

Letter for Partial Possession

Date:

Letter of the Main Contractor

Dear Sirs,

RE: XXX Project

SECTIONAL COMPLETION BY EMPLOYER

We refer to our discussion today regarding the Employer's intention to get part of the project early possession.

We list here below the terms and conditions for the sectional completion for your agreement:-

1. We have estimated the value of the parts of works which the Employer is going to take early possession (hereinafter called as 'Relevant Part' and the estimated value is around HK\$_____.)
2. The Date for Completion for the Relevant Part is DD/MM/YYYY and starting from that date, the Relevant Part is said to be in the possession of the Employer.
3. Starting from the Date for Possession for the Relevant Part, the following items will be adjusted with reference to the estimated total value of the Relevant Part and the Contract Sum:-
 - a. The Liquidated Damages (LD) for the remaining works will be adjusted and the new rate would be HK\$_____/day.
 - b. The Limit of Retention held for the remaining works will be adjusted to HK\$_____. Therefore, the limit of Retention for the Relevant Part would be HK\$_____.
 - c. The scope of insurance will be adjusted. New insurance policy with premium should be submitted and substantiated by you as soon as possible.
 - d. The bond amount will be adjusted accordingly. New bond has to be arranged and submitted by you as soon as possible before the original bond will be released to you for cancellation.

take possession = deemed to be "substantially / practically completed."

Release of
half of
Retention
DLP
starts.

4. Upon the Date for Possession of the Relevant Part, the Architect will issue a Practical Certificate for the Relevant Part and upon the issuance of that certificate, the following issues will be started:-
 - a. The Architect will issue the Interim Certificate to release half of the Retention for the Relevant Part (HK\$_____).
 - b. The Defects Liability Period for the Relevant Parts will be started and the period will be ___ months as the same for the remaining works.
5. Within the DLP of the Relevant Part, the Architect has right to request the Main Contractor to rectify any defects and to issue a list of Defects which the Main Contractor has the liability to rectify these defects within a reasonable time.
6. Upon the end of the DLP / all defects rectified, the Architect will issue the Defects Rectification Certificate / Certificate for Completion of Making Good Defects. The other half the Retention money will be released to the Main Contractor.
7. We understand that the external finishing and external works to the Relevant Part have not been completed. These will be carried out by the Main Contractor at a later date to be determined by the Employer.
8. As an estimated cost HK\$_____ has been prepared by us for the protective measures and the new rates for the works. The above sum shall be added to the Contract Sum and the value of the original works based on original rates will be deducted from the Contract Sum accordingly. Details please refer to the Appendix 'A' to this letter.
- * 9. The Main Contractor is required to confirm that except the above additional cost, you are not entitled to claim any Extension of Time and Loss and/or Expense pursuant to this agreement.
10. We have verbally agreed with ALL the NSCs and they have confirmed that they have no adverse comment and extra claims for this agreement. Presumably, you will arrange to get consents from your NSCs.

✕ 11. The Main Contractor's attention is drawn that these terms and conditions will not prejudice or vitiate any terms and conditions as stated in the contract for the remaining works.

Should you have any adverse comment / opinion to the above terms and conditions, please contact us within ____ days.. Or otherwise, please sign the duplicate of this letter and return to us within ____ days.

Yours faithfully,
XXX

To be signed and accepted
by the Main Contractor

Date:

To be signed and accepted
by the Employer

Date: