



## WHAT THEY DO

TGW Ltd is one of the UK's leading logistics companies. Based in Leicestershire, the company designs, manufactures and installs materials handling integration systems on behalf of major UK retailers and manufacturers. TGW's supply chain experts work with companies to help them improve the efficiency and effectiveness of their material handling systems. Its industry-leading expertise enables companies to make best use of space at distribution centres, boost performance and lower operating costs.

## BACKGROUND

In 2011 TGW Ltd won a contract to provide a complete materials handling system at a new distribution facility operated by online retail specialist Ocado, part of Waitrose. The company was chosen on the basis of its proven track record with a wide range of retail companies. The materials handling integration system for Ocado would be based at the online retailer's operational facility at Hemel Hempstead in Hertfordshire. TGW Ltd would, design, manufacture and install all aspects of the materials handling system. This major new business venture required the negotiation of a detailed materials handling integration contract - setting out the rights, obligations and responsibilities of both parties. Roythornes was appointed to handle all aspects of contract negotiation on behalf of TGW Ltd.

## SOLUTION

Roythornes commercial contracts specialist Martin Jinks has represented TGW Ltd in its contract negotiations with Ocado since March 2011.

The contract which has been agreed provides both parties with clearly agreed rules and procedures governing all eventualities which might arise during delivery of the contract.

This includes a detailed agreement on what the materials handling system involves and test documentation to demonstrate that the system works effectively.

The contract also sets out what liabilities apply should delivery not be achieved or if agreed deadlines are missed.

Other issues covered include: design liability, completion and performance testing, hand-over procedures, software licensing, collateral warranties for funders and tenants, performance bonds and downstream passing of risks to contractors.

## RESULTS

Roythornes specialist expertise in supply chain contracts has been of great benefit to TGW Ltd in its negotiations with Ocado.

Roythornes team has helped TGW Ltd to effectively manage its contractual risks. Both parties to the contract now have a clear and agreed set of rights, obligations and responsibilities set out in contract form.

Roythornes continues to advise TGW Ltd on other contracts currently being negotiated with major retail and manufacturing companies.

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