rakennustieto.fi)

Puh. 0207 476 400

*guide***Payments included in the contract price**

Record the payments included in the contract price in order to clarify the cost structure.

With respect to the work site expenses under the contract, it is possible to agree also on fixed payments, whose content must be specified in sufficient detail.

**Project management fee**

Record the project management fee and state which expenses are included in the fee.

Usually, the project management fee of a project management contract is set at a fixed amount, but also percentage fees can be agreed on for individual cases.

With respect to the expenses of the personnel in charge of the project management, it should be clearly agreed whether they are included, and to what extent, in the project management fee or in the work site management and administration fee.

**Work site management and administration fee**

The work site management and administration fee must be described in sufficient detail. The compensation usually includes the expenses of the work site clerks according to time spent or as fixed items and the expenses related to the work site office and other non construction supplies and minor items as a fixed total amount. Alternatively, it can be agreed that the above expenses be repaid as variable expenses. To separate the fee and the expenses from each other, this fixed part is not included in the project management fee.

The grounds for reimbursement for clerks can be agreed upon on the basis of the appended table, RT 80328 (the work site management and administration resource reimbursement table).

*example***Payments included in the contract price**

The contract price is composed of the following items, which the contractor pays to the PMC as specified below:

1. Project management fee
2. Work site expenses, including
  - work site management and administration fee
  - procurement expenses
3. The target-based incentive payment
4. Value added tax

The target price/budget described below includes cost items 1 and 2 of the contract price.

**Project management fee**

The project management fee, ..... euros, includes compensation for the following expenses and responsibilities:

- The PMC's general expenses, risk, and profit
- Guarantee expenses for which the PMC is liable (see Section 7, 'Guarantee')
- Insurance expenses
- Liability insurance expenses, including excess, for the PMC's own operations
- Central office expenses (so-called business tasks carried out by the central administration)
- The expenses of the PMC's central administration's management and project personnel, with responsibility and similar bonuses, insofar as it has not been specifically agreed that they be included in the work site management and administration expenses

**Work site management and administration fee**

The work site management and administration fee includes compensation for the following tasks:

- Work site management and administration tasks
- The work site office (office supplies, office furniture, office equipment, personal safety equipment)
- Arranging of communication, guidance work site meetings and visits, and catering

The work site management and administration fee is divided into

- a variable portion, composed of the personnel resources agreed upon as variable, listed in the work site management and administration resource reimbursement table, Appendix ....., and their invoicing grounds
- a fixed portion, ..... euros, which comprises, for instance, the work site management and administration expenses

Changes to work site management and administration resource needs

- The quantity of the management and administration resources, or the amount of time consumed by them, agreed on in this agreement as variable can be adjusted in accordance with the client's or PMC's justified proposal, subject to the written approval of both parties.

- The client compensates for the cost impact of the resource changes as part of other work site expenses, up to the maximum of the client.
- The total effect of the resource changes does not enter the target price/budget unless the basis for the changes is additional independent work.

**Rakennustieto Oy**

PL 1004

00101 Helsinki

www.rakennustieto.fi

Puh. 0207 476 400

**Sopimuslomake Net**

Rakennus- ja kiinteistöalan lomake –palvelu internetissä!

**ASIAKIRJAMALLI**

Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

*guide***Procurement expenses**

Record the expenses that are included as procurement expenses. The general rule is that procurements include all services purchased for the actual construction. Therefore, for example, also the shared-use equipment that serves the work site would be procurement even if delivered by the PMC. (In this section, a fixed price can also be agreed upon for the procurement.)

It is recommended that the ownership of construction tools purchased that ultimately remain as surplus be agreed on (see Section 14).

The procurement plan should itemise the items for which the choice of supplier does not require formal approval of the client.

For some procurements, there may be the danger that work included in the procurement, such as paying of statutory social contributions, is delegated to another contractor and the same work is paid for twice. The PMC should pay attention to this.

To ensure transparency and equal treatment of all subcontractors, the PMC usually does not have without separate agreement the right to make procurements from its own company. In certain cases, such procurement may be justifiable; in these cases, the procedures to be adhered to should always be recorded in the agreement.

