

General Conditions of Contract for Insulation Contracts

AB 04

1 Insulation contracts between the insulation contractor, hereinafter referred to as the contractor, and the client shall be covered by the General Conditions of Contract for Building, Civil Engineering and Installation Work with the additions and amendments stated below. This presupposes that the parties are also subject to AB 04.

VALIDITY OF THE TENDER

2 The tenderer shall be bound by the terms of the tender for 30 days from the date of the tender unless specified to the contrary in the enquiry document.

SCOPE

1.

AB 04 chapter 1

3 Should incompatible statements or instructions arise in the contract documents, they shall apply reciprocally in the following order:

- 01 contract
- 02 amendments to AB 04 which are adopted in the compilation of the administrative regulations
- 03 IF AL 2008
- 04 AB 04
- 05 order confirmation
- 06 order
- 07 tender
- 08 separate measurement and remuneration conditions
- 09 unit pricelist or priced quantity specification/bill of quantities
- 10 supplementary regulations for contractors, provided before submission of the tender
- 11 administrative regulations
- 12 quantity specification without pricing
- 13 specification
- 14 drawings
- 15 miscellaneous documents

PERFORMANCE

AB 04 chapter 2

4 The contractor shall have the right to replace the material/goods described with material/goods of an equivalent quantity and quality.

WORKPLACE

5 The client shall maintain the workplace in such a condition as not to hinder the contractor's normal performance without overtime work.

Within its own or a subcontractor's area of responsibility, the client shall be responsible for the requirements and actions of a safety officer. The costs arising as a result of such requirements or actions shall be charged separately.

ORGANISATION

AB 04 chapter 3

DEADLINES

AB 04 chapter 4

6 Should agreement not be reached regarding a fixed starting time, the client shall specify in the contract work detailed work stages at the latest ten working days prior to the desired start of the respective stage.

7 It is presupposed that all work – including the contractor's work to remedy defects – may be carried out during normal working hours and/or in accordance with the established schedule and that each stage may be performed in sequence without interruption.

8 The contractor shall have the right to any required extension if prevented from completing its contract during the contract period due to weather conditions which are unfavourable for the work.

9 The guarantee as stipulated in AB 04 chapter 4 section 7 shall not apply when the client demands the execution of work about which the contractor has reservations. Neither shall the guarantee as stipulated in AB 04 chapter 4 section 7 apply to materials and goods provided by the client.

LIABILITY

AB 04 chapter 5

10 Unless otherwise agreed to the contrary, the contractor shall incur a penalty of 1% of the contract sum (however a minimum of SEK 1000) for every week commencing by which it exceeds the contract period or the amended time of completion which shall apply according to AB 04 chapter 4 section 2 or section 3. The penalty shall never exceed 10% of the contract sum. A penalty may also be incurred for exceeding a particular time for the performance of a certain section of the contract. Beyond this, the client shall not be entitled to compensation for the contractor's delay.

11 If the work cannot be carried out rationally in accordance with section 7 above, the offer price shall be adjusted accordingly and the contractor shall also be entitled to compensation for all costs associated with the waiting times and stoppages as well as for the overtime payments made.

12 Should the contractor be entitled to an extension of the contract period as specified in section 8 above, the contractor shall be entitled to compensation for any cost increases incurred.

13 During the contract period, the contractor shall be liable for damage to the contract due to defects. The contractor shall only be liable for other damage to the contract if it can be demonstrated that the damage is a direct result of the work carried out by the contractor.

14 The contractor shall not be liable for damage to anything other than its own contract. Under no circumstances shall the contractor be liable for production losses, reduced profit or other financial consequential losses. Specified restrictions to the contractor's liability shall not apply if it is guilty of gross

negligence. Should a third party have a claim against the contractor or client for damage or loss which relates to this section, the other party shall be informed of this immediately.

INSPECTION

15 When the contractor completes the contract, it has the right to request an inspection be carried out by the client for the purpose of determining whether there is any damage to the contract. The contractor shall also have the right to request an inspection be carried out by the client when the client, subcontractor or another employee engaged by the client carries out work which may affect the contract. Where the parties have agreed on a penalty for a certain part of the contract, the contractor shall be entitled to request an inspection of this part of the contract by the client when it is complete. Once this inspection has been carried out, the contractor shall be free from liability for damage which occurs after the inspection if it cannot be demonstrated that the damage was caused by the contractor. The inspection is not restricted to the contractor's stipulated liability for the contract.

