



professional service contract



Expires 14/09/22

June 2017

For use on Foreign, Commonwealth, and Development Office projects only

Expires 14/09/22



Professional Service Contract

This contract should be used for the appointment of a supplier to provide a professional service

An NEC document

June 2017

(with amendments October 2020)

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.

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.



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 Professional Service 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

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

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Preface

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

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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
4	11.2(13)	Clause amended
13	53.3	Clause amended
18	63.5	Clause amended
22	84.1	Clause amended
23	90.2	Clause amended
29	50.9	Clause amended
31	50.8	Clause amended
31	50.9	Clause amended
33	W1.1(1)	Clause amended
33	W1.1(4)	Clause amended
36	W2.1(1)	Clause amended
37	W2.3(2)	Clause amended
47	Trust Deed	Third bullet in the trust deed amended
54	Contract Data Part one: General	Preamble amended
57	Contract Data Part one: liabilities and insurance	Entry for the minimum amount of cover for the second and third insurance in the insurance table amended

Full details of these amendments can be found at www.neccontract.com.

OCTOBER 2020

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

Page	Clause/location	Amendments
40	X7.1	Clause amended
42	X10.7(1)	Clause amended
42	X10.7(2)	Clause amended
42	X11.1	Clause amended
45	Y(UK)1	Clause amended
49	Y(UK)2	Clause amended
54	Contract Data Part One: General	Preamble amended
63	Contract Data Part One: Y(UK)1	Entry amended

Full details of these amendments can be found at www.neccontract.com.

ERRATA: There is an error with the published hard copy versions of this contract (dated October 2020) with one of the side headings on the Contract Data Part One entries for Y(UK)2. This have been corrected in this digital version.

Schedule of Options

MAIN OPTIONS

The strategy for choosing the form of contract starts with a decision between three main Options, one of which must be chosen.

- Option A Priced contract with activity schedule
- Option C Target contract
- Option E Cost reimbursable contract

RESOLVING AND AVOIDING DISPUTES

One of the following procedures for resolving and avoiding disputes must be selected to complete the chosen main Option.

- Option W1 Used when the United Kingdom Housing Grants, Construction and Regeneration Act 1996 does not apply
- Option W2 Used when the United Kingdom Housing Grants, Construction and Regeneration Act 1996 applies

SECONDARY OPTIONS

The following secondary Options should then 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 (used only with Options A and C)
- Option X2 Changes in the law
- Option X3 Multiple currencies (used only with Option A)
- Option X4 Ultimate holding company guarantee
- Option X5 Sectional Completion
- Option X6 Bonus for early Completion
- Option X7 Delay damages
- Option X8 Undertakings to Others
- Option X9 Transfer of rights
- Option X10 Information modelling
- Option X11 Termination by the *Client*
- Option X12 Multiparty collaboration (not used with Option X20)
- Option X13 Performance bond
- Option X18 Limitation of liability
- Option X20 Key Performance Indicators (not used with Option X12)

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

- Option Y(UK)1 Project Bank Account
- Option Y(UK)2 The Housing Grants, Construction and Regeneration Act 1996
- Option Y(UK)3 The Contracts (Rights of Third Parties) Act 1999

- Option Z *Additional conditions of contract*
Note Options X14–X17 and X19 are not used

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Core Clauses

1. GENERAL

Actions	10	
	10.1	The Parties and the <i>Service Manager</i> shall act as stated in this contract.
	10.2	The Parties and the <i>Service 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	<p>(1) The Accepted Programme is the programme identified in the Contract Data or is the latest programme accepted by the <i>Service Manager</i>. The latest programme accepted by the <i>Service Manager</i> supersedes previous Accepted Programmes.</p> <p>(2) Completion is when the <i>Consultant</i> has</p> <ul style="list-style-type: none"> • done all the work which the Scope states is to be done by the Completion Date and • corrected Defects which would have prevented the <i>Client</i> from using the <i>service</i> or Others from doing their work. <p>If the work which the <i>Consultant</i> is to do by the Completion Date is not stated in the Scope, Completion is when the <i>Consultant</i> has done all the work necessary for the <i>Client</i> to use the <i>service</i> and for Others to do their work.</p> <p>(3) The Completion Date is the <i>completion date</i> unless later changed in accordance with the contract.</p> <p>(4) The Contract Date is the date when the contract came into existence.</p> <p>(5) A Corrupt Act is</p> <ul style="list-style-type: none"> • 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 <p>in connection with this contract or any other contract with the <i>Client</i>. This includes any commission paid as an inducement which was not declared to the <i>Client</i> before the Contract Date.</p> <p>(6) A Defect is a part of the <i>service</i> which is not in accordance with the Scope or the applicable law.</p> <p>(7) The Early Warning Register is a register of matters which are</p> <ul style="list-style-type: none"> • listed in the Contract Data for inclusion and • notified by the <i>Service Manager</i> or the <i>Consultant</i> as early warning matters. <p>It includes a description of the matter and the way in which the effects of the matter are to be avoided or reduced.</p> <p>(8) The Fee is the amount calculated by applying the <i>fee percentage</i> to the amount of Defined Cost.</p> <p>(9) A Key Date is the date by which work is to meet the Condition stated. The Key Date is the <i>key date</i> stated in the Contract Data and the Condition is the <i>condition</i> stated in the Contract Data unless later changed in accordance with the contract.</p>

(10) Others are people or organisations who are not the *Client*, the *Service Manager*, the *Adjudicator*, the *Consultant* or any employee, Subcontractor or supplier of the *Consultant*.

(11) The Parties are the *Client* and the *Consultant*.

(12) 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.

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

(14) A Subcontractor is a person or organisation who has a contract with the *Consultant* to provide part of the *service*, except for the supply of people paid for by the *Consultant* according to the time they work.

Interpretation and the law

- | | |
|-----------|---|
| 12 | |
| 12.1 | In the contract, except where the context shows otherwise, words in the singular also mean in the plural and the other way round. |
| 12.2 | The contract is governed by the <i>law of the contract</i> . |
| 12.3 | No change to the contract, unless provided for by these <i>conditions of contract</i> , 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. |

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 <i>language of the contract</i> . |
| 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 <i>Service Manager</i> or the <i>Consultant</i> to reply to a communication, unless otherwise stated in these <i>conditions of contract</i> , they reply within the <i>period for reply</i> . |
| 13.4 | The <i>Service Manager</i> replies to a communication submitted or resubmitted by the <i>Consultant</i> for acceptance. If the reply is not acceptance, the <i>Service Manager</i> states the reasons in sufficient detail to enable the <i>Consultant</i> to correct the matter. The <i>Consultant</i> resubmits the communication within the <i>period for reply</i> taking account of these reasons. A reason for withholding acceptance is that more information is needed in order to assess the <i>Consultant's</i> submission fully. |
| 13.5 | The <i>Service Manager</i> may extend the period for reply to a communication if the <i>Service Manager</i> and the <i>Consultant</i> agree to the extension before the reply is due. The <i>Service Manager</i> informs the <i>Consultant</i> of the extension which has been agreed. |
| 13.6 | The <i>Service Manager</i> issues certificates to the <i>Client</i> and the <i>Consultant</i> . |
| 13.7 | A notification or certificate which the contract requires is communicated separately from other communications. |
| 13.8 | The <i>Service Manager</i> may withhold acceptance of a submission by the <i>Consultant</i> . Withholding acceptance for a reason stated in these <i>conditions of contract</i> is not a compensation event. |

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

COST COMPONENTS

CONTRACT DATA

- 13.9 The *Consultant* retains copies of drawings, specifications, reports and other documents which record the *service* for the *period for retention*. The copies are retained in the form stated in the Scope.

The Service Manager

- 14**
- 14.1 The *Service Manager's* acceptance of a communication from the *Consultant* or of the work does not change the *Consultant's* responsibility to Provide the *Service*.
- 14.2 The *Service Manager*, after notifying the *Consultant*, 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 *Service Manager* in the contract includes an action by their delegate. The *Service Manager* may take an action which they have delegated.
- 14.3 The *Service Manager* may give an instruction to the *Consultant* which changes the Scope or a Key Date. After Completion, an instruction is given only if it is necessary to Provide the *Service*. If information provided by the *Client* is found to be incorrect, the *Service Manager* gives an instruction correcting it.
- 14.4 The *Service Manager* does not give an instruction to the *Consultant* which would require it to act in a way that was outside its professional code of conduct.
- 14.5 The *Client* may replace the *Service Manager* after notifying the *Consultant* of the name of the replacement.