*Option A:*

**Target price**

Record the target price, if any, that has been agreed upon for the expenses and the applicable payment obligation.

*example***Procurement expenses**

Procurement must be carried out in keeping with the plan approved by the client. The procurement expenses are approved by the client.

Procurement includes all subcontracts and services, products and consumables with transportation and work purchased for the work site and required for the work output, temporary work site arrangements, construction work insurance (with excess), guarantee expense allocation, the expenses for copying of design documents needed for the procurement and cost of procurement items not included in the project management fee or work site management and administration fee.

The limit of the work site management and administration fee and the procurement expenses is clarified as follows:

- The safety structures protecting the work site, such as fences, railings, walkways, stairs, and covers, are handled as procurements.
- Work site services (see YSE, §3) are carried out as procurements.
- Consumables, consumable materials, and energy (such as electricity, water, and district heating) are managed as procurements.
- Costs of surveys, permits and services from authorities needed by the contractor, quality assurance services, maintenance book items, and other necessary services paid to third parties are procurements.

The procurements related to construction and technology elements include all work stages needed to produce a finished product or delivery. The procurement, therefore, usually includes construction products, work performed by the contractor, and equipment required special equipment, and business services.

The PMC's duty is to see to it that auxiliary obligations included in the contractual procurement are not reimbursed with separately purchased work site services. Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

The PMC has the right to include in procurement bidding, and make procurements from, its own company or within the sphere of its owner's influence in accordance with the following principles: .....

*Option A: Project management contract with target price*

**Target price**

The client undertakes to pay to the PMC for its performance under the contract the realised project management fee, the work site management and administration fee, and the total value of the procurement expenses up to the target price. If the expenses exceed the target price, the payment obligation is limited to the target price.

The parties mutually set the target price at ..... euros.

**Sopimuslomake Net**

Rakennus- ja kiinteistöalan  
lomake –palvelu internetissä!

**ASIAKIRJAMALLI**

Tämä asiakirjamalli on ladattu  
Sopimuslomake Net –palvelusta  
osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa  
palvelusta verkkopankkimaksuna tai  
vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin  
tarkoituksiin ei ole sallittua.

**Rakennustieto Oy**

PL 1004

00101 Helsinki

[www.rakennustieto.fi](http://www.rakennustieto.fi)

Puh. 0207 476 400

**guide**

If a significant party to the project is still open to decision when the agreement is concluded or the initial data are sufficiently lacking to justify the transfer of expense risk to the client, these elements can be taken into consideration in the agreement as values that are to be clarified as realised.

There may not, however, be many such procurement items, as the scenario approaches an invoice work contract.

The above items subject to price level review must be specified in detail, including the expenses allocated to them.

Record how any positive difference with respect to the target price is to be divided between the parties.

An upper limit may be imposed on the amount thus payable to the PMC (the target-based incentive fee), considering the controlling effect of the fee's limit.

Record how any excess of the target price is to be divided between the parties.

**Maximum price**

The maximum price constitutes the maximum contract price. In this section, the maximum price is specified along with the behaviour of the maximum price in the event that the target price changes owing to additional or amendment work.

The maximum price can be connected to the applicable target price as a percentage or euro difference.

**example**

Procurement items listed in Appendix ... initial estimated prices in the target price the target price is adjusted, in either direction the difference of the subsequently realised price.

If the realised total project management fee, the work site management and administration fee, and the procurement expenses thus acquired are distributed between the client / .....% (client) / .....% (PMC).

The target-based incentive fee thus payable to the PMC must not exceed ..... euros, however.

The client pays .....% of the expenses in excess of the target price, up to the maximum price.

**Maximum price**

The maximum price is always the target price plus ..... per cent / euros.  
Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

The PMC is responsible for the expenses in .....  
Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

**Rakennustieto Oy**  
PL 1004  
00101 Helsinki  
[www.rakennustieto.fi](http://www.rakennustieto.fi)  
Puh. 0207 476 400

## guide

Option B:

### Target budget

A project management contract can also be performed according to a target budget, which does not bind either party. The monitoring of and amendments to the target budget should be agreed upon.

