

Public Works Contracts – New Price Variation Clauses.

The new clauses for the Liability Cap and Price Variation will apply to those tenders and contracts received on or after 27 July 2023 (27th July being the date 10 days after the date of publication of the amendments, disregarding the day of publication). Please ensure that the project you are tendering for reflects the new contract provisions related to the Price Variation Clauses.

Key Elements for members to be aware of:

1. Ensure you are tendering under the correct contract (see above). If not, where appropriate, it is recommended to inform the Contracting Authority that the new forms of contract should be used. This should be done during the tender process on eTenders.
2. If the Permitted Increase Threshold is set at a level e.g. 10% and where it is considered that the contract is of sufficient complexity and duration as to require a lower threshold, this should be raised with the Contracting Authority during the tender stage on eTenders.
3. If the proportions and weightings set out in Appendix 4 and 5 of the FTS are incomplete or are considered not to accurately reflect what would be considered proper settings for a particular type of project, then again these should be raised with the Contracting Authority during the tender stage on eTenders.
4. All contractors should ensure that they engage as early as practicable after contract award with the ER to agree on the definition of excluded amounts set out in clause 15.7.

Resources:

We would also like to draw members attention to the following learning and support resources.

1. The joint OGP, CIF and SCSi Webinar on the new Price Variation Mechanism located on the CIF's Contracting Resource Hub here: [Learning & Development Resources - Construction Industry Federation \(cif.ie\)](#)
2. The CIF's Slide Deck which summaries the key elements, documents, workbooks and processes associated with the new mechanism, which can be downloaded from the Contractors Resource Hub.
3. The OGP's website located here: <https://constructionprocurement.gov.ie/standard-forms-for-cost-planning-cost-control/>
4. The OGP guide on how to use the Price Variation Workbooks PV.1.0 V1.0, also located at the link above.

For further information, please contact:

Main Contracting:

- Paul Sheridan psheridan@cif.ie
- Alison Irving airving@cif.ie

Specialist Contracting:

- Denise Tuffy dtuffy@cif.ie
- Gillian Ross gillianr@cif.ie

DISCLAIMER: The above information is not intended to be comprehensive for every situation, it simply represents the factors that contractors should consider under the OGP update note. Please ensure you obtain legal advice specific to your contract before proceeding.