Early warning

- 15**
- 15.1 The *Consultant* and the *Service 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 Completion,
 - delay meeting a Key Date,
 - impair the usefulness of the *service* to the *Client* or
 - affect the work of the *Client*, a *Client's* contractor or another consultant.
- The *Service Manager* or the *Consultant* may give an early warning by notifying the other of any other matter which could increase the *Consultant's* total cost. The *Service 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 *Service Manager* prepares a first Early Warning Register and issues it to the *Consultant* within one week of the *starting date*. The *Service Manager* instructs the *Consultant* to attend a first early warning meeting within two weeks of the *starting date*.
- Later early warning meetings are held
- if either the *Service Manager* or *Consultant* 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 Completion of the whole of the *service*.
- The *Service Manager* or *Consultant* may instruct 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 *Service 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 *Consultant* within one week of the early warning meeting. If a decision needs a change to the Scope, the *Service Manager* instructs the change at the same time as the revised Early Warning Register is issued.

Requirements for instructions 16

- 16.1 The *Service Manager* or the *Consultant* 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 *Service Manager* states how the ambiguity or inconsistency should be resolved.
- 16.2 The *Service Manager* or the *Consultant* 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 *Service Manager* gives an instruction to change the Scope appropriately.

Corrupt Acts 17

- 17.1 The *Consultant* does not do a Corrupt Act.
- 17.2 The *Consultant* takes action to stop a Corrupt Act of a Subcontractor or supplier of which it is, or should be, aware.
- 17.3 The *Consultant* includes equivalent provisions to these in subcontracts.

Prevention 18

- 18.1 If an event occurs which
- stops the *Consultant* completing the whole of the *service* or
 - stops the *Consultant* completing the whole of the *service* by the date for planned Completion shown on the Accepted Programme,
- and which
- neither Party could prevent and
- an experienced consultant 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,
- the *Service Manager* gives an instruction to the *Consultant* stating how the event is to be dealt with.

2. THE CONSULTANT'S MAIN RESPONSIBILITIES

Providing the Service	20	<p>20.1 The <i>Consultant</i> Provides the Service in accordance with the Scope.</p> <p>20.2 The <i>Consultant's</i> obligation is to use the skill and care normally used by professionals providing services similar to the <i>service</i>.</p> <p>20.3 The <i>Consultant</i> is not liable for a Defect unless it failed to carry out the <i>service</i> using the skill and care normally used by professionals providing services similar to the <i>service</i>.</p>
People	21	<p>21.1 The <i>Consultant</i> either provides each <i>key person</i> named to do the job stated in the Contract Data or provides a replacement person who has been accepted by the <i>Service Manager</i>.</p> <p>The <i>Consultant</i> submits the name, relevant qualifications and experience of a proposed replacement person to the <i>Service Manager</i> for acceptance. A reason for not accepting the person is that their relevant qualifications and experience are not as good as those of the person who is to be replaced.</p> <p>21.2 The <i>Service Manager</i> may, having stated the reasons, instruct the <i>Consultant</i> to remove a person. The <i>Consultant</i> then arranges that, after one day, the person has no further connection with the work included in the contract.</p>
Working with the Client and Others	22	<p>22.1 The <i>Consultant</i> co-operates with Others, including in obtaining and providing information which they need in connection with the <i>service</i>.</p> <p>22.2 Where necessary to Provide the Service, the <i>Consultant</i> holds or attends meetings with Others. The <i>Consultant</i> informs the <i>Service Manager</i> of these meetings beforehand and the <i>Service Manager</i> may attend them.</p> <p>22.3 If the <i>Service Manager</i> decides that the work does not meet the Condition stated for a Key Date by the date stated and, as a result, the <i>Client</i> incurs additional cost either</p> <ul style="list-style-type: none"> • in carrying out work or • by paying an additional amount to Others in carrying out work <p>on the same project, the additional cost the <i>Client</i> has paid or will incur is paid by the <i>Consultant</i>. The <i>Service Manager</i> assesses the additional cost within four weeks of the date when the Condition stated for the Key Date is met. The <i>Client's</i> right to recover the additional cost is its only right in these circumstances.</p>
Subcontracting	23	<p>23.1 If the <i>Consultant</i> subcontracts work, it is responsible for Providing the Service as if it had not subcontracted. The contract applies as if a Subcontractor's employees were the <i>Consultant's</i>.</p> <p>23.2 The <i>Consultant</i> submits the name of each proposed Subcontractor to the <i>Service Manager</i> for acceptance. A reason for not accepting the Subcontractor is that the appointment will not allow the <i>Consultant</i> to Provide the Service. The <i>Consultant</i> does not appoint a proposed Subcontractor until the <i>Service Manager</i> has</p> <ul style="list-style-type: none"> • accepted the Subcontractor and, to the extent these <i>conditions of contract</i> require, • accepted the subcontract documents. <p>23.3 The <i>Consultant</i> submits the proposed subcontract documents, except any pricing information, for each subcontract to the <i>Service Manager</i> for acceptance unless</p> <ul style="list-style-type: none"> • the proposed subcontract is an NEC contract which has not been amended other than in accordance with the <i>additional conditions of contract</i> or • the <i>Service Manager</i> has agreed that no submission is required.

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

COST COMPONENTS

CONTRACT DATA

A reason for not accepting the subcontract documents is that

- their use will not allow the *Consultant* to Provide the Service or
- they do not include a statement that the parties to the subcontract act in a spirit of mutual trust and co-operation.

Other responsibilities	24	
	24.1	The <i>Consultant</i> obtains approval from Others where necessary.
	24.2	The <i>Consultant</i> obeys an instruction which is in accordance with the contract and is given by the <i>Service Manager</i> .
	24.3	The <i>Consultant</i> acts in accordance with the health and safety requirements stated in the Scope.
Assignment	25	
	25.1	Either Party notifies the other Party if they intend to transfer the benefit of the contract or any rights under it. The <i>Client</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	26	
	26.1	The Parties do not disclose information obtained in connection with the <i>service</i> except when necessary to carry out their duties under the contract.
	26.2	The <i>Consultant</i> may publicise the <i>service</i> only with the <i>Client's</i> agreement.

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3. TIME

Starting, Completion and Key Dates	30	
	30.1	The <i>Consultant</i> does not start work until the <i>starting date</i> and does the work so that Completion is on or before the Completion Date.
	30.2	The <i>Service Manager</i> decides the date of Completion and certifies it within one week of the date.
	30.3	The <i>Consultant</i> does the work so that the Condition stated for each Key Date is met by the Key Date.
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The programme	31	
	31.1	If a programme is not identified in the Contract Data, the <i>Consultant</i> submits a first programme to the <i>Service Manager</i> for acceptance within the period stated in the Contract Data.
	31.2	The <i>Consultant</i> shows on each programme submitted for acceptance <ul style="list-style-type: none"> • the <i>starting date</i>, <i>access dates</i>, Key Dates and Completion Date, • planned Completion, • the order and timing of the operations which the <i>Consultant</i> plans to do in order to Provide the Service, • the order and timing of the work of the <i>Client</i> and Others as last agreed with them by the <i>Consultant</i> or, if not so agreed, as stated in the Scope, • the dates when the <i>Consultant</i> plans to meet each Condition stated for the Key Dates and to complete other work needed to allow the <i>Client</i> and Others to do their work, • provisions for <ul style="list-style-type: none"> – float, – time risk allowances, – health and safety requirements and – the procedures set out in the contract, • the dates when, in order to Provide the Service in accordance with the programme, the <i>Consultant</i> will need <ul style="list-style-type: none"> – access to a person, place or thing if later than its <i>access date</i>, – information and things to be provided by the <i>Client</i> and – information and approval from Others, • for each operation, a statement of how the <i>Consultant</i> plans to do the work identifying the resources which will be used and • other information which the Scope requires the <i>Consultant</i> to show on a programme submitted for acceptance. <p>A programme issued for acceptance is in the form stated in the Scope.</p>
	31.3	Within two weeks of the <i>Consultant</i> submitting a programme for acceptance, the <i>Service Manager</i> notifies the <i>Consultant</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"> • the <i>Consultant's</i> plans which it shows are not practicable, • it does not show the information which the contract requires,

- it does not represent the *Consultant's* plans realistically or
- it does not comply with the Scope.