### Target-based incentive fee

When using a target budget, the personnel can be motivated with a target-based incentive fee payable if the recorded goals are met.

Unless the agreement specifies unambiguous determination and distribution grounds for the fee, the agreement should include provisions for the client's assessment of and decision on the payment or amount of the target based incentive fee. (The client may include also the designers in the bonus policy.)

## 11 CHANGES TO THE CONTRACT PRICE

### Effect of data and design clarification

Reference: YSE, §§ 1 and 15, and item 3 of §26

Although the design cannot be ready at the time of conclusion of the PMC agreement, the parties should still, at the agreement stage, specify the issues they are aware of and the principles for handling them as carefully as possible.

Record the PMC's ability and interest principle for controlling the design to find better solutions without lowering of the target price.

### Impact of procurement decisions

Record the procedure and effects in case there are disputes regarding a procurement decision.

To avoid unnecessary interpretation issues, procurements should be made only from pre-listed and approved companies.

## example

Option B: Project management contract with target budget

### Target budget

The client undertakes to pay the PMC for its performance of the contract the realised project management fee, work site expenses, and a target based incentive fee (if applicable).

The parties mutually specify the target budget for the project management fee and work site expenses as ..... euros.

### Target-based incentive fee

In addition to the realised project management fee and work site expenses, the client pays a target-realisation fee to the PMC, if

- the quality goals are met
- the project is completed on schedule
- the target budget is not exceeded

The amount of the target-based incentive fee shall not exceed ..... euros. The fee is intended primarily for distribution to the PMC's project personnel and also includes social contributions from the salary.

More detailed determination and distribution grounds are described in Appendix .....

## 11 CHANGES TO THE CONTRACT PRICE

### Effect of data and design clarification

*The target budget/price and maximum price under this agreement are based on the data and design from the agreement stage, which are defined and supplemented in the course of further development of the design and during construction.*

*The target budget/price and maximum price are characterised by the YSE provisions on additional and amendment work. Additional or amendment work is not deemed to be clarification or supplementation of design resulting from low level of completion of the agreement design if it does not differ from the general quality level of the site or if it is required for achievement of the agreed-upon work output.*

Any design development solutions or other improvements achieved by the PMC that result in lowered realised expenses not based on compromised site quality level, equipment level, or scope and not causing increased life span expenses of the building shall not change *the target budget/price and maximum price*.

Amendments and additions other than the above that affect the contractual content, scope, quality or equipment level, or schedule are, with respect to their cost and schedule impact, handled in accordance with the section 'Agreement on amendments and additions'.

### Impact of procurement decisions

If the client does not approve a procurement presented by the PMC that has been shown by the PMC to be fully conformant to the terms of the agreement and instead requires a procurement more expensive than the one presented, *the target budget/price* is increased by the difference entered in the contract items.

The parties have the right to refuse, for just cause, the subcontractors presented by the other party. Such cause is, for example, a breach of contract anticipated on the basis of experience with the subcontractor concerned.

## Sopimuslomake Net

Rakennus- ja kiinteistöalan lomake –palvelu internetissä!

## ASIAKIRJAMALLI

Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

### Rakennustieto Oy

PL 1004, PMC that has been shown by the PMC to be fully conformant to the terms of the agreement and instead requires a procurement more expensive than the one presented, *the target budget/price* is increased by the difference entered in the contract items.  
00101 Helsinki  
[www.rakennustieto.fi](http://www.rakennustieto.fi)  
Puh. 0207 476 400



## guide

**Determining the cost effect of changes**

Reference: YSE, §47

Record how the cost effect of amendment work is defined as a price-altering factor.

The cost effect of changes on the work site management and administration expenses can be agreed on as a percentage of the price changes for the procurement.

**Effect of amendment and additional work on the project management fee**

Record the cases in which the project management fee is to be changed. Usually the project management fee should be handled as a fixed item, unless the content or duration of the project management task changes considerably.

