

# The PS2000 Standard Contract for software development

## A tool for the execution of IT projects



### THE NORWEGIAN COMPUTER SOCIETY

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The PS2000 Standard Contract was developed under the research program Project 2000, carried out in alliance between the Norwegian University of Science and Technology (NTNU) and leading industry and public administration.

The Norwegian Computer Society took over the responsibility for maintenance and further development of the standard contract. This edition represents the third version of the standard contract, updated to the second revision, including minor corrections and alterations, described in the Norwegian user guide to the PS2000 Standard Contract. In Part 3 the changes are not revision marked since the only change is the collection of table of indexes in the beginning of the document. All earlier changes are revision marked in revision 3.01.

The standard contract is meant to be used when the requirements are difficult to define in detail in advance.

The main elements of the standard contract are:

- Increasing efficiency of the procurement and tender processes
- Based on documented "Best practice"
- Tools for managing uncertainty
- Stage by stage, iterative development based execution model
- Close co-operation between supplier and customer
- Incentives and sanctions in combination with target pricing
- Procedures for conflict resolution with an expert as a mediator

The main changes in the third edition are:

- The payment model has been changed such that only the solution description and the construction phase are included in the target price
- The acceptance and completion phase is now fixed priced
- A separate, fixed price is also amended for the warranty period
- The basis for calculation of incentives and sanctions shall be finally calculated after execution of the acceptance and completion phase, based on the average hourly rate
- The uncertainty matrix shall be updated after the solution description phase
- Requirements for the content and execution of the system testing are defined
- Acceptance criteria are simplified and given a textual description
- The parties may choose between arbitration or public court proceedings
- The rules for assigning the contract to another party have been changed
- Annex D (payment) has been developed further and conditions are described in more detail
- Annex E (warranty and maintenance) is revised and simplified

The version 3.1 in addition includes provisions regarding wages and working conditions, free software and personal data requirements.

The contract consists of three parts:

The Customer and Supplier are defined in the [Part 1](#), Contract Document, which also states the order of priority between Part 1, Part 2 and the annexes in Part 3.

The General Provisions are stated in [Part 2](#). The objective of Part 2 is to govern the rights and obligations of the parties in relation to the Delivery of software, including any adaptations, services and associated hardware as specified in separate annexes (Part 3) to the Contract.

[Part 3](#) consists of all the specific annexes.