

RISK TRANSFER

Risk	LA	Sponsor	PfS	Contractor
1. Effect of change instigated by Sponsor	<p>Once the D&B Contract is signed the LA is responsible for risk if they accept the change as submitted by the Sponsor.</p> <p>There are provisions within the D&B for the LA to reject the proposed change and or accept the change on the basis that the sponsor bears the risk.</p>	Sponsor can bear the risk if agreed	None	None
2. Framework Contractor's inability to meet the price	<p>Up to contract award the LA bear the risk of not reaching agreement on a project that lies within the Funding Agreement</p> <p>Agreement on abnormal costs is crucial</p>	None		Once the D&B Contract is signed the Framework is responsible for bearing the risk.
3. Framework Contractor's inability to complete on time	None except in the case of a relief / compensation event	None	None	Once the D&B Contract is signed the Framework is responsible for bearing the risk with the exception of relief events / compensation events some of which are set out below
4. Decanting	This is a joint responsibility of both the LA and the Framework Contractor and is defined within the Schedule 17 (Decant Proposals) of the D&B Contract. Decant proposals should be clearly drafted and agreed so as both parts fully understand their obligations towards decanting. There is no predecessor school. However the risk will be assessed depending on the Council's decision to open the Academy before 2010 on a temporary site and the choice of that site.	ICT through Sponsor	None	This is a joint responsibility of both the LA and the Framework Contractor and is defined within Schedule 17 (Decant Proposals) of D&B Contract. Decant proposals should be clearly drafted and agreed so as both parts fully understand their obligations towards decanting.

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5. Delay	All risks with Contractor unless a relief event as defined in clause 1 of the contract e.g. earthquakes, riot or civil commotion failure by statutory undertaker; accidental loss or damage to site or road serving it; strike action; failure of shortage of power, fuel or transport.	None, unless caused by an instruction agreed by the Sponsor	None	All risks with Contractor unless a Relief Event as defined in clause 1 of the contract.
6. Compensation Event	Contractor entitled to apply for extension of time if delay caused by compensation event as defined in clause 1 of the contract. 1. e.g. breach by Authority of its obligations under the agreement 2. Suspension by the Contractor for non payment 3. The authority opening up and testing of materials or goods which do not reveal a failure to comply with the terms of the agreement.	None, unless caused by an instruction agreed by the Sponsor	None	None
7. Defects	None	None	None	Contractor for those which appear within the defects liability period and are specified by the authority within 10 days of the explanation of the defects liability period.
8. Risk Assessment	None	None	None	Contractor once the contract is signed to identify and manage risks associated with performance of the works which may adversely affect time for completion cut and/ or quality of the works.