Calculation example:

- Project management fee of 100
- Amendment work exceeding the target price by 20%
- Tolerance set at 10%
- New project management fee of  $100 + (20\% - 10\%) \times 100 = 110$

**Agreement on amendments and additions**

Reference: YSE, §§ 43, 44, and 46

Record the procedure provisions for amendment and additional work, which principally are the same as in a total-price contract. (Refer to YSE for the conceptual difference between amendment and additional work.)

## example

**Determining the cost effect of changes** **Sopimuslomake Net**

Rakennus- ja kiinteistöalan  
lomake –palvelu internetissä!

Changes to *the target budget/price and maximum price* resulting from amendment or additional work will be considered in the profit-free price without the general cost extra and profit referred to in YSE, §47, subsection f.

*Option A:*

The work site management and administration expenses included in the profit-free price are reimbursed at .....% of the procurement cost of the amendment or additional work.

*Option B:*

Determination of the profit-exclusive price considers the immediate work supervision salaries with social contributions, travel expenses and daily allowances, tool remuneration, and other work site operation and maintenance expenses following percentages to be calculated from the procurement expenses:

- Changes in only materials' quality level ..... %
- Changes to performance included primarily in one subcontract ..... %
- Other amendment and additional work ..... %

In determining the procurement cost of the profit-free price, materials included in the tender and labour unit prices from subcontractors and vendors are used in the first instance. If these are not available, the work shall apply the market-based price information agreed upon by the parties through negotiations.

**Effect of amendment and additional work on the project management fee**

The project management fee is fixed unless the total value of the amendment and additional work expenses conformant to this agreement exceeds the target price by more than 10% in either direction *from the agreed-upon target price*.

*Any changes greater than this will change the final project management fee with a proportional increase or decrease corresponding to the amount of difference from the target values.*

Tämä asiakirjamalli on ladattu  
Sopimuslomake Net –palvelusta  
osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).  
Tulostuskelpoisen asiakirjan voi ostaa  
palvelusta verkkopankkimaksuna tai  
vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

**Agreement on amendments and additions**

The PMC must carry out amendment work required by the client unless it fundamentally alters the nature of the contract performance.

The PMC does not have a contractual obligation to carry out additional work required by the client. Should the parties agree on additional work to be added to this agreement, the same policies and terms as described below for amendment work shall apply.

The party that deems the implementation solution presented to differ from this agreement or wishes to change the implementation must itemise the associated matters in writing to the other party. In order to be incorporated into this agreement, the change and its effect on the target price and/or contract time impact, if any, must be agreed upon in writing before the amendment work is commenced. A written order from a competent representative of the client shall constitute the written agreement, with the exception of minor and urgent changes as referred to in YSE, §43, subsection 3, for which a work site journal entry constitutes the order. Even for these, the effect on the contract price must be agreed upon in writing without delay.

**Rakennustieto Oy**

PL 1004

00101 Helsinki

[www.rakennustieto.fi](http://www.rakennustieto.fi)

Puh. 0207 476 400

*guide*

Reference: YSE, §46 and §59

Record the amendment and additional work authorisation of the client's representative.

## 12 PAYMENT OF THE CONTRACT PRICE

Reference: YSE, §40

Record the payment methods by expense type.

### Project management fee

A separate instalment table is usually prepared for the project management fee payment.

### Work site expenses

Record how often work site expenses are to be invoiced, how they are itemised, and which vouchers are needed.

When using electronic invoicing, record how the correctness of the transactions is verified.

Reference: YSE, item 5 of §36

Record the amount of the advance payment and the term of payment, as well as the repayment of the advance. The purpose of the advance payment is to keep the PMC's liquidity at such a level that the PMC does not incur interest income or expenses.

### Payment of the target-based incentive fee

Clarify the premise for payment of the target-based incentive fee, if the incentive fee's terms have been incorporated into the agreement.

### Time of payment

Reference: YSE, §41

Record the terms related to the time of payment and the obligation to pay interest in the event of delay.

*example*

Amendment and additional work can be ordered by

Minor and urgent changes as referred to in YSE, §43, **Sopimuslomake –palvelu internetissä!** .....

## 12 PAYMENT OF THE CONTRACT PRICE

### Project management fee

The project management fee is paid monthly as invoiced by the PMC and based on the instalment table, Appendix .....

