



## supply contract



June 2017

For BCP council use only to expire February 2024.





# Supply Contract

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This contract should be used for local and international procurement of high value goods and related services including design

## **An NEC document**

**June 2017**

**(with amendments October 2020)**

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### **The Government Construction Board, Cabinet Office UK**

The Government Construction Board (formerly Construction Clients' Board) recommends that public sector organisations use the NEC contracts and in particular the NEC4 contracts where appropriate, when procuring construction. Standardising use of this comprehensive suite of contracts should help to deliver efficiencies across the public sector and promote behaviours in line with the principles of the Government Construction Strategy.

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### **The Development Bureau, HKSAR Government**

The Development Bureau recommends the progressive transition from NEC3 to NEC4 in public works projects in Hong Kong. With suitable amendments to adapt to the Hong Kong local environment, NEC4 is expected to further enhance collaborative partnering, unlock innovations and achieve better cost management and value for money in public works projects.

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NEC is a division of Thomas Telford Ltd, which is a wholly owned subsidiary of the Institution of Civil Engineers (ICE), the owner and developer of the NEC.

The NEC is a suite of standard contracts, each of which has these characteristics:

- Its use stimulates good management of the relationship between the two parties to the contract and, hence, of the work included in the contract.
- It can be used in a wide variety of commercial situations, for a wide variety of types of work and in any location.
- It is a clear and simple document – using language and a structure which are straightforward and easily understood.

NEC4 Supply Contract is one of the NEC suite and is consistent with all other NEC4 documents. Also available are User Guides and Flow Charts.

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# Foreword

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Continuous improvement in project delivery is required to build confidence in the UK construction sector so that we can attract more investment. The Infrastructure and Projects Authority (IPA) is the government's centre of expertise for infrastructure and major projects. We sit at the heart of government, reporting to the Cabinet Office and HM Treasury.

The application of the right contract is central to the success of the overall project delivery system. The NEC suite of contracts has been in existence for over the 20 years and has linked the projects, people and processes together to create the correct environment for successful delivery.

This new and updated NEC4 contract embraces the digital changes that are happening in the construction industry, especially around BIM, which I believe will be central to creating a step change in performance. Whilst looking forward it also builds on the fundamentals required for an effective contract.

The use of NEC4 on public sector projects will help to deliver the Government Construction Strategy as we seek to improve central government's capability as a construction client to deliver further savings in the order of £1.7bn across the Government estate. The IPA looks forward to collaborating with industry to make the delivery of projects more efficient and effective.

**Tony Meggs, Chief Executive, Infrastructure and Projects Authority**



Infrastructure  
and Projects  
Authority

Reporting to Cabinet Office  
and HM Treasury





# Preface

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NEC was first published as a new and innovative way of managing construction contracts in 1993 – some 24 years ago. It was designed to facilitate and encourage good management of risks and uncertainties, using clear and simple language.

The NEC approach to managing contracts was endorsed in “Constructing the team – The Latham Report”, which was a government/industry review of procurement and contractual arrangements in the UK construction industry. This led to a second edition in 1995 incorporating the further recommendations of that review. This contract was used increasingly in the UK and overseas, and a major revision was made with the third edition in 2005.

NEC has played a part in helping the industry do things differently and better. It has done so by introducing effective project management procedures into the contract itself. These require pro-active management of risk and change, and the day-to-day use of an up-to-date programme. The range of pricing options has given Clients flexibility in the allocation of risk and the ability to share risk and manage it, collaboratively.

The NEC suite has evolved over three decades, embedding consultation responses and user feedback, and reflecting industry development, including new procurement approaches and management techniques such as alliances, management of information (BIM) and supply chain engagement. This feedback and the new procurement approaches formed the driver for the development of the next generation contracts and the launch of NEC4.

There were three key objectives in drafting NEC4:

- provide greater stimulus to good management
- support new approaches to procurement which improve contract management and
- inspire increased use of NEC in new markets and sectors.

It was to be evolution, not revolution.

Some features of NEC4 include:

- a new design build and operate contract to allow flexibility between construction and operational requirements in timing and extent
- a new multi-party alliance contract based upon an integrated risk and reward model
- new forms of subcontract to improve integration of the supply chain.

Further enhancements include:

- finalising cost elements during the contract
- incorporating a party-led dispute avoidance process into the adjudication process
- increasing standardisation between contracts and
- providing enhanced guidance to give greater practical advice to users.

NEC has always been known for its innovative approach to contract management, and this revision continues that approach. No other contract suite has had such a transformative effect on the built environment industry as NEC. It has put the collaborative sharing of risk and reward at the heart of modern procurement. It is also unique in providing a complete, back-to-back procurement solution for all works, services and supplies in any sector and any country.

NEC4 continues to set the benchmark for best practice procurement worldwide.

**Peter Higgins BSc (Hons), CEng, FICE**  
**Chair of NEC4 Contract Board**



# Acknowledgements

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The original NEC was designed and drafted by Dr Martin Barnes then of Coopers and Lybrand with the assistance of Professor J. G. Perry then of the University of Birmingham, T. W. Weddell then of Travers Morgan Management, T. H. Nicholson, Consultant to the Institution of Civil Engineers, A. Norman then of the University of Manchester Institute of Science and Technology and P. A. Baird, then Corporate Contracts Consultant, Eskom, South Africa.

This fourth edition of the NEC suite was produced by the Institution of Civil Engineers through its NEC4 Contract Board.

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# Amendments

## JANUARY 2019

The following amendments have been made to the June 2017 edition.

Page	Clause/location	Amendments
9	26.1	Clause amended
20	63.7	Clause amended
25	90.2	Clause amended
27	94.1(1)	Clause amended
37	Y1.1(2)	Clause amended
37	Y1.1(3)	Clause amended
41	Contract Data Part one: General	Preamble amended
43	Contract Data Part one: Section 8 liabilities and insurance	Entry for the second insurance amended
49	Contract Data part one	Additional entry for Y(UK)1: Project Bank Account added
	Trust Deed	Trust Deed deleted
	Joining Deed	Joining Deed deleted

Full details of these amendments can be found at [www.neccontract.com](http://www.neccontract.com).

## OCTOBER 2020

The following amendments have been made to the June 2017 edition.

Page	Clause/location	Amendments
31	X7.1	Clause amended
32	X10.7(1)	Clause amended
32	X10.7(2)	Clause amended
37	Y(UK)1	Clause amended
41	Contract Data Part One: General	Preamble amended

Full details of these amendments can be found at [www.neccontract.com](http://www.neccontract.com).

# Schedule of Options

**OPTIONS** The following Options should be considered. It is not necessary to use any of them. Any combination other than those stated may be used.

Option X1	Price adjustment for inflation
Option X2	Changes in the law
Option X3	Multiple currencies
Option X4	Ultimate holding company guarantee
Option X7	Delay damages
Option X10	Information modelling
Option X11	Termination by the <i>Purchaser</i>
Option X12	Multiparty collaboration (not used with Option X20)
Option X13	Performance bond
Option X14	Advanced payment to the <i>Supplier</i>
Option X17	Low performance damages
Option X18	Limitation of liability
Option X20	Key Performance Indicators (not used with Option X12)
Option X21	Whole life cost
Option X25	<i>Supplier</i> warranties

The following Options dealing with national legislation should be included if required.

Option Y(UK)1	Project Bank Account
Option Y(UK)3	The Contracts (Rights of Third Parties) Act 1999

Option Z *Additional conditions of contract*

Note Options X5–X6, X8–X9, X15–X16, X19 and X22–X24 are not used



# Core Clauses

## 1. GENERAL

Actions	10	
	10.1	The Parties and the <i>Supply Manager</i> shall act as stated in this contract.
	10.2	The Parties and the <i>Supply Manager</i> act in a spirit of mutual trust and co-operation.
Identified and defined terms	11	
	11.1	In these <i>conditions of contract</i> , terms identified in the Contract Data are in italics and defined terms have capital initials.
	11.2	(1) The Accepted Programme is the programme identified in the Contract Data or is the latest programme accepted by the <i>Supply Manager</i> . The latest programme accepted by the <i>Supply Manager</i> supersedes previous Accepted Programmes.
		(2) The Contract Date is the date when the contract came into existence.
		(3) A Corrupt Act is
		<ul style="list-style-type: none"> <li>the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust or</li> <li>abusing any entrusted power for private gain</li> </ul>
		in connection with this contract or any other contract with the <i>Purchaser</i> . This includes any commission paid as an inducement which was not declared to the <i>Purchaser</i> before the Contract Date.
		(4) A Defect is
		<ul style="list-style-type: none"> <li>a part of the <i>goods</i> or <i>services</i> which is not in accordance with the Scope or</li> <li>a part of the <i>goods</i> designed by the <i>Supplier</i> which is not in accordance with the applicable law or the <i>Supplier's</i> design which the <i>Supply Manager</i> has accepted.</li> </ul>
		(5) Defined Cost is the cost of the components in the Schedule of Cost Components.
		(6) Delivery is when the <i>Supplier</i> has
		<ul style="list-style-type: none"> <li>done all the work which the Scope states is to be done by the Delivery Date,</li> <li>corrected Defects which would have prevented the <i>Purchaser</i> from using the <i>goods</i> or <i>services</i> or Others from doing their work and</li> <li>provided a warranty required by these <i>conditions of contract</i>.</li> </ul>
		If the work which the <i>Supplier</i> is to do by the Delivery Date is not stated in the Scope, Delivery is when the <i>Supplier</i> has done all the work necessary for the <i>Purchaser</i> to use the <i>goods</i> and <i>services</i> and for Others to do their work and has provided a warranty required by these <i>conditions of contract</i> .
		(7) The Delivery Date is the <i>delivery date</i> unless later changed in accordance with the contract.
		(8) The Delivery Place is the delivery place stated in the Supply Requirements.
		(9) The Early Warning Register is a register of matters which are
		<ul style="list-style-type: none"> <li>listed in the Contract Data for inclusion and</li> <li>notified by the <i>Supply Manager</i> or the <i>Supplier</i> as early warning matters.</li> </ul>

It includes a description of the matter and the way in which the effects of the matter are to be avoided or reduced

(10) Equipment is items provided and used by the *Supplier* which the Scope does not require the *Supplier* to include in the *goods* and which is used

- within the Delivery Place or
- to transport the *goods* to the Delivery Place.

(11) The Fee is the amount calculated by applying the *fee percentage* to the amount of Defined Cost

(12) Others are people or organisations who are not the *Purchaser*, the *Supply Manager*, the *Adjudicator*, the *Supplier* or any employee, Subcontractor or supplier of the *Supplier*.

(13) The Parties are the *Purchaser* and the *Supplier*.

(14) Plant and Materials are intended to be included in the *goods*.

(15) The Price for Goods and Services Provided to Date is the total of

- the Price for each lump sum item in the Price List which the *Supplier* has completed and
- where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the *Supplier* has completed by the rate.

A completed item or quantity is one without notified Defects.

(16) The People Rates are the *people rates* unless later changed in accordance with the contract.

(17) The Prices are the amounts stated in the Price column of the Price List. Where a quantity is stated for an item in the Price List, the Price is calculated by multiplying the quantity by the rate.

(18) The Price List is the *price list* unless later changed in accordance with these *conditions of contract*. The Price List includes a statement of the method and rules used to compile it.

(19) To Provide the Goods and Services means to do the work necessary to supply the *goods* and *services* in accordance with the contract and all incidental work, services and actions which the contract requires.

(20) Scope is information which

- specifies and describes the *goods* and *services* or
- states any constraints on how the *Supplier* Provides the Goods and Services

and is either

- in the documents which the Contract Data states it is in or
- in an instruction given in accordance with the contract.

(21) A Subcontractor is a person or organisation who has a contract with the *Supplier* to provide part of the *goods* and *services* except for the

- hire of Equipment
- supply of Plants and Materials which have not been wholly or partially designed specifically for the *goods* or
- supply of people paid for by the *Supplier* according to the time they work.



(22) Supply Requirements is information which forms part of the Scope and

- describes the *Purchaser's* requirements in connection with the supply of the *goods*,
- states the delivery place,
- describes the requirements for transport of the *goods* and
- describes other information to be provided by the *Supplier* in connection with the supply of the *goods*.

## Interpretation and the law

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- 12.1 In the contract, except where the context shows otherwise, words in the singular also mean in the plural and the other way around.
- 12.2 The contract is governed by the *law of the contract*.
- 12.3 No change to the contract, unless provided for by these *conditions of contract*, has effect unless it has been agreed, confirmed in writing and signed by the Parties.
- 12.4 The contract is the entire agreement between the Parties.
- 12.5 In these *conditions of contract*, each reference and clause relevant to Delivery and the Delivery Date applies to each Delivery and its Delivery Date.

