

# IS YOUR CONTRACT ANY GOOD?

Use this checklist as a 'rough and ready' reckoner of whether the contract you have safeguards your company, *without* further amendments or negotiations.

SCOPE		☹️	😐	😊
<b>Contract</b>	No	Red		
Are you familiar with the <a href="#">form of contract</a> (whether standard form or bespoke) and how its terms will be <a href="#">interpreted</a> ? <i>Tip: Read any unfamiliar contract from cover to cover</i>	Fairly, used before		Amber	
	Very familiar			Green
<b>Works</b>	No	Red		
Is the <a href="#">scope of your works/services</a> discrete and defined so clearly that an outside observer could confirm when you have done everything? <i>Tip: Do you understand the scope? If not ask for an explanation.</i>	I think so		Amber	
	Yes			Green
TRUST				
<b>Works: Delay Damages</b>	No	Red		
Are any <a href="#">damages for finishing late</a> stated in the contract? If so, are they manageable given the scope and programme? <i>Tip: You can avoid delay damages with an extended completion date</i>	Yes & unmanageable		Amber	
	Yes & manageable			Green
<b>Limits on or exclusions of liability</b>	Neither	Red		
Is there (A) a <a href="#">limit on your liability</a> and (B) an <a href="#">exclusion</a> of your liability for specific losses eg <a href="#">indirect loss</a> ? <i>Tip: <a href="#">Recognise traps</a> - don't bet your business on a single project</i>	A or B		Amber	
	A and B			Green
<b>Termination</b>	A and B	Red		
Can the client (A) <a href="#">cancel</a> the contract without reason (B) <a href="#">without paying your loss of profit for</a> the outstanding works/services? <i>Tip: Check you both have rights to end your relationship</i>	A not B		Amber	
	Neither			Green
AIMS				
<b>Time</b>	No	Red		
Is the project period/completion date realistic for the scope, the other parties/ people involved, and the required quality standards? <i>Tip: Do not rely on change clauses to extend the period</i>	Mostly		Amber	
	Yes			Green
<b>Cost</b>	No	Red		
Is the contract <a href="#">payment period</a> regular and short enough to meet your own financial obligations (to employees or others)? <i>Tip: Check due and final dates for all payments</i>	Mostly		Amber	
	Yes			Green
<b>Quality</b>	Yes	Red		
Does the contract refer to <a href="#">fitness for purpose</a> , meeting deliverables or the completed works/services complying with specific documents? <i>Tip: <a href="#">Check the technical data</a> and never promise what you can't deliver</i>	Possibly		Amber	
	No			Green
RISKS				
<b>Conditions Precedent</b>	Yes – lots	Red		
Do any of the procedures require you to strictly comply with a time period before you can exercise a right ( <a href="#">condition precedent</a> )? <i>Tip: Improve your processes or <a href="#">negotiate alternatives</a></i>	A manageable few		Amber	
	No			Green
<b>Risk issues</b>	No	Red		
Do you know who <a href="#">bears the time and cost consequences</a> of any common or project-specific risk events? Are the events listed? <i>Tip: Check you have any required insurances</i>	Not sure		Amber	
	Yes			Green

**Mostly red?** Stop. **Mostly amber?** Worry. **Mostly green?** Breathe.

For an independent contract report, #AskSarah on [sarah@500words.co.uk](mailto:sarah@500words.co.uk) or 07767 342747.