

Australian/New Zealand Standard™

**General conditions of contract for the
supply of equipment without installation**



AS/NZS 4911:2003

This Joint Australian/New Zealand Standard was prepared by Joint Technical Committee OB-003, General Conditions of Contract. It was approved on behalf of the Council of Standards Australia on 18 June 2003 and on behalf of the Council of Standards New Zealand on 24 July 2003.

This Standard was published on 22 August 2003.

The following are represented on Committee OB-003:

Association of Consulting Engineers Australia
Australian Chamber of Commerce and Industry
Australian Procurement and Construction Council
AUSTROADS
Construction Industry Engineering Services Group
Construction Policy Steering Committee
Electricity Supply Association of Australia
Institution of Engineers, Australia
Institution of Professional Engineers, New Zealand
Law Council of Australia
Master Builders Australia
National Construction Council of the Australian Industry Group
Process Engineers and Constructors Association
Royal Australian Institute of Architects

Keeping Standards up-to-date

Standards are living documents which reflect progress in science, technology and systems. To maintain their currency, all Standards are periodically reviewed, and new editions are published. Between editions, amendments may be issued. Standards may also be withdrawn. It is important that readers assure themselves they are using a current Standard, which should include any amendments which may have been published since the Standard was purchased.

Detailed information about joint Australian/New Zealand Standards can be found by visiting the Standards Web Shop at www.standards.com.au or Standards New Zealand web site at www.standards.co.nz and looking up the relevant Standard in the on-line catalogue.

Alternatively, both organizations publish an annual printed Catalogue with full details of all current Standards. For more frequent listings or notification of revisions, amendments and withdrawals, Standards Australia and Standards New Zealand offer a number of update options. For information about these services, users should contact their respective national Standards organization.

We also welcome suggestions for improvement in our Standards, and especially encourage readers to notify us immediately of any apparent inaccuracies or ambiguities. Please address your comments to the Chief Executive of either Standards Australia or Standards New Zealand at the address shown on the back cover.

This Standard was issued in draft form for comment as DR 00328.

Australian/New Zealand Standard™

General conditions of contract for the supply of equipment without installation

Originated as AS 3556—1988 and AS 3557—1998.
Previous edition AS/NZS 4911: 1998.
Second edition 2003.
Reissued incorporating Amendment No. 1 (March 2005)

COPYRIGHT

© Standards Australia/Standards New Zealand

All rights are reserved. No part of this work may be reproduced or copied in any form or by any means, electronic or mechanical, including photocopying, without the written permission of the publisher.

Jointly published by Standards Australia, GPO Box 5420, Sydney, NSW 2001 and Standards New Zealand, Private Bag 2439, Wellington 6020

ISBN 0 7337 3606 8

Preface

This Standard was prepared by the Joint Standards Australia/Standards New Zealand Committee OB-003, General Conditions of Contract to supersede AS/NZS 4911:1998.

This Standard incorporates Amendment No. 1 (March 2005). The changes required by the Amendment are indicated in the text by a marginal bar and amendment number against the clause, note, table, figure or part thereof affected.

This Standard is the result of a consensus among Australian and New Zealand representatives on the Joint Committee to produce it as a Joint Australian/New Zealand Standard.

AS/NZS 4911:2003, *General conditions of contract for the supply of equipment without installation* is part of the suite of conditions of contract based on AS 4000—1997, *General conditions of contract*.

This Standard is for the supply of equipment, including building elements, which is purpose-built or manufactured. If installation is required, AS 4910—2002, *General conditions of contract for supply of equipment with installation* should be used.

Separable portions may be appropriate in contracts where equipment is being supplied for use at different times or stages. If so, the *Items* prefixed by † are to be deleted in Annexure Part A and that part of Annexure Part A entitled ‘Separable Portions’ is to be completed for each separable portion.

Clause 29 and subclause 6.6 prefixed by * are optional, and may be omitted in the Contract, where necessary, without making consequential amendments but such omission should be clearly shown on the face of the document by striking out these clauses or indicating clearly in Annexure Part C or elsewhere that they are not to apply. See paragraph i) of clause 1 on page 4 for the effect of stating changes in Annexure Part C.

Warnings

- 1) **Users of this Standard are warned that clause 12 (Supplier’s indemnity) does not limit the liability of parties for special, indirect or consequential losses.**

This unlimited liability applies notwithstanding any limitations or exclusions permitted under insurance clause 13 (Insurance). However, optional clause 29 (General limitation of liability) allows the parties to agree to limit their liability in certain respects.