## Communications

13

- 13.1 Each communication which the contract requires is communicated in a form which can be read, copied and recorded. Writing is in the *language of the contract*.
- 13.2 If the Scope specifies the use of a communication system, a communication has effect when it is communicated through the communication system specified in the Scope.
- If the Scope does not specify a communication system a communication has effect when it is received at the last address notified by the recipient for receiving communications or, if none is notified, at the address of the recipient stated in the Contract Data.
- 13.3 If the contract requires the *Supply Manager* or the *Supplier* to reply to a communication, unless otherwise stated in these *conditions of contract*, they reply within the *period for reply*.
- 13.4 The *Supply Manager* replies to a communication submitted or resubmitted by the *Supplier* for acceptance. If the reply is not acceptance, the *Supply Manager* states the reasons in sufficient detail to enable the *Supplier* to correct the matter. The *Supplier* resubmits the communication within the *period for reply* taking account of these reasons. A reason for withholding acceptance is that more information is needed in order to assess the *Supplier's* submission fully.
- 13.5 The *Supply Manager* may extend the period for reply to a communication if the *Supply Manager* and the *Supplier* agree to the extension before the reply is due. The *Supply Manager* informs the *Supplier* of the extension which has been agreed.
- 13.6 The *Supply Manager* issues certificates to the *Supplier* and the *Purchaser*.
- 13.7 A notification or certificate which the contract requires is communicated separately from other communications.
- 13.8 The *Supply Manager* may withhold acceptance of a submission by the *Supplier*. Withholding acceptance for a reason stated in these *conditions of contract* is not a compensation event.

## The Supply Manager

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- 14.1 The *Supply Manager's* acceptance of a communication from the *Supplier* or acceptance of the work does not change the *Supplier's* responsibility to Provide the Goods and Services or liability for its design.
- 14.2 The *Supply Manager*, after notifying the *Supplier*, may delegate any of their actions and may cancel any delegation. The notification contains the name of the delegate and details of the actions being delegated or any cancellation of delegation. A reference to an action of the *Supply Manager* in the contract includes an action by their delegate. The *Supply Manager* may take an action which they have delegated.
- 14.3 The *Supply Manager* may give an instruction to the *Supplier* which changes the Scope.

- 14.4 The *Purchaser* may replace the *Supply Manager* after notifying the *Supplier* of the name of the replacement.
- 14.5 The *Supply Manager* gives an instruction to correct a mistake in the Price List which is
- a departure from the method and rules stated in the Price List and used to compile it or
  - due to an ambiguity or inconsistency.

## Early warning

- 15
- 15.1 The *Supplier* and the *Supply Manager* give an early warning by notifying the other as soon as either becomes aware of any matter which could
- increase the total of the Prices,
  - delay Delivery,
  - impair the performance of the *goods* in use or
  - impair the usefulness of the *services* to the *Purchaser*.
- The *Supply Manager* or the *Supplier* may give an early warning by notifying the other of any other matter which could increase the *Supplier's* total cost. The *Supply Manager* enters early warning matters in the Early Warning Register. Early warning of a matter for which a compensation event has previously been notified is not required.
- 15.2 The *Supply Manager* prepares a first Early Warning Register and issues it to the *Supplier* within one week of the *starting date*. The *Supply Manager* instructs the *Supplier* to attend a first early warning meeting within two weeks of the *starting date*.
- Later early warning meetings are held
- if either the *Supply Manager* or *Supplier* instructs the other to attend an early warning meeting, and, in any case,
  - at no longer interval than the interval stated in the Contract Data until the last Delivery.
- The *Supply Manager* or the *Supplier* may instruct the other people to attend an early warning meeting if the other agrees.
- A Subcontractor attends an early warning meeting if its attendance would assist in deciding the actions to be taken.
- 15.3 At an early warning meeting, those who attend co-operate in
- making and considering proposals for how the effects of each matter in the Early Warning Register can be avoided or reduced,
  - seeking solutions that will bring advantage to all those who will be affected,
  - deciding on the actions which will be taken and who, in accordance with the contract, will take them,
  - deciding which matters can be removed from the Early Warning Register and
  - reviewing actions recorded in the Early Warning Register and deciding if different actions need to be taken and who, in accordance with the contract will take them.
- 15.4 The *Supply Manager* revises the Early Warning Register to record the decisions made at each early warning meeting and issues the revised Early Warning Register to the *Supplier* within one week of the early warning meeting. If a decision needs a change to the Scope, the *Supply Manager* instructs the change at the same time as the revised Early Warning Register is issued

<b>Supplier's proposals</b>	<b>16</b>	
	16.1	The <i>Supplier</i> may propose to the <i>Supply Manager</i> that the Scope provided by the <i>Purchaser</i> is changed in order to reduce the amount the <i>Purchaser</i> pays to the <i>Supplier</i> for Providing the Goods and Services. The <i>Supply Manager</i> consults with the <i>Purchaser</i> and the <i>Supplier</i> about the change.
	16.2	<p>Within four weeks of the <i>Supplier</i> making the proposal the <i>Supply Manager</i></p> <ul style="list-style-type: none"> <li>accepts the <i>Supplier's</i> proposal and issues an instruction changing the Scope,</li> <li>informs the <i>Supplier</i> that the <i>Purchaser</i> is considering the proposal and instructs the <i>Supplier</i> to submit a quotation for a proposed instruction to change the Scope or</li> <li>informs the <i>Supplier</i> that the proposal is not accepted.</li> </ul> <p>The <i>Supply Manager</i> may give any reason for not accepting the proposal.</p>
<b>Requirements for instructions</b>	<b>17</b>	
	17.1	The <i>Supply Manager</i> or the <i>Supplier</i> notifies the other as soon as either becomes aware of an ambiguity or inconsistency in or between the documents which are part of the contract. The <i>Supply Manager</i> states how the ambiguity or inconsistency should be resolved.
	17.2	The <i>Supply Manager</i> or the <i>Supplier</i> notifies the other as soon as either becomes aware that the Scope includes an illegal or impossible requirement. If the Scope does include an illegal or impossible requirement the <i>Supply Manager</i> gives an instruction to change the Scope appropriately.
<b>Corrupt Acts</b>	<b>18</b>	
	18.1	The <i>Supplier</i> does not do a Corrupt Act.
	18.2	The <i>Supplier</i> takes action to stop a Corrupt Act of a Subcontractor or supplier of which it is, or should be, aware.
	18.3	The <i>Supplier</i> includes equivalent provisions to these in subcontracts and contracts for the supply of Plant and Materials and Equipment.
<b>Prevention</b>	<b>19</b>	
	19.1	<p>If an event occurs during transport of the <i>goods</i> to the Delivery Place which</p> <ul style="list-style-type: none"> <li>stops Delivery of the whole of the <i>goods</i> and <i>services</i> or</li> <li>stops the <i>Supplier</i> completing the whole of the <i>goods</i> and <i>services</i> by the date for planned Delivery shown on the Accepted Programme,</li> </ul> <p>and which</p> <ul style="list-style-type: none"> <li>neither Party could prevent and</li> <li>an experienced supplier would have judged at the Contract Date to have such a small chance of occurring that it would have been unreasonable to have allowed for it,</li> </ul> <p>the <i>Supply Manager</i> gives an instruction to the <i>Supplier</i> stating how the event is to be dealt with.</p>

## 2. THE SUPPLIER'S MAIN RESPONSIBILITIES

<b>Providing the Goods and Services</b>	<b>20</b>	
	20.1	The <i>Supplier</i> Provides the Goods and Services in accordance with the Scope.
<b>The <i>Supplier's</i> design</b>	<b>21</b>	
	21.1	The <i>Supplier</i> designs the <i>goods</i> and <i>services</i> except for those parts which the Scope states the <i>Purchaser</i> designs.
	21.2	The <i>Supplier</i> submits the particulars of its design carried out wholly or partially specifically for the <i>goods</i> as the Scope requires to the <i>Supply Manager</i> for acceptance. A reason for not accepting the <i>Supplier's</i> design is that it does not comply with either the Scope or the applicable law.  The <i>Supplier</i> does not proceed with the relevant work until the <i>Supply Manager</i> has accepted the particulars of its design.
	21.3	The <i>Supplier</i> may submit particulars of its design for acceptance in parts if each part can be assessed fully.
<b>Using the <i>Supplier's</i> design and services</b>	<b>22</b>	
	22.1	The <i>Purchaser</i> may use and copy the <i>Supplier's</i> design carried out wholly or partially specifically for the <i>goods</i> and use the <i>services</i> for any purpose connected with use or alteration of the <i>goods</i> and <i>services</i> unless otherwise stated in the Scope and for other purposes as stated in the Scope.
<b>Working with the <i>Purchaser</i> and Others</b>	<b>23</b>	
	23.1	The <i>Supplier</i> co-operates with Others in obtaining and providing information which they need in connection with the <i>goods</i> and <i>services</i> .
	23.2	The <i>Purchaser</i> and the <i>Supplier</i> provide services and other things as stated in the Scope. Any cost incurred by the <i>Purchaser</i> as a result of the <i>Supplier</i> not providing the services and other things which it is to provide is assessed by the <i>Supply Manager</i> and paid by the <i>Supplier</i> .
<b>Subcontracting</b>	<b>24</b>	
	24.1	If the <i>Supplier</i> subcontracts work, it is responsible for Providing the Goods and Services as if it had not subcontracted. The contract applies as if a Subcontractor's employees and equipment were the <i>Supplier's</i> .
	24.2	The <i>Supplier</i> submits the name of each proposed Subcontractor to the <i>Supply Manager</i> for acceptance. A reason for not accepting the Subcontractor is that the appointment will not allow the <i>Supplier</i> to Provide the Goods and Services. The <i>Supplier</i> does not appoint a proposed Subcontractor until the <i>Supply Manager</i> has accepted the Subcontractor.
<b>Other responsibilities</b>	<b>25</b>	
	25.1	The <i>Supplier</i> obtains approval of its design from Others where necessary.
	25.2	The <i>Supplier</i> provides access to work being done for the contract for <ul style="list-style-type: none"> <li>the <i>Supply Manager</i> and</li> <li>Others as named by the <i>Supply Manager</i></li> </ul> subject to the restrictions stated in the Contract Data. The <i>Supplier</i> does not restrict the <i>Supply Manager's</i> right to watch any test done by the <i>Supplier</i> which is required by the Scope or the applicable law.
	25.3	The <i>Supplier</i> obeys an instruction which is in accordance with the contract and is given by the <i>Supply Manager</i> .
	25.4	The <i>Supplier</i> acts in accordance with the health and safety requirements stated in the Scope.
	25.5	The <i>Supplier</i> obtains permission from Others where necessary before transporting the <i>goods</i> to the Delivery Place.

Assignment	26	
	26.1	Either Party notifies the other Party if they intend to transfer the benefit of the contract or any rights under it. The <i>Purchaser</i> does not transfer a benefit or any rights if the party receiving the benefit or right does not intend to act in a spirit of mutual trust and co-operation.
Disclosure	27	
	27.1	The Parties do not disclose information obtained in connection with the <i>goods</i> and <i>services</i> except when necessary to carry out their duties under the contract.
	27.2	The <i>Supplier</i> may publicise the <i>goods</i> and <i>services</i> only with the <i>Purchaser's</i> agreement.

### 3. TIME

<b>Starting and Delivery</b>	<b>30</b>	
	30.1	The <i>Supplier</i> does not start work until the <i>starting date</i> and does the work so that Delivery is on or before the Delivery Date.
	30.2	The <i>Supplier</i> does not bring the <i>goods</i> to the Delivery Place more than one week before the Delivery Date if it is stated in the Contract Data that it may not do so.
<b>The programme</b>	<b>31</b>	
	31.1	If a programme is not identified in the Contract Data, the <i>Supplier</i> submits a first programme to the <i>Supply Manager</i> for acceptance within the period stated in the Contract Data.
	31.2	The <i>Supplier</i> shows on each programme submitted for acceptance <ul style="list-style-type: none"> <li>the <i>starting date</i> and Delivery Date,</li> <li>planned Delivery,</li> <li>the order and timing of the operations which the <i>Supplier</i> plans to do in order to Provide the Goods and Services,</li> <li>the dates when, in order to Provide the Goods and Services, the <i>Supplier</i> will need <ul style="list-style-type: none"> <li>access to the <i>Purchaser's</i> premises,</li> <li>acceptances and</li> <li>Plant and Materials and other things to be provided by the <i>Purchaser</i>,</li> </ul> </li> <li>the dates when the <i>Supplier</i> plans to conduct acceptance tests or inspections required by the Scope and</li> <li>other information which the Scope requires the <i>Supplier</i> to show on a programme submitted for acceptance.</li> </ul> <p>A programme issued for acceptance is in the form stated in the Scope.</p>
	31.3	Within two weeks of the <i>Supplier</i> submitting a programme for acceptance, the <i>Supply Manager</i> notifies the <i>Supplier</i> of the acceptance of the programme or the reasons for not accepting it. A reason for not accepting a programme is that <ul style="list-style-type: none"> <li>the <i>Supplier's</i> plans which it shows are not practicable,</li> <li>it does not show the information which the contract requires,</li> <li>it does not represent the <i>Supplier's</i> plans realistically or</li> <li>it does not comply with the Scope.</li> </ul> <p>If the <i>Supply Manager</i> does not notify acceptance or non-acceptance within the time allowed, the <i>Supplier</i> may notify the <i>Supply Manager</i> of that failure. If the failure continues for a further one week after the <i>Supplier's</i> notification, it is treated as acceptance by the <i>Supply Manager</i> of the programme.</p>
<b>Revising the programme</b>	<b>32</b>	
	32.1	The <i>Supplier</i> shows on each revised programme <ul style="list-style-type: none"> <li>the actual progress achieved on each operation and its effect upon the timing of the remaining work,</li> <li>how the <i>Supplier</i> plans to deal with any delays and to correct notified Defects and</li> <li>any other changes which the <i>Supplier</i> proposes to make to the Accepted Programme.</li> </ul>

- 32.2 The *Supplier* submits a revised programme to the *Supply Manager* for acceptance
- within the *period for reply* after the *Supply Manager* has instructed the *Supplier* to,
  - when the *Supplier* chooses to and, in any case,
  - at no longer interval than the interval stated in the Contract Data from the *starting date* until Delivery of the whole of the *goods* and *services*.

