

The NSW Government has agreed on a set of principles when working with the construction industry on key infrastructure projects during the COVID-19 pandemic.

The Office of Local Government encourages councils to adopt these seven principles developed by Infrastructure NSW when dealing with the impacts of COVID-19 on community infrastructure projects.

### Seven principles

1. Contractors are encouraged to talk to their council clients as soon as possible to allow a cooperative approach to mitigation. Conversely, councils should reach out to contractors.
2. Each project will be managed on a case by case basis to address the particular circumstances, and each will require information on the causes behind potential delays, and solutions tailored to the circumstances.
3. Councils will work cooperatively with contractors to seek solutions that maximise the chance of achieving good project outcomes for council, contractor, subcontractors, employees and suppliers.
4. For projects in delivery, councils recognise that COVID-19 may introduce delivery risks that could not have been foreseen, mitigated or priced at the time contracts were executed (noting the commercial arrangements vary).
5. For projects not yet contracted, councils will consider industry feedback and an approach that recognises the risks created by COVID-19 over the upcoming 12 months.
6. As a matter of reciprocity, contractors will be expected to:
  - seek council flexibility and cooperation only for matters related to COVID-19, and not for pre-existing project performance issues or unrelated delays
  - propose changes only to the extent required to mitigate the effects of COVID-19
  - mitigate delays and costs, demonstrate flexibility in doing so, and promptly provide information on anticipated delays and strategies
  - protect and utilise insurance arrangements that can mitigate impacts
  - act cooperatively with other contractors on the project
  - treat subcontractors, consultants and suppliers in a similar manner, and reflect changes in arrangements in those contracts.
7. Discussions and problem solving should occur between council staff (project teams) and contractor project teams, with escalation according to usual mechanisms.