Parties wishing to limit their liability should seek insurance and legal advice before entering a contract under this Standard.

- 2) **For the purposes of clause 11, the inclusion of Quality Assurance requirements in the Contract will require detailed clauses which have regard to the quality standard selected.**
- 3) **Users of this Standard should ensure the availability of appropriate insurances if risk in the equipment is not to pass to the Purchaser upon delivery.**
- 4) **Users of this Standard should be aware of relevant legislation relating to the sale and supply of goods in the Commonwealth of Australia, each State or Territory of Australia and New Zealand.**

- 5) 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.

Content

Clause	Title	Page
1	Interpretation and construction of Contract	1
2	Nature of Contract	4
3	Security	4
4	Evidence of Contract	5
5	Service of notices	6
6	Contract documents	6
7	Assignment and subcontracting	7
8	Intellectual property rights	8
9	Designated items	8
10	Legislative requirements	9
11	Quality assurance	9
12	Supplier's indemnity	10
13	Insurance	10
14	Directions	12
15	Programming	12
16	Suspension	13
17	Time	14
18	Testing	15
19	Delivery	16
20	Risk in and ownership of the Equipment	16
21	Acceptance or rejection of Equipment	17
22	Defects liability	19
23	Variations	20
24	Payment	21
25	Default or insolvency	22
26	Termination by frustration	25

27 Notification of claims

25

Clause	Title	Page
28	Dispute resolution	26
29	General limitation of liability	26
30	Waiver of conditions	27
	Annexure Part A	29
	Annexure Part B	38
	Annexure Part C	39
	Index	41

1 Interpretation and construction of Contract

In the *Contract*, except where the context otherwise requires:

Item means an *Item* in Annexure Part A;

acceptable means:

- a) the *Equipment* is substantially in accordance with the requirements of the *Contract* except for minor *defects* which do not:
 - i) prevent the *Equipment* from being reasonably capable of being used for the stated purpose in *Item 5* or elsewhere stated in the *Contract*; or
 - ii) if no such purpose is stated, adversely affect the normal use of the *Equipment*;
- b) where the *Contract* so requires, the *Equipment* satisfies *acceptance testing*; and
- c) manuals, documents and other information required under the *Contract* have been supplied;

acceptance means notification under subclause 21.1 or 21.8 by the *Purchaser* that the *Equipment* is *acceptable*;

acceptance testing means testing referred to in subclause 18.1;

compensable cause means:

- a) any act, default or omission of the *Purchaser* or its consultants, agents or other contractors (not being employed by the *Supplier*); or
- b) those listed in *Item 24(a)*;

Contract has the meaning in clause 4;

contract sum means:

- a) where the *Purchaser* accepted a lump sum, the lump sum;
- b) where the *Purchaser* accepted unit prices, the sum of the products ascertained by multiplying the quantity of *Equipment* and the corresponding unit prices in the *schedule of unit prices*; or
- c) where the *Purchaser* accepted a lump sum and unit prices, 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*;

date for delivery means:

- a) the date; or
- b) the last day of the period,

if any, stated in *Item 6*, but if any *EOT* for *delivery* is directed by the *Purchaser* or allowed in any arbitration or litigation, it means the date resulting therefrom;

date of acceptance of tender	means the date which appears on the written notice of acceptance of the tender;
date of delivery	means: a) the date upon which the <i>Equipment</i> was <i>delivered</i>; or b) where another date is determined in any arbitration or litigation as the date upon which the <i>Equipment</i> was <i>delivered</i>, that other date;
deed of guarantee, undertaking and substitution	has the meaning in subclause 3.6;
defects	has the meaning in clause 22 and includes omissions;
defects liability period	has the meaning in clause 22;
deliver (and delivered)	have the meaning in clause 19;
delivery	has the meaning in clause 19;
delivery place	is stated in <i>Item 7</i> ;
delivery program	has the meaning in clause 15;
designated item	has the meaning in clause 9;
direction	includes agreement, approval, assessment, authorisation, certificate, decision, demand, determination, explanation, instruction, notice, order, permission, rejection, request or requirement;
dispute	has the meaning in clause 28;
EOT (from 'extension of time')	has the meaning in subclause 17.2;
Equipment	means the goods to be supplied or supplied by the <i>Supplier</i> pursuant to the <i>Contract</i> ;
final certificate	has the meaning in subclause 24.4;
final payment claim	means the final payment claim referred to in subclause 24.4;
intellectual property right	means any patent, registered design, trademark or name, copyright or other protected right;
legislative requirements	includes: a) Acts, Ordinances, regulations, by-laws, orders, awards and proclamations of the jurisdiction where the supply or <i>delivery</i> of the <i>Equipment</i> or the particular part thereof is being carried out; b) certificates, licences, consents, permits, approvals and requirements of organisations having jurisdiction where the supply or <i>delivery</i> of the <i>Equipment</i> or the particular part thereof is being carried out; and c) fees and charges payable in connection with the foregoing;
prescribed notice	has the meaning in subclause 27.1;
Purchaser	means the person stated in <i>Item 1</i> ;

