**NEC4 Professional Service Short Contract**

|  |  |
| --- | --- |
| **A Contract Between** | North Somerset Council |
| **and** |  |
| **For** | Property Level Resilience Surveying across North Somerset |

Contract Forms

Contract Data

The Consultants Offer and the Clients Acceptance

Price List

Scope

**Notes about the contract are printed in boxes like this one. They are not part of the contract.**

**Contract Data - The Client’s Contract Data**

**PROVIDED BY THE *CLIENT***

The *Client* is

|  |  |
| --- | --- |
| Name | North Somerset Council |

|  |  |
| --- | --- |
| Address for communications | Town Hall  Walliscote Grove Road  Weston-super-Mare  BS23 1UJ |

|  |  |
| --- | --- |
| Address for electronic communications | Simon.bunn@n-somerset.gov.uk |

|  |  |
| --- | --- |
| The service is | T  Professional services to undertake surveying of properties to determine suitable property level resilience measures |

|  |  |  |
| --- | --- | --- |
| The starting date is | November 2022 |  |

|  |  |  |
| --- | --- | --- |
| The completion date is | December 2025 |  |

|  |  |  |
| --- | --- | --- |
| The delay damages are | N/A | per day |

|  |  |
| --- | --- |
| The *law of the contract* is | The law of England & Wales |

|  |  |  |
| --- | --- | --- |
| The *period for reply* is | Identifies the default  period of time within  which the Client and  Consultant reply to  a communication  unless one is stated in  the relevant clause.  Identifies the default  period of time within  which the Client and  Consultant reply to  a communication  unless one is stated in  the relevant clause.  Identifies the default  period of time within  which the Client and  Consultant reply to  a communication  unless one is stated in  the relevant clause.  Identifies the default  period of time within  which the Client and  Consultant reply to  a communication  unless one is stated in  the relevant clause.  2 weeks | weeks |

|  |  |  |
| --- | --- | --- |
| The *defects date is* | identifies the period  within which the  Consultant is required  to correct De | weeks after completion |

|  |  |  |
| --- | --- | --- |
| The *assessment day is the* |  | of each month |

Work **is not** to be carried out on a time charge basis (delete as applicable)

The United Kingdom Housing Grants, Construction and Regeneration Act (1996) **does not** apply

The *Adjudicator* is

|  |  |
| --- | --- |
| Name | ICE |

|  |  |
| --- | --- |
| Address for communications | ICE London One Great George Street Westminster London SW1P 3AA |

|  |  |
| --- | --- |
| Address for electronic communications | [london@ice.org.uk](mailto:london@ice.org.uk) |

**OVIDED BY THE *CLIEN***

**Contract Data - The Client’s Contract Data**

|  |  |  |
| --- | --- | --- |
| The interest rate on late payment is | N/A | % per complete week of delay |

|  |
| --- |
|  |

The client provides this insurance

*Only enter details here if the Client is to provide insurance*

**The Consultant provides the following insurance cover**

|  |  |  |
| --- | --- | --- |
| **INSURANCE AGAINST** | **MINIMUM AMOUNT OF COVER** | **PERIOD FOLLOWING COMPLETION OR EARLIER TERMINATION** |
| Liability of the *Consultant* for claims made against it arising out of the *Consultant’s* failure to use the skill and care normally used by professionals providing services similar to the *service.* | £10,000,000 |  |
| in respect of each claim, without limit to the number of claims |
| Loss of or damage to property and liability for bodily injury to or death of a person (not an employee of the *Consultant*) arising from or in connection with the *Consultant* Providing the Service. | £5,000,000 |  |
| in respect of each claim, without limit to the number of claims |
| Liability for death of or bodily injury to employees of the *Consultant* arising out of and in the course of their employment in connection with the contract | £5,000,000 |  |
| in respect of each claim, without limit to the number of claims |

|  |  |
| --- | --- |
| The Consultant’s total liability to the Client which arises under or in connection with the contract is limited to | £5,000,000 |

|  |  |
| --- | --- |
| The Adjudicator nominating body is | ICE |

|  |  |
| --- | --- |
| The tribunal is | Arbitration |
| If the tribunal’s arbitration, the arbitration procedure is | ICE arbitration procedure |