The client shall, at its own cost, carry out the inspection without delay in the contractor's presence. The client shall immediately produce a written report on the inspection detailing whether there is any damage to the contract. The report shall be delivered to the contractor without delay.

Should the client fail to carry out its obligations as specified in this section, the onus shall be on the client to demonstrate that any damage observed during the final inspection was caused by the contractor.

PRICING

AB 04 chapter 6

16 When unit prices apply, charging takes place after measurement on site and in accordance with the following:

- a) When measuring round drums and similar, as well as conduits, the measurement is taken outside of the insulation area as well as over mounting details such as valves, flanges and similar as well other interruptions less than 1 running metre
- b) When measuring cisterns, boilers, drums, roofs, facades and similar, deductions are made for manholes, openings, windows, doors and similar, with the presumption that they each take up a continuous area of at least 2 m²
- c) Supplements may be added to the prices quoted on the unit pricelist where the contractor incurs increased costs due to greater heights, narrow spaces etc. in accordance with the collective agreement between VVS Företagen and Byggnads applicable to the occasion
- d) The specified prices presuppose a normal degree of difficulty and accessibility, that the work can be carried out as a piecework contract and that the temperatures where the insulation work is to be carried out do not exceed +40°C or fall below -15°C and that areas which are to be insulated do not exceed +150°C
- e) The prices presuppose that the space between the final insulation and adjacent areas, e.g. pipes, walls and similar, complies with the following standards issued by the Swedish Standards Institution – SIS 91 03 10 for ventilation channels. For conduits, refer to VVS AMA 98 chapter PN Conduits etc and the IF Compendium on Technical Insulation.

17 The offer price shall be increased in accordance with the Contract Price Index E 84.

18 Even if no agreement has been reached regarding a fixed cost-adjusted price, the contractor shall also have the right to cost adjustment:

1. when the agreed schedule is not adhered to
2. if unforeseeable cost amendments occur which are related to or consist of:
 - a) general cost amendment caused by an international financial crisis or by war or circumstances similar to war
 - b) such a change in export costs for the agreed output which are assignable to measures taken by the Swedish public authorities
 - c) abnormal price changes relating to material used in the object.

RETENTION OF TITLE

19 Materials delivered shall remain the property of the contractor until full payment has been received from the client, to the extent that such retention of title is valid in accordance with applicable law.

FINAL INSPECTION

AB 04 chapter 7

RESCISSION

AB 04 chapter 8

DISPUTES

AB 04 chapter 9

20 Disputes arising as a result of the contract shall be settled by a court of general jurisdiction.

Simplified settlement of disputes

AB 04 chapter 10

GENERAL FACILITIES AND GENERAL WORK

The contractor shall be supplied with the general facilities and work which is specified in the tender. Should such information about facilities not be contained in the enquiry document, the facilities listed below shall be supplied to the contractor.

- Workers' shelter with toilet, maintenance and cleaning (AFH.213)
- Time clock shed
- Lockable workshop, heated and located at least 30 m from the work site
- Lockable store shed, heated and located at least 30 m from the work site
- Alternatively, space can be provided in a building under construction or in an existing building
- Workshop and store shed, along with their operation and maintenance, are first supplied at the request of the contractor – the contractor shall specify the size, letting time, quality and equipment (AFH.253, AFH.263, AFH.271, AFH.273)
- Temporary roads and open spaces (AFH.32)
- Electricity supply (AFH.412)
- Water and sanitation supply (AFH.422)
- Scaffolding where working height exceeds four metres. The client is responsible for the assembling and dismantling of the scaffolding (AFH.614)
- Material lifts or other lifting equipment, guided when required (AFH.71)
- Heating to the required level, but to a minimum of 16°C as well as drying out (AFJ.54)
- Refuse removal. The client shall supply a collection point for refuse alongside the building and at the workshop as well as be responsible for the removal of refuse. However, the contractor

shall be responsible for the removal of its own hazardous waste (AFJ.722)

- Snow removal (AFJ.732)
- Final cleaning (AFJ.7522)

The brackets contain the letter and number codes for the corresponding provisions in AF AMA 07, i.e. a more detailed description of the nature of the facilities can be found in AF AMA 07.