qualifying cause of delay means:

- a) any act, default or omission of the *Purchaser*, its consultants, agents or other contractors (not being employed by the *Supplier*); or
- b) other than:
 - i) a breach or omission by the *Supplier*;
 - ii) industrial conditions or inclement weather occurring after the *date for delivery*; and
 - iii) stated in *Item 22*;

reference date means the date in *Item 19*;

schedule of unit prices means any schedule included in the *Contract* which, in respect of the *Equipment*, shows the unit prices for any part or item of the *Equipment* within the limits of supply stated in *Item 11* and which may also include lump sums, other sums, quantities and prices;

security means:

- a) cash;
- b) retention moneys;
- c) bonds or inscribed stock or their equivalent issued by a national, state or territory government;
- d) interest bearing deposit in a bank carrying on business at the place stated in *Item 10(c)*;
- e) an approved unconditional undertaking (the form in Annexure Part B is approved) or an approved performance undertaking given by an approved financial institution or insurance company; or
- f) other form approved by the party having the benefit of the security;

separable portion means an item or part of the *Equipment* identified as such in the *Contract* or by the *Purchaser* pursuant to subclause 19.2;

Supplier means the person bound to supply and *deliver* the *Equipment*;

test has the meaning in clause 18 and includes examine and measure;

variation has the meaning in clause 23,
and like words have a corresponding meaning.

In the *Contract*:

- a) references to days mean calendar days and references to a person include an individual, firm or a body, corporate or unincorporate;
- b) time for doing any act or thing under this *Contract* shall, if it ends on a Saturday, Sunday or Statutory or Public Holiday, be deemed to end on the day next following which is not a Saturday, Sunday or Statutory or Public Holiday;
- c) clause headings and subclause headings shall not form part of, nor be used in the interpretation of, the *Contract*;
- d) words in the singular include the plural and words in the plural include the singular, according to the requirements of the context. Words importing a gender include every gender;

- e) communications between the *Purchaser* and the *Supplier* shall be in the English language;
- f) measurements of physical quantities shall be in legal units of measurements of the jurisdiction in *Item 9*;
- g) unless otherwise provided, prices are in the currency in *Item 10(a)* and payments shall be made in that currency at the place in *Item 10(b)*;
- h) the law governing the *Contract*, its interpretation and construction, and any agreement to arbitrate, is the law of the jurisdiction stated in *Item 9*; and
- i) the changes in Annexure Part C shall be deemed to be part of these General Conditions.

2 Nature of Contract

2.1 Performance and payment

In accordance with the requirements of the *Contract*:

- a) the *Supplier* shall supply and *deliver* the *Equipment*; and
- b) the *Purchaser* shall accept the *Equipment* and pay the *Supplier* the *contract sum* adjusted by any additions or deductions made pursuant to the *Contract*.

2.2 Adjustment for actual quantities

Equipment delivered in accordance with the *Contract* in quantities outside the limits of supply stated in *Item 11* shall be a deemed *variation*.

3 Security

3.1 Provision

Security shall be provided in accordance with *Item 12* or *13*. All delivered *security*, other than cash or retention moneys, shall be transferred in escrow.

3.2 Recourse

Security shall be subject to recourse by a party who remains unpaid after the time for payment where at least 5 days have elapsed since the party notified the other party of intention to have recourse.

3.3 Change of security

At any time a party providing retention moneys or cash *security* may substitute another form of *security*. To the extent that another form of *security* is provided, the other party shall not deduct, and shall promptly release and return, retention moneys and cash *security*.