**Contract Data - The Client’s Contract Data**

The conditions of contract are the NEC4 Professional Service Short Contract June 2017 and the following additional conditions:

**Only enter details here is the additional conditions are required:**

|  |
| --- |
|  |

**Contract Data - The Consultants Contract Data**

The Consultant is

|  |  |
| --- | --- |
| Name |  |

|  |
| --- |
| Address for communications |

|  |  |
| --- | --- |
| Address for electronic communications |  |

|  |  |
| --- | --- |
| The fee percentage is | N/A % |

|  |  |  |
| --- | --- | --- |
| Category of person | Unit | Rate |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

**The Consultants Offer and the Clients Acceptance**

**The Consultant offers to Provide the Service in accordance with these conditions of contract for an amount to be determined in accordance with these *conditions of contract*.**

The offered total of the Prices is

**Enter the total of the Prices from the Price List. If all work is to be carried out on a time charge basis, enter ‘Not Applicable’**

**Signed on behalf of the Consultant**

|  |  |
| --- | --- |
| Name |  |

|  |  |
| --- | --- |
| Position |  |

|  |  |
| --- | --- |
| Signature |  |

|  |  |
| --- | --- |
| Date |  |

The Client accepts the Consultant’s Offer to Provide the Service **Signed on behalf of the Client**

|  |  |
| --- | --- |
| Name |  |

|  |  |
| --- | --- |
| Position |  |

|  |  |
| --- | --- |
| Signature |  |

|  |  |
| --- | --- |
| Date |  |

**Price List**

Entries in the first four columns are made either by the *Client* or the tenderer. For each row:

* If the *Consultant* is to be paid an amount for the item which is not adjusted if the quantity of work in the item changes, the tenderer enters the amount in the Price column only.
* If the *Consultant* is to be paid an amount for the item of work and which is the rate for the work multiplied by the quantity completed, the tenderer enters the rate which is then multiplied by the expected quantity to produce the Price, which is also entered.
* If the work is to be paid on a time charge basis, only expenses should be included.

Costs incurred by the *Consultant* other than the listed expenses are included in the Rates and Prices and the People Rates. If expenses are paid at cost, then ‘at cost’ should be entered into the Rate column.

**Delete or strike through unused rows.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ITEM NUMBER | DESCRIPTION | UNIT | EXPECTED QUANTITY | RATE | PRICE |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| EXPENSES | | | | | |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| The total of the Prices | | | | |  |

|  |
| --- |
| The method and rules used to compile the Price List are: |
|  |

**SCOPE**

|  |  |
| --- | --- |
| The Scope should be a complete and precise statement of the *Client’s* requirements. If it is incomplete or imprecise, there is a risk that the *Consultant* will interpret it differently from the *Client’s* intention. Information provided by the *Consultant* should be listed in the Scope only if the *Client* is satisfied that it is required, is part of a complete statement of the *Client’s* requirements and is consistent with other parts of the Scope | |
| 1. **Purpose of the service** | |
| **Provide a brief summary of why the *service* is being commissioned and what it will be used for.** | |
| Refer to project brief | |
| 1. **Description of the service** | |
| **Give a complete and precise description of what the *Consultant* is required to do**  Refer to project brief | |
| 1. **Existing Information** | |
| **List existing information which is relevant to the *service*. This can include documents which the *Consultant* is to further develop.** | |
| Refer to project brief | |
| 1. **Existing Information** | |
| **List the specifications and standards that apply to the contract.** | |
| Refer to project brief | |
| 1. **Constraints on how the *Consultant* Provides the Service** | |
| **State any constraints on sequence and timing of work and on method and conduct of work including the requirements for any work by the *Client*.** | |
| Refer to project brief | |
| 1. **Requirements for the Programme** | |
| **State whether a Programme is required and, if it is, state what form it is to be in, what information is to be shown on it, when it is to be submitted and when it is to be updated** | |
| Refer to project brief | |
| 1. **Information and other things provided by the *Client*** | |
| **Describe what information and other things the *Client* is to provide and by when. Information is that which is not currently available but will become available during the contract. Other things could include access to a person, place (such as office space or a site) or the *Client’s* information technology systems.**  Refer to project brief | |
| **ITEM (Key deliverables)** | **DATE BY WHICH IT WILL BE PROVIDED** |
| **First batch of survey results** | **December 2022** |
|  |  |
|  |  |
|  |  |

# Conditions of Contract

### 1. GENERAL

#### Actions 10

* 1. The Parties shall act as stated in this contract.
  2. The Parties act in a spirit of mutual trust and co-operation.