The last payment of the project management fee is made when the PMC's acceptance and deployment tasks (see Appendix .....) have been carried out and the financial settlement has been arranged.

### Work site expenses

The work site expenses are charged via a summary invoice ..... time(s) per month, itemised as work site management and administration fee and procurement expenses components. Vouchers documenting the bases for and correctness of the expenses are included with the invoices. Procurement expenses can be charged to the client when the PMC has approved an invoice of its subcontractor as payable.

The client remits to the PMC an advance payment of the work site expenses, totalling ..... euros, upon signature of the agreement and depositing of construction-time security.

The amount of the advance already paid is deducted in separate credit invoice amounting to ..... euros per .....% of the total amount of the summary invoice.

### Payment of the target-based incentive fee

The target-based incentive fee is payable when the work has been completed and the financial settlement has been completed.

### Time of payment

The time of payment is ..... days from presenting of a payable invoice to the client. Should the client be delayed from making a payment payable at the time of invoice delivery within the agreed-upon time, the client must pay interest conformant to the interest legislation on the overdue amount.

## Sopimuslomake Net

Rakennus- ja kiinteistöalan  
Sopimuslomake –palvelu internetissä!

## ASIAKIRJAMALLI

Tämä asiakirjamalli on ladattu  
Sopimuslomake Net –palvelusta  
osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa  
palvelusta verkkopankkimaksuna tai  
vuosilisenssillä: e / .....% of

Tämän asiakirjan käyttäminen kaupallisiin  
tarkoituksiin ei ole sallittua.

### Rakennustieto Oy

PL 1004

00101 Helsinki

[www.rakennustieto.fi](http://www.rakennustieto.fi)

Puh. 0207 476 400

*guide***13 PRICE REFERENCES**

Reference: YSE, §48 and §49  
Record any price references, such as clauses related to index prices.

**14 OWNERSHIP**

Reference: YSE, §§ 51-53  
Particularly with buildings to be demolished, the ownership of the instance to be demolished should be agreed upon differently than in YSE.

Similarly, any machines, devices, etc. should be processed when purchased for the project and paid for by the client as work site expenses.

**15 MONITORING**

Reference: YSE, §60-61  
Record the personnel who are to carry out monitoring.

**16 WORK SUPERVISION**

Reference: YSE, §56, items 1 and 2  
Record the PMC's work supervision and competent representatives.

**17 OCCUPATIONAL SAFETY**

Reference: YSE, §57  
Record the PMC's obligations regarding occupational safety and other occupational protection.

According to the occupational safety legislation, people working at a construction site must have specific identifiers and the client must oblige the contractor to see to these in the agreement. In conformance with good occupational safety practices, also the PMC is obliged to see to the access passes for the work site.

*example***13 PRICE REFERENCES**

Reference: YSE, §48 and §49  
Record any price references, such as clauses related to index prices.

**14 OWNERSHIP**

Construction equipment purchased for the work site and other excess property are inventoried at the end of the project, and the PMC will address it as agreed with the client. The sales income is credited against work site expenses.

**15 MONITORING**

On behalf of the client, the contract performance is monitored at the work site by .....

**16 WORK SUPERVISION**

On behalf of the PMC, the work supervisor in work and responsible for the construction work's compliance with regulations and performance in the manner referred to in YSE. representative of the PMC is .....

**17 OCCUPATIONAL SAFETY**

The PMC appoints, and, before the construction work commences, provides the client with written notification concerning a competent person who, as the PMC's representative, sees to the general management of the work site as necessary for the safety of and health at the work site and also attends to the communication arrangements, adapting of functions, and the general cleanliness and orderliness of the construction area.

The PMC will arrange - and be responsible for each person working on the construction site bearing - a visible identifier with a picture and that identifies the person. The identifier must indicate whether the person on the work site is employed by a project party or an independent performer of work. The employee's identifier must state the employer's name.

The PMC sees to it that each person working on the work site has an access pass granted by the PMC and is responsible for the maintenance of access passes. The access passes shall include the employee's name and dates of birth and data on the company employing each.

**Sopimuslomake Net**

Rakennus- ja kiinteistöalan lomake –palvelu internetissä!

