

**PROJECT MANAGEMENT CONTRACT  
AGREEMENT WITH TARGET PRICE**YSE 1998  
asiakirja

*A project management contract adheres to the general terms of contract of a construction contract, YSE 1998 RT 16-10660, unless the contract states otherwise.*

*In the event of any differences in interpretation of this RT sheet the Finnish version RT 80326 shall take precedence over this translation.*

**CONSTRUCTION OBJECT**

Construction project

No.

Construction object

Work no.

Address

Telephone

Telefax

email

**PARTIES****Client**

Company

VAT reg. no:

Address

Invoice address

Telephone

Telefax

email

Client's competent representatives

- for contract-related matters

Name

Telephone

email

- for work execution matters

Name

Telephone

email

**Project management contractor**

Company

VAT reg. no:

Address

Telephone

Telefax

email

Project management contractor's competent representatives

- for contract-related matters

Name

Telephone

email

- for work execution matters

Name

Telephone

email

**OTHER PARTIES****Developer****Development consultant****Main contractor****Party responsible for work  
site supervision duties  
(main implementer)****Party responsible for  
work site services****Other contractors and  
client's procurement****Subordinated subsidiary  
contractors****Designers**

## TERMS OF AGREEMENT AND CONCEPTS

This contract adheres to the general terms of agreement for a construction contract, 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 instructions to another party in such way as to help said party to fulfil its duties within the framework of its agreement.
- Monitoring refers to measures with which the compromising 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 client's disposal so that 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 contactor 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 procurements made on behalf of the project management contractor, subjected to bidding as the design advances. The client approves the procurement decisions.

The project management contractor co-ordinates the collaboration between the project parties in order to reach the agreed-upon goals. Upon detecting or anticipating 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.

The level of completeness of plans in a project management contract is often low at the start of the work. There are many issues to be decided upon together, and the schedule is tight. Accordingly, successful implementation of the project requires active, open, and responsible collaboration on the part of both parties to the agreement and the designers, as well. The emphasised loyalty principle and the obligations 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.

#### 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 the construction project. In the project design and performance, the project management contractor must professionally consider the particular circumstances and factors that may jeopardise the planned 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:

## 1 PROJECT MANAGEMENT CONTRACTOR'S PERFORMANCE OBLIGATION

<b>Object of the contract</b>	The supervision tasks and construction and building technology work for the entire ..... construction object.		
<b>Principal obligation to render services</b>	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.		
<b>Secondary obligations</b>	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: .....		
<b>Project management contract's supervision tasks</b>	The PMC's supervision tasks include the tasks referred to in the task list RT 10-10907, LVI 03-10423 (Appendix .....), items A-E: project management tasks (including project planning, project control and reporting, implementation design control, procurement, and construction control), work site supervision tasks, acceptance and deployment tasks, and guarantee period tasks.		
<b>Project plan</b>	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 PMC updates the project plan when necessary in mutual understanding with other parties to the project. Changes to the project plan are subject to the client's approval.	
<b>Work site management duties</b>	The PMC is responsible for the work site management duties. In addition to §4 of the YSE terms, the tasks include the work site management duties listed in task list RT 10-10907, LVI 03-10423 (Appendix .....).		
<b>Work site services</b>	The PMC is responsible for arranging work site duties. The work site services apply to: .....	In addition to §3 of the YSE terms and commercial documents, the following has been agreed on regarding work site services: .....	
<b>Statutory co-operation</b>	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 as an expert in schedule planning, procurement, and construction. The control applies to technical design solutions, occupational safety in their implementation, and 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 compatibility with the procurement, and to make professional suggestions related to the project's goals in order to develop the design. On the basis of the proposals, the designers prepare implementation plans and 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 of 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 realisation data in design control and procurement and its other contract performance. Upon detecting or anticipating a threat of exceeding of the target budget, the PMC will inform the client without delay and take the necessary corrective action within its scope of influence.

**2 AGREEMENT DOCUMENTS**

The contract adheres to this agreement and the related documents listed below.