#### Identified and defined terms

2

**11**

CONTRACT FORMS

* 1. In these *conditions of contract*, terms identified in the Contract Data are in italics and defined terms have capital initials.
  2. (1) Completion is when the *Consultant* has completed the *service* in accordance with the Scope except for correcting notified Defects which do not prevent the *Client* from using the *service* or others from doing their work.
     1. The Completion Date is the *completion date* unless later changed in accordance with the contract.
     2. A Corrupt Act is
* 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
* abusing any entrusted power for private gain

in connection with this contract or any other contract with the *Client*. This includes any commission paid as an inducement which was not declared to the *Client* before the date of the *Client’s* Acceptance.

* + 1. A Defect is a part of the *service* which is not in accordance with the Scope or the applicable law.
    2. Defined Cost is the cost of the following components incurred by the *Consultant* in Providing the Service.
* People employed directly or indirectly by the *Consultant*, calculated by multiplying each of the People Rates by the total time appropriate to that rate.
* Work subcontracted by the *Consultant*, the amount paid by the *Consultant* to the subcontractor.

CONDITIONS OF CONTRACT

* + 1. The Fee is the amount calculated by applying the *fee percentage* to the amount of Defined Cost.
    2. The Parties are the *Client* and the *Consultant*.
    3. The People Rates are the *people rates* unless later changed in accordance with the contract.
    4. 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.
    5. To Provide the Service means to do the work necessary to complete the *service* in accordance with the contract and all incidental work, services and actions which the contract requires.

#### Interpretation and the Law

CONTRACT FORMS

* + 1. The Scope is information which
* specifies and describes the *service* or
* states any constraints on how the *Consultant* Provides the Service and is either
* in the document called Scope or
* in an instruction given in accordance with the contract.

#### 12

* 1. In the contract, except where the context shows otherwise, words in the singular also mean plural and the other way around.
  2. The contract is governed by the *law of the contract*.
  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.
  4. The contract is the entire agreement between the Parties.

#### Communications 13

* 1. Each communication which the contract requires has effect when it is received in a form that can be read copied and recorded at the last address notified by the recipient for receiving communications.
  2. If the contract requires the *Client* or the *Consultant* to reply to a communication, unless otherwise stated in these *conditions of contract*, they reply within the *period for reply*.

**The *Client’s* authority and delegation**

**14**

* 1. The *Consultant* obeys an instruction which is in accordance with the contract and is given by the *Client*.
  2. The *Client* may give an instruction to the *Consultant* which changes the Scope.
  3. The *Client* 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.
  4. The *Client’s* acceptance of a communication from the *Consultant* or acceptance of the work does not change the *Consultant’s* responsibility to Provide the Service.
  5. The *Client*, after notifying the *Consultant*, may delegate any of the *Client’s* actions and may cancel any delegation. A reference to an action of the *Client* in the contract includes an action by its delegate.
  6. The *Client* does not give an instruction to the *Consultant* which would require it to act in a way that is outside its professional code of conduct.

#### Early warning 15

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CONDITIONS OF CONTRACT

* 1. The *Consultant* and the *Client* 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 Completion,
     + impair the usefulness of the *service* to the *Client* or
     + affect the work of the *Client* or others with whom the *Client* is in contract.

The *Client* or the *Consultant* may give an early warning by notifying the other of any other matter which could increase the *Consultant’s* total cost. Early warning of a matter for which a compensation event has previously been notified is not required.

* 1. The *Consultant* and the *Client* co-operate in making and considering proposals for how the effect of each matter which has been notified as an early warning can be avoided or reduced and deciding and recording actions to be taken.

#### Provision of information

**16**

16.1 The *Client* provides information and other things which the contract requires the *Client* to provide by the dates stated in the Scope or a later date if agreed.

