

ADJUDICATION CASE SUMMARIES U



LAST UPDATED 30th APRIL 2006

Universal Music Operations Ltd v Flairnote Ltd [2000] EWHC HTT 00/224 (TCC)

Universal concluded a construction management contract with Sulzer for the refurbishment of property in London. Sulzer had already fulfilled this role in relation to a smaller project. Sulzer in turn arranged for Flairnote to carry out the work. Mr Howle, company secretary for Universal appears to have been taken by the concept of "*a one stop shop*" arrangement whereby Sulzer would carry out the project in its own name and be reimbursed by Universal for expenditure. Sulzer prepared the contract papers which led to the conclusion of a JCT IFC 1998 form contract becoming the basis of arrangements with Flairnote. It took some further time before LADs were finally agreed. The contract was never executed or finally signed by Flairnote but the parties conducted affairs as if the contract had been concluded and at one stage discussions took place as to whether or not Sulzer would determine the contract.

In this action Universal sought a declaration that they were not party to a construction contract with Flairnote and as Part 20 Defendants Sulzer sought a declaration that they were not the principal parties to a construction contract with Flairnote.

Having reviewed correspondence and minutes of meetings and the reviewed the terms of the IFC contract Wilcox J determined that the tripartite contractual arrangements were that Sulzer was engaged as project managers, that Universal was the employer and Flairnote the contractor under a contract subject to the HGCRA. Whilst the management contract has the effect of a one stop shop for administrative purposes, it does not for the purposes of contractual relationships. Furthermore, it is to be noted that Howle in fact played a central role in all contract negotiations with Flairnote.

His Honour Judge David Wilcox. TCC. 24th August 2000.