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together with
AS 3557—1988

Australian Standard®

**General conditions of contract for
the supply of equipment
(AS 3556—1988)**

together with
**Form of formal instrument of agreement
(AS 3557—1988)**



This Australian Standard was prepared by Committee OB/2, Conditions of Contract. It was approved on behalf of the Council of the Standards Association of Australia on 30 April 1988 and published on 17 June 1988.

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Australian Electrical and Electronic Manufacturers Association
Australian Federation of Construction Contractors
Australian Institute of Purchasing and Supply Management
Australian Mining Industry Council
Building Industry Specialist Contractors Organization of Australia
Institution of Engineers, Australia
Master Builders' Federation of Australia
Metal Trades Industry Association of Australia
National Construction Council
Public Works Department, New South Wales
Queensland Electricity Commission
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AUSTRALIAN STANDARD

**GENERAL CONDITIONS OF
CONTRACT FOR THE SUPPLY
OF EQUIPMENT
(AS 3556—1988)**

together with

**FORM OF FORMAL INSTRUMENT OF AGREEMENT
(AS 3557—1988)**

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PREFACE

These two Standards (bound together) were prepared by the Association's Committee on General Conditions of Contract, as the final part in a series of Standards to update conditions of contract for the supply of equipment, with or without installation. The first part of the project was completed with the publication, in October 1987, of the new Australian Standards AS 2987 and AS 2988 (bound together) to supersede AS CZ20 to CZ25 inclusive. In the preparation of all these Standards, a deliberate attempt was made to keep the style, phraseology and sequence of topics similar to other Standards dealing with conditions of contract, to facilitate cross-reference and to illustrate the related nature of this series of Australian Standards.

These two Standards, are intended to apply to transactions encompassing the supply only of major items or equipment. Certain terms applicable to larger projects, such as 'site', 'engineer's representative', etc, have no practical meaning in this type of transaction, and accordingly do not appear in these Standards as they do in AS 2987.

With the publication of these Standards the series applicable to General Conditions for a wide variety of engineering and construction contracts, is now as follows:

- AS 2124 *General conditions of contract*
- AS 2125 *General conditions of tender and form of tender*
- AS 2127 *Form of formal instrument of agreement*
- AS 2545 *Subcontract conditions*
- AS 2987 *General conditions of contract for the supply of equipment with or without installation*
- AS 2988 *Form of formal instrument of agreement*
- AS 3556 *General conditions of contract for the supply of equipment*
- AS 3557 *Form of formal instrument of agreement*

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STANDARDS ASSOCIATION OF AUSTRALIA

Australian Standard

GENERAL CONDITIONS OF CONTRACT FOR
THE SUPPLY OF EQUIPMENT

NOTE: Clauses prefixed by an asterisk can be omitted without making consequential amendments.

1 CONSTRUCTION OF CONTRACT. The Contract shall be governed by and construed with reference to the laws for the time being in force in the State or Territory named in the Annexure.

Unless otherwise provided, prices are in Australian currency and payments shall be made in Australian currency at the place named in the Annexure.

Communications between the Purchaser and the Supplier shall be in the English language.

Measurements of physical quantities shall be in Australian legal units of measurement within the meaning of the Weights and Measures (National Standards) Act 1960 as amended from time to time.

The interpretation of Date for Delivery and Clauses 5.7, 12, 17, 18, 19 and 20 shall apply separately to each Separable Portion and references therein to the Equipment and to work under the Contract shall mean so much of the Equipment and the work under the Contract as is comprised in the relevant Separable Portion.

If the Contract does not make provision for the amount of security, retention moneys or liquidated damages applicable to a Separable Portion, the respective amount applicable shall be such proportion of the security, retention moneys or liquidated damages applicable to the whole of the work under the Contract as the value of the Separable Portion bears to the value of the whole of the work under the Contract.

Where provisions in the General Conditions of Contract are expressed to be alternatives and the Contract fails to state which alternative applies, the first alternative shall apply.

2 INTERPRETATION. In the Contract, except where the context otherwise requires—

‘Contract Sum’ means:

- (a) where the Purchaser accepted a lump sum, the lump sum;
- (b) where the Purchaser accepted rates, the sum ascertained by calculating the products of the rates and the corresponding quantities in the Schedule of Rates;
- (c) where the Purchaser accepted a lump sum and rates, the aggregate of the sums referred to in paragraphs (a) and (b);

excluding any additions or deductions which may be required to be made under the Contract;

‘Supplier’ means the person stated in the Annexure who is bound to execute the work under the Contract;

‘Date for Delivery’ means:

- (a) where the Annexure provides a date for Delivery, the date;
- (b) where the Annexure provides a period of time for Delivery, the last day of the period;

but if an extension of time for Delivery is granted under Clause 18, it means the date resulting from the extension of time.

‘Date of Acceptance of Tender’ means the date which appears on the notice in writing of acceptance of the Supplier’s tender;

‘day’ means calendar day;

‘Drawings’ means the drawings referred to in the Contract and any modification of such drawings notified to the Supplier by the Purchaser and includes such other drawings as may from time to time be supplied to the Supplier by the Purchaser, or the use of which has been permitted by the Purchaser, for the purposes of the Contract;