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

Revising the programme	32	
	32.1	The <i>Consultant</i> shows on each revised programme <ul style="list-style-type: none"> • the actual progress achieved on each operation and its effect upon the timing of the remaining work, • how the <i>Consultant</i> plans to deal with any delays and to correct notified Defects and • any other changes which the <i>Consultant</i> proposes to make to the Accepted Programme.
	32.2	The <i>Consultant</i> submits a revised programme to the <i>Service Manager</i> for acceptance <ul style="list-style-type: none"> • within the <i>period for reply</i> after the <i>Service Manager</i> has instructed the <i>Consultant</i> to, • when the <i>Consultant</i> chooses to and, in any case, • at no longer interval than the interval stated in the Contract Data from the <i>starting date</i> until Completion of the whole of the <i>service</i>.
Access to people, places and things	33	
	33.1	The <i>Client</i> provides access to a person, place or thing to the <i>Consultant</i> as stated in the Contract Data on or before the later of its <i>access date</i> and the date for access shown on the Accepted Programme.
	33.2	The <i>Client</i> provides information and things which the contract requires the <i>Client</i> to provide in accordance with the Accepted Programme.
Instructions to stop or not to start work	34	
	34.1	The <i>Service Manager</i> may instruct the <i>Consultant</i> to stop or not to start any work. The <i>Service Manager</i> subsequently gives an instruction to the <i>Consultant</i> to <ul style="list-style-type: none"> • re-start or start the work or • remove the work from the Scope.
Acceleration	35	
	35.1	The <i>Consultant</i> and the <i>Service Manager</i> may propose to the other an acceleration to achieve Completion before the Completion Date. If the <i>Service Manager</i> and <i>Consultant</i> are prepared to consider the proposed change, the <i>Service Manager</i> instructs the <i>Consultant</i> to provide a quotation. The instruction states changes to the Key Dates to be included in the quotation. The <i>Consultant</i> provides a quotation within three weeks of the instruction to do so. The <i>Service Manager</i> replies to the quotation within three weeks. The reply is <ul style="list-style-type: none"> • a notification that the quotation is accepted or • a notification that the quotation is not accepted and that the Completion Dates and Key Dates are not changed.
	35.2	A quotation for an acceleration comprises proposed changes to the Prices and a revised programme showing the earlier Completion Date and the changed Key Dates. The <i>Consultant</i> submits details of the assessment with each quotation.
	35.3	When a quotation for an acceleration is accepted, the <i>Service Manager</i> changes the Prices, the Completion Date and the Key Dates accordingly and accepts the revised programme.

4. QUALITY MANAGEMENT

Quality management system	40	
	40.1	The <i>Consultant</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>Consultant</i> provides the <i>Service 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>Consultant</i> to Provide the Service. If any changes are made to the quality plan, the <i>Consultant</i> provides the <i>Service Manager</i> with the changed quality plan for acceptance.
	40.3	The <i>Service Manager</i> may instruct the <i>Consultant</i> to correct a failure to comply with the quality plan. This instruction is not a compensation event.
<hr/>		
Correcting Defects	41	
	41.1	Until the <i>defects date</i> the <i>Service Manager</i> and the <i>Consultant</i> notifies the other as soon they becomes aware of a Defect. At Completion the <i>Consultant</i> notifies the <i>Service Manager</i> of the Defects which have not been corrected. The <i>Client's</i> rights in respect of a Defect which the <i>Service Manager</i> has not found or notified by the <i>defects date</i> are not affected.
	41.2	The <i>Consultant</i> corrects a Defect whether or not the <i>Service Manager</i> has notified it. The <i>Consultant</i> corrects Defects within a time which minimises the adverse effect on the <i>Client</i> or Others. If the <i>Consultant</i> does not correct a notified Defect within the time required by the contract, the <i>Service Manager</i> assesses the cost to the <i>Client</i> of having the Defect corrected by other people and the <i>Consultant</i> pays this amount. The Scope is treated as having been changed to accept the Defect.
<hr/>		
Accepting Defects	42	
	42.1	The <i>Consultant</i> and the <i>Service Manager</i> may propose to the other that the Scope should be changed so that a Defect does not have to be corrected.
	42.2	If the <i>Consultant</i> and the <i>Service Manager</i> are prepared to consider the change, the <i>Consultant</i> submits a quotation for reduced Prices or an earlier Completion Date or both to the <i>Service Manager</i> for acceptance. If the quotation is accepted, the <i>Service Manager</i> changes the Scope, the Prices and the Completion Date accordingly and accepts the revised programme.

5. PAYMENT

Assessing the amount due

- 50
- 50.1 The *Service Manager* assesses the amount due at each assessment date. The first assessment date is decided by the *Service 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 *defects date* or
 - the *Service Manager* issues a termination certificate.
- 50.2 The *Consultant* submits an application for payment to the *Service Manager* before each assessment date setting out the amount the *Consultant* considers is due at the assessment date. The *Consultant'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 *Service Manager* considers an application for payment submitted by the *Consultant* before the assessment date.
- 50.3 If the *Consultant* submits an application for payment before the assessment date, the amount due at the assessment date is
- the Price for Service Provided to Date,
 - plus the amount of the *expenses* properly spent by the *Consultant* in Providing the Service,
 - plus other amounts to be paid to the *Consultant*,
 - less amounts to be paid by or retained from the *Consultant*.
- 50.4 If the *Consultant* 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 *Service Manager* assesses as due at the assessment date, assessed as though the *Consultant* 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 Service Provided to Date is retained in assessments of the amount due until the *Consultant* has submitted a first programme to the *Service Manager* for acceptance showing the information which the contract requires.
- 50.6 The *Service Manager* corrects any incorrectly assessed amount due in a later payment certificate.

Payment

- 51
- 51.1 The *Service Manager* certifies a payment within one week of each assessment date. The *Service 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 *Consultant* to the *Client* if the change reduces the amount due. Other payments are made by the *Client* to the *Consultant*. 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 *Service 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.

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If a certified payment is late, or if a payment is late because the *Service 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 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.

Defined Cost

52

52.1 All the *Consultant's* 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.

Final assessment

53

53.1 The *Service Manager* makes an assessment of the final amount due and certifies a final payment, if any is due, no later than

- four weeks after the later of the *defects date* and the date the last Defect is corrected or
- thirteen weeks after the *Service Manager* issues a termination certificate.

The *Service Manager* gives the *Consultant* details of how the amount due has been assessed. 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 *Service Manager's* certificate. The final 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.

53.2

If the *Service Manager* does not make this assessment within the time allowed, the *Consultant* may issue to the *Client* an assessment of the final amount due, giving details of how the final amount due has been assessed. If the *Client* 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

- 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.

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 takes the following actions.

If the contract includes Option W1, a Party

- refers a dispute about the assessment of the final amount due to the *Senior Representatives* within four weeks of the assessment being issued,

- refers any issues not agreed by the *Senior Representatives* to the *Adjudicator* within three weeks of the list of the issues not agreed being produced or when it should have been produced and
- refers to the *tribunal* its dissatisfaction with a decision of the *Adjudicator* as to the final assessment of the amount due within four weeks of the decision being made.

If the contract includes Option W2, a Party

- refers a dispute about the assessment of the final amount due to the *Senior Representatives* or to the *Adjudicator* within four weeks of the assessment being issued,
- refers any issues referred to but not agreed by the *Senior Representatives* to the *Adjudicator* within three weeks of the list of issues not agreed being produced or when it should have been produced and
- refers to the *tribunal* its dissatisfaction with a decision of the *Adjudicator* as to the final assessment of the amount due within four weeks of the decision being made.

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.

6. COMPENSATION EVENTS

Compensation events

60

60.1

The following events are compensation events.

(1) The *Service 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 *Consultant* which is made
 - at the *Consultant's* request or
 - in order to comply with the Scope provided by the *Client*.

(2) The *Client* does not allow access to a person, place or thing by the later of its access *date* and the date for access shown on the Accepted Programme.

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

(4) The *Service Manager* gives an instruction to stop or not to start any work, or to change a Key Date.

(5) The *Client* or Others do not work within the times shown on the Accepted Programme or the conditions stated in the Scope.

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

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

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

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

(10) The *Service Manager* notifies the *Consultant* of a correction to an assumption which the *Service Manager* stated about a compensation event.

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

(12) An event which

- stops the *Consultant* completing the whole of the *service* or
- stops the *Consultant* completing the whole of the *service* by the date for planned Completion shown on the Accepted Programme,

and which

- neither Party could prevent,
- an experienced consultant 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.

(13) The *Consultant* corrects a Defect for which it is not liable under the contract.

(14) The *Service Manager* gives an instruction correcting information provided by the *Client*.

(15) The *Service Manager* notifies the *Consultant* that a quotation for a proposed instruction is not accepted.

(16) Additional compensation events stated in Contract Data part one.

Notifying compensation events

61

61.1 For a compensation event which arises from the *Service Manager* giving an instruction or notification or changing an earlier decision the *Service Manager* notifies the *Consultant* of the compensation event at the time of that communication.

61.2 The *Service Manager* includes in the notification of a compensation event an instruction to the *Consultant* to submit quotations unless

- the event arises from a fault of the *Consultant* or
- the event has no effect upon Defined Cost, Completion or meeting a Key Date.