<b>Access</b>	<b>33</b>	
	33.1	The <i>Purchaser</i> allows access to and use of its premises to the <i>Supplier</i> as necessary for the work included in the contract.
<b>Instructions to stop or not to start work</b>	<b>34</b>	
	34.1	The <i>Supply Manager</i> may instruct the <i>Supplier</i> to stop or not start any work. The <i>Supply Manager</i> subsequently gives an instruction to the <i>Supplier</i> to <ul style="list-style-type: none"> <li>• re-start or start the work or</li> <li>• remove the work from the Scope.</li> </ul>
<b>Acceleration</b>	<b>35</b>	
	35.1	The <i>Supplier</i> and the <i>Supply Manager</i> may propose to the other an acceleration to achieve Delivery before the Delivery Date. If the <i>Supply Manager</i> and <i>Supplier</i> are prepared to consider the proposed change, the <i>Supply Manager</i> instructs the <i>Supplier</i> to provide a quotation. The <i>Supplier</i> provides the quotation within three weeks of the instruction to do so. The <i>Supply Manager</i> replies to the quotation within three weeks. The reply is <ul style="list-style-type: none"> <li>• a notification that the quotation is accepted or</li> <li>• a notification that the quotation is not accepted and that the Delivery Date is not changed.</li> </ul>
	35.2	A quotation for an acceleration comprises proposed changes to the Prices and a revised programme showing the earlier Delivery Date. The <i>Supplier</i> submits details of the assessment with each quotation.
	35.3	When a quotation for an acceleration is accepted, the <i>Supply Manager</i> changes the Prices and the Delivery Date accordingly and accepts the revised programme.

## 4. QUALITY MANAGEMENT

Quality management system	40	
	40.1	The <i>Supplier</i> operates a quality management system which complies with the requirements stated in the Scope.
	40.2	Within the period stated in the Contract Data, the <i>Supplier</i> provides the <i>Supply Manager</i> with a quality policy statement and a quality plan for acceptance. A reason for not accepting a quality policy statement or quality plan is that it does not allow the <i>Supplier</i> to Provide the Goods and Services.
		If any changes are made to the quality plan, the <i>Supplier</i> provides the <i>Supply Manager</i> with the changed quality plan for acceptance.
	40.3	The <i>Supply Manager</i> may instruct the <i>Supplier</i> to correct a failure to comply with the quality plan. This instruction is not a compensation event.
Tests and inspections	41	
	41.1	This clause only applies to tests and inspections required by the Scope or the applicable law.
	41.2	The <i>Supplier</i> and the <i>Purchaser</i> provide records, data sheets, materials, facilities and samples for tests and inspections as stated in the Scope.
	41.3	The <i>Supplier</i> and the <i>Supply Manager</i> informs the other of each of their tests and inspections before the test or inspection starts and afterwards informs the other of the results. The <i>Supplier</i> informs the <i>Supply Manager</i> in time for a test or inspection to be arranged and done before doing work which would obstruct the test or inspection. The <i>Supply Manager</i> may watch any test done by the <i>Supplier</i> .
	41.4	If a test or inspection shows that any work has a Defect, the <i>Supplier</i> corrects the Defect and the test or inspection is repeated.
	41.5	The <i>Supply Manager</i> does tests and inspections without causing unnecessary delay to the work or to a payment which is conditional upon a test or inspection being successful. A payment which is conditional upon a <i>Supply Manager's</i> test or inspection being successful becomes due at the later of the <i>defects date</i> and the end of the last <i>defect correction period</i> if <ul style="list-style-type: none"> <li>the <i>Supply Manager</i> has not done the test or inspection and</li> <li>the delay to the test or inspection is not the <i>Supplier's</i> fault.</li> </ul>
	41.6	The <i>Supply Manager</i> assesses the cost incurred by the <i>Purchaser</i> when a test or inspection is repeated after a Defect is found. The <i>Supplier</i> pays the amount assessed.
Testing and inspection before Delivery	42	
	42.1	The <i>Supplier</i> does not bring to the Delivery Place those <i>goods</i> which the Scope states are to be tested or inspected before being brought to the Delivery Place until <ul style="list-style-type: none"> <li>the <i>Supply Manager</i> has notified the <i>Supplier</i> that they have passed the test or inspection which the <i>Supply Manager</i> is to do and</li> <li>the <i>Supplier</i> has notified the <i>Supply Manager</i> that they have passed the test or inspection which the <i>Supplier</i> is to do.</li> </ul>
Searching for and notifying Defects	43	
	43.1	Until the <i>defects date</i> the <i>Supply Manager</i> may instruct the <i>Supplier</i> to search for a Defect in the <i>goods</i> and <i>services</i> included in Delivery. The <i>Supply Manager</i> gives reasons for the search with the instruction. Searching may include <ul style="list-style-type: none"> <li>providing facilities, materials and samples for tests and inspections done by the <i>Supply Manager</i> and</li> <li>doing tests and inspections which the Scope does not require.</li> </ul>
	43.2	Until the <i>defects date</i> the <i>Supply Manager</i> and the <i>Supplier</i> notifies the other as soon as they become aware of a Defect



<b>Correcting Defects</b>	<b>44</b>	
44.1		The <i>Supplier</i> corrects a Defect whether or not the <i>Supply Manager</i> has notified it.
44.2		After Delivery, the <i>Supplier</i> corrects a notified Defect before the end of the <i>defect correction period</i> . The <i>defect correction period</i> begins when the <i>Supply Manager</i> has arranged the access necessary for the <i>Supplier</i> to correct the Defect.
44.3		After Delivery, the <i>Supply Manager</i> arranges for the <i>Purchaser</i> to allow access to correct a notified Defect within the <i>defect access period</i> following notification. The <i>Supplier</i> is not liable for any damage to the <i>goods</i> or <i>services</i> resulting from a failure by the <i>Purchaser</i> to provide access to correct a notified Defect later than the end of the <i>defect access period</i> following notification.
<b>Accepting Defects</b>	<b>45</b>	
45.1		The <i>Supplier</i> and the <i>Supply Manager</i> may propose to the other that the Scope should be changed so that a Defect does not have to be corrected.
45.2		If the <i>Supplier</i> and the <i>Supply Manager</i> are prepared to consider the change, the <i>Supplier</i> submits a quotation for reduced Prices or an earlier Delivery Date or both to the <i>Supply Manager</i> for acceptance. If the quotation is accepted, the <i>Supply Manager</i> changes the Scope, the Prices and the Delivery Date accordingly and accepts the revised programme.
<b>Uncorrected Defects</b>	<b>46</b>	
46.1		If the <i>Supplier</i> is given access in order to correct a notified Defect but the Defect is not corrected within its <i>defect correction period</i> , the <i>Supply Manager</i> assesses the cost to the <i>Purchaser</i> of having the Defect corrected by other people and the <i>Supplier</i> pays this amount. The Scope is treated as having been changed to accept the Defect.
46.2		If the <i>Supplier</i> is not given access in order to correct a notified Defect before the <i>defects date</i> , the <i>Supply Manager</i> assesses the cost to the <i>Supplier</i> of correcting the Defect at the time it was notified and the <i>Supplier</i> pays this amount. The Scope is treated as having been changed to accept the Defect.

## 5. PAYMENT

### Assessing the amount due

50

- 50.1 The *Supply Manager* assesses the amount due at each assessment date. The first assessment date is decided by the *Supply Manager* to suit the procedures of the Parties and is not later than the *assessment interval* after the *starting date*. Later assessment dates occur at the end of each *assessment interval* until
- four weeks after the last *defects date* or
  - the *Supply Manager* issues a termination certificate.
- 50.2 The *Supplier* submits an application for payment to the *Supply Manager* before each assessment date setting out the amount the *Supplier* considers is due at the assessment date. The *Supplier's* application for payment includes details of how the amount has been assessed and is in the form stated in the Scope.
- In assessing the amount due, the *Supply Manager* considers an application for payment submitted by the *Supplier* before the assessment date.
- 50.3 If the *Supplier* submits an application for payment before the assessment date, the amount due at the assessment date is
- the Price for Goods and Services Provided to Date,
  - plus other amounts to be paid to the *Supplier*,
  - less amounts to be paid by or retained from the *Supplier*.
- 50.4 If the *Supplier* does not submit an application for payment before the assessment date, the amount due at the assessment date is the lesser of
- the amount the *Supply Manager* assesses as due at the assessment date, assessed as though the *Supplier* had submitted an application before the assessment date, and
  - the amount due at the previous assessment date.
- 50.5 If no programme is identified in the Contract Data, one quarter of the Price for Goods and Services Provided to Date is retained in assessments of the amount due until the *Supplier* has submitted a first programme to the *Supply Manager* for acceptance showing the information which the contract requires.
- 50.6 The *Supply Manager* corrects any incorrectly assessed amount due in a later payment certificate.

### Payment

51

- 51.1 The *Supply Manager* certifies a payment within one week of each assessment date. The *Supply Manager's* certificate includes details of how the amount due has been assessed. The first payment is the amount due. Other payments are the change in the amount due since the previous assessment. A payment is made by the *Supplier* to the *Purchaser* if the change reduces the amount due. Other payments are made by the *Purchaser* to the *Supplier*. The Party to which payment is due submits an invoice to the other Party for the amount to be paid within one week of the *Supply Manager's* certificate. Payments are in the *currency of the contract* unless otherwise stated in the contract.
- 51.2 Each certified payment is made by the later of
- one week after the paying Party receives an invoice from the other Party and
  - three weeks after the assessment date, or, if a different period is stated in the Contract Data, within the period stated.

If a payment is late, or if the payment is late because the *Supply Manager* has not issued a certificate which should be issued, interest is paid on the late payment. Interest is assessed from the date by which the late payment should have been made until the date when the late payment is made, and is included in the first assessment after the late payment is made.

- 51.3 If an amount due is corrected in a later certificate
- in relation to a mistake or a compensation event,
  - because a payment was delayed by an unnecessary delay to a test or inspection done by the *Supply Manager* or
  - following a decision of the *Adjudicator* or the *tribunal*,
- interest on the correcting amount is paid. Interest is assessed from the date when the incorrect amount was certified until the date when the changed amount is certified and is included in the assessment which includes the changed amount.
- 51.4 Interest is calculated on a daily basis at the *interest rate* and is compounded annually.
- 51.5 Any tax which the law requires a Party to pay to the other Party is added to any payment made under the contract.

<b>Defined Cost</b>	<b>52</b>
	<p>52.1 All the <i>Supplier's</i> costs which are not included in the Defined Cost are treated as included in the Fee. Defined Cost includes only amounts calculated using rates and percentages stated in the Contract Data and other amounts at open market or competitively tendered prices with deductions for all discounts, rebates and taxes which can be recovered.</p>
<b>Final assessment</b>	<b>53</b>
	<p>53.1 The <i>Supply Manager</i> makes an assessment of the final amount due and certifies a final payment, if any is due, no later than</p> <ul style="list-style-type: none"> <li>• four weeks after the later of the last <i>defects date</i> and the end of the last <i>defects correction period</i> or</li> <li>• thirteen weeks after the <i>Supply Manager</i> issues a termination certificate.</li> </ul> <p>The <i>Supply Manager</i> gives the <i>Supplier</i> details of how the amount due has been assessed. The Party to which a payment is due submits an invoice to the other Party for the amount to be paid within one week of the <i>Supply Manager's</i> certificate. The final payment is made by the later of</p> <ul style="list-style-type: none"> <li>• one week after the paying Party receives an invoice from the other Party and</li> <li>• three weeks after the assessment date, or, if a different period is stated in the Contract Data, within the period stated.</li> </ul> <p>53.2 If the <i>Supply Manager</i> does not make this assessment within the time allowed, the <i>Supplier</i> may issue to the <i>Purchaser</i> an assessment of the final amount due, giving details of how the final amount due has been assessed. If the <i>Purchaser</i> agrees with this assessment, the Party to which payment is due submits an invoice for the amount agreed for payment within one week of the date of the assessment. The final payment is made by the later of</p> <ul style="list-style-type: none"> <li>• one week after the paying Party receives an invoice from the other Party and</li> <li>• three weeks after the assessment date, or, if a different period is stated in the Contract Data, within the period stated.</li> </ul> <p>53.3 An assessment of the final amount due issued within the time stated in the contract is conclusive evidence of the final amount due under or in connection with the contract unless a Party</p> <ul style="list-style-type: none"> <li>• refers a dispute about the assessment of the final amount due to the <i>Senior Representatives</i> within four weeks of the assessment being issued,</li> <li>• refers any issues not agreed by the <i>Senior Representatives</i> to the <i>Adjudicator</i> within three weeks of the list of the issues not agreed being produced or when it should have been produced and</li> <li>• refers to the <i>tribunal</i> its dissatisfaction with a decision of the <i>Adjudicator</i> as to the final assessment of the amount due within four weeks of the decision being made.</li> </ul>

- 53.4 The assessment of the final amount due is changed to include
- any agreement the Parties reach and
  - a decision of the *Adjudicator* which has not been referred to the *tribunal* within four weeks of that decision.
- A changed assessment becomes conclusive evidence of the final amount due under or in connection with the contract.

## The Price List

- 54**
- 54.1 Information in the Price List is not Scope.