**ASIAKIRJAMALLI**

Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net). Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

**Rakennustieto Oy**

PL 1004  
00101 Helsinki  
[www.rakennustieto.fi](http://www.rakennustieto.fi)  
Puh. 0207 476 400

guide

example

The PMC prepares common and general safety instructions for the work site (including, for example, a safety plan and the work site approved by the client. In the safety instructions, the developer's safety document's provisions (Appendix 1) are included. The PMC also includes in the safety instructions it has prepared in its subcontracting agreements.

**Sopimuslomake Net**  
Rakennus- ja kiinteistöalan  
lomake –palvelu internetissä!

The PMC will keep the information in Appendix 1, the developer's safety document, pertaining to the work site up to date and deliver information on changes to the client, designers, and other contractors.

The client will see to it that the client's subsidiary contractors are informed of the identifier and access pass requirements for the work site and of any other safety instructions of the PMC, also ensuring that these subsidiary contractors are committed to adhering to said instructions and orders.

## 18 SPECIAL PROVISIONS

Confidentiality  
Communications  
Transfer of agreement

## 18 SPECIAL PROVISIONS

## ASIAKIRJAMALLI

## 19 SHARED DELIVERIES

Reference: YSE, §§ 65-71  
Record special procedures applying to shared deliveries, such as those for

- reviews
- the start-up meeting
- control group meetings
- the implementation design start-up meeting
- design meetings
- procurement meetings
- work site meetings
- contractor meetings
- user meetings
- acceptance procedure

These issues should also be addressed in the project plan.

## 19 SHARED DELIVERIES

Tämä asiakirjamalli on ladattu Sopimuslomake Net –palvelusta osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa palvelusta verkkopankkimaksuna tai vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin tarkoituksiin ei ole sallittua.

## 20 RESOLUTION OF DISPUTES

Reference: YSE, §92  
Record the procedure for settlement of disputes.

In a project management contract based on collaboration, it is natural to agree on the use of a commonly selected expert to avoid court proceedings for handling of a dispute.

## 20 RESOLUTION OF DISPUTES

Any disputes arising from this agreement are to be settled primarily through mutual negotiations of the parties.

Should the parties not reach mutual understanding in their negotiations with each other, settlement is sought on the basis of a reconciliation presentation prepared by an experienced expert selected and approved mutually by the parties. The expert shall be highly familiar with the construction industry and its juridical policies.

Should the parties not reach mutual understanding as a basis of the arbitrator, the division of the arbitration expenses, or the schedule of the arbitration, or should they not approve the reconciliation proposal of the arbitrator or reach a mutual solution based thereon, the disputes will be settled by a court of arbitration if the court should either of the parties so demand.

**Rakennustieto Oy**  
PL 1004  
00101 Helsinki  
[www.rakennustieto.fi](http://www.rakennustieto.fi)  
Puh. 0207 476 400

*guide***21 DATE OF, AND SIGNATURES TO, THE AGREEMENT**

The agreement is dated and signed.

**Appendices***example***21 DATE OF, AND SIGNATURES TO, THE AGREEMENT**

This agreement has been executed in two identical copies, one for the client and one for the project management contractor.

.....  
Place and date

.....  
Client

.....  
Project management contractor

.....  
In witness whereof

Appendices: ... items

- *Appendix 1*: .....

- *Appendix 2*: .....

- .....

**Sopimuslomake Net**

Rakennus- ja kiinteistöalan  
lomake –palvelu internetissä!

**ASIAKIRJAMALLI**

Tämä asiakirjamalli on ladattu  
Sopimuslomake Net –palvelusta  
osoitteesta [www.sopimuslomake.net](http://www.sopimuslomake.net).

Tulostuskelpoisen asiakirjan voi ostaa  
palvelusta verkkopankkimaksuna tai  
vuosilisenssillä.

Tämän asiakirjan käyttäminen kaupallisiin  
tarkoituksiin ei ole sallittua.

**Rakennustieto Oy**

PL 1004

00101 Helsinki

[www.rakennustieto.fi](http://www.rakennustieto.fi)

Puh. 0207 476 400