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

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

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

61.4 The *Service Manager* replies to the *Consultant's* notification of a compensation event within

- one week after the *Consultant's* notification or
- a longer period to which the *Consultant* has agreed.

If the event

- arises from a 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*,
- has no effect upon Defined Cost, Completion or meeting a Key Date or
- is not one of the compensation events stated in the contract

the *Service Manager* notifies the *Consultant* that the Prices, the Completion Date and the Key Dates are not to be changed and states the reasons in the notification. Otherwise, the *Service Manager* notifies the *Consultant* that the event is a compensation event and includes in the notification an instruction to the *Consultant* to submit quotations.

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

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

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

61.7 A compensation event is not notified by the *Service Manager* or the *Consultant* after the *defects date*.

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Quotations for compensation events

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

Assessing compensation events

63

- 63.1 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 *Service 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.
- 63.2 The *Service Manager* and the *Consultant* may agree rates or lump sums to assess the change to the Prices.
- 63.3 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*.

- 63.4 If the effect of a compensation event is to reduce the total Defined Cost and the event is
- a change to the Scope or
 - a correction to an assumption stated by the *Service Manager* for assessing an earlier compensation event

the Prices are reduced.

- 63.5 A delay to the Completion Date is assessed as the length of time that, due to the compensation event, planned Completion is later than planned Completion as shown on the Accepted Programme current at the dividing date.

A delay to a Key Date is assessed as the length of time that, due to the compensation event, the planned date when the Condition stated for a Key Date will be met is later than the date 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.

- 63.6 The rights of the *Client* and the *Consultant* to changes to the Prices, the Completion Date and the Key Dates are their only rights in respect of a compensation event.

- 63.7 If the *Service Manager* has stated in the instruction to submit quotations that the *Consultant* did not give an early warning of the event which an experienced consultant could have given, the compensation event is assessed as if the *Consultant* had given the early warning.

- 63.8 The assessment of the effect of a compensation event includes risk allowances for cost and time for matters which have a significant chance of occurring and are not compensation events.

- 63.9 The assessment of the effect of a compensation event is based upon the assumptions that the *Consultant* reacts competently and promptly to the event and that any Defined Cost and time due to the event are reasonably incurred.

- 63.10 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, the Completion Date and the Key Dates were for the interpretation most favourable to the Party which did not provide the Scope.

- 63.11 If a change to the Scope makes the description of the Condition for a Key Date incorrect, the *Service Manager* corrects the description. This correction is taken into account in assessing the compensation event for the change to the Scope.

The Service Manager's assessments 64

- 64.1 The *Service Manager* assesses a compensation event
- if the *Consultant* has not submitted the quotation and details of its assessment within the time allowed,
 - if the *Service Manager* decides that the *Consultant* has not assessed the compensation event correctly in the quotation and has not instructed the *Consultant* to submit a revised quotation,
 - if, when the *Consultant* 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
 - if, when the *Consultant* submits quotations for the compensation event, the *Service Manager* has not accepted the *Consultant's* latest programme for one of the reasons stated in the contract.

- 64.2 The *Service Manager* assesses the programme for the remaining work and uses it in the assessment of a compensation event if
- there is no Accepted Programme,
 - the *Consultant* has not submitted a programme or alterations to a programme for acceptance as required by the contract or
 - the *Service Manager* has not accepted the *Consultant's* latest programme for one of the reasons stated in the contract.
- 64.3 The *Service Manager* notifies the *Consultant* of the assessment of a compensation event and gives details of the assessment within the period allowed for the *Consultant's* submission of its quotation for the same compensation event. This period starts when the need for the *Service Manager's* assessment becomes apparent.
- 64.4 If the *Service Manager* does not assess a compensation event within the time allowed, the *Consultant* may notify the *Service Manager* of that failure. If the *Consultant* submitted more than one quotation for the compensation event, the notification states which quotation the *Consultant* proposes is to be used. If the failure continues for a further two weeks after the *Consultant's* notification it is treated as acceptance by the *Service Manager* of the quotation.

Proposed instructions

- 65**
- 65.1 The *Service Manager* may instruct the *Consultant* to submit a quotation for a proposed instruction. The *Service Manager* states in the instruction the date by which the proposed instruction may be given. The *Consultant* does not put a proposed instruction into effect.
- 65.2 The *Consultant* submits quotations for a proposed instruction within three weeks of being instructed to do so by the *Service Manager*. The quotation is assessed as a compensation event. The *Service Manager* replies to the *Consultant's* quotation by the date when the proposed instruction may be given. The reply is
- an instruction to submit a revised quotation including the reasons for doing so,
 - the issue of the instruction together with a notification of the instruction as a compensation event and acceptance of the quotation or
 - a notification that the quotation is not accepted.
- If the *Service Manager* does not reply to the quotation within the time allowed, the quotation is not accepted.
- 65.3 If the quotation is not accepted, the *Service Manager* may issue the instruction, notify the instruction as a compensation event and instruct the *Consultant* to submit a quotation.

Implementing compensation events

- 66**
- 66.1 A compensation event is implemented when
- the *Service Manager* notifies acceptance of the *Consultant's* quotation,
 - the *Service Manager* notifies the *Consultant* of an assessment made by the *Service Manager* or
 - a *Consultant's* quotation is treated as having been accepted by the *Service Manager*.
- 66.2 When a compensation event is implemented the Prices, the Completion Date and the Key Dates are changed accordingly.
- 66.3 The assessment of an implemented compensation event is not revised except as stated in these *conditions of contract*.

7. RIGHTS TO MATERIAL

The Parties' use of material 70

- 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 for the *Client* to use material prepared by the Subcontractor.
- 70.2 The *Consultant* has the right to use material provided by the *Client* only to Provide the Service. The *Consultant* may make this right available to a Subcontractor.
- 70.3 The *Consultant* may use the material provided by it under the contract for other work unless stated otherwise in the Scope.

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8. LIABILITIES AND INSURANCE

Client's liabilities 80

- 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* or
 - 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 *Consultant*.
 - Additional *Client's* liabilities stated in the Contract Data.

Consultant's liabilities 81

- 81.1 The following are *Consultant's* liabilities unless they are stated as being *Client's* liabilities.
- Claims and proceedings from Others and compensation and costs payable to Others which arise from or in connection with the *Consultant* Providing the Service.
 - Costs incurred by the *Client* 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

- 82.1 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*.
- 82.2 Any cost which the *Consultant* has paid or will pay to Others as a result of an event for which the *Client* is liable is paid by the *Client*.
- 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 *Client* provides the insurances which the *Client* is to provide as stated in the Contract Data.
- 83.2 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. The *Consultant* provides additional insurances as stated in the Contract Data.
- 83.3 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.

INSURANCE TABLE	
INSURANCE AGAINST	MINIMUM AMOUNT OF COVER
Liability of the <i>Consultant</i> for claims made against it arising out of the <i>Consultant's</i> failure to use the skill and care normally used by professionals providing services similar to the <i>service</i>	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 <i>Consultant</i>) arising from or in connection with the <i>Consultant</i> 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 <i>Consultant</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 *defects date*, the *Consultant* submits to the *Service Manager* for acceptance certificates which state that the insurance required by the contract is in force.

After the *defects date* and on each renewal of the insurance policy until the end of the periods stated in the Contract Data for which insurance is to be maintained, the *Consultant* submits to the *Client* for acceptance certificates which state that the insurance required by the contract is in force. The certificates are signed by the *Consultant's* insurer or insurance broker.

The *Service Manager* or the *Client* 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. The *Client's* acceptance of an insurance certificate provided by the *Consultant* does not change the responsibility of the *Consultant* to provide the insurances stated in the Contract Data.

84.2 The Parties comply with the terms and conditions of the insurance policies to which they are a Party.

If the Consultant does not insure **85**

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

Insurance by the Client **86**

86.1 The *Service Manager* submits certificates for insurance provided by the *Client* to the *Consultant* for acceptance before the *starting date* and afterwards as the *Consultant* instructs. The *Consultant* 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 *Consultant's* acceptance of an insurance certificate provided by the *Client* does not change the responsibility of the *Client* to provide the insurances stated in the Contract Data.

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

Limitation of liability **87**

87.1 The *Consultant's* total liability to the *Client* 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 *law of the contract*.

The excluded matters are amounts payable by the *Consultant* as stated in the contract for

- delay damages if Option X7 applies,
- *Consultant's* share if Option C applies,
- an infringement by the *Consultant* of the rights of Others,
- loss of or damage to third party property and death of or bodily injury to a person other than an employee of the *Consultant*.

