

## **Legislation to Watch Out For - Construction Contracts Bill 2010**

In May 2010, Independent Senator Fergal Quinn introduced the Construction Contracts Bill 2010 to Seanad Eireann as a Private Members Bill. If enacted, the Bill will give more protection to sub- contractors who at present are facing detrimental cash-flow difficulties due the non-payment of debts.

The aim of the Bill is to improve payment practices in the construction industry by providing clarity and transparency in the payment of monies due in construction contracts. This will improve crucial cash-flow to subcontractors such as architects, engineers, carpenters and electricians, thus assisting them to survive and keep their staff in employment.

The Bill will introduce a mechanism whereby prior notice of an intention to withhold sums from payments otherwise due must be given. Otherwise, payments must be made in full and/or the payee may suspend the provision of works and/or services under the construction contract until payment is made in full. Construction contracts can include written or oral or partially written and partially oral terms. Contracts with a residential occupier are specifically excluded.

The draft Bill also aims to reform dispute procedures in the construction industry to make them less costly and less time-consuming and to relieve some pressure on the Courts system.