## 6. COMPENSATION EVENTS

### Compensation events

60

60.1

The following events are compensation events.

(1) The *Supply Manager* gives an instruction changing the Scope except

- a change made in order to accept a Defect or
- a change to the Scope provided by the *Supplier* for its design which is made
  - at the *Supplier's* request or
  - in order to comply with the Scope provided by the *Purchaser*.

(2) The *Purchaser* does not allow access to and use of the parts of the *Purchaser's* premises necessary for the work included in the contract by the later of the date when the access becomes necessary and the date shown on the Accepted Programme.

(3) The *Purchaser* does not provide something which it is to provide by the date shown on the Accepted Programme.

(4) The *Supply Manager* gives an instruction to stop or not to start any work.

(5) The *Purchaser* or Others do not work within the conditions stated in the Scope.

(6) The *Supply Manager* does not reply to a communication from the *Supplier* within the period required by the contract.

(7) The *Supply Manager* changes a decision which the *Supply Manager* had previously communicated to the *Supplier*.

(8) The *Supply Manager* withholds an acceptance (other than acceptance of a quotation for an acceleration or for not correcting a Defect) for a reason not stated in the contract.

(9) The *Supply Manager* instructs the *Supplier* to search for a Defect and no Defect is found unless the search is needed only because the *Supplier* gave insufficient notice of doing work obstructing a required test or inspection.

(10) A test or inspection done by the *Supply Manager* causes unnecessary delay.

(11) The *Purchaser* does not provide records, data sheets, materials, facilities and samples for tests and inspections as stated in the Scope.

(12) An event which is a *Purchaser's* liability stated in these *conditions of contract*.

(13) The *Supply Manager* notifies the *Supplier* of a correction to an assumption which the *Supply Manager* stated about a compensation event.

(14) A breach of contract by the *Purchaser* which is not one of the other compensation events in the contract.

(15) An event occurs during transport of the *goods* to the Delivery Place which

- stops Delivery of the whole of the *goods* and *services* or
- stops the *Supplier* completing the whole of the *goods* and *services* by the date for planned Delivery shown on the Accepted Programme,

and which

- neither Party could prevent,
- an experienced supplier would have judged at the Contract Date to have such a small chance of occurring that it would have been unreasonable to have allowed for it and
- is not one of the other compensation events stated in the contract.

(16) The *Supply Manager* gives an instruction to correct a mistake in the Price List.

(17) The *Supply Manager* notifies the *Supplier* that a quotation for a proposed instruction is not accepted.

(18) Additional compensation events stated in Contract Data part one

## Notifying compensation events

- 61**
- 61.1 For a compensation event which arises from the *Supply Manager* giving an instruction or notification or changing an earlier decision, the *Supply Manager* notifies the *Supplier* of the compensation event at the time of that communication.
- 61.2 The *Supply Manager* includes in the notification of a compensation event an instruction to the *Supplier* to submit quotations unless

- the event arises from a fault of the *Supplier* or
- the event has no effect upon Defined Cost or Delivery.

- 61.3 The *Supplier* notifies the *Supply Manager* of an event which has happened or which is expected to happen as a compensation event if

- the *Supplier* believes that the event is a compensation event and
- the *Supply Manager* has not notified the event to the *Supplier*.

If the *Supplier* does not notify a compensation event within eight weeks of becoming aware that the event has happened, the Prices or the Delivery Date are not changed unless the event arises from the *Supply Manager* giving an instruction or notification or changing an earlier decision.

- 61.4 The *Supply Manager* replies to the *Supplier's* notification of a compensation event within
- one week after the *Supplier's* notification or
  - a longer period to which the *Supplier* has agreed.

If the event

- arises from a fault of the *Supplier*,
- has not happened and is not expected to happen,
- has not been notified within the timescales set out in these *conditions of contract*,
- has no effect upon Defined Cost or Delivery or
- is not one of the compensation events stated in the contract

the *Supply Manager* notifies the *Supplier* that the Prices and the Delivery Date are not to be changed and states the reasons in the notification. Otherwise, the *Supply Manager* notifies the *Supplier* that the event is a compensation event and includes in the notification an instruction to the *Supplier* to submit quotations.

If the *Supply Manager* fails to reply to the *Supplier's* notification of a compensation event within the time allowed, the *Supplier* may notify the *Supply Manager* of that failure. If the failure continues for a further two weeks after the *Supplier's* notification it is treated as acceptance by the *Supply Manager* that the event is a compensation event and an instruction to submit quotations.

- 61.5 If the *Supply Manager* decides that the *Supplier* did not give an early warning of the event which an experienced supplier could have given, the *Supply Manager* states this in the instruction to the *Supplier* to submit quotations.

- 61.6 If the effects of a compensation event are too uncertain to be forecast reasonably, the *Supply Manager* states assumptions about the compensation event in the instruction to the *Supplier* to submit quotations. Assessment of the event is based on these assumptions. If any of them is later found to have been wrong, the *Supply Manager* notifies a correction.

- 61.7 A compensation event is not notified by the *Supply Manager* or the *Supplier* after the last defects date.

## Quotations for compensation events

- 62
- 62.1 After discussing with the *Supplier* different ways of dealing with the compensation event which are practicable, the *Supply Manager* may instruct the *Supplier* to submit alternative quotations. The *Supplier* submits the required quotations to the *Supply Manager* and may submit quotations for other methods of dealing with the compensation event which it considers practicable.
- 62.2 Quotations for a compensation event comprise proposed changes to the Prices and any delay to the Delivery Date assessed by the *Supplier*. The *Supplier* submits details of the assessment with each quotation. If the programme for remaining work is altered by the compensation event, the *Supplier* includes the alterations to the Accepted Programme in the quotation.
- 62.3 The *Supplier* submits quotations within three weeks of being instructed to do so by the *Supply Manager*. The *Supply Manager* replies within two weeks of the submission. The reply is
- a notification of acceptance of the quotation,
  - an instruction to submit a revised quotation or,
  - that the *Supply Manager* will be making the assessment.
- 62.4 The *Supply Manager* instructs the *Supplier* to submit a revised quotation only after explaining the reasons for doing so to the *Supplier*. The *Supplier* submits the revised quotation within three weeks of being instructed to do so.
- 62.5 The *Supply Manager* extends the time allowed for
- the *Supplier* to submit quotations for a compensation event or
  - the *Supply Manager* to reply to a quotation
- if the *Supply Manager* and the *Supplier* agree to the extension before the submission or reply is due. The *Supply Manager* informs the *Supplier* of the extension which has been agreed.
- 62.6 If the *Supply Manager* does not reply to a quotation within the time allowed, the *Supplier* may notify the *Supply Manager* of that failure. If the *Supplier* submitted more than one quotation for the compensation event, the notification states which quotation the *Supplier* proposes is to be used. If the failure continues for a further two weeks after the *Supplier's* notification it is treated as acceptance by the *Supply Manager* of the quotation.

## Assessing compensation events

- 63
- 63.1 If the *Supply Manager* and the *Supplier* agree, for a compensation event which only affects the quantities of goods and services shown in the Price List, the change to the Prices is assessed by multiplying the changed quantities by the appropriate rates in the Price List.
- 63.2 For other compensation events, the change to the Prices is assessed as the effect of the compensation event upon
- the actual Defined Cost of the work done by the dividing date,
  - the forecast Defined Cost of the work not done by the dividing date and
  - the resulting Fee.
- For a compensation event that arises from the *Supply Manager* giving an instruction or notification or changing an earlier decision, the dividing date is the date of that communication.
- For other compensation events, the dividing date is the date of the notification of the compensation event.
- 63.3 The *Supply Manager* and the *Supplier* may agree rates or lump sums to assess the change to the Prices.

- 63.4 If the effect of a compensation event is to reduce the total Defined Cost, the Prices are not reduced unless otherwise stated in these *conditions of contract*.
- 63.5 If the effect of a compensation event is to reduce the total Defined Cost and the event is
- a change to the Scope other than a change to the Scope provided by the *Purchaser*, which the *Supplier* proposed and the *Supply Manager* accepted,
  - an instruction to correct a mistake in the Price List or
  - a correction of an assumption stated by the *Supply Manager* for assessing an earlier compensation event
- the Prices are reduced.
- 63.6 If the effect of a compensation event is to reduce the total Defined Cost and the event is a change to the Scope provided by the *Purchaser*, which the *Supplier* proposed and the *Supply Manager* accepted, the Prices are reduced by an amount calculated by multiplying the assessed effect of the compensation event by the *value engineering percentage*.
- 63.7 A delay to the Delivery Date is assessed as the length of time that, due to the compensation event, planned Delivery is later than planned Delivery as shown on the Accepted Programme current at the dividing date.
- The assessment takes into account
- any delay caused by the compensation event already in the Accepted Programme and
  - events which have happened between the date of the Accepted Programme and the dividing date.
- 63.8 The rights of the *Purchaser* and the *Supplier* to changes to the Prices and the Delivery Date are their only rights in respect of a compensation event.
- 63.9 If the *Supply Manager* has stated in the instructions to submit quotations that the *Supplier* did not give an early warning of the event which an experienced supplier could have given, the compensation event is assessed as if the *Supplier* had given the early warning.
- 63.10 If the assessment of the effect of a compensation event is made using Defined Cost, it includes risk allowances for cost and time for matters which have a significant chance of occurring and are not compensation events.
- 63.11 If the assessment of the effect of a compensation event is made using Defined Cost it is based upon the assumptions that the *Supplier* reacts competently and promptly to the event and that any Defined Cost and time due to the event are reasonably incurred.
- 63.12 A compensation event which is an instruction to change the Scope in order to resolve an ambiguity or inconsistency is assessed as if the Prices and the Delivery Date were for the interpretation most favourable to the Party which did not provide the Scope.
- 63.13 Assessments for changed Prices for compensation events are in the form of changes to the Price List.
- 63.14 If, when assessing a compensation event the People Rates do not include a rate for a category of person required, the *Supply Manager* and *Supplier* may agree a new rate. If they do not agree the *Supply Manager* assesses the rate based on the People Rates. The agreed or assessed rate becomes the People Rate for that category of person.

#### The Supply Manager's assessments

- 64
- 64.1 The *Supply Manager* assesses a compensation event
- if the *Supplier* has not submitted the quotation and details of its assessment within the time allowed,
  - if the *Supply Manager* decides that the *Supplier* has not assessed the compensation event correctly in the quotation and has not instructed the *Supplier* to submit a revised quotation,



		<ul style="list-style-type: none"> <li>if, when the <i>Supplier</i> submits quotations for the compensation event, it has not submitted a programme or alterations to a programme which the contract requires it to submit or</li> <li>if, when the <i>Supplier</i> submits quotations for the compensation event, the <i>Supply Manager</i> has not accepted the <i>Supplier's</i> latest programme for one of the reasons stated in the contract.</li> </ul>
64.2	The <i>Supply Manager</i> assesses the programme for the remaining work and uses it in the assessment of a compensation event if	<ul style="list-style-type: none"> <li>there is no Accepted Programme,</li> <li>the <i>Supplier</i> has not submitted a programme or alterations to a programme for acceptance as required by the contract or</li> <li>the <i>Supply Manager</i> has not accepted the <i>Supplier's</i> latest programme for one of the reasons stated in the contract.</li> </ul>
64.3	The <i>Supply Manager</i> notifies the <i>Supplier</i> of the assessment of a compensation event and gives details of the assessment within the period allowed for the <i>Supplier's</i> submission of its quotation for the same compensation event. This period starts when the need for the <i>Supply Manager's</i> assessment becomes apparent.	
64.4	If the <i>Supply Manager</i> does not assess a compensation event within the time allowed, the <i>Supplier</i> may notify the <i>Supply Manager</i> of that failure. If the <i>Supplier</i> submitted more than one quotation for the compensation event, the notification states which quotation the <i>Supplier</i> proposes is to be used. If the failure continues for a further two weeks after the <i>Supplier's</i> notification it is treated as acceptance by the <i>Supply Manager</i> of the quotation.	
<b>Proposed instructions</b>	<b>65</b>	
	65.1	The <i>Supply Manager</i> may instruct the <i>Supplier</i> to submit a quotation for a proposed instruction. The <i>Supply Manager</i> states in the instruction the date by which the proposed instruction may be given. The <i>Supplier</i> does not put a proposed instruction into effect.
	65.2	<p>The <i>Supplier</i> submits quotations for a proposed instruction within three weeks of being instructed to do so by the <i>Supply Manager</i>. The quotation is assessed as a compensation event. The <i>Supply Manager</i> replies to the <i>Supplier's</i> quotation by the date when the proposed instruction may be given. The reply is</p> <ul style="list-style-type: none"> <li>an instruction to submit a revised quotation including the reasons for doing so,</li> <li>the issue of the instruction together with a notification of the instruction as a compensation event and acceptance of the quotation or</li> <li>a notification that the quotation is not accepted.</li> </ul> <p>If the <i>Supply Manager</i> does not reply to the quotation within the time allowed, the quotation is not accepted.</p>
	65.3	If the quotation is not accepted, the <i>Supply Manager</i> may issue the instruction, notify the instruction as a compensation event and instruct the <i>Supplier</i> to submit a quotation.
<b>Implementing compensation events</b>	<b>66</b>	
	66.1	<p>A compensation event is implemented when</p> <ul style="list-style-type: none"> <li>the <i>Supply Manager</i> notifies acceptance of the <i>Supplier's</i> quotation,</li> <li>the <i>Supply Manager</i> notifies the <i>Supplier</i> of an assessment made by the <i>Supply Manager</i> or</li> <li>a <i>Supplier's</i> quotation is treated as having been accepted by the <i>Supply Manager</i>.</li> </ul>
	66.2	When a compensation event is implemented the Prices and the Delivery Date are changed accordingly.
	66.3	The assessment of an implemented compensation event is not revised except as stated in these <i>conditions of contract</i> .