#### Corrupt Acts 17

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CONDITIONS OF CONTRACT

* 1. The *Consultant* does not do a Corrupt Act.
  2. The *Consultant* takes action to stop a Corrupt Act of a subcontractor or supplier of which it is, or should be, aware.
  3. The *Consultant* includes equivalent provisions to these in subcontracts.

CONTRACT FORMS

**2. THE *CONSULTANT’S* MAIN RESPONSIBILITIES**

#### Providing the Service

**20**

* 1. The *Consultant* Provides the Service in accordance with the Scope.
  2. The *Consultant’s* obligation is to use the skill and care normally used by professionals providing services similar to the *service*.
  3. The *Consultant* is not liable for a Defect unless it failed to carry out the *service* using the skill and care normally used by professionals providing services similar to the *service*.

#### Subcontracting and people

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CONDITIONS OF CONTRACT

CONTRACT FORMS

**21**

* 1. If the *Consultant* subcontracts work, it is responsible for Providing the Service as if it had not subcontracted.
  2. The *Consultant* either uses each *key person* named to do the job stated in the Contract Data or, following acceptance by the *Client*, uses a replacement person with qualifications and experience as good as those of the person who is replaced.
  3. The *Client* may, having stated the reasons, instruct the *Consultant* to stop using a person to Provide the Service. The *Consultant* then arranges that, after one day, the person has no further connection with the work included in the contract.

### 3. TIME

#### Starting and Completion

**30**

* 1. The *Consultant* does not start work until the *starting date* and does the work so that Completion is on or before the Completion Date.
  2. The *Consultant* submits a forecast of the date of Completion to the *Client* each week from the *starting date* until Completion.
  3. The *Client* decides the date of Completion and certifies it to the *Consultant* within one week of the date.
  4. The *Client* may instruct the *Consultant* to stop or not to start any work. The *Client*

subsequently gives an instruction to the *Consultant to*

CONTRACT FORMS

* + - re-start or start the work or
    - remove the work from the Scope.

#### The Programme 31

2

CONDITIONS OF CONTRACT

31.1 The *Consultant* submits programmes to the *Client* as stated in the Scope.

**4. QUALITY MANAGEMENT**

#### Notifying Defects 40

* 1. The *Client* may notify a Defect to the *Consultant* at any time before the *defects date*.
  2. At Completion, the *Consultant* notifies the *Client* of the Defects which have not been corrected.
  3. The *Client’s* rights in respect of a Defect which the *Client* has not found or notified by the

*defects date* are not affected.

#### Correcting Defects 41

* 1. The *Consultant* corrects a Defect whether or not the *Client* has notified it.
  2. The *Consultant* corrects Defects within a time which minimises the adverse effect on the

CONTRACT FORMS

*Client* or others who are using the *service*.

#### Accepting Defects 42

42.1 The *Consultant* and the *Client* may each propose to the other that the Scope should be changed so that a Defect does not have to be corrected. If the *Consultant* and the *Client* are prepared to consider the change, the *Consultant* submits a quotation for reduced Prices or an earlier Completion Date or both to the *Client* for acceptance. If the *Client* accepts the quotation, it changes the Scope, the Prices and the Completion Date accordingly.

#### Uncorrected Defects

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CONDITIONS OF CONTRACT

**43**

43.1 If the *Consultant* has not corrected a notified Defect within the time required by the contract, the *Client* assesses the cost of having the Defect corrected by other people and the *Consultant* pays this amount.

### 5. PAYMENT

#### Assessing the amount due

**50**

* 1. The *Consultant* assesses the amount due and submits an invoice to the *Client* for payment before each *assessment day*. There is an *assessment day* in each month from the *starting date* until the earlier of
     + the month after the *defects date* and
     + ether Party gives notice to the other to terminate the *Consultant’s* obligation to Provide the Service.
  2. The *Consultant’s* invoice includes details of how the amount due has been assessed.
  3. If the *Consultant* submits an invoice for payment before the *assessment day,* the amount due at the *assessment day* is

CONTRACT FORMS

* + - the Price for each lump sum item in the Price List which the *Consultant* has completed,
    - where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the *Consultant* has completed by the rate,
    - the amount of the expenses stated in the Price List properly spent by the *Consultant*,
    - for work carried out on a time charge basis, the time expended on work which has been completed multiplied by the appropriate People Rates,
    - plus other amounts to be paid to the *Consultant*,
    - less amounts to be paid by or retained from the *Consultant*.
  1. If the *Consultant* does not submit an invoice for payment before the *assessment day* the amount due at the *assessment day* is the lesser of
     + the amount the *Client* assesses as due at the *assessment day,* assessed as though the

*Consultant* had submitted an invoice for payment before the *assessment day,* and

* + - the amount due at the previous *assessment day*.