3.4 Reduction and release

Upon *acceptance*, a party's entitlement to *security* (other than in *Item 12(e)*) shall be reduced by the percentage or amount in *Item 12(f)* or *13(d)* as applicable, and the reduction shall be released and returned within 14 days to the other party.

The *Purchaser's* entitlement to *security* in *Item 12(e)* shall cease 14 days after the later of *delivery* or *acceptance* of the *Equipment* for which that *security* was provided.

A party's entitlement otherwise to *security* shall cease 14 days after *final certificate*. Upon a party's entitlement to *security* ceasing, that party shall release and return forthwith the *security* to the other party.

3.5 Trusts and interest

Except where held by a government department or agency or a municipal, public or statutory authority, any portion of *security* (and interest earned thereon) which is cash or retention moneys, shall be held in trust for the party providing them until the *Purchaser* or the *Supplier* is entitled to receive them.

Interest earned on *security* not required to be held in trust shall belong to the party holding that *security*.

3.6 Deed of guarantee, undertaking and substitution

Where:

- a) a party is a related or subsidiary corporation (as defined in the applicable corporations law of the jurisdiction); and
- b) a form of *deed of guarantee, undertaking and substitution* was included in the tender documents,

that party shall, within 14 days after receiving a written request from the other party, provide such *deed of guarantee, undertaking and substitution* duly executed and enforceable.

4 Evidence of Contract

Until a formal instrument of agreement is executed by the parties, documents evidencing the parties' consensus shall constitute the *Contract*. If such *Contract* requires a formal instrument of agreement, the *Purchaser* shall, within 28 days of the *date of acceptance of tender*, send it in duplicate for execution by the *Supplier*. Within 14 days after receiving them, the *Supplier* shall (if they are correct) properly execute both copies and return them.

Within 14 days after receiving them, the *Purchaser* shall execute both copies, have them stamped as necessary and send one copy to the *Supplier*. The *Purchaser* may extend the time under this clause by written notice to the *Supplier*.

5 Service of notices

A notice (and other documents) shall be deemed to have been given and received:

- a) if addressed or delivered to the relevant address in the *Contract* or last communicated in writing to the person giving the notice; and
- b) on the earliest date of:
 - i) actual receipt;
 - ii) confirmation of correct transmission of fax; or
 - iii) 3 days after posting.

6 Contract documents

6.1 Discrepancies

If either party discovers any inconsistency, ambiguity or discrepancy in any document prepared for the purpose of performing the *Contract*, that party shall give the other party written notice of it. The *Purchaser*, thereupon, and upon otherwise becoming aware, shall direct the *Supplier* as to the interpretation and construction to be followed.

If compliance with any such *direction* under this subclause causes the *Supplier* to incur more or less cost than otherwise would have been incurred had the *direction* not been given, the difference shall be assessed by the *Purchaser* and added to or deducted from the *contract sum*.

6.2 Purchaser-supplied documents

The *Purchaser* shall supply to the *Supplier* the documents and number of copies thereof, both stated in *Item 14*.

They shall:

- a) remain the *Purchaser's* property and be returned to the *Purchaser* on written demand; and
- b) not be used, copied nor reproduced for any purpose other than the performance of the *Contract*.

6.3 Supplier-supplied documents

The *Supplier* shall supply to the *Purchaser* the documents and the number of copies thereof, both stated in *Item 15*.

If the *Supplier* submits documents to the *Purchaser*, then except where the *Contract* otherwise provides:

- a) the *Purchaser* shall not be required to check such documents for errors, omissions, inconsistencies, ambiguities, discrepancies or compliance with the *Contract*;
- b) any *Purchaser's* acknowledgment or approval shall not prejudice the *Supplier's* obligations; and
- c) if the *Contract* requires the *Supplier* to obtain the *Purchaser's* *direction* about such documents, the *Purchaser* shall give, within the time stated in *Item 16*, the appropriate *direction*, including reasons if the documents are not suitable.

Copies of documents supplied by the *Supplier* shall be the *Purchaser's* property but shall not be used or copied otherwise than for the installation, use, support, repair, maintenance or alteration of the *Equipment*.

6.4 Availability

The *Supplier* shall keep available to the *Purchaser* at the place of manufacture or assembly of any significant part of the *Equipment*, a set of the documents affecting that part.