7. TITLE

<b>The Purchaser's title to the goods</b>	<b>70</b>	
	70.1	Title to the <i>goods</i> passes to the <i>Purchaser</i> when payment for the <i>goods</i> which the contract requires has been made.
	70.2	Before payment for the <i>goods</i> is made, the <i>Supplier</i> provides information to the <i>Purchaser</i> to show that it is able to pass title to the <i>goods</i> .
<b>Marking goods before Delivery</b>	<b>71</b>	
	71.1	The <i>Supplier</i> marks the <i>goods</i> as the Scope requires if the contract identifies them for payment before they are brought within the Delivery Place.
<b>The Supplier's use of material</b>	<b>72</b>	
	72.1	The <i>Supplier</i> has the right to use material provided by the <i>Purchaser</i> only to Provide the Goods and Services. The <i>Supplier</i> may make this right available to a Subcontractor.

CORE CLAUSES

OPTION CLAUSES

COST COMPONENTS

CONTRACT DATA

## 8. LIABILITIES AND INSURANCE

### Purchaser's liabilities

80

80.1 The following are *Purchaser's* liabilities.

- Claims and proceedings from Others and compensation and costs payable to Others which are due to
  - the unavoidable result of providing the *goods* and *services* or
  - negligence, breach of statutory or interference with any legal right by the *Purchaser* or by any person employed by or contracted to them except the *Supplier*.
- A fault of the *Purchaser* or any person employed by or contracted to it, except the *Supplier*.
- A fault in the design contained in
  - the Scope provided by the *Purchaser* or
  - an instruction from the *Supply Manager* changing the Scope.
- Loss of or damage to Plant and Materials supplied to the *Supplier* by the *Purchaser*, or by Others on the *Purchaser's* behalf, until the *Supplier* has received and accepted them.
- Loss of or damage to the *goods* after Delivery except loss or damage occurring before the *defects date* which is due to
  - a Defect which existed at Delivery,
  - an event occurring before Delivery which was not itself a *Purchaser's* liability or
  - the activities of the *Supplier* after Delivery.
- Loss of or damage to property owned or occupied by the *Purchaser*, unless the loss or damage arises from or in connection with the *Supplier* Providing the Goods and Services.
- Additional *Purchaser's* liabilities stated in the Contract Data.

### Supplier's liabilities

81

81.1 The following are *Supplier's* liabilities unless they are stated as being *Purchaser's* liabilities.

- Claims and proceedings from Others and compensation and costs payable to Others which arise from or in connection with the *Supplier* Providing the Goods and Services.
- Loss of or damage to the *goods*, Plant and Materials and Equipment.
- Loss of or damage to property owned or occupied by the *Purchaser*, which arises from or in connection with the *Supplier* Providing the Goods and Services.
- Death or bodily injury to the employees of the *Supplier*.

### Recovery of costs

82

82.1 Any cost which the *Purchaser* has paid or will pay as a result of an event for which the *Supplier* is liable is paid by the *Supplier*.

82.2 Any cost which the *Supplier* has paid or will pay to Others as a result of an event for which the *Purchaser* is liable is paid by the *Purchaser*.

82.3 The right of a Party to recover these costs is reduced if an event for which it was liable contributed to the costs. The reduction is in proportion to the extent that the event for which that Party is liable contributed, taking into account each Party's responsibilities under the contract.

### Insurance cover

83

83.1 The *Purchaser* provides the insurances which the *Purchaser* is to provide as stated in the Contract Data.

- 83.2 The *Supplier* provides the insurances stated in the Insurance Table except any insurance which the *Purchaser* is to provide as stated in the Contract Data. The *Supplier* provides additional insurances as stated in the Contract Data.
- 83.3 The insurances provide cover for events which are the *Supplier's* liability from the *starting date* until the last *defects date* or a termination certificate has been issued.

INSURANCE TABLE	
INSURANCE AGAINST	MINIMUM AMOUNT OF COVER
Loss of or damage to the <i>goods</i> , Plant and Materials and Equipment	The replacement cost, including the amount stated in the Contract Data for the replacement of any Plant and Materials provided by the <i>Purchaser</i>
Loss of or damage to property (except the <i>goods</i> , Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Supplier</i> ) arising from or in connection with the <i>Supplier</i> Providing the Goods and Services	The amount stated in the Contract Data for any one event with cross liability so that the insurance applies to the Parties separately
Death of or bodily injury to employees of the <i>Supplier</i> arising out of and in the course of their employment in connection with the contract	The greater of the amount required by the applicable law and the amount stated in the Contract Data for any one event

#### Insurance policies 84

- 84.1 Before the *starting date* and on each renewal of the insurance policy until the last *defects date*, the *Supplier* submits to the *Supply Manager* for acceptance certificates which state that the insurance required by the contract is in force. The certificates are signed by the *Supplier's* insurer or insurance broker. The *Supply Manager* accepts the certificates if the insurance complies with the contract and if the insurer's commercial position is strong enough to carry the insured liabilities.
- 84.2 Insurance policies include a waiver by the insurers of their subrogation rights against the Parties and the directors and other employees of every insured except where there is fraud.
- 84.3 The Parties comply with the terms and conditions of the insurance policies to which they are a party.

#### If the *Supplier* does not insure 85

- 85.1 The *Purchaser* may insure an event or liability which the contract requires the *Supplier* to insure if the *Supplier* does not submit a required certificate. The cost of this insurance to the *Purchaser* is paid by the *Supplier*.

#### Insurance by the *Purchaser* 86

- 86.1 The *Supply Manager* submits certificates for insurance provided by the *Purchaser* to the *Supplier* for acceptance before the *starting date* and afterwards as the *Supplier* instructs. The *Supplier* accepts the certificates if the insurance complies with the contract and if the insurer's commercial position is strong enough to carry the insured liabilities.
- 86.2 The *Supplier's* acceptance of an insurance certificate provided by the *Purchaser* does not change the responsibility of the *Purchaser* to provide the insurances stated in the Contract Data.
- 86.3 The *Supplier* may insure an event or liability which the contract requires the *Purchaser* to insure if the *Purchaser* does not submit a required certificate. The cost of this insurance to the *Supplier* is paid by the *Purchaser*.

## 9. TERMINATION, RESOLVING AND AVOIDING DISPUTES

### Termination

90

- 90.1 If either Party wishes to terminate the *Supplier's* obligation to Provide the Goods and Services it notifies the *Supply Manager* and the other Party giving details of the reason for terminating. The *Supply Manager* issues a termination certificate promptly if the reason complies with the contract.
- 90.2 A Party may terminate for a reason identified in the Termination Table. The procedures followed and the amounts due on termination are in accordance with the Termination Table.

TERMINATION TABLE			
TERMINATING PARTY	REASON	PROCEDURE	AMOUNT DUE
The <i>Purchaser</i>	R1–R15, R18 or R22	P1, P2 and P3	A1 and A3
	R17 or R20	P1 and P4	A1 and A2
	R21	P1 and P4	A1 and A2
The <i>Supplier</i>	R1–R10, R16, or R19	P1 and P4	A1, A2 and A4
	R17 or R20	P1 and P4	A1 and A2

- 90.3 The procedures for termination are implemented immediately after the *Supply Manager* has issued a termination certificate.
- If the *Purchaser* terminates for one of reasons R1 to R15, R18 or R22 and a certified payment has not been made at the date of the termination certificate, the *Purchaser* need not make the certified payment.
- 90.4 After a termination certificate has been issued, the *Supplier* does no further work necessary to Provide the Goods and Services.

### Reasons for termination

91

- 91.1 Either Party may terminate if the other Party has done one of the following or its equivalent.
- If the other Party is an individual and has
    - presented an application for bankruptcy (R1),
    - had a bankruptcy order made against it (R2),
    - had a receiver appointed over its assets (R3) or
    - made an arrangement with its creditors (R4).
  - If the other Party is a company or partnership and has
    - had a winding-up order made against it (R5),
    - had a provisional liquidator appointed to it (R6),
    - passed a resolution for winding-up (other than in order to amalgamate or reconstruct) (R7),
    - had an administration order made against it or had an administrator appointed over it (R8),
    - had a receiver, receiver and manager, or administrative receiver appointed over the whole or a substantial part of its undertaking or assets (R9) or
    - made an arrangement with its creditors (R10).

- 91.2 The *Purchaser* may terminate if the *Supply Manager* has notified that the *Supplier* has not put one of the following defaults right within four weeks of the date when the *Supply Manager* notified the *Supplier* of the default.
- Substantially failed to comply with its obligations (R11).
  - Not provided a bond, warranty or guarantee which the contract requires (R12).
  - Appointed a Subcontractor for substantial work before the *Supply Manager* has accepted the Subcontractor (R13).
- 91.3 The *Purchaser* may terminate if the *Supply Manager* has notified that the *Supplier* has not stopped one of the following defaults within four weeks of the date when the *Supply Manager* notified the *Supplier* of the default.
- Substantially hindered the *Purchaser* or Others (R14).
  - Substantially broken a health or safety regulation (R15).
- 91.4 The *Supplier* may terminate if the *Purchaser* has not paid an amount due under the contract within thirteen weeks of the date that the *Supplier* should have been paid (R16).
- 91.5 Either Party may terminate if the Parties have been released under the law from further performance of the whole of the contract (R17).
- 91.6 If the *Supply Manager* has instructed the *Supplier* to stop or not to start any substantial work or all work and an instruction allowing the work to re-start or start or removing work from the Scope has not been given within thirteen weeks,
- the *Purchaser* may terminate if the instruction was due to a default by the *Supplier* (R18),
  - the *Supplier* may terminate if the instruction was due to a default by the *Purchaser* (R19) and
  - either Party may terminate if the instruction was due to any other reason (R20).
- 91.7 The *Purchaser* may terminate if an event occurs during transport of the *goods* to the Delivery Place which
- stops Delivery of the whole of the *goods* and *services* or
  - stops the *Supplier* completing the whole of the *goods* and *services* by the date for planned Delivery shown on the Accepted Programme and is forecast to delay Delivery by more than thirteen weeks,
- and which
- neither Party could prevent and
  - an experienced supplier would have judged at the Contract Date to have such a small chance of occurring that it would have been unreasonable to have allowed for it (R21).
- 91.8 The *Purchaser* may terminate if the *Supplier* does a Corrupt Act, unless it was done by a Subcontractor or supplier and the *Supplier*
- was not and should not have been aware of the Corrupt Act or
  - informed the *Supply Manager* of the Corrupt Act and took action to stop it as soon as the *Supplier* became aware of it (R22).

## Procedures on termination

92

- 92.1 On termination, the *Purchaser* may obtain the remaining *goods* and *services* from other suppliers (P1).

- 92.2 The procedure on termination also includes one or more of the following as set out in the Termination Table.
- P2 The *Purchaser* may instruct the *Supplier* to leave the *Purchaser's* premises, remove any Equipment, Plant and Materials and assign the benefit of any subcontract or other contract related to performance of the contract to the *Purchaser*.
- P3 The *Purchaser* may use any Equipment on the *Purchaser's* premises to which the *Supplier* has title, to complete the supply of the *goods* and *services*. The *Supplier* promptly removes the Equipment when the *Supply Manager* informs the *Supplier* that the *Purchaser* no longer requires it to complete the supply of the *goods* and *services*.
- P4 The *Supplier* leaves the Delivery Place and removes any Equipment which is on the *Purchaser's* premises.

