

CONTRACT REVIEW CHECKLIST

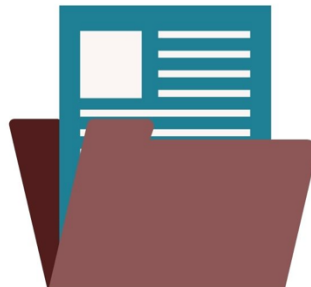
Please note this is a procurement and commercial checklist and is not meant to be legal advice. If unsure, please seek legal advice before entering any contract.



E f f e c t i v e C o n t r a c t M a n a g e m e n t

Contract Review Checklist

D o Y o u K n o w W h a t Y o u A r e
S i g n i n g U p F o r ?





Contract Review Checklist

Detail	What to Consider	Yes/ No	Comments
Do you have all the information you need?	It is prudent to make sure that you have all the information and details before you enter into the negotiation and contracting process.		
Which terms and conditions apply?	If you are agreeing to use your counterparty's terms and conditions, have you read it properly and do the terms and conditions reflect what you agreed?		
Have you negotiated?	You have the right to negotiate. Make sure that the contract reflects the terms and conditions and the risk you can tolerate. If not, make sure you have built enough of a premium into your pricing to manage any adverse risks.		
Are the parties clearly and correctly identified?	Make sure all details are correct.		
Have all the blank items been completed?	Make sure all information is completed and no blank spaces left that have not been crossed out and initialed.		
Are the business terms correct?	Are the payment terms, dates, milestones, contract duration as per what you agreed?		
Are there any areas you do not understand?	If you do not understand something, make sure you get appropriate independent advice.		
Does the contract refer to any documents incorporated that are not attached to the contract?	You need to get copies and review before signing any contract.		



Detail	What to Consider	Yes/ No	Comments
Does your contract have a scope of work and is it correct?	Is the scope clear and precise, is there any grey areas? What is in scope? What is out of scope?		
Is the pricing what you agreed?	It is always good to look at the finer print and make sure that the pricing details are correct. What happens when the scope of the contract changes? Is the pricing fixed or lump sum? Have you built in a variable rate in the event of variations? Have you included an escalation / review mechanism for multi-year contracts or contracts impacted by changes in e.g. raw material pricing / exchange rate?		
Are there any renewal terms included in the agreement?	Make sure if there are any renewals/auto-renewals included in the terms?		
Are the risks clear and understood?	Have you done a risk assessment to identify and evaluate the risks? Have you made sure that your counterparty is not holding you liable for risks that should not be part of your obligations? Do you have the right controls in place to make sure you do not expose your business to risks you cannot control?		
Liability and Indemnity	Do you understand what liabilities you are taking on and what indemnities you are providing to your counterparty? Is there any cap to your liability? Are there any penalties included in the contract for delays or not meeting milestones? What are those and do you have a reasonable		



Detail	What to Consider	Yes/ No	Comments
	chance to comply?		
Do you understand what events can cause default?	It is important to understand what events can cause default under the contract, also make sure that you include time to rectify where possible.		
What are the termination clauses?	Understand how both parties can terminate the contract. Are there any provisions allowing termination for convenience and if so, are your rights adequately protected? Do you need to negotiate an early termination fee?		
What remedies do you have under the contract?	Understand and be clear on your remedies under the contract.		
Dates/deadlines	What are the dates/deadlines are included in the contract – make sure these are correctly reflected and that you can meet these.		
Warranties /representations	What warranties/guarantees and representations are you agreeing to? Are you the recipient of any warranties/representations? What about any third party warranties?		
Confidentiality	Is there any confidential information relevant to the contract? Do you need anyone else to sign a confidentiality deed to make sure that all confidential information remains confidential.		
Intellectual Property	Are your know-how and trade secrets protected? Is there any know-how being developed as a result of this		



Detail	What to Consider	Yes/ No	Comments
	contract? What rights and obligations do you have under the contract? Is your intellectual property adequately protected?		
Disputes	Are there any dispute resolution clauses in the contract?What is the process to follow? Is the dispute resolution mechanism binding or not?		
Governing law	What is the governing law? Watch out for governing laws of other states or countries.		
Variations	How will you deal with changes to the contract? Do they need to be in writing and signed by both parties? Who has authority to approve variations?		
Get advice	Make sure you get appropriate advice if you do not understand any of the terms and conditions.		



Notes

Reminders / To-Do-List



About Ichiban Commercial Solutions:

Ichiban Commercial Solutions deliver a broad range of commercial solutions for our clients, focused on their value proposition and business growth.

The general areas of support include commercial business advisory, procurement and tendering support. However, given our diverse skill set and business experience, we often support our clients across other areas of business

Celia Jordaan, Principal Commercial Consultant founded Ichiban Commercial Solutions in 2015. Celia Jordaan has over 30 years international and corporate experience and worked in the areas of commerce, contract negotiations, complex procurement, tenders, supply chain, contract management, law and risk.

She has managed procurement/supply chain teams and has worked on both sides of the spectrum, both from a company and a contractor/supplier perspective. Her experience and background include working in the mining and resources sector and assisting construction companies, not-for-profits, small and medium business and government project sector clients.

For more information, visit: <https://ichibancommercialsolutions.com.au/>

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