CORE CLAUSES

MAIN OPTION CLAUSES

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9. TERMINATION

Termination

90

- 90.1 If either Party wishes to terminate the *Consultant's* obligation to Provide the Service it notifies the *Service Manager* and the other Party giving details of the reason for terminating. The *Service 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>Client</i>	R1-R15, R18 or R22	P1 and P2	A1 and A2
	R17, R20 or R21	P1	A1
The <i>Consultant</i>	R1-R10, R16 or R19	P1	A1 and A3
	R17 or R20	P1	A1

- 90.3 The procedures for termination are implemented immediately after the *Service Manager* has issued a termination certificate.

If the *Client* 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 *Client* need not make the certified payment unless these *conditions of contract* state otherwise.
- 90.4 After a termination certificate has been issued, the *Consultant* does no further work necessary to Provide the Service.

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 *Client* may terminate if the *Service Manager* has notified that the *Consultant* has not put one of the following defaults right within four weeks of the date when the *Service Manager* notified the *Consultant* of the default.
- Substantially failed to comply with its obligations (R11).
 - Not provided a bond or guarantee which the contract requires (R12).
 - Appointed a Subcontractor for substantial work before the *Service Manager* has accepted the Subcontractor (R13).
- 91.3 The *Client* may terminate if the *Service Manager* has notified that the *Consultant* has not stopped one of the following defaults within four weeks of the date when the *Service Manager* notified the *Consultant* of the default.
- Substantially hindered the *Client* or Others (R14).
 - Substantially broken a health or safety regulation (R15).
- 91.4 The *Consultant* may terminate if the *Client* has not paid an amount due under the contract within thirteen weeks of the date that the *Consultant* 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 *Service Manager* has instructed the *Consultant* 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 *Client* may terminate if the instruction was due to a default by the *Consultant* (R18),
 - the *Consultant* may terminate if the instruction was due to a default by the *Client* (R19) and
 - either Party may terminate if the instruction was due to any other reason (R20).
- 91.7 The *Client* may terminate if an event occurs which
- stops the *Consultant* completing the whole of the *service* or
 - stops the *Consultant* completing the whole of the *service* by the date for planned Completion shown on the Accepted Programme and is forecast to delay Completion of the whole of the *service* by more than thirteen weeks,
- and which
- neither Party could prevent and
 - an experienced consultant 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 *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 *Service Manager* of the Corrupt Act and took action to stop it as soon as the *Consultant* became aware of it (R22).

Procedures on termination 92

- 92.1 On termination, the *Client* may complete the *service* and may use any material to which it has title. The *Consultant* gives to the *Client* information resulting from work carried out to date and information the *Consultant* has obtained which it has a responsibility to provide under the contract (P1).
- 92.2 On termination the *Client* may instruct the *Consultant* to assign the benefit of any subcontract or other contract related to performance of the contract to the *Client* (P2).

Payment on termination

93

93.1

The amount due on termination includes (A1)

- an amount due assessed as for normal payments,
- Defined Cost reasonably incurred in expectation of completing the whole of the *service* and
- any amounts retained by the *Client*.

93.2

The amount due on termination also includes one or more of the following as set out in the Termination Table.

A2 A deduction of the forecast of the additional cost to the *Client* of completing the whole of the *service*.

A3 The *fee percentage* applied to

- for Options A and C, any excess of the total of the Prices at the Contract Date over the Price for Service Provided to Date or
- for Option E, any excess of the first forecast of the Defined Cost for the *service* over the Price for Service Provided to Date less the Fee.

For use on Foreign, Commonwealth, and Development Office projects only

Main Option Clauses

OPTION A: PRICED CONTRACT WITH ACTIVITY SCHEDULE

Identified and defined terms	11	
	11.2	(15) The Activity Schedule is the <i>activity schedule</i> unless later changed in accordance with these <i>conditions of contract</i> .
		(16) Defined Cost is the cost of the components in the Short Schedule of Cost Components.
		(19) The People Rates are the <i>people rates</i> unless later changed in accordance with the contract.
		(20) The Price for Service Provided to Date is the total of the Prices for each completed activity. A completed activity is one without notified Defects the correction of which will delay following work.
		(22) The Prices are the lump sum prices for each of the activities on the Activity Schedule unless later changed in accordance with the contract.
Providing the Service	20	
	20.4	The <i>Consultant</i> prepares forecasts of the total <i>expenses</i> for the whole of the <i>service</i> in consultation with the <i>Service Manager</i> and submits them to the <i>Service Manager</i> . Forecasts are prepared at the intervals stated in the Contract Data from the <i>starting date</i> until Completion of the whole of the <i>service</i> . An explanation of the changes made since the previous forecast is submitted with each forecast.
The programme	31	
	31.4	The <i>Consultant</i> provides information which shows how each activity on the Activity Schedule relates to the operations on each programme submitted for acceptance.
Defined Cost	52	
	52.2	The <i>Consultant</i> keeps accounts and records of its <i>expenses</i> and allows the <i>Service Manager</i> to inspect them at any time within working hours.
The Activity Schedule	55	
	55.1	Information in the Activity Schedule is not Scope. If the activities on the Activity Schedule do not relate to the Scope, the <i>Consultant</i> corrects the Activity Schedule.
	55.3	If the <i>Consultant</i> <ul style="list-style-type: none"> • changes a planned method of completing the <i>service</i> at its discretion so that the activities on the Activity Schedule do not relate to the operations on the Accepted Programme or • corrects the Activity Schedule so that the activities on the Activity Schedule relate to the Scope the <i>Consultant</i> submits a revision of the Activity Schedule to the <i>Service Manager</i> for acceptance.
	55.4	A reason for not accepting a revision of the Activity Schedule is that <ul style="list-style-type: none"> • it does not relate to the operations on the Accepted Programme, • any changed Prices are not reasonably distributed between the activities which are not completed or • the total of the Prices is changed.

Assessing compensation events

63

63.12

Assessments for changed Prices for compensation events are in the form of changes to the Activity Schedule.

63.13

If, when assessing a compensation event the People Rates do not include a rate for a category of person required, the *Service Manager* and *Consultant* may agree a new rate. If they do not agree the *Service Manager* assesses the rate based on the People Rates. The agreed or assessed rate becomes the People Rate for that category of person.

For use on Foreign, Commonwealth, and Development Office projects only

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

COST COMPONENTS

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OPTION C: TARGET CONTRACT

Identified and defined terms	11	
	11.2	<p>(15) The Activity Schedule is the <i>activity schedule</i> unless later changed in accordance with these <i>conditions of contract</i>.</p> <p>(17) Defined Cost is the cost of the components in the Schedule of Cost Components less Disallowed Cost.</p> <p>(18) Disallowed Cost is cost which</p> <ul style="list-style-type: none"> • is not justified by the <i>Consultant's</i> accounts and records, • should not have been paid to a Subcontractor or supplier in accordance with its contract, • was incurred only because the <i>Consultant</i> did not <ul style="list-style-type: none"> – follow an acceptance or procurement procedure stated in the Scope, – give an early warning which the contract required it to give or – give notification to the <i>Service Manager</i> of the preparation for and conduct of an adjudication or proceedings of a tribunal between the <i>Consultant</i> and a Subcontractor or supplier <p>and the cost of</p> <ul style="list-style-type: none"> • correcting Defects after Completion, • correcting Defects caused by the <i>Consultant</i> not complying with a constraint on how it is to Provide the Service stated in the Scope, • resources not used to Provide the Service (after allowing for reasonable availability and utilisation) and • preparation for and conduct of an adjudication or proceedings of the <i>tribunal</i> between the Parties. <p>(21) The Price for Service Provided to Date is the total Defined Cost which the <i>Service Manager</i> forecasts will have been paid by the <i>Consultant</i> before the next assessment date plus the Fee.</p> <p>(22) The Prices are the lump sum prices for each of the activities on the Activity Schedule unless later changed in accordance with the contract.</p>
	20	
	20.5	<p>The <i>Consultant</i> prepares forecasts of the total Defined Cost and <i>expenses</i> for the whole of the <i>service</i> in consultation with the <i>Service Manager</i> and submits them to the <i>Service Manager</i>. Forecasts are prepared at the intervals stated in the Contract Data from the <i>starting date</i> until Completion of the whole of the <i>service</i>. An explanation of the changes made since the previous forecast is submitted with each forecast.</p>
Subcontracting	23	
	23.4	<p>The <i>Consultant</i> submits the pricing information in the proposed subcontract documents for each subcontract to the <i>Service Manager</i> unless the <i>Service Manager</i> has agreed that no submission is required.</p>
Assessing the amount due	50	
	50.7	<p>Payments of Defined Cost made by the <i>Consultant</i> in a currency other than the <i>currency of the contract</i> are included in the amount due as payments to be made to it in the same currency. Such payments are converted to the <i>currency of the contract</i> in order to calculate the Fee and any <i>Consultant's</i> share using the <i>exchange rates</i>.</p>

50.9 The *Consultant* notifies the *Service Manager* when the Defined Cost for a part of the *service* has been finalised, and makes available for inspection the records necessary to demonstrate that it has been correctly assessed. The *Service Manager* reviews the records made available, and no later than thirteen weeks after the *Consultant's* notification

- accepts that part of Defined Cost as correct,
- notifies the *Consultant* that further records are needed or
- notifies the *Consultant* of errors in its assessment.