<b>Payment on termination</b>	<b>93</b>	
	93.1	<p>The amount due on termination includes (A1)</p> <ul style="list-style-type: none"> <li>an amount due assessed as for normal payments,</li> <li>the Defined Cost of <i>goods</i> and <i>services</i> not included in normal payments and reasonably incurred in expectation of completing the whole of the <i>goods</i> and <i>services</i>, less the cost of <i>goods</i> and <i>services</i> which can be resold or used elsewhere,</li> <li>any amounts retained by the <i>Purchaser</i> and</li> <li>a deduction of any un-repaid balance of an advanced payment.</li> </ul>
	93.2	<p>The amount due on termination also includes one or more of the following as set out in the Termination Table.</p> <p>A2 The forecast Defined Cost of removing Equipment from the <i>Purchaser's</i> premises.</p> <p>A3 A deduction of the forecast of the additional cost to the <i>Purchaser</i> of providing the whole of the <i>goods</i> and <i>services</i>.</p> <p>A4 The <i>fee percentage</i> applied to any excess of the total of the Prices at the Contract Date over the Price for Goods and Services Provided to Date.</p>

<b>Resolving and avoiding disputes</b>	<b>94</b>	
	94.1	<p>(1) A dispute arising under or in connection with the contract is referred to the <i>Senior Representatives</i> in accordance with the Dispute Reference Table. If the dispute is not resolved by the <i>Senior Representatives</i>, it is referred to and decided by the <i>Adjudicator</i>. A Party may replace a <i>Senior Representative</i> after notifying the other Party of the name of the replacement.</p> <p>(2) The Party referring a dispute notifies the <i>Senior Representatives</i>, the other Party and the <i>Supply Manager</i> of the nature of the dispute it wishes to resolve. Each Party submits to the other their statement of case within one week of the notification. Each statement of case is limited to no more than ten sides of A4 paper together with supporting evidence, unless otherwise agreed by the Parties.</p> <p>(3) The <i>Senior Representatives</i> attend as many meetings and use any procedure they consider necessary to try to resolve the dispute over a period of no more than three weeks. At the end of this period the <i>Senior Representatives</i> produce a list of the issues agreed and issues not agreed. The <i>Supply Manager</i> and the <i>Supplier</i> put into effect the issues agreed.</p> <p>(4) No evidence of the statement of case or discussions is disclosed, used or referred to in any subsequent proceedings before the <i>Adjudicator</i> or the <i>tribunal</i>.</p>

DISPUTE REFERENCE TABLE		
DISPUTE ABOUT	WHICH PARTY MAY REFER IT TO THE <i>SENIOR REPRESENTATIVES</i> ?	WHEN MAY IT BE REFERRED TO THE <i>SENIOR REPRESENTATIVES</i> ?
An action or inaction of the <i>Supply Manager</i>	Either Party	Not more than four weeks after the Party becomes aware of the action or inaction
A programme, compensation event or quotation for a compensation event which is treated as having been accepted	The <i>Purchaser</i>	Not more than four weeks after it was treated as accepted
Any other matter	Either Party	When the dispute arises

- The *Adjudicator*** 94.2
- (1) The Parties appoint the *Adjudicator* under the NEC Dispute Resolution Service Contract current at the *starting date*.
- (2) The *Adjudicator* acts impartially and decides the dispute as an independent adjudicator and not as an arbitrator.
- (3) If the *Adjudicator* is not identified in the Contract Data or if the *Adjudicator* resigns or is unable to act, the Parties choose a new adjudicator jointly. If the Parties have not chosen an adjudicator, either Party may ask the *Adjudicator nominating body* to choose one. The *Adjudicator nominating body* chooses an adjudicator within seven days of the request. The chosen adjudicator becomes the *Adjudicator*.
- (4) A replacement *Adjudicator* has the power to decide a dispute referred to a predecessor but not decided at the time when the predecessor resigned or became unable to act. The *Adjudicator* deals with an undecided dispute as if it had been referred on the date of appointment as replacement *Adjudicator*.
- (5) The *Adjudicator* and the *Adjudicator's* employees and agents are not liable to the Parties for any action or failure to take action in an adjudication unless the action or failure to take action was in bad faith.

- The adjudication** 94.3
- (1) A Party disputing any issue not agreed by the *Senior Representatives* issues a notice of adjudication to the other Party and the *Supply Manager* within two weeks of the production of the list of agreed and not agreed issues, or when it should have been produced. The dispute is referred to the *Adjudicator* within one week of the notice of adjudication.
- (2) The times for notifying and referring a dispute may be extended by the *Supply Manager* if the *Supplier* and the *Supply Manager* agree to the extension before the notice or referral is due. The *Supply Manager* informs the *Supplier* of the extension that has been agreed. If a disputed matter is not notified and referred within the times set out in the contract, neither Party may subsequently refer it to the *Adjudicator* or the *tribunal*.
- (3) The Party referring the dispute to the *Adjudicator* includes with its referral information to be considered by the *Adjudicator*. Any more information from a Party to be considered by the *Adjudicator* is provided within four weeks of the referral. This period may be extended if the *Adjudicator* and the Parties agree.
- (4) If a matter disputed by the *Supplier* under or in connection with a subcontract is also a matter disputed under or in connection with the contract and if the subcontract allows, the *Supplier* may refer the subcontract dispute to the *Adjudicator* at the same time as the main contract referral. The *Adjudicator* then decides the disputes together and references to the Parties for the purposes of the dispute are interpreted as including the Subcontractor.
- (5) The *Adjudicator* may
- review and revise any action or inaction of the *Supply Manager* related to the dispute and alter a matter which has been treated as accepted or correct,
  - take the initiative in ascertaining the facts and the law related to the dispute,



- instruct a Party to provide further information related to the dispute within a stated time and
  - instruct a Party to take any other action which is considered necessary for the *Adjudicator* to reach a decision and to do so within a stated time.
- (6) A communication between a Party and the *Adjudicator* is communicated to the other Party at the same time.
- (7) If the *Adjudicator's* decision includes assessment of additional cost or delay caused to the *Supplier*, the assessment is made in the same way as a compensation event is assessed.
- (8) The *Adjudicator* decides the dispute and informs the Parties and the *Supply Manager* of the decision and reasons within four weeks of the end of the period for receiving information. This four week period may be extended if the Parties agree.
- (9) Unless and until the *Adjudicator* has informed the Parties of the decision, the Parties and the *Supply Manager* proceed as if the matter disputed was not disputed.
- (10) The *Adjudicator's* decision is binding on the Parties unless and until revised by the *tribunal* and is enforceable as a matter of contractual obligation between the Parties and not as an arbitral award. The *Adjudicator's* decision is final and binding if neither Party has notified the other within the times required by the contract that it is dissatisfied with a decision of the *Adjudicator* and intends to refer the matter to the *tribunal*. A Party does not refer a dispute to the *Adjudicator* that is the same or substantially the same as one that has already been referred to the *Adjudicator*.
- (11) The *Adjudicator* may, within two weeks of giving the decision to the Parties, correct any clerical mistake or ambiguity.

<b>The <i>tribunal</i></b>	<div data-bbox="405 1124 456 1160">94.4</div> <div data-bbox="485 1124 1473 1769"> <p>(1) A Party does not refer any dispute under or in connection with the contract to the <i>tribunal</i> unless it has first been referred to the <i>Adjudicator</i> in accordance with the contract.</p> <p>(2) If, after being informed of the <i>Adjudicator's</i> decision, a Party is dissatisfied, that Party may notify the other Party of the matter which is disputed and state that it intends to refer the matter to the <i>tribunal</i>. The dispute is not referred to the <i>tribunal</i> unless this notification is given within four weeks of being informed of the <i>Adjudicator's</i> decision.</p> <p>(3) If the <i>Adjudicator</i> does not inform the Parties of the decision within the time provided by the contract, a Party may notify the other Party that it intends to refer the dispute to the <i>tribunal</i>. A Party does not refer a dispute to the <i>tribunal</i> unless this notification is given within four weeks of the date by which the <i>Adjudicator</i> should have informed the Parties of the decision.</p> <p>(4) The <i>tribunal</i> settles the dispute referred to it. The <i>tribunal</i> has the powers to reconsider any decision of the <i>Adjudicator</i> and review and revise any action or inaction of the <i>Supply Manager</i> related to the dispute. A Party is not limited in the <i>tribunal</i> proceedings to the information, evidence or arguments put to the <i>Adjudicator</i>.</p> <p>(5) If the <i>tribunal</i> is arbitration, the <i>arbitration procedure</i>, the place where the arbitration is to be held and the method of choosing the arbitrator are those stated in the Contract Data.</p> <p>(6) A Party does not call the <i>Adjudicator</i> as a witness in <i>tribunal</i> proceedings.</p> </div>
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# Option Clauses

## OPTION X1: PRICE ADJUSTMENT FOR INFLATION

Defined terms	X1	
	X1.1	<p>(a) The Base Date Index (B) is the latest available index before the <i>base date</i>.</p> <p>(b) The Latest Index (L) is the latest available index before the date of assessment of an amount due.</p> <p>(c) The Price Adjustment Factor (PAF) at each date of assessment of an amount due is the total of the products of each of the proportions stated in the Contract Data multiplied by <math>(L - B)/B</math> for the index linked to it.</p>
Price Adjustment Factor	X1.2	If an index is changed after it has been used in calculating a PAF, the calculation is not changed. The PAF calculated at the last assessment date before the last Delivery Date of the <i>goods and services</i> is used for calculating an amount for price adjustment after that date.
Price adjustment	X1.3	<p>Each amount due includes an amount for price adjustment which is the sum of</p> <ul style="list-style-type: none"><li>the change in the Price for Goods and Services Provided to Date since the last assessment of the amount due multiplied by the PAF and</li><li>the amount for price adjustment included in the previous amount due.</li></ul>
Compensation events	X1.4	<p>The Defined Cost for compensation events is assessed using</p> <ul style="list-style-type: none"><li>the Defined Cost at <i>base date</i> levels for amounts calculated from rates stated in the Contract Data for people and</li><li>the Defined Cost current at the dividing date used in assessing the compensation event, adjusted to the <i>base date</i> by dividing by one plus the PAF for the last assessment of the amount due before that dividing date, for other amounts.</li></ul>

## OPTION X2: CHANGES IN THE LAW

Changes in the law	X2	
	X2.1	A change in the law of the country stated in the Contract Data is a compensation event if it occurs after the Contract Date. If the effect of a compensation event which is a change in the law is to reduce the total Defined Cost, the Prices are reduced.

## OPTION X3: MULTIPLE CURRENCIES

Multiple currencies	X3	
	X3.1	The <i>Supplier</i> is paid in currencies other than the <i>currency of the contract</i> for the items of goods and services listed in the Contract Data. The <i>exchange rates</i> are used to convert from the <i>currency of the contract</i> to other currencies.
	X3.2	Payments to the <i>Supplier</i> in currencies other than the <i>currency of the contract</i> do not exceed the maximum amounts stated in the Contract Data. Any excess is paid in the <i>currency of the contract</i> .

## OPTION X4: ULTIMATE HOLDING COMPANY GUARANTEE

Ultimate holding company guarantee	X4	
	X4.1	If the <i>Supplier</i> is a subsidiary of another company, the <i>Supplier</i> gives to the <i>Purchaser</i> a guarantee of the <i>Supplier's</i> performance from the ultimate holding company of the <i>Supplier</i> in the form set out in the Scope. If the guarantee was not given by the Contract Date, it is given to the <i>Purchaser</i> within four weeks of the Contract Date.
	X4.2	The <i>Supplier</i> may propose an alternative guarantor who is also owned by the ultimate holding company for acceptance by the <i>Supply Manager</i> . A reason for not accepting the guarantor is that its commercial position is not strong enough to carry the guarantee.

## OPTION X7: DELAY DAMAGES

Delay damages	X7	
	X7.1	The <i>Supplier</i> pays delay damages at the rate stated in the Contract Data for each day from the Delivery Date until the earlier of <ul style="list-style-type: none"> <li>• Delivery,</li> <li>• the date on which the <i>Purchaser</i> starts to make use of the <i>goods</i> and <i>services</i> and</li> <li>• the date on which the <i>Supply Manager</i> issues a termination certificate.</li> </ul>
	X7.2	If the Delivery Date is changed to a later date after delay damages have been paid, the <i>Purchaser</i> repays the overpayment of damages with interest. Interest is assessed from the date of payment to the date of repayment.

## OPTION X10: INFORMATION MODELLING

Defined terms	X10	
	X10.1	<p>(1) The Information Execution Plan is the <i>information execution plan</i> or is the latest Information Execution Plan accepted by the <i>Supply Manager</i>. The latest Information Execution Plan accepted by the <i>Supply Manager</i> supersedes the previous Information Execution Plan.</p> <p>(2) Project Information is information provided by the <i>Supplier</i> which is used to create or change the Information Model.</p> <p>(3) The Information Model is the electronic integration of Project Information and similar information provided by the <i>Purchaser</i> and other Information Providers and is in the form stated in the Information Model requirements.</p> <p>(4) The Information Model Requirements are the requirements identified in the Scope for creating or changing the Information Model.</p> <p>(5) Information Providers are the people or organisations who contribute to the Information Model and are identified in the Information Model Requirements.</p>
	X10.2	The <i>Supplier</i> collaborates with other Information Providers as stated in the Information Model Requirements.
Collaboration	X10.2	
Early warning	X10.3	The <i>Supplier</i> and the <i>Supply Manager</i> give an early warning by notifying the other as soon as either becomes aware of any matter which could adversely affect the creation or use of the Information Model.
	X10.4	(1) If an Information Execution Plan is not identified in the Contract Data, the <i>Supplier</i> submits a first Information Execution Plan to the <i>Supply Manager</i> for acceptance within the period stated in the Contract Data.
Information Execution Plan	X10.4	

(2) Within two weeks of the *Supplier* submitting an Information Execution Plan for acceptance, the *Supply Manager* notifies the *Supplier* of the acceptance of the Information Execution Plan or the reasons for not accepting it. A reason for not accepting an Information Execution Plan is that

- it does not comply with the Information Model Requirements or
- it does not allow the *Supplier* to Provide the Goods and Services.

If the *Supply Manager* does not notify acceptance or non-acceptance within the time allowed, the *Supplier* may notify the *Supply Manager* of that failure. If the failure continues for a further one week after the *Supplier's* notification, it is treated as acceptance by the *Supply Manager* of the Information Execution Plan.

(3) The *Supplier* submits a revised Information Execution Plan to the *Supply Manager* for acceptance

- within the *period for reply* after the *Supply Manager* has instructed it to and
- when the *Supplier* chooses to.

(4) The *Supplier* provides the Project Information in the form stated in the Information Model Requirements and in accordance with the accepted Information Execution Plan.

