

AS 2987—1987  
with  
AS 2988—1987  
(Incorporating Amendment Nos 1 and 2)

Australian Standard<sup>®</sup>

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**GENERAL CONDITIONS OF  
CONTRACT FOR THE SUPPLY  
OF EQUIPMENT WITH OR  
WITHOUT INSTALLATION  
(AS 2987—1987)**

together with

**FORM OF FORMAL INSTRUMENT OF  
AGREEMENT (AS 2988—1987)**

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This Australian Standard was prepared by Committee OB/2, Conditions of Contract for Supply and Erection of Equipment. It was approved on behalf of the Council of the Standards Association of Australia on 30 July 1987 and published on 5 October 1987.

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The following interests are represented on Committee OB/2:

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  
State Electricity Commission of Victoria  
Sydney County Council

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*These Standards were issued in draft form for comment as DR 86113 and DR 86114.*

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## PREFACE

These two Standards (bound together) were prepared by the Association's Committee on Conditions of Contract.

AS 2987 is an amalgamation of and supersedes both AS CZ20—1970 and AS CZ21—1973.\*

AS 2988 supersedes AS CZ24—1970.\*

AS CZ20—1970 was bound together with AS CZ23—1970, AS CZ24—1970 and AS CZ25—1970.\* Likewise AS CZ21—1973 was bound together with those three Standards. With the publication of AS 2987 and AS 2988 both AS CZ23 and AS CZ25 are withdrawn.

In the preparation of these Standards account was taken of AS 2124, AS 2125 and AS 2127† with a view to adopting a uniform approach to all standard conditions of contract prepared by the Association.

*This Standard incorporates Amendment No. 1 (February 1988) and Amendment No. 2 (October 2000). The changes required by the Amendments are indicated in the text by a marginal bar and amendment number against the clause, note, table, figure or part thereof affected.*

A2

## WARNING

Legislation has come into force in some jurisdictions dealing with security of payments. Parties intending to use this Standard should seek expert advice as to their rights and obligations under such legislation.

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- \* AS CZ20—1970 Conditions of Contract for the Supply of Electrical and Mechanical Equipment, Plant and Machinery Without Erection.
  - AS CZ21—1973 Conditions of Contract for the Supply and Erection of Electrical and Mechanical Equipment.
  - AS CZ23—1970 Conditions of Tendering and Form of Tender for the Supply of Electrical and Mechanical Equipment, Plant and Machinery.
  - AS CZ24—1970 Form of Formal Instrument of Agreement.
  - AS CZ25—1970 Payment Certificate.
  - † AS 2124 General Conditions of Contract.
  - AS 2125 General Conditions of Tendering and Form of Tender
  - AS 2127 Form of Formal Instrument of Agreement

The Association's Committee responsible for preparation of these Standards has proposed production of a companion set of comparatively simpler conditions to cater to the needs of smaller supply only transactions. Work on this project has already begun.

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## CONTENTS

	<i>Page</i>
AS 2987 AUSTRALIAN STANDARD GENERAL CONDITIONS OF CONTRACT FOR THE SUPPLY OF EQUIPMENT WITH OR WITHOUT INSTALLATION	
1 CONSTRUCTION OF CONTRACT .....	4
2 INTERPRETATION .....	4
3 NATURE OF CONTRACT .....	6
4 MATERIALS AND WORK .....	6
5 SECURITY AND RETENTION MONEYS .....	6
6 EVIDENCE OF CONTRACT .....	7
7 SERVICE OF NOTICES .....	7
8 CONTRACT DOCUMENTS .....	8
9 ASSIGNMENT AND SUBCONTRACTING .....	9
10 DESIGNATED, SELECTED AND NOMINATED SUB- CONTRACTORS .....	9
11 PROVISIONAL SUMS .....	11
12 LATENT CONDITIONS .....	11
13 PATENTS, COPYRIGHT AND OTHER INTELLECTUAL PROPERTY RIGHTS .....	12
14 STATUTORY REQUIREMENTS .....	12
15 PROTECTION OF PEOPLE AND PROPERTY .....	13
16 INSURANCE .....	13
17 PROGRESS, SUSPENSION, ACCESS AND CLEANING UP .....	14
18 ENGINEER AND ENGINEER'S REPRESENTATIVES .....	15
19 CONTRACTOR'S REPRESENTATIVE .....	16
20 VARIATIONS .....	16
21 DELIVERY AND PRACTICAL COMPLETION .....	16
22 EXTENSIONS OF TIME .....	17
23 ACCEPTANCE OR REJECTION OF EQUIPMENT .....	18
24 DEFECTS LIABILITY .....	20
25 EXAMINATION AND TESTING .....	20
26 PAYMENT .....	21
27 INTEREST ON OVERDUE PAYMENTS .....	22
28 FINAL PAYMENT CLAIM AND FINAL CERTIFICATE .....	22
29 PAYMENT OF WORKERS AND SUBCONTRACTORS .....	22
30 DEFAULT OR INSOLVENCY .....	23
31 DISPUTES .....	25
32 LIMITATION OF LIABILITY .....	25
33 SERVICES AND FACILITIES .....	26
ANNEXURE PART A .....	27
SEPARABLE PORTIONS .....	31
APPROVED FORM OF UNCONDITIONAL UNDERTAKING .....	32
ANNEXURE PART B .....	33
INDEX .....	34
AS 2988 AUSTRALIAN STANDARD FORM OF FORMAL INSTRUMENT OF AGREEMENT .....	
	37

## STANDARDS ASSOCIATION OF AUSTRALIA

**Australian Standard**  
**GENERAL CONDITIONS OF CONTRACT FOR THE**  
**SUPPLY OF EQUIPMENT WITH OR WITHOUT INSTALLATION**

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, the Engineer and the Contractor 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 interpretations of:

- Date of Delivery;
- Date for Practical Completion;
- Practical Completion,

and Clauses 5.7, 16.1, 21, 22, 23 and 24 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—

‘Constructional Plant’ means appliances and things used on or in the vicinity of the Site in the execution of the work under the Contract but not forming part of the Equipment;

‘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 the paragraphs (a) and (b),

including provisional sums but excluding any additions or deductions which may be required to be made under the Contract;

‘Contractor’ means the person 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 by the Engineer under Clause 22, it means the date resulting from the extension of time;

‘Date for Practical completion’ means:

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