The *Consultant* provides any further records requested or advises the correction of the errors in its assessment within four weeks of the *Service Manager's* notification. The *Service Manager* reviews the records provided, and within four weeks

- accepts that part of Defined Cost as correct or
- notifies the *Consultant* of the correct assessment of that part of Defined Cost.

If the *Service Manager* does not notify a decision on that part of Defined Cost within the time stated, the *Consultant's* assessment is treated as correct.

Defined Cost	52	
	52.3	The <i>Consultant</i> keeps these records <ul style="list-style-type: none"> • accounts of payments of Defined Cost and <i>expenses</i>, • proof that the payments have been made, • communications about and assessments of compensation events for Subcontractors and • other records as stated in the Scope.
	52.4	The <i>Consultant</i> allows the <i>Service Manager</i> to inspect at any time within working hours the accounts and records which it is required to keep.
The <i>Consultant's</i> share	54	
	54.1	The <i>Service Manager</i> assesses the <i>Consultant's</i> share of the difference between the total of the Prices and the Price for Service Provided to Date. The difference is divided into increments falling within each of the <i>share ranges</i> . The limits of a <i>share range</i> are the Price for Service Provided to Date divided by the total of the Prices, expressed as a percentage. The <i>Consultant's</i> share equals the sum of the products of the increment within each <i>share range</i> and the corresponding <i>Consultant's share percentage</i> .
	54.2	If the Price for Service Provided to Date is less than the total of the Prices, the <i>Consultant</i> is paid its share of the saving. If the Price for Service Provided to Date is greater than the total of the Prices, the <i>Consultant</i> pays its share of the excess.
	54.3	The <i>Service Manager</i> makes a preliminary assessment of the <i>Consultant's</i> share at Completion of the whole of the <i>service</i> using forecasts of the final Price for Service Provided to Date and the final total of the Prices. This share is included in the amount due following Completion of the whole of the <i>service</i> .
	54.4	The <i>Service Manager</i> makes a final assessment of the <i>Consultant's</i> share using the final Price for Service Provided to Date and the final total of the Prices. This share is included in the final amount due.
The Activity Schedule	55	
	55.2	Information in the Activity Schedule is not Scope.
Assessing compensation events	63	
	63.12	Assessments for changed Prices for compensation events are in the form of changes to the Activity Schedule.

Payment on termination	93	
	93.3	<p>If there is a termination, the <i>Service Manager</i> assesses the <i>Consultant's</i> share after certifying termination. The assessment uses as the Price for Service Provided to Date the total of the Defined Cost which the <i>Consultant</i> has paid and which it is committed to pay for work done before termination, and uses as the total of the Prices</p> <ul style="list-style-type: none"> • the lump sum price for each activity which has been completed and • a proportion of the lump sum price for each incomplete activity which is the proportion of the work in the activity which has been completed.
	93.4	<p>The <i>Service Manager's</i> assessment of the <i>Consultant's</i> share is added to the amount due to the <i>Consultant</i> on termination if there has been a saving or deducted if there has been an excess.</p>

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

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OPTION E: COST REIMBURSABLE CONTRACT

Identified and defined terms	11	
	11.2	<p>(17) Defined Cost is the cost of the components in the Schedule of Cost Components less Disallowed Cost.</p> <p>(18) Disallowed Cost is cost which</p> <ul style="list-style-type: none"> • is not justified by the <i>Consultant's</i> accounts and records, • should not have been paid to a Subcontractor or supplier in accordance with its contract, • was incurred only because the <i>Consultant</i> did not <ul style="list-style-type: none"> – follow an acceptance or procurement procedure stated in the Scope, – give an early warning which the contract required it to give or – give notification to the <i>Service Manager</i> of the preparation for and conduct of an adjudication or proceedings of a tribunal between the <i>Consultant</i> and a Subcontractor or supplier <p>and the cost of</p> <ul style="list-style-type: none"> • correcting Defects after Completion, • correcting Defects caused by the <i>Consultant</i> not complying with a constraint on how it is to Provide the Service stated in the Scope, • resources not used to Provide the Service (after allowing for reasonable availability and utilisation) and • preparation for and conduct of an adjudication or proceedings of the <i>tribunal</i> between the Parties. <p>(21) The Price for Service Provided to Date is the total Defined Cost which the <i>Service Manager</i> forecasts will have been paid by the <i>Consultant</i> before the next assessment date plus the Fee.</p> <p>(23) The Prices are the forecast of the total Defined Cost for the whole of the <i>service</i> plus the Fee.</p>
Providing the Service	20	
	20.5	The <i>Consultant</i> prepares forecasts of the total Defined Cost and <i>expenses</i> for the whole of the <i>service</i> in consultation with the <i>Service Manager</i> and submits them to the <i>Service Manager</i> . Forecasts are prepared at the intervals stated in the Contract Data from the <i>starting date</i> until Completion of the whole of the <i>service</i> . An explanation of the changes made since the previous forecast is submitted with each forecast.
Subcontracting	23	
	23.4	The <i>Consultant</i> submits the pricing information in the proposed subcontract documents for each subcontract to the <i>Service Manager</i> unless the <i>Service Manager</i> has agreed that no submission is required.
Assessing the amount due	50	
	50.8	Payments of Defined Cost made by the <i>Consultant</i> in a currency other than the <i>currency of the contract</i> are included in the amount due as payments to be made to it in the same currency. Such payments are converted to the <i>currency of the contract</i> in order to calculate the Fee using the <i>exchange rates</i> .
	50.9	The <i>Consultant</i> notifies the <i>Service Manager</i> when the Defined Cost for a part of the <i>service</i> has been finalised, and makes available for inspection the records necessary to demonstrate that it has been correctly assessed. The <i>Service Manager</i> reviews the records made available, and no later than thirteen weeks after the <i>Consultant's</i> notification

- accepts that part of Defined Cost as correct,
- notifies the *Consultant* that further records are needed or
- notifies the *Consultant* of errors in its assessment.

The *Consultant* provides any further records requested or advises the correction of the errors in its assessment within four weeks of the *Service Manager's* notification. The *Service Manager* reviews the records provided, and within four weeks

- accepts that part of Defined Cost as correct or
- notifies the *Consultant* of the correct assessment of that part of Defined Cost.

If the *Service Manager* does not notify a decision on that part of Defined Cost within the time stated, the *Consultant's* assessment is treated as correct.

Defined Cost 52

52.3 The *Consultant* keeps these records

- accounts of payments of Defined Cost and *expenses*,
- proof that the payments have been made,
- communications about and assessments of compensation events for Subcontractors and
- other records as stated in the Scope.

52.4 The *Consultant* allows the *Service Manager* to inspect at any time within working hours the accounts and records which it is required to keep.

Resolving and Avoiding Disputes

OPTION W1

Used when the United Kingdom Housing Grants, Construction and Regeneration Act 1996 does not apply.

Resolving Disputes W1 W1.1

(1) A dispute arising under or in connection with the contract is referred to the *Senior Representatives* in accordance with the Dispute Reference Table. If the dispute is not resolved by the *Senior Representatives*, it is referred to and decided by the *Adjudicator*. A Party may replace a *Senior Representative* after notifying the other Party of the name of the replacement.

(2) The Party referring a dispute notifies the *Senior Representatives*, the other Party and the *Service Manager* 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.

(3) The *Senior Representatives* 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 *Senior Representatives* produce a list of the issues agreed and issues not agreed. The *Service Manager* and the *Consultant* put into effect the issues agreed.

(4) No evidence of the statement of case or discussions is disclosed, used or referred to in any subsequent proceedings before the *Adjudicator* or the *tribunal*.

DISPUTE REFERENCE TABLE		
DISPUTE ABOUT	WHICH PARTY MAY REFER IT TO THE SENIOR REPRESENTATIVES?	WHEN MAY IT BE REFERRED TO THE SENIOR REPRESENTATIVES?
An action or inaction of the <i>Service 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>Client</i>	Not more than four weeks after it was treated as accepted
An assessment of Defined Cost which is treated as correct	Either Party	Not more than four weeks after the assessment was treated as correct
Any other matter	Either Party	When the dispute arises

The Adjudicator W1.2

(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 W1.3

(1) A Party disputing any issue not agreed by the *Senior Representatives* issues a notice of adjudication to the other Party and the *Service 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 *Service Manager* if the *Consultant* and the *Service Manager* agree to the extension before the notice or referral is due. The *Service Manager* informs the *Consultant* 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 *Consultant* 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 *Consultant* 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 *Service 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 *Consultant*, 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 *Service 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 *Service 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.