<b>Compensation events</b>	X10.5	If the Information Execution Plan is altered by a compensation event, the <i>Supplier</i> includes the alterations to the Information Execution Plan in the quotation for the compensation event.
<b>Use of the Information Model</b>	X10.6	The <i>Purchaser</i> owns the Information Model and the <i>Supplier's</i> rights over Project Information except as stated otherwise in the Information Model Requirements. The <i>Supplier</i> obtains from a Subcontractor equivalent rights for the <i>Purchaser</i> over information prepared by the Subcontractor. The <i>Supplier</i> provides to the <i>Purchaser</i> the documents which transfer these rights to the <i>Purchaser</i> .
<b>Liability</b>	X10.7	<p>(1) The following are <i>Purchaser's</i> liabilities.</p> <ul style="list-style-type: none"> <li>• A fault in the Information Model not caused by a Defect in the Project Information.</li> <li>• A fault in information provided by Information Providers other than the <i>Supplier</i>.</li> </ul> <p>(2) The <i>Supplier</i> is not liable for a Defect in the Project Information unless it failed to provide the Project Information using the skill and care normally used by professionals providing information similar to the Project Information.</p> <p>(3) The <i>Supplier</i> provides insurance for claims made against it arising out of its failure to provide the Project Information using the skill and care normally used by professionals providing information similar to the Project Information. The minimum amount of this insurance is as stated in the Contract Data. This insurance provides cover from the <i>starting date</i> until the end of the period stated in the Contract Data.</p>

## OPTION X11: TERMINATION BY THE PURCHASER

<b>Termination by the Purchaser</b>	X11	
	X11.1	The <i>Purchaser</i> may terminate the <i>Supplier's</i> obligation to Provide the Goods and Services for a reason not identified in the Termination Table by notifying the <i>Supply Manager</i> and the <i>Supplier</i> .
	X11.2	If the <i>Purchaser</i> terminates for a reason not identified in the Termination Table the termination procedures followed are P1 and P4 and the amounts due on termination are A1, A2 and A4.

## OPTION X12: MULTIPARTY COLLABORATION (NOT USED WITH OPTION X20)

<b>Identified and defined terms</b>	<b>X12</b> <b>X12.1</b>	<p>(1) Partners are those who have a contract in connection with the subject matter of the contract which includes this multiparty collaboration Option or equivalent. The <i>Promoter</i> is a Partner.</p> <p>(2) The Schedule of Partners is a list of the Partners which is in the document the Contract Data states it is in and Partners subsequently added by agreement of the Partners. It sets out the objectives of the Partners and includes targets for performance.</p> <p>(3) An Own Contract is a contract between two Partners.</p> <p>(4) The Core Group comprises the Partners selected to take decisions on behalf of the Partners.</p> <p>(5) The Schedule of Core Group Members is a list of the Partners forming the Core Group.</p> <p>(6) Partnering Information is information which specifies how the Partners collaborate and is either in the documents which the Contract Data states it is in or in an instruction given in accordance with the contract.</p> <p>(7) A Key Performance Indicator is an aspect of performance for which a target is stated in the Schedule of Partners.</p>
<b>Actions</b>	<b>X12.2</b>	<p>(1) The Partners collaborates with each other Partners to achieve the <i>Promoter's objective</i> stated in the Contract Data and the objectives of every other Partner stated in the Schedule of Partners.</p> <p>(2) Each Partner nominates a representative to act for it in dealings with other Partners.</p> <p>(3) The Core Group acts and takes decisions on behalf of the Partners on those matters stated in the Partnering Information.</p> <p>(4) The Partners select the members of the Core Group. The Core Group decides how they will work and decides the dates when each member joins and leaves the Core Group. The <i>Promoter's</i> representative leads the Core Group unless stated otherwise in the Partnering Information.</p> <p>(5) The Core Group keeps the Schedule of Core Group Members and the Schedule of Partners up to date and issues copies of them to the Partners each time either is revised.</p> <p>(6) This Option does not create a legal partnership between Partners who are not one of the Parties in the contract.</p>
<b>Collaboration</b>	<b>X12.3</b>	<p>(1) The Partners collaborate as stated in the Partnering Information and in a spirit of mutual trust and co-operation.</p> <p>(2) A Partner may ask another Partner to provide information which it needs to carry out the work in its Own Contract and the other Partner provides it.</p> <p>(3) Each Partner gives an early warning to the other Partners when it becomes aware of any matter that could affect the achievement of another Partner's objectives stated in the Schedule of Partners.</p> <p>(4) The Partners use common information systems as set out in the Partnering Information.</p> <p>(5) A Partner implements a decision of the Core Group by issuing instructions in accordance with its Own Contracts.</p> <p>(6) The Core Group may give an instruction to the Partners to change the Partnering Information. Each such change to the Partnering Information is a compensation event which may lead to reduced Prices.</p>

(7) The Core Group prepares and maintains a timetable showing the proposed timing of the contributions of the Partners. The Core Group issues a copy of the timetable to the Partners each time it is revised. The *Supplier* changes its programme if it is necessary to do so in order to comply with the revised timetable. Each such change is a compensation event which may lead to reduced Prices.

(8) A Partner gives advice, information and opinion to the Core Group and to other Partners when asked to do so by the Core Group. This advice, information and opinion relates to work that another Partner is to carry out under its Own Contract and is given fully, openly and objectively. The Partners show contingency and risk allowances in information about costs, prices and timing for future work.

(9) A Partner informs the Core Group before subcontracting any work.

<b>Incentives</b>	X12.4	(1) A Partner is paid the amount stated in the Schedule of Partners if the target stated for a Key Performance Indicator is improved upon or achieved. Payment of the amount is due when the target has been improved upon or achieved and is made as part of the amount due in the Partner's Own Contract.
		(2) The <i>Promoter</i> may add a Key Performance Indicator and associated payment to the Schedule of Partners but may not delete or reduce a payment stated in the Schedule of Partners.

### OPTION X13: PERFORMANCE BOND

<b>Performance bond</b>	<b>X13</b>	
	X13.1	The <i>Supplier</i> gives the <i>Purchaser</i> a performance bond, provided by a bank or insurer which the <i>Supply Manager</i> has accepted, for the amount stated in the Contract Data and in the form set out in the Scope. A reason for not accepting the bank or insurer is that its commercial position is not strong enough to carry the bond. If the bond was not given by the Contract Date, it is given to the <i>Purchaser</i> within four weeks of the Contract Date.

### OPTION X14: ADVANCED PAYMENT TO THE SUPPLIER

<b>Advanced payment</b>	<b>X14</b>	
	X14.1	The <i>Purchaser</i> makes an advanced payment to the <i>Supplier</i> of the amount stated in the Contract Data. The advanced payment is included in the assessment made at the first assessment date or, if an advanced payment bond is required, at the next assessment date after the <i>Purchaser</i> receives the advanced payment bond.
	X14.2	The advanced payment bond is issued by a bank or insurer which the <i>Supply Manager</i> has accepted. A reason for not accepting the proposed bank or insurer is that its commercial position is not strong enough to carry the bond. The bond is for the amount of the advanced payment which the <i>Supplier</i> has not repaid and is in the form set out in the Scope. Delay in making the advanced payment in accordance with the contract is a compensation event.
	X14.3	The advanced payment is repaid to the <i>Purchaser</i> by the <i>Supplier</i> in instalments of the amount stated in the Contract Data. An instalment is included in each amount due assessed after the period stated in the Contract Data has passed until the advanced payment has been repaid.

### OPTION X17: LOW PERFORMANCE DAMAGES

<b>Low performance damages</b>	<b>X17</b>	
	X17.1	If a Defect which remains uncorrected at its <i>defects date</i> and shows low performance with respect to a performance level stated in the Contract Data, the <i>Supplier</i> pays the amount of low performance damages stated in the Contract Data.

## OPTION X18: LIMITATION OF LIABILITY

<b>Limitation of liability</b>	<b>X18</b>
	X18.1 Each of the limits to the <i>Supplier's</i> liability in this clause apply if a limit is stated in the Contract Data.
	X18.2 The <i>Supplier's</i> liability to the <i>Purchaser</i> for the <i>Purchaser's</i> indirect or consequential loss, is limited to the amount stated in the Contract Data.
	X18.3 For any one event, the liability of the <i>Supplier</i> to the <i>Purchaser</i> for loss of or damage to the <i>Purchaser's</i> property is limited to the amount stated in the Contract Data.
	X18.4 The <i>Supplier's</i> liability to the <i>Purchaser</i> for Defects due to its design which are not notified before the last <i>defects date</i> is limited to the amount stated in the Contract Data.
	X18.5 The <i>Supplier's</i> total liability to the <i>Purchaser</i> for all matters arising under or in connection with the contract, other than the excluded matters, is limited to the amount stated in the Contract Data and applies in contract, tort or delict and otherwise to the extent allowed under the <i>law of the contract</i> .
	The excluded matters are amounts payable by the <i>Supplier</i> as stated in the contract for <ul style="list-style-type: none"> <li>• loss of or damage to the <i>Purchaser's</i> property,</li> <li>• delay damages if Option X7 applies and</li> <li>• low performance damages if Option X17 applies.</li> </ul>
	X18.6 The <i>Supplier</i> is not liable to the <i>Purchaser</i> for a matter unless details of the matter are notified to the <i>Supplier</i> before the <i>end of liability date</i> .

## OPTION X20: KEY PERFORMANCE INDICATORS (NOT USED WITH OPTION X12)

<b>Incentives</b>	<b>X20</b>
	X20.1 A Key Performance indicator is an aspect of performance by the <i>Supplier</i> for which a target is stated in the Incentive Schedule. The Incentive Schedule is the <i>incentive schedule</i> unless later changed in accordance with the contract.
	X20.2 From the <i>starting date</i> until the last <i>defects date</i> , the <i>Supplier</i> reports to the <i>Supply Manager</i> its performance against each of the Key Performance Indicators. Reports are provided at the intervals stated in the Contract Data and include the forecast final measurement against each indicator.
	X20.3 If the <i>Supplier's</i> forecast final measurement against a Key Performance Indicator will not achieve the target stated in the Incentive Schedule, it submits to the <i>Supply Manager</i> its proposals for improving performance.
	X20.4 The <i>Supplier</i> is paid the amount stated in the Incentive Schedule if the target stated for a Key Performance Indicator is improved upon or achieved. Payment of the amount is due when the target has been improved upon or achieved.
	X20.5 The <i>Purchaser</i> may add a Key Performance Indicator and associated payment to the Incentive Schedule but may not delete or reduce a payment stated in the Incentive Schedule.

## OPTION X21: WHOLE LIFE COST

<b>Whole life cost</b>	<b>X21</b>
	X21.1 The <i>Supplier</i> may propose to the <i>Supply Manager</i> that the Scope is changed in order to reduce the cost of operating and maintaining an asset.
	X21.2 If the <i>Supply Manager</i> is prepared to consider the change, the <i>Supplier</i> submits a quotation which comprises



- a detailed description,
- the forecast cost reduction to the *Purchaser* of the asset over its whole life,
- an analysis of the resulting risks to the *Purchaser*,
- the proposed changes to the Prices and
- a revised programme showing any changes to the Delivery Date.

- X21.3 The *Supply Manager* consults with the *Supplier* about a quotation. The *Supply Manager* replies within the *period for reply*. The reply is acceptance of the quotation or the reasons for not accepting it. The *Supply Manager* may give any reason for not accepting the quotation.
- X21.4 The *Supply Manager* does not change the Scope as proposed by the *Supplier* unless the *Supplier's* quotation is accepted.
- X21.5 When a quotation to reduce the costs of operating and maintaining an asset is accepted the *Supply Manager* changes the Scope, the Prices and the Delivery Date accordingly and accepts the revised programme. The change to the Scope is not a compensation event.

## OPTION X25: SUPPLIER WARRANTIES

### Supplier warranties

#### X25 X25.1

The *Supplier* gives the *Purchaser* warranties for the amounts stated in the Contract Data and in the form set out in the Scope. A warranty is given to the *Purchaser* before Delivery.



# Option Y

## OPTION Y(UK)1: PROJECT BANK ACCOUNT

Project Bank Account	Y(UK)1	
<b>Defined terms</b>	Y1.1	<p>(1) Joining Deed is an agreement under which the <i>Supplier</i> joins the Trust Deed and is in the document which the Contract Data states it is in.</p> <p>(2) Project Bank Account is the account used to make payments to the <i>Supplier</i>.</p> <p>(3) Trust Deed is an agreement which contains provisions for administering the Project Bank Account and is in the document which the Contract Data states it is in.</p>
<b>Payments</b>	Y1.2	The <i>Supplier</i> receives payment from the Project Bank Account of the amount due from the <i>Purchaser</i> .
	Y1.3	A payment which is due from the <i>Supplier</i> to the <i>Purchaser</i> is not made through the Project Bank Account.
<b>Effect of payment</b>	Y1.4	Payments made from the Project Bank Account are treated as payments from the <i>Purchaser</i> to the <i>Supplier</i> in accordance with the contract. A delay in payment due to a failure of the <i>Supplier</i> to comply with the requirements of this clause is not treated as late payment under the contract.
<b>Trust Deed</b>	Y1.5	If the <i>Supplier</i> is identified as a Named Supplier in the Contract Data in the main contract, the <i>Purchaser</i> , its client and the <i>Supplier</i> sign the Trust Deed within two weeks of the Contract Date stated in the main contract before the first assessment date in the contract between the <i>Purchaser</i> and its client.
<b>Joining Deed</b>	Y1.6	If the <i>Supplier</i> is added as a Named Supplier in the main contract after the Contract Date stated in the main contract, the <i>Purchaser</i> , its client and the <i>Supplier</i> sign the Joining Deed before the first assessment date.
<b>Termination</b>	Y1.7	If the <i>Supply Manager</i> issues a termination certificate, no further payment is made into the Project Bank Account for work done by the <i>Supplier</i> .

