

# TTCC framework

## Limiting liability in ICT contracts

The TTCC framework adopts a risk based approach to limiting liability in ICT contracts. Liability caps should be determined on a contract by contract basis, depending on the risk profile of each individual procurement. The information detailed below is guidance information only and should not replace legal advice.

### Assessing risk

Undertaking a risk assessment during the planning stage of your procurement is essential. The risk profile of your procurement is an important factor to help you decide:

- which TTCC contract type to use;
- if limiting liability is suitable; and
- if you are going to limit liability, what an appropriate liability cap model might be.

See the **Resources** section for tools to help you assess risk.

### Liability cap models

In the TTCC framework, the General and Comprehensive contract types do not prescribe any particular cap on parties' liability.

There are a number of options available to cap liability. These include:

- a) A specific dollar amount (excluding GST).
- b) A multiple of the 'price payable' or a multiple of the contract value (known as a multiplier).
- c) The greater of a specific dollar amount or a multiplier.

It is generally recommended that a dollar value be specified or a combination of the greater of a specific dollar amount or a multiplier.

### Using a multiplier

A multiplier model is appropriate for some procurements. For example, you could consider using a multiplier if you are using the General Contract type.

Capping liability to a multiplier should only be used in circumstances where the total price payable or contract value can be determined.

### Liabilities that cannot be capped

Under the General and Comprehensive Conditions, there are some liabilities that should not be capped. For example, liabilities in relation to personal injury, including sickness and death; or infringement of IP rights. Additional details and guidance can be found Part B of the [TTCC Framework User Guide](#).

### Resources

A number of tools are available in the [Contracts section of the Purchasing website](#) to assist you in assessing risk and determining liability, including:

- TTCC Decision Tool
- TTCC Framework User Guide
- ICT Risk Matrix