6.5 Confidential information

The parties shall ensure that there are kept confidential such documents, samples, models, patterns and other information as are supplied and clearly identified as confidential.

If required in writing by a party, the other party shall enter into a separate agreement not to disclose to anyone else any such confidential matter even after *final certificate* or earlier termination of the *Contract*.

***6.6 Media**

The *Supplier* shall not disclose any information concerning the *Contract* for distribution through any communications media without the *Purchaser's* prior written approval (which shall not be unreasonably withheld). The *Supplier* shall refer to the *Purchaser* any enquiries from any media concerning the *Contract*.

7 Assignment and subcontracting

7.1 Assignment

Neither party shall, without the other's prior written approval (including terms) assign the *Contract* or any payment or any other right, benefit or interest thereunder.

7.2 Subcontracting

The *Supplier* shall not without the *Purchaser's* prior written approval (which shall not be unreasonably withheld):

- a) subcontract or allow a subcontractor to subcontract any work described in *Item 17*; or
- b) allow a subcontractor to assign a subcontract or any payment or any other right, benefit or interest thereunder.

The *Supplier* shall be liable to the *Purchaser* for the acts, defaults or omissions of subcontractors and employees and agents of subcontractors as if they were those of the *Supplier*.

Approval to subcontract shall not relieve the *Supplier* from any liability or obligation under the *Contract*.

* See Preface on page (iii)

8 Intellectual property rights

8.1 Warranties

The *Purchaser* warrants that, unless otherwise provided in the *Contract*, design, materials, documents and methods of working, each specified in the *Contract* or provided or directed by the *Purchaser*, shall not infringe any *intellectual property right*.

The *Supplier* warrants that, unless otherwise provided in the *Contract*, any other design, materials, documents and methods of working, each provided by the *Supplier*, shall not infringe any *intellectual property right*.

Each party shall indemnify the other against such respective infringements.

8.2 Ownership and licence

Except as otherwise provided in the *Contract*, ownership of *intellectual property rights* (other than third party *intellectual property rights*) associated with the *Equipment* and any documentation provided by the *Supplier* pursuant to the *Contract* is vested and shall vest in the *Supplier*.

The *Supplier* grants the *Purchaser* a royalty-free, non-exclusive, transferable, perpetual licence to use the *intellectual property rights* associated with the *Equipment* and any documentation provided pursuant to the *Contract* for the installation, use, support, repair, maintenance or alteration of the *Equipment* by or on behalf of the *Purchaser*.

9 Designated items

9.1 Warranties

The *Supplier*:

- a) does not warrant that any *designated item* identified in writing by the *Purchaser*:
 - i) is of merchantable quality or fit for the stated purpose; or
 - ii) does not infringe any *intellectual property right*.
- b) shall, from the manufacturer of each such *designated item*, obtain for the benefit of the *Purchaser*:
 - i) such warranties as are given by the manufacturer in the ordinary course of its business for each such item; and
 - ii) appropriate licences or permits for use.

9.2 Supplier's obligations

The *Purchaser* may, at its expense, require the *Supplier* to either:

- a) assign to the *Purchaser* such rights, if any, as the *Supplier* has against the manufacturer; or
- b) pursue any reasonable claim against the manufacturer.

Except to the extent that the *Supplier* recovers damages from the manufacturer, the *Supplier* has no liability to the *Purchaser* in respect of any such *designated item*.

Upon receipt of a written request from the *Purchaser* in respect of any such *designated item*, the *Supplier* shall notify the *Purchaser* of the name of the manufacturer, any terms of contract with the manufacturer which purport to limit the manufacturer's liability to the *Supplier* in respect of the *designated item* and such other information as the *Purchaser* reasonably requests.

10 Legislative requirements

10.1 Compliance

The *Supplier* shall satisfy all *legislative requirements* except those in *Item 18* or directed by the *Purchaser* to be satisfied by or on behalf of the *Purchaser*.

The *Supplier*, upon finding that a *legislative requirement* is at variance with the *Contract*, shall promptly give the *Purchaser* written notice thereof.

10.2 Changes

If a *legislative requirement*:

- a) necessitates a change:
 - i) to the *Equipment*;
 - ii) in a fee or charge or payment of a new fee or charge; or
 - iii) in the method of working as may be stated in the *Contract*;
- b) comes into effect after the *reference date* stated in *Item 19* but could not reasonably then have been anticipated by a competent supplier; and
- c) causes the *Supplier* to incur more or less cost than otherwise would have been incurred,

the difference shall be assessed by the *Purchaser* and added to or deducted from the *contract sum*.