## OPTION Y(UK)3: THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

### Third party rights Y(UK)3

- Y3.1 A *beneficiary* may enforce the terms of the contract stated in the Contract Data under the Contracts (Rights of Third Parties) Act 1999.
- Y3.2 Other than the Parties or a *beneficiary*, no person can enforce any of the terms of the contract under the Contracts (Rights of Third Parties) Act 1999.
- Y3.3 If a *beneficiary* is identified by class or description and not as a named person or organisation, the *Purchaser* notifies the *Supplier* of the name of the *beneficiary* once they have been identified.

## OPTION Z: ADDITIONAL CONDITIONS OF CONTRACT

### Additional conditions of contract

- Z1
- Z1.1 The *additional conditions of contract* stated in the Contract Data are part of the contract.

# Schedule of Cost Components

		An amount is included
		<ul style="list-style-type: none"> <li>only in one cost component and</li> <li>only if it is incurred in order to Provide the Goods and Services.</li> </ul>
<b>Manufacture and fabrication</b>	1	The following components of the cost of manufacture and fabrication of the <i>goods</i> .
	11	Amounts calculated by multiplying each of the People Rates by the total time appropriate to that rate properly spent on work in the contract.
	12	A cost for the manufacturing and fabrication facility calculated by multiplying the percentage for <i>manufacture and fabrication overhead</i> stated in the Contract Data by the total cost of item 11.
<b>Equipment</b>	2	The following component of the cost of Equipment which is used in order to Provide the Goods and Services.
	21	Amounts for Equipment at competitively tendered or open market rates, multiplied by the time for which the Equipment is required.
<b>Plant and Materials</b>	3	The following components of the cost of Plant and Materials to be included in the <i>goods</i> .
	31	Payments for <ul style="list-style-type: none"> <li>purchasing Plant and Materials,</li> <li>providing and removing packaging and</li> <li>samples and tests.</li> </ul>
	32	Cost is credited with payments received for disposal of Plant and Materials.
<b>Subcontractors</b>	4	The following components of the cost of Subcontractors.
	41	Payments to Subcontractors for work which is subcontracted.
<b>Design</b>	5	The following components of the cost of design of the <i>goods</i> and <i>services</i> .
	51	Amounts calculated by multiplying each of the People Rates by the total time appropriate to that rate properly spent on work in the contract.
<b>Tests, inspections and commissioning</b>	6	The following components of the cost of tests, inspections and commissioning of the <i>goods</i> .
	61	Amounts calculated by multiplying each of the People Rates by the total time appropriate to that rate properly spent on work in the contract.
	62	Payments for materials consumables and samples required for tests, inspections and commissioning required by the Scope or the applicable law.
<b>Supply Requirements</b>	7	The following components of the cost of supply.
	71	Amounts calculated by multiplying each of the People Rates by the total time appropriate to that rate properly spent on work in the contract.
	72	Payments for materials and consumables incurred in <ul style="list-style-type: none"> <li>transportation of the <i>goods</i> to the Delivery Place,</li> <li>protection, packaging and marking of the <i>goods</i> and</li> <li>loading, unloading and storage.</li> </ul>

- 73 Payments to public authorities and other properly constituted authorities of charges which they are authorised to make in respect of supply of the *goods*, including tax charges for
- customs clearance and
  - export and import.

#### Insurance

- 8 The following are deducted from cost
- the cost of events for which the contract requires the *Supplier* to insure and
  - other costs paid to the *Supplier* by insurers.

# Contract Data

## PART ONE – DATA PROVIDED BY THE PURCHASER

Completion of the data in full, according to the Options chosen, is essential to create a complete contract.

### 1 General

The *conditions of contract* are the core clauses and the clauses for the following Options of the NEC4 Supply Contract June 2017 (with amendments October 2020)

Options

The *goods* are

The *services* are

The *Purchaser* is

Name

Address for communications

Address for electronic communications

The *Supply Manager* is

Name

Address for communications

Address for electronic communications

The *Scope* is in

The *language of the contract* is

The *law of the contract* is the law of

The *period for reply* is  except that

- The *period for reply* for  is
- The *period for reply* for  is

The following matters will be included in the Early Warning Register

Early warning meetings are to be held at intervals no longer than

### 3 Time

The *starting date* is

The *Supplier* submits revised programmes at intervals no longer than

If the *Purchaser* is to state the *delivery date* of the *goods and services*

The *delivery date* of the *goods and services* is

	<i>goods and services</i>	<i>delivery date</i>
(1)	<input type="text"/>	<input type="text"/>
(2)	<input type="text"/>	<input type="text"/>
(3)	<input type="text"/>	<input type="text"/>

If no programme is identified in part two of the Contract Data

The period after the Contract Date within which the *Supplier* is to submit a first programme for acceptance is

Bringing the *goods* to the Delivery Place before the Delivery Date

The *Supplier* **does/does not** bring the *goods* to the Delivery Place more than one week before the Delivery Date (Delete as applicable)

### 4 Quality management

The period after the Contract Date within which the *Supplier* is to submit a quality policy statement and quality plan is

The period between Delivery and the *defects date* is

The *defect correction period* is  except that

- The *defect correction period* for  is
- The *defect correction period* for  is

The *defect access period* is  except that

- The *defect access period* for  is
- The *defect access period* for  is

## 5 Payment

The *currency of the contract* is the

The *assessment interval* is

The *interest rate* is  % per annum (not less than 2) above the  rate of the  bank

If the period in which payments are made is not three weeks

The period within which payments are made is

## 6 Compensation events

The *value engineering percentage* is 50% or, if a different percentage is to be used it is  %

If there are additional compensation events

These are additional compensation events

## 8 Liabilities and insurance

If there are additional *Purchaser's* liabilities

These are additional *Purchaser's* liabilities

- (1)
- (2)

The minimum amount of cover for insurance against loss of or damage to property (except the *goods*, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the *Supplier*) arising from or in connection with the *Supplier* Providing the Goods and Services for any one event is

The minimum amount of cover for insurance against death of or bodily injury to employees of the *Supplier* arising out of and in the course of their employment in connection with the contract for any one event is

If the *Purchaser* is to provide Plant and Materials

The insurance against loss of or damage to the *goods*, Plant and Materials and Equipment is to include cover for Plant and Materials provided by the *Purchaser* for an amount of

If the *Purchaser* is to provide any of the insurances stated in the Insurance Table

The *Purchaser* provides these insurances from the Insurance Table

(1) Insurance against

Minimum amount of cover is

The deductibles are

(2) Insurance against

Minimum amount of cover is

The deductibles are

If additional insurances are to be provided

The *Purchaser* provides these additional insurances

(1) Insurance against

Minimum amount of cover is

The deductibles are

(2) Insurance against

Minimum amount of cover is

The deductibles are

The *Supplier* provides these additional insurances

(1) Insurance against

Minimum amount of cover is

The deductibles are

(2) Insurance against

Minimum amount of cover is

The deductibles are

## 9 Termination, resolving and avoiding disputes

The *tribunal* is

If the *tribunal* is arbitration

The *arbitration procedure* is

The place where arbitration is to be held is

The person or organisation who will choose an arbitrator if the Parties cannot agree a choice or if the *arbitration procedure* does not state who selects an arbitrator is



The *Senior Representatives of the Purchaser* are

Name (1)	<input type="text"/>
Address for communications	<input type="text"/>
Address for electronic communications	<input type="text"/>
Name (2)	<input type="text"/>
Address for communications	<input type="text"/>
Address for electronic communications	<input type="text"/>

The *Adjudicator* is

Name	<input type="text"/>
Address for communications	<input type="text"/>
Address for electronic communications	<input type="text"/>
The <i>Adjudicator nominating body</i> is	<input type="text"/>

## X1: Price adjustment for inflation

If Option X1 is used

The proportions used to calculate the Price Adjustment Factor are

0.	<input type="text"/>	linked to the index for	<input type="text"/>
0.	<input type="text"/>		<input type="text"/>
0.	<input type="text"/>		<input type="text"/>
0.	<input type="text"/>		<input type="text"/>
0.	<input type="text"/>		<input type="text"/>
0.	<input type="text"/>		<input type="text"/>
0.	<input type="text"/>	non-adjustable	<input type="text"/>
1.00	<input type="text"/>		

The <i>base date</i> for indices is	<input type="text"/>
These indices are	<input type="text"/>

## X2: Changes in the law

If Option X2 is used

A change in the law of  is a compensation event if it occurs after the Contract Date

### X3: Multiple currencies

If Option X3 is used

The *Purchaser* will pay for the items or activities listed below in the currencies stated

items and activities	other currency	total maximum payment in the currency
----------------------	----------------	---------------------------------------










The *exchange rates* are those published in

on (date)

### X7: Delay damages

If Option X7 is used

Delay damages for Delivery are

Delivery of	amount per day
-------------	----------------







### X10: Information modelling

If Option X10 is used

If no *information execution plan* is identified in part two of the Contract Data

The period after the Contract Date within which the *Supplier* is to submit a first Information Execution Plan for acceptance is

The minimum amount of insurance cover for claims made against the *Supplier* arising out of its failure to use the skill and care normally used by professionals providing information similar to the Project Information is, in respect of each claim

The period following Delivery of the whole of the *goods* and *service* or earlier termination for which the *Supplier* maintains insurance for claims made against it arising out of its failure to use the skill and care is

### X12: Multiparty collaboration (not used with Option X20)

If Option X12 is used

The *Promoter* is

The Schedule of Partners is in

The *Promoter's objective* is

The Partnering Information is in

### X13: Performance bond

If Option X13 is used

The amount of the performance bond is

### X14: Advanced payment to the *Supplier*

If Option X14 is used

The amount of the advanced payment is

The period after the Contract Date from which the *Supplier* repays the advanced payment in instalments is

The instalments are  
(either an amount or a percentage of the payment otherwise due)

Advanced payment bond

An advanced payment bond **is/is not** required (Delete as applicable)

### X17: Low performance damages

If Option X17 is used

The amounts for low performance damages are

amount

performance level

for



for



for



for

### X18: Limitation of liability

If Option X18 is used

The *Supplier's* liability to the *Purchaser* for indirect or consequential loss is limited to

For any one event, the *Supplier's* liability to the *Purchaser* for loss of or damage to the *Purchaser's* property is limited to

The *Supplier's* liability to the *Purchaser* for Defects due to its design which are not notified before the last *defects date* is limited to

The *Supplier's* total liability to the *Purchaser* for all matters arising under or in connection with the contract, other than excluded matters, is limited to

The *end of liability date* is  years after after Delivery of the whole of the *goods* and *services*.

### X20: Key Performance Indicators (not used with Option X12)

If Option X20 is used

The *incentive schedule* for Key Performance Indicators is in

A report of performance against each Key Performance Indicator is provided at intervals of

 months

### X25: *Supplier* warranties

If Option X25 is used

The warranties the *Supplier* gives the *Purchaser* are

warranty

amount

### Y(UK)1: Project Bank Account

If Option Y(UK)1 is used

The Trust Deed is in

The Joining Deed is in

### Y(UK)3: The Contracts (Rights of Third Parties) Act 1999

If Option Y(UK)3 is used

term

*beneficiary*









### Z: Additional conditions of contract

If Option Z is used

The *additional conditions of contract* are

## PART TWO – DATA PROVIDED BY THE *SUPPLIER*

Completion of the data in full, according to the Options chosen, is essential to create a complete contract.

### 1 General

The *Supplier* is

Name

Address for communications

Address for electronic communications

The *fee percentage* is

 %

The following matters will be included in the Early Warning Register

### 2 The *Supplier's* main responsibilities

If the *Supplier* is to provide Scope for its design

The Scope provided by the *Supplier* for its design is in

If the *Supplier* restricts access by the *Supply Manager* and Others to work being done for the contract

The restrictions to access for the *Supply Manager* and Others to work being done for the contract are

(1)

(2)

### 3 Time

If a programme is to be identified in the Contract Data

The programme identified in the Contract Data is

If the *Supplier* is to state the *delivery date* of the goods and services

The *delivery date* of the goods and services is

	<i>goods and services</i>	<i>delivery date</i>
(1)	<input type="text"/>	<input type="text"/>
(2)	<input type="text"/>	<input type="text"/>
(3)	<input type="text"/>	<input type="text"/>

## 5 Payment

The <i>price list</i> is	<input type="text"/>
The tendered total of the Prices is	<input type="text"/>

## 9 Termination, resolving and avoiding disputes

The *Senior Representatives* of the *Supplier* are

Name (1)	<input type="text"/>
Address for communications	<input type="text"/>
Address for electronic communications	<input type="text"/>
Name (2)	<input type="text"/>
Address for communications	<input type="text"/>
Address for electronic communications	<input type="text"/>

## X10: Information modelling

If Option X10 is used

If an *information execution plan* is to be identified in the Contract Data

The *information execution plan* identified in the Contract Data is

Data for the Schedule of Cost Components

The *people rates* for manufacture and fabrication are

category of person	unit	rate

The *manufacture and fabrication overhead* is  %

The *people rates* for design are

category of person	unit	rate

The *people rates* for tests, inspections and commissioning are

category of person	unit	rate

The *people rates* for supply are

category of person	unit	rate



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