If the *Client* assesses an amount due it gives details of the how the amount has been calculated.

* 1. If the *Consultant* has incorrectly assessed the amount due in an invoice submitted before the *assessment day*, the *Client* corrects the amount due and gives details of how the corrected amount has been calculated before payment.
  2. The *Consultant* pays *delay damages* for each day from the Completion Date until Completion.

CONDITIONS OF CONTRACT

#### Payment 51

2

* 1. A payment is made within three weeks after the *assessment day*. 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 *Consultant* to the *Client* if the amount due is less than the amount due in the previous assessment. Other payments are made by the *Client* to the *Consultant*.

* 1. Interest is paid if a payment is late or includes a correction of an earlier payment. Interest is assessed from the date by which the correct payment should have been made until the date when it is paid. Interest is calculated at the rate stated in the Contract Data or, if none is stated, at 0.5% of the delayed amount per complete week of delay.
  2. Any tax which the law requires a Party to pay to the other Party is added to any payment made under the contract.

### 6. COMPENSATION EVENTS

#### Compensation events

**60**

* 1. The following events are compensation events.
     1. The *Client* gives an instruction changing the Scope unless the change is in order to make a Defect acceptable.
     2. The *Client* does not provide something which it is to provide by the date stated in the contract.
     3. The *Client* gives an instruction to stop or not to start any work.
     4. The *Client* does not work within the conditions stated in the Scope.
     5. The *Client* does not reply to a communication from the *Consultant* within the period required by the contract.
     6. The *Client* changes a decision which it has previously communicated to the *Consultant*.
     7. Either Party notifies the other of a correction to an assumption made for the assessment of a compensation event.
     8. The *Client* gives an instruction to correct a mistake in the Price List.

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#### Notifying compensation events

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**Quotations for compensation events**

CONDITIONS OF CONTRACT

**61**

* 1. The *Client* and the *Consultant* notify the other of an event which has happened or which they expect to happen as a compensation event.
  2. If the *Client* notifies the compensation event, it also instructs the *Consultant* to submit a quotation for the compensation event. The *Consultant* submits the quotation within one week of being instructed to do so by the *Client*. If the *Consultant* notifies the compensation event, it submits a quotation with the notification.
  3. If the *Consultant* does not notify a compensation event within four weeks of becoming aware that the event has happened the Prices and Completion Date are not changed unless the event arises from a correction to an assumption stated by the *Client* or the *Client* giving an instruction or changing an earlier decision.
  4. A compensation event is not notified by the *Client* or *Consultant* after the *defects date*.

#### 62

* 1. A quotation for a compensation event comprises proposed changes to the Prices and Completion Date assessed by the *Consultant*. The *Consultant* submits details of its assessment with each quotation*.* If the effects of a compensation event are too uncertain to be forecast reasonably, the *Consultant* states assumptions about the compensation event in the quotation. Assessment of the compensation event is based on these assumptions. If any of them is later found to have been wrong, either Party may notify a correction to the other Party.
  2. The *Client* replies within one week of the *Consultant’s* submission. If the *Client* decides that an event notified by the *Consultant*
     + arises from the fault of the *Consultant,*
     + has not happened and is not expected to happen,
     + has not been notified within the timescales set out in these *conditions of contract* or
     + is not one of the compensation events stated in the contract

the *Client* notifies the *Consultant* that the Prices and Completion Date are not to be changed. If the *Client* decides otherwise, it notifies the *Consultant* accordingly and includes in the notice

* acceptance of the *Consultant’s* quotation or
* statement that it does not agree with the quotation and details of the *Client’s* own assessment.
  1. If the *Client* does not reply to a quotation in accordance with the contract and within the time allowed, it is treated as acceptance by the *Client* of the quotation.
  2. If the *Consultant* does not provide a quotation which the contract requires it to submit in the time allowed, the *Client* assesses the compensation event and notifies the *Consultant* of the *Client’s* assessment within one week of when it should have received the *Consultant’s* quotation.
  3. The *Client* includes details of its assessment of a compensation event when it notifies the *Consultant* of the assessment. If the effects of a compensation event are too uncertain to be forecast reasonably, the *Client* states assumptions about the compensation event in the assessment. Assessment of the compensation event is based on these assumptions. If any of

them is later found to have been wrong, either Party may notify a correction to the other Party.

