PART 24 OF THE SCHEDULE

This is Part 24 of the Schedule comprising the Handback Procedure referred to in the Project Agreement relating to the design, financing, and construction of, and the provision of services at Gartnavel Royal Hospital

between

Greater Glasgow Health Board

and

Robertson Health (Gartnavel) Limited
PART 24 OF THE SCHEDULE

HANDBACK PROCEDURE

1  HANDBACK REQUIREMENTS

1.1  In this Agreement, "Handback Requirements" are as follows;

on the Expiry Date, each element of the Facilities shall be in a condition which is:

1.1.1 consistent with due performance by Project Co of the Service Level Specification, the Board's Construction Requirements and the Method Statements for the Services; and

1.1.2 consistent with the Facilities and each of the elements of them having been designed and constructed in accordance with the applicable design life requirements set out in paragraph 3.7.2 of the Board's Construction Requirements.

1.2  Not less than 30 months prior to the Expiry Date, Project Co and the Board's Representative shall conduct a joint inspection of the Facilities.

1.3  Within 30 Business Days after the completion of the inspection, if it is found that any element of the Facilities is not in a condition consistent with the Handback Requirements, Project Co shall forthwith provide to the Board's Representative in accordance with Part 10 of the Schedule (Review Procedure):

1.3.1 Project Co's proposal as to the maintenance works (if any) (the "Handback Works") required to be carried out in respect of the Facilities in order to procure that they will, on the Expiry Date, satisfy the Handback Requirements;

1.3.2 Project Co's proposal as to the programme (the "Handback Programme") for the carrying out of the Handback Works over the remainder of the Project Term, such programme shall describe the total works to be carried out and the method of carrying out such works during the overall period in which the Handback Works are to be executed; and

1.3.3 Project Co's estimate of the cost of carrying out the Handback Works (the "Handback Amount").

The Board's Representative may, within 20 Business Days after receipt of the details set out in paragraph 1.3 from Project Co, raise comments in accordance with paragraph 3.1 of Part 10 of the Schedule (Review Procedure) on Project Co's proposals and estimate referred to in paragraph 1 above.

3  On agreement, or determination in accordance with Part 26 of the Schedule (Dispute Resolution Procedure), of the Handback Works, the Handback
Programme and/or the Handback Amount (as the case may be), Project Co shall procure that the Handback Works are carried out in accordance with the Handback Programme. Project Co shall carry out the Handback Works at its own cost notwithstanding that the actual cost of the Handback Works may be higher than the Handback Amount.

3.2 Subject to paragraph 3.5, Project Co shall within 20 Business Days of the agreement (or determination in accordance with Part 26 of the Schedule (Dispute Resolution Procedure) envisaged in paragraph 3.1, procure the provision of a bond (the “Handback Bond”) in favour of the Board for an amount equal to the Handback Amount from a bank or insurance company authorised to carry out business in the United Kingdom.

3.3 Project Co shall carry out the Handback Works to the satisfaction of the Board’s Representative in accordance with Good Industry Practice and in accordance with the Handback Programme so as to meet the Handback Requirements.

3.4 Notwithstanding:

3.4.1 the agreement of the Board’s Representative to any Handback Works, the Handback Programme or the Handback Amount;

3.4.2 the participation of the Board’s Representative in any inspection under this Part 24 of the Schedule; and/or

3.4.3 the complete or partial carrying out of the Handback Works,

Project Co shall not be relieved or absolved from any obligation to conduct any other inspection or to perform any other works in accordance with the Service Level Specification and Method Statement for the Services.

3.5 Project Co may elect by notice in writing to the Board to opt not to procure a Handback Bond as set out in paragraph 3.2, in which case from the date the Handback Works are scheduled to commence, the Board shall be entitled to withhold up to 30% of each Monthly Service Payment up to the amount of the Handback Amount (“Withheld Amount”).

4.1 Not later than 60 Business Days before the Expiry Date, Project Co and the Board’s Representative shall conduct a joint inspection of the Facilities. Such inspection shall confirm whether or not the condition of the Facilities is in accordance with paragraph 1 above.

4.2 On, or within 10 Business Days after, the Expiry Date, the Board’s Representative shall either:

4.2.1 issue to Project Co a Handback Certificate; or

4.2.2 notify Project Co of its decision not to issue the Handback Certificate stating the reasons for such decision.
4.3 Any notice given by the Board's Representative in accordance with paragraph 4.2.2 shall set out each respect in which the Handback Works have not been completed or the Facilities do not comply with the Handback Requirements and shall state the Board's Representative's estimate of the cost of procuring that the Facilities comply in all respects with the Handback Requirements.

4.4 Project Co may, within 10 Business Days after receipt of the notice given in accordance with paragraph 4.2.2 by notice to the Board's Representative, object to any matter set out in the Board's Representative's notice. The notice from Project Co shall give details of the grounds of such objection and shall set out Project Co's proposals in respect of such matters.

4.5 If no agreement is reached between Project Co and the Board's Representative as to any matter referred to in Project Co's notice given in accordance with paragraph 4.4 within 15 Business Days of receipt of that notice by the Board's Representative, then either Project Co or the Board's Representative may refer the matter for determination in accordance with Part 26 of the Schedule (Dispute Resolution Procedure) as to:

4.5.1 whether the Facilities comply in all respects with the Handback Requirements; and

4.5.2 the estimated cost of procuring that the Facilities comply in all respects with the Handback Requirements, where the Facilities do not comply in all respects with the Handback Requirements.

If it is agreed or determined in accordance with Part 26 of the Schedule (Dispute Resolution Procedure) that the Facilities did not, at the Expiry Date, comply in all respects with the Handback Requirements, Project Co shall pay to the Board an amount equal to the estimated cost of completing such Handback Works or procuring that the Facilities comply in all respects with the Handback Requirements. Such payment shall be made not later than 10 Business Days after the estimated cost has been agreed or determined and, upon such payment being received by the Board, the Board's Representative shall issue the Handback Certificate and return the Handback Bond or pay the Withheld Amount (as appropriate) to Project Co.