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**

1. Contract negotiation protocol
2. Contract/project programme
3. Developer's safety document (RT 80325)
4. Project management contract's task list RT 10-10907, LVI 03-10423
5. General terms of agreement of a construction contract YSE 1998 (RT 16-10660, LVI 03-10277)
6. Procurement limit appendix
7. Preliminary general schedule
8. Preliminary delivery schedule for design documents
9. Work site supervision and management resource reimbursement table (RT 80328)
10. Project management fee instalment table
11. Preliminary project plan
12. Offer
13. Description of the calculation bases for the target price/budget

**B. Technical documents**

1. Construction method statement
2. General design
  - Architect's design according to list .....
  - Construction design according to list .....
  - General building technology design
  - Structural part maintenance schedule targets
3. Studies
  - Foundation survey
  - Asbestos survey report
  - Condition assessment
  - Structural safety risk assessment
  - etc.

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 YSE, §12.

**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 becomes final on ...../ The application for a permit was submitted on .....

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

**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.

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

#### 4 QUALITY ASSURANCE

**Client's 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

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

**PMC's quality assurance** 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 measures presented in a project plan to be clarified later and approved by the client are

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

The PMC sees to the maintenance of an inspection document during the construction 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. 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 at the site ..... / The work must be started by ....., provided that a final construction permit has been obtained ..... and the work at the work site can start .....

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 period, which covers its entire performance, the PMC sees to it that each of the PMC 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, from the time of acceptance of the entire work site / subparts.

- .....

### 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 in the work site expenses and taken into consideration in the final financial settlement as an addition to the realised construction expenses, assigned to the guarantee repair expenses. 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.

## 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 delivered to the client.

The PMC must require an operations liability insurance policy 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.

### Payments included in the contract price

The contract price is composed of the following cost items, which the client 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 covers the expenses and responsibilities associated with the following tasks and functions:

- Work site management and administration tasks
- The work site office (office supplies, office connectivity, work site occupational safety, work management and administration personnel, and the occupational 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

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 payment liability of the client.
- The total effect of the resource changes does not alter the target price/budget unless the basis for the changes is additional or amendment work.

**Procurement expenses**

Procurement must be carried out in keeping with the procurement plan and procedure approved by the client. The procurement expenses include the procurement items approved by the client.

Procurement includes all subcontracts and service procurement, construction 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 construction, and similar 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 performance, installation products, 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.

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: .....

**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 determined as described below.

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

Procurement items listed in Appendix ..... have been taken into consideration as initial estimated prices in the target price. With respect to these procurement items, the target price is adjusted, in either direction as appropriate, by the nominal value of the difference of the subsequently realised procurement price and the estimated price.

If the realised total project management fee, the work site management and administration fee, and the procurement expenses fall below the target price, the savings thus acquired are distributed between the client and the PMC in the ratio ..... % (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.

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

**Maximum price**

The maximum price is always the target price plus ..... per cent / euros.

The PMC is responsible for the expenses in excess of the maximum price.

**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 clarified and supplemented in the course of further development of the design and during construction.

The target budget/price and maximum price are changed in conformance with 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 and goals of the agreement and instead requires a procurement more expensive than the one presented, the target budget/price is increased by the difference entailed by these procurement 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.

**Determining the cost effect of changes**

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 shared expenses at the 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 differs by more than ..... % in either direction from the agreed-upon target budget/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.

**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 schedule referred to in this agreement must itemise the associated matters in writing for the other party. In order to be incorporated into this agreement, the change and its target budget/price and maximum price and/or contract time impact, if any, must be agreed upon in writing before the amendment work is commenced. A written amendment work order from a competent representative of the client shall constitute 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.

Amendment and additional work can be ordered by .....

Minor and urgent changes as referred to in YSE, §43, subsection 3 can be ordered by

## 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 each summary invoice with a separate credit invoice amounting to ..... euros per summary invoice / ..... % 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.

## 13 PRICE REFERENCES

## 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 charge of supervising the construction work and responsible for the construction work's compliance with regulations and performance in the manner referred to in YSE, §56, subsection 2 as a competent 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 ensuring this. A register of access passes is maintained, which shall include the employees' names and dates of birth and data on the company employing each.

The PMC prepares common and general safety instructions for the work site (including, for example, a safety plan and the work site area's usage plan) and has them approved by the client. In the safety instructions, the PMC will take into consideration the developer's safety document's provisions (Appendix .....). The PMC will include the safety instructions it has prepared in its subcontracting agreements.

The PMC will keep the information in Appendix ....., 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

## 19 SHARED DELIVERIES

## 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 to choice of the arbitrator, the division of the arbitration expenses, or the schedule of 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 / district court should either of the parties so demand.

## 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