2

#### Assessing compensation events

**63**

CONTRACT FORMS

* 1. For a compensation event which only affects the quantities of work shown in the Price List, the change to the Prices is assessed by multiplying the changed quantities of work by the appropriate rates in the Price List.
  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 already done,
     + the forecast Defined Cost of the work not yet done and
     + the resulting Fee.
  3. The *Client* and the *Consultant* may agree rates or lump sums to assess the change to the Prices.
  4. The effects of compensation events upon the Defined Cost are 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.
  5. If, when assessing a compensation event the People Rates do not include a rate for a category of person required, the *Client* and *Consultant* may agree a new rate. If they do not agree the *Client* assesses the rate based on the People Rates*.* The agreed or assessed rate becomes the People Rate for that category of person.
  6. A delay to the Completion Date is assessed as the length of time that, due to the compensation event, Completion is forecast to be delayed.
  7. An assessment of the effect of a compensation event made using Defined Cost
     + includes risk allowances for cost and time for matters which have a significant chance of occurring and are not compensation events and
     + is based upon the assumptions that

CONDITIONS OF CONTRACT

* + - * the *Consultant* reacts competently and promptly to the event and
      * any additional Defined Cost and time due to the event are reasonably incurred.
  1. 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 Completion Date were for the interpretation most favourable to the *Consultant.*
  2. Assessments for changed prices for compensation events are in the form of changes to the Price List.
  3. If
     + the Client has accepted a *Consultant’s* quotation,
     + a *Consultant’s* quotation is treated as accepted or
     + the *Client* has notified the *Consultant* of a *Client’s* own assessment

for a compensation event, the assessment of that compensation event is not revised except as stated in these *conditions of contract*.

### 7. RIGHTS TO MATERIAL

#### The Parties’ use of material

**70**

* 1. The *Client* has the right to use the material provided by the *Consultant* for the purpose stated in the Scope. The *Consultant* obtains from a subcontractor equivalent rights to use material prepared by a subcontractor.
  2. The *Consultant* has the right to use the material provided by the *Client* only to Provide the Service. The *Consultant* may make this right available to a subcontractor.
  3. The *Consultant* may use the material provided by it under the contract for other work unless stated otherwise in the Scope.

CONTRACT FORMS

**8. LIABILITIES AND INSURANCE**

***Client’s* liabilities 80**

* 1. The following are *Client‘s* liabilities.
     + Claims and proceedings from others and compensation and costs payable to others which are due to
       - the unavoidable result of the *service*,
       - negligence, breach of statutory duty or interference with any legal right by the

*Client* or by any person employed by or contracted to it except the *Consultant*.

* + - A fault of the *Client* or any person employed by or contracted to it, except the

CONTRACT FORMS

*Consultant*

***Consultant’s***

liabilities

**81**

* 1. The following are *Consultant‘s* liabilities unless they are stated as being *Client‘s* liabilities.
     + Claims and proceedings from the *Client* and others and compensation and costs payable to the *Client* and others which arise from a failure by the *Consultant* to use the skill and care normally used by professionals providing services similar to the *service.*
     + Death or bodily injury to the employees of the *Consultant*.

#### Recovery of costs 82

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* 1. Any cost which the *Client* has paid or will pay as a result of an event for which the *Consultant*

is liable is paid by the *Consultant*.

* 1. Any cost which the *Consultant* has paid or will pay as a result of an event for which the *Client*

is liable is paid by the *Client*.

* 1. 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

* 1. The *Client* provides the insurances which the *Client* is to provide as stated in the Contract Data.
  2. The *Consultant* provides the insurances stated in the Insurance Table except any insurance which the *Client* is to provide as stated in the Contract Data.
  3. The insurances provide cover for events which are the *Consultant’s* liability from the *starting date* until the end of the periods stated in the Contract Data.