11 Quality assurance

In respect of the *Equipment*, the *Purchaser* may direct the *Supplier* to:

- a) supply particulars of the mode and place of manufacture, the source of supply of materials and other components, the performance capacities and other related information; and
- b) arrange reasonable inspection at such place or sources by the *Purchaser* or persons authorised by the *Purchaser*.

If the *Contract* elsewhere requires further quality assurance, the *Supplier* shall:

- a) plan, establish and maintain a conforming quality system; and

- b) ensure that the *Purchaser* has reasonable access to the quality system of the *Supplier* and subcontractors so as to enable monitoring and quality auditing.

Any such quality system shall be used only as an aid to achieving compliance with the *Contract* and to document such compliance. Such system shall not discharge the *Supplier's* other obligations under the *Contract*.

12 Supplier's indemnity

Insofar as this clause applies to property, it applies to property other than the *Equipment*.

The *Supplier* shall indemnify the *Purchaser* against:

- a) loss of or damage to the *Purchaser's* property; and
- b) claims in respect of personal injury or death or loss of, or damage to, any other property,

arising out of or as a consequence of the *Supplier's* performance of the *Contract*, but the indemnity shall be reduced proportionally to the extent that the act or omission of the *Purchaser* or its consultants, agents or other contractors (not being employed by the *Supplier*) may have contributed to the injury, death, loss or damage.

This clause shall not apply to:

- a) the extent that the *Supplier's* liability is limited by another provision of the *Contract*; and
- b) exclude any other right of the *Purchaser* to be indemnified by the *Supplier*.

13 Insurance

13.1 Insurance of Equipment

The *Supplier* shall insure the *Equipment* for its replacement value against loss or damage, including loss or damage in transit to the *delivery place*, and if the *Contract* requires the *Supplier* to unload the *Equipment*, also such unloading.

Insurance cover shall be effected by the time stated in *Item 20*. The policy or policies under this subclause shall:

- a) be maintained until risk in the *Equipment* passes to the *Purchaser*;
- b) cover the parties' respective rights, interests and liabilities; and
- c) if required by the *Purchaser*, be in the joint names of the parties.

13.2 Public and product liability insurance

If required in *Item 21(a)*, before commencing the performance of the *Contract*, the *Supplier* shall effect and maintain public liability insurance for the period stated in *Item 21(c)*.

If required in *Item 21(d)*, before commencing the performance of the *Contract*, the *Supplier* shall effect and maintain product liability insurance for the period stated in *Item 21(f)*.

Policies if required, shall:

- a) cover the:
 - i) respective rights and interests; and
 - ii) liabilities to third parties,

of the parties and subcontractors from time to time, whenever performing obligations under the *Contract*;

- b) cover the parties' respective liability to each other for loss or damage to property (other than property required to be insured by subclause 13.1) and the death of or injury to any person (other than liability which the law requires to be covered under a workers compensation insurance policy);
- c) provide insurance cover for an amount in respect of any one occurrence of not less than the sum in *Item 21(b)* or (e) as applicable; and
- d) be with an insurer and otherwise in terms both approved in writing by the *Purchaser* (which approvals shall not be unreasonably withheld).

13.3 Insurance of employees

Before commencing performance of the *Contract*, the *Supplier* shall insure against statutory and common law liability for death of or injury to persons employed by the *Supplier*. The insurance cover shall be maintained for the duration of the *Contract*.

Where permitted by law, the insurance policy or policies shall be extended to provide indemnity for the *Purchaser's* statutory liability to the *Supplier's* employees.

The *Supplier* shall ensure that all subcontractors have similarly insured their employees.

13.4 Proof of Insurance

Whenever requested in writing by the *Purchaser*, the *Supplier* shall provide satisfactory evidence of such insurance effected and maintained.

Insurance shall not limit liabilities or obligations under other provisions of the *Contract*.

If after being so requested, the *Supplier* fails promptly to provide satisfactory evidence of compliance with subclause 13.1, 13.2 or 13.3, then without prejudice to other rights or remedies, the *Purchaser* may insure and the cost thereof shall become moneys due and payable from the *Supplier* to the *Purchaser*. The *Purchaser* may refuse payment until such evidence is produced by the *Supplier*.