The tribunal	W1.4	<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>Service 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>
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OPTION W2

Used when the United Kingdom Housing Grants, Construction and Regeneration Act 1996 applies.

Resolving Disputes **W2**
 W2.1

(1) If the Parties agree, a dispute arising under or in connection with the contract is referred to the *Senior Representatives*. If the dispute is not resolved by the *Senior Representatives*, it is referred to and decided by the *Adjudicator*. A Party may replace a *Senior Representative* after notifying the other Party of the name of the replacement.

(2) The Party referring a dispute notifies the *Senior Representatives*, the other Party and the *Service Manager* 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.

(3) The *Senior Representatives* attend as many meetings and use any procedure they consider necessary to try to resolve the dispute over a period of up to three weeks. At the end of this period the *Senior Representatives* produce a list of the issues agreed and issues not agreed. The *Service Manager* and the *Consultant* put into effect the issues agreed.

(4) No evidence of the statement of case or discussions is disclosed, used or referred to in any subsequent proceedings before the *Adjudicator* or the *tribunal*.

The Adjudicator W2.2

(1) A dispute arising under or in connection with the contract is referred to and decided by the *Adjudicator*. A Party may refer a dispute to the *Adjudicator* at any time whether or not the dispute has been referred to the *Senior Representatives*.

(2) In this Option, time periods stated in days exclude Christmas Day, Good Friday and bank holidays.

(3) The Parties appoint the *Adjudicator* under the NEC Dispute Resolution Service Contract current at the *starting date*.

(4) The *Adjudicator* acts impartially and decides the dispute as an independent adjudicator and not as an arbitrator.

(5) If the *Adjudicator* is not identified in the Contract Data or if the *Adjudicator* resigns or becomes unable to act

the Parties may choose an adjudicator jointly or

- a Party may ask the *Adjudicator nominating body* to choose an adjudicator.

The *Adjudicator nominating body* chooses an adjudicator within four days of the request. The chosen adjudicator becomes the *Adjudicator*.

(6) 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*.

(7) A Party does not refer a dispute to the *Adjudicator* that is the same or substantially the same as one that has already been decided by the *Adjudicator*.

(8) 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

W2.3

(1) Before a Party refers a dispute to the *Adjudicator*, it gives a notice of adjudication to the other Party with a brief description of the dispute and the decision which it wishes the *Adjudicator* to make. If the *Adjudicator* is named in the Contract Data, the Party sends a copy of the notice of adjudication to the *Adjudicator* when it is issued. Within three days of the receipt of the notice of adjudication, the *Adjudicator* informs the Parties that the *Adjudicator*

- is able to decide the dispute in accordance with the contract or
- is unable to decide the dispute and has resigned.

If the *Adjudicator* does not so inform within three days of the issue of the notice of adjudication, either Party may act as if the *Adjudicator* has resigned.

(2) Within seven days of a Party giving a notice of adjudication it

- refers the dispute to the *Adjudicator*,
- provides the *Adjudicator* with the information on which it relies, including any supporting documents and
- provides a copy of the information and supporting documents it has provided to the *Adjudicator* to the other Party.

Any further information from a Party to be considered by the *Adjudicator* is provided within fourteen days of the referral. This period may be extended if the *Adjudicator* and Parties agree.

(3) If a matter disputed by the *Consultant* under or in connection with a subcontract is also a matter disputed under or in connection with the contract, the *Consultant* may, with the consent of the Subcontractor, 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.

(4) The *Adjudicator* may

- review and revise any action or inaction of the *Service 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 to reach a decision and to do so within a stated time.

(5) If a Party does not comply with any instruction within the time stated by the *Adjudicator*, the *Adjudicator* may continue the adjudication and make a decision based upon the information and evidence received.

(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 *Consultant*, the assessment is made in the same way as a compensation event is assessed. If the *Adjudicator's* decision changes an amount notified as due, the date on which payment of the changed amount becomes due is seven days after the date of the decision.

(8) The *Adjudicator* decides the dispute and informs the Parties and the *Service Manager* of the decision and reasons within twenty eight days of the dispute being referred. This period may be extended by up to fourteen days with the consent of the referring Party or by any other period agreed by the Parties. The *Adjudicator* may in the decision allocate the *Adjudicator's* fees and expenses between the Parties.

(9) Unless and until the *Adjudicator* has informed the Parties of the decision, the Parties and the *Service Manager* proceed as if the matter disputed was not disputed.

(10) If the *Adjudicator* does not inform the Parties of the decision within the time provided by the contract, the Parties and the *Adjudicator* may agree to extend the period for making a decision. If they do not agree to an extension, either Party may act as if the *Adjudicator* has resigned.

(11) 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 matter decided by the *Adjudicator* and intends to refer the matter to the *tribunal*.

(12) 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.

The <i>tribunal</i>	W2.4	
		<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 decided by the <i>Adjudicator</i> in accordance with the contract.</p> <p>(2) If, after the <i>Adjudicator</i> makes a 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 disputed matter to the <i>tribunal</i>. The dispute may not be 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) 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 to review and revise any action or inaction of the <i>Service Manager</i> related to the dispute. A Party is not limited in <i>tribunal</i> proceedings to the information, evidence or arguments put to the <i>Adjudicator</i>.</p> <p>(4) 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>(5) A Party does not call the <i>Adjudicator</i> as a witness in <i>tribunal</i> proceedings.</p>

Secondary Option Clauses

OPTION X1: PRICE ADJUSTMENT FOR INFLATION (USED ONLY WITH OPTIONS A AND C)

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 $(L - B)/B$ 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 Completion Date for the whole of the <i>service</i> is used for calculating an amount for price adjustment after that date.
Price adjustment Option A	X1.3	<p>Each amount due includes an amount for price adjustment which is the sum of</p> <ul style="list-style-type: none"> the change in the Price for Service Provided to Date since the last assessment of the amount due multiplied by the PAF and the amount for price adjustment included in the previous amount due.
Price adjustment Option C	X1.4	Each time the amount due is assessed, an amount for price adjustment is added to the total of the Prices which is the change in the Price for the Service Provided to Date since the last assessment of the amount due multiplied by $(PAF/(1+PAF))$.
Compensation events	X1.5	<p>The Defined Cost for compensation events is assessed using</p> <ul style="list-style-type: none"> the Defined Cost at <i>base date</i> levels for amounts calculated from rates stated in the Contract Data for people and 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.
Expenses adjustment	X1.6	<p>If payment rates for any of the <i>expenses</i> are fixed at the Contract Date, each amount due includes an amount for <i>expenses</i> adjustment which is the sum of</p> <ul style="list-style-type: none"> the change in fixed <i>expenses</i> since the last assessment of the amount due multiplied by the PAF and the amount for <i>expenses</i> adjustment included in the previous amount due.

OPTION X2: CHANGES IN THE LAW

Changes in the law	X2	
	X2.1	A change in the <i>law of the project</i> 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 (USED ONLY WITH OPTION A)

- Multiple currencies** X3
- X3.1 The *Consultant* is paid in currencies other than the *currency of the contract* for the items or activities listed in the Contract Data. The *exchange rates* are used to convert from the *currency of the contract* to other currencies.
- X3.2 Payments to the *Consultant* in currencies other than the *currency of the contract* do not exceed the maximum amounts stated in the Contract Data. Any excess is paid in the *currency of the contract*.

OPTION X4: ULTIMATE HOLDING COMPANY GUARANTEE

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

OPTION X5: SECTIONAL COMPLETION

- Sectional Completion** X5
- X5.1 In these *conditions of contract*, unless stated as the whole of the *service*, each reference and clause relevant to
- the *service*,
 - Completion and
 - Completion Date
- applies, as the case may be, to either the whole of the *service* or any *section* of the *service*.

OPTION X6: BONUS FOR EARLY COMPLETION

- Bonus for early Completion** X6
- X6.1 The *Consultant* is paid a bonus calculated at the rate stated in the Contract Data for each day from Completion until the Completion Date.

OPTION X7: DELAY DAMAGES

- Delay damages** X7
- X7.1 The *Consultant* pays delay damages at the rate stated in the Contract Data for each day from the Completion Date until the earlier of
- Completion and
 - the date on which the *Service Manager* issues a termination certificate.
- X7.2 If the Completion Date is changed to a later date after delay damages have been paid, the *Client* repays the overpayment of damages with interest. Interest is assessed from the date of payment to the date of repayment.