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| **INSURANCE TABLE** | |
| **INSURANCE AGAINST MINIMUM AMOUNT OF COVER** | |
| Liability of the *Consultant* for claims made against it arising out of the *Consultant’s* failure to use  the skill and care normally used by professionals providing services similar to the *service.* | The amount stated in the Contract Data |
| Loss of or damage to property and liability for bodily injury to or death of a person (not an employee of the *Consultant*) arising from or in connection with the *Consultant* Providing the Service. | The amount stated in the Contract Data for any one event with cross liability so that the insurance applies to the Parties separately |
| Liability for death of or bodily injury to employees of the *Consultant* 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 |

#### Limitation of liability

**84**

84.1 The *Consultant’s* total liability to the *Client* which arises under or in connection with the contract is limited to the amounts stated in the Contract Data. These liabilities and limits apply in contract, tort or delict or otherwise to the extent allowed under the *law of the contract*.

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### 9. TERMINATION AND RESOLVING DISPUTES

#### Termination and reasons for termination

**Procedures on termination**

**90**

* 1. A Party may terminate the *Consultant’s* obligation to Provide the Service for a reason stated in these *conditions of contract* by notifying the other Party and giving details of the reason for terminating. After a notification to terminate has been issued, the *Consultant* does no further work necessary to Provide the Service.
  2. Either Party may terminate if the other Party has become insolvent or its equivalent (Reason 1).
  3. The *Client* may terminate if the *Client* has notified the *Consultant* that the *Consultant* has not stopped one of the following defaults within two weeks of the date when the *Client* notified the *Consultant* of the default.

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* + - Substantially failed to comply with the contract (Reason 2).
    - Substantially hindered the *Client* (Reason 3).
    - Substantially broken a health or safety regulation (Reason 4).
  1. The *Consultant* may terminate if
     + the *Client* has not paid an amount due under the contract within thirteen weeks of the

*assessment day* which followed receipt of the *Consultant’s* invoice for it (Reason 5) or

* + - the *Client* has instructed the *Consultant* to stop or not to start any substantial work or all work for a reason which is not the *Consultant’s* fault and an instruction allowing the work to re-start or start or removing work from the Scope has not been given within eight weeks (Reason 6).
  1. The *Client* may terminate if the *Consultant* does a Corrupt Act, unless it was done by a subcontractor or supplier and the *Consultant*
     + was not and should not have been aware of the Corrupt Act or
     + informed the *Client* of the Corrupt Act and took action to stop it as soon as the

*Consultant* became aware of it (Reason 7).

* 1. The *Client* may terminate for any other reason (Reason 8).

#### 91

* 1. On termination, the *Client* may complete the *service* and use any material to which it has title.
  2. After the final payment has been made, the *Consultant* gives to the *Client* information which it has obtained or prepared which it has a responsibility to provide under the contract.

#### Payment on termination

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**92**

* 1. The amount due on termination includes

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* + - an amount due assessed as for normal payments and
    - other costs reasonably incurred by the *Consultant* in expectation of completing the

*service* and to which the *Consultant* is committed.

* 1. If the *Client* terminates for Reason 1, 2, 3, 4 or 7 the amount due on termination also includes a deduction of the forecast additional cost to the *Client* of completing the *service*.
  2. If the *Consultant* terminates for Reason 1, 5 or 6 or if the *Client* terminates for Reason 8, the amount due on termination also includes 5% of any excess of a forecast of the amount due at Completion had there been no termination over the amount due on termination assessed as for normal payments.
  3. Within thirteen weeks of termination, the *Client* assesses the final amount due. The final payment is the amount due on termination less the total of previous payments. The *Client* gives the *Consultant* details of the assessment. Payment is made within three weeks of the *Client’s* assessment.

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#### Dispute resolution 93

* 1. A dispute arising under or in connection with the contract is referred to and decided by the *Adjudicator*. 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.*

**The *Adjudicator*** 93.2

(1) The Parties appoint the *Adjudicator* under the NEC Dispute Resolution Service Contract current at the *starting date*. The *Adjudicator* acts impartially and decides the dispute as an independent adjudicator and not as an arbitrator.

