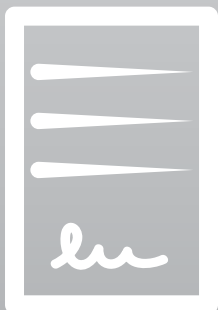


# 4

## Agreeing the contract

### Setting up your business for execution and commercial success.

*"Know what you will and won't agree to in a contract. As a buyer, I prefer to negotiate terms rather than a company signing up to terms that they can't comply with."*



### Important things to do

- Obtain legal advice to review the contract terms.
- Negotiate contract terms. Remember, negotiating contract terms is ok.
- Understand the contract terms regarding intellectual property ownership.
- Understand the following contract items against your accepted proposal:
  - » Scope of work.
  - » Deliverables.
  - » Contract price (both GST inclusive and exclusive amounts).
  - » Payment schedule.
  - » Supplier details – ABN, contact person and details, postal address.
  - » Payment terms.
  - » How performance will be measured.
- Be aware of your responsibilities under the contract including:
  - » What you must deliver by when.
  - » When you can raise an invoice.
  - » Where to send an invoice and what information the invoice must contain.
  - » Confidentiality regarding the project.
  - » Use of the client's logo.
  - » How to terminate the contract
  - » Who can authorize contract changes and whether they need to be done in writing.
  - » Build and maintain relationships with clients and prospective clients.

### Things to remember

#### For particular industries:

- Where you need to scale-up your business to deliver or if you need a guarantee in place to deliver, ensure you have the balance sheet before signing the contract.

#### For government:

- Most government agencies will provide the draft contract with the tender documents. This enables tenderers to submit changes to contract terms as part of their proposal. So it's best to address any contract term issues at the proposal stage and before your business has been awarded the contract.
- Some contract terms, like intellectual property ownership, liabilities and warranties maybe harder to negotiate with government clients.
- Seek legal advice before agreeing to contract terms, if necessary.