* + - 1. 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 four days of the request. The chosen adjudicator becomes the *Adjudicator*.

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* + - 1. 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** 93.3 (1) A Party may refer a dispute to the *Adjudicator* if

* + - the Party notified the other Party of the dispute within four weeks of becoming aware of it and
    - between two and four further weeks have passed since the notification.

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*.

1. 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 two weeks of the referral. This period may be extended if the *Adjudicator* and the Parties agree.
2. The *Adjudicator* may
   * + review and revise any action or inaction of the *Client* 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.

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1. A communication between a Party and the *Adjudicator* is communicated to the other Party at the same time.
2. If the *Adjudicator’s* decision includes assessment of additional cost or delay caused to the

*Consultant,* the assessment is made in the same way as a compensation event is assessed.

1. The *Adjudicator* decides the dispute and informs the Parties of the decision and reasons within four weeks of the referral. This period may be extended by up to two weeks with the consent of the referring Party, or by any period agreed by the Parties.

If the *Adjudicator* does not inform the Parties of the decision within the time allowed, either Party may act as if the *Adjudicator* has resigned.

1. Unless and until the *Adjudicator* has notified the Parties of the decision, the Parties proceed as if the matter disputed was not disputed.
2. 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 intends to refer the matter to the *tribunal*.

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**The *tribunal*** 93.4 A Party may refer a dispute to the *tribunal* if

* + the Party is dissatisfied with the *Adjudicator’s* decision or
  + the *Adjudicator* did not inform the Parties of a decision within the time allowed and a new adjudicator has not been chosen,

except that neither Party may refer a dispute to the *tribunal* unless they have notified the other Party of their intention to do so not more than four weeks after

* + the *Adjudicator* notifies the Parties of the decision, or, if the *Adjudicator* did not inform the Parties of the decision within the time allowed,
  + the end of the time allowed for the *Adjudicator’s* decision.

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**IF THE UNITED KINGDOM HOUSING GRANTS, CONSTRUCTION AND REGENERATION ACT 1996 AS AMENDED BY THE LOCAL DEMOCRACY, ECONOMIC DEVELOPMENT AND CONSTRUCTION ACT 2009 (THE ACT) APPLIES TO THE CONTRACT, THE FOLLOWING ADDITIONAL CONDITIONS APPLY.**

**Definitions** 1.1 (1) In this clause, time periods stated in days exclude Christmas Day, Good Friday and bank holidays.

1. Each *assessment day* is a payment due date. If there is a termination, the payment due date is thirteen weeks after the notice of termination.
2. The final date for payment is three weeks after the payment due date.

#### Assessing the amount due

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**Compensation event**

The adjudication

* 1. If the *Consultant* submits an invoice for payment before the payment due date, the invoice is the notice of payment specifying the sum that the *Consultant* considers to be due at the payment due date (the notified sum). The *Consultant’s* invoice states the basis on which the amount is calculated and includes details of the calculation.
  2. If the *Consultant* does not submit an invoice for payment before a payment due date, the notified sum is zero or, if an amount is to be paid to the *Client*, the amount which the *Client* considers is to be paid. The *Client* notifies the *Consultant* of the notified sum.
  3. The following replaces clause 50.5

If a Party intends to pay less than the notified sum, it notifies the other Party of its assessment of the amount due not later than seven days (the prescribed period) before the final date for payment. The notification states the basis on which the amount due is

calculated and includes details of the calculation. A Party pays the notified sum unless it has notified its intention to pay less than the notified sum.

* 1. If the *Consultant* exercises its right under the Act to suspend performance, it is a compensation event.

1.6 The following replaces clause 93.3(1)

A Party may issue to the other Party a notice of its intention to refer a dispute to adjudication at any time. The Party refers the dispute to the *Adjudicator* within seven days of the notice.

* 1. The *Adjudicator* may in the decision allocate the *Adjudicator’s* fees and expenses between the Parties.
  2. The *Adjudicator* may, within five days of giving the decision to the Parties, correct the decision to remove a clerical or typographical error arising by accident or omission.
  3. If the *Adjudicator’s* decision changes an amount notified as due, payment of the sum decided by the *Adjudicator* is due not later than seven days from the date of the decision or the final date for payment of the notified amount, whichever is the later.

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