OPTION X8: UNDERTAKINGS TO OTHERS

Undertakings to Others	X8	
	X8.1	The <i>Consultant</i> gives <i>undertakings to Others</i> as stated in the Contract Data.
	X8.2	The <i>undertakings to Others</i> are in the form set out in the Scope.
	X8.3	The <i>Client</i> prepares the undertakings and sends them to the <i>Consultant</i> for signature. The <i>Consultant</i> signs the undertakings and returns them to the <i>Client</i> within three weeks.

OPTION X9: TRANSFER OF RIGHTS

Transfer of rights	X9	
	X9.1	The <i>Client</i> owns the <i>Consultant's</i> rights over material prepared for the contract by the <i>Consultant</i> except as stated otherwise in the Scope. The <i>Consultant</i> obtains other rights for the <i>Client</i> as stated in the Scope and obtains from a Subcontractor equivalent rights for the <i>Client</i> over the material prepared by the Subcontractor. The <i>Consultant</i> provides to the <i>Client</i> the documents which transfer these rights to the <i>Client</i> .

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>Service Manager</i>. The latest Information Execution Plan accepted by the <i>Service Manager</i> supersedes the previous Information Execution Plan.</p> <p>(2) Project Information is information provided by the <i>Consultant</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>Client</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>
Collaboration	X10.2	The <i>Consultant</i> collaborates with other Information Providers as stated in the Information Model Requirements.
Early warning	X10.3	The <i>Consultant</i> and the <i>Service 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.
Information Execution Plan	X10.4	<p>(1) If an Information Execution Plan is not identified in the Contract Data, the <i>Consultant</i> submits a first Information Execution Plan to the <i>Service Manager</i> for acceptance within the period stated in the Contract Data.</p> <p>(2) Within two weeks of the <i>Consultant</i> submitting an Information Execution Plan for acceptance, the <i>Service Manager</i> notifies the <i>Consultant</i> 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</p> <ul style="list-style-type: none"> • it does not comply with the Information Model Requirements or • it does not allow the <i>Consultant</i> to Provide the Service.

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

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

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

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

Compensation events	X10.5	If the Information Execution Plan is altered by a compensation event, the <i>Consultant</i> includes the alterations to the Information Execution Plan in the quotation for the compensation event.
Use of the Information Model	X10.6	The <i>Client</i> owns the Information Model and the <i>Consultant's</i> rights over Project Information except as stated otherwise in the Information Model Requirements. The <i>Consultant</i> obtains from a Subcontractor equivalent rights for the <i>Client</i> over information prepared by the Subcontractor. The <i>Consultant</i> provides to the <i>Client</i> the documents which transfer these rights to the <i>Client</i> .
Liability	X10.7	<p>(1) The following are <i>Client's</i> liabilities.</p> <ul style="list-style-type: none"> • A fault in the Information Model not caused by a Defect in the Project Information. • A fault in information provided by Information Providers other than the <i>Consultant</i>. <p>(2) The <i>Consultant</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>

OPTION X11: TERMINATION BY THE CLIENT

Termination by the Client	X11	
	X11.1	The <i>Client</i> may terminate the <i>Consultant's</i> obligation to Provide the Service for a reason not identified in the Termination Table by notifying the <i>Service Manager</i> and the <i>Consultant</i> .
	X11.2	If the <i>Client</i> terminates for a reason not identified in the Termination Table the termination procedure followed is P1 and the amounts due on termination are A1 and A3.

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

Identified and defined terms	X12	
	X12.1	<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>

(5) The Schedule of Core Group Members is a list of the Partners forming the Core Group.

(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.

(7) A Key Performance Indicator is an aspect of performance for which a target is stated in the Schedule of Partners.

Actions	X12.2	<p>(1) The Partners collaborate with each other 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>
Collaboration	X12.3	<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> <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 <i>Consultant</i> 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.</p> <p>(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.</p> <p>(9) A Partner informs the Core Group before subcontracting any work.</p>

Incentives	X12.4	<p>(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.</p> <p>(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.</p>
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OPTION X13: PERFORMANCE BOND

Performance bond	X13	
	X13.1	The <i>Consultant</i> gives the <i>Client</i> a performance bond, provided by a bank or insurer which the <i>Service 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>Client</i> within four weeks of the Contract Date.

OPTION X18: LIMITATION OF LIABILITY

Limitation of liability	X18	
	X18.1	Each of the limits to the <i>Consultant's</i> liability in this clause apply if a limit is stated in the Contract Data.
	X18.2	The <i>Consultant's</i> liability to the <i>Client</i> for the <i>Client's</i> indirect or consequential loss is limited to the amount stated in the Contract Data.
	X18.3	The <i>Consultant's</i> liability to the <i>Client</i> for Defects that are not found until after the <i>defects date</i> is limited to the amount stated in the Contract Data.
	X18.4	The <i>Consultant</i> is not liable to the <i>Client</i> for a matter unless details of the matter are notified to the <i>Consultant</i> before the <i>end of liability date</i> .

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

Incentives	X20	
	X20.1	A Key Performance Indicator is an aspect of performance by the <i>Consultant</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 <i>defects date</i> , the <i>Consultant</i> reports to the <i>Service 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>Consultant'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>Service Manager</i> its proposals for improving performance.
	X20.4	The <i>Consultant</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>Client</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 Y

OPTION Y(UK)1: PROJECT BANK ACCOUNT

Project Bank Account	Y(UK)1		
Defined terms	Y1.1	<p>(1) Joining Deed is an agreement in the form set out in the contract under which the Supplier joins the Trust Deed.</p> <p>(2) Named Suppliers are <i>named suppliers</i> and other Suppliers who have signed the Joining Deed.</p> <p>(3) The Payment Schedule is a list of payments to be made to the <i>Consultant</i> and Named Suppliers from the Project Bank Account.</p> <p>(4) Project Bank Account is the account used to receive payments from the <i>Client</i> and the <i>Consultant</i> and to make payments to the <i>Consultant</i> and Named Suppliers.</p> <p>(5) Project Bank Account Tracker is a register of all payments made to and from the Project Bank Account and the date each payment was made and is in the form stated in the Scope.</p> <p>(6) A Supplier is a person or organisation who has a contract to</p> <ul style="list-style-type: none"> • provide part of the <i>service</i> or • provide a service necessary to Provide the Service. <p>(7) Trust Deed is an agreement in the form set out in the contract which contains provisions for administering the Project Bank Account.</p>	
	Project Bank Account	Y1.2	The <i>account holder</i> establishes the Project Bank Account with the <i>project bank</i> within eight weeks of the Contract Date.
		Y1.3	Unless stated otherwise in the Contract Data, the <i>Consultant</i> pays any charges made and is paid any interest paid by the <i>project bank</i> . The charges and interest by the <i>project bank</i> are not included in Defined Cost.
		Y1.4	If the <i>account holder</i> is the <i>Consultant</i> , it submits to the <i>Service Manager</i> for acceptance details of the banking arrangements for the Project Bank Account. A reason for not accepting the banking arrangements is that they do not provide for payments and inspections to be made in accordance with the contract. The <i>Consultant</i> provides to the <i>Service Manager</i> copies of communications with the <i>project bank</i> in connection with the Project Bank Account.
	Named Suppliers	Y1.5	The <i>Consultant</i> includes in its contracts with Named Suppliers the arrangements in the contract for the operation of the Project Bank Account and Trust Deed. The <i>Consultant</i> informs the Named Suppliers it appoints, the details of the Project Bank Account and the arrangements for payment of amounts due under their contracts.
		Y1.6	The <i>Consultant</i> submits proposals for adding a Supplier to the Named Suppliers to the <i>Service Manager</i> for acceptance. A submission includes the Suppliers stated in the Scope and other Suppliers requested by the <i>Consultant</i> . A reason for not accepting a submission is that the addition of a Supplier does not comply with the Scope. The <i>Client</i> , the <i>Consultant</i> and the Supplier sign the Joining Deed after acceptance.
	Payments	Y1.7	Until the Project Bank Account is established, payment is made by the <i>Client</i> to the <i>Consultant</i> .
Y1.8		The <i>Consultant</i> shows in the application for payment the amounts due to Named Suppliers in accordance with their contracts.	

- Y1.9 Within the time set out in the banking arrangements to allow the *project bank* to make payment to the *Consultant* and Named Suppliers in accordance with the contract,
- the *Consultant* prepares the Payment Schedule, provides a copy to the *Service Manager* and provides the information in the Payment Schedule to the *project bank*,
 - the *Client* makes payment to the Project Bank Account of the amount which is due to be paid under the contract and
 - the *Consultant* makes payment to the Project Bank Account of any amount which the *Client* has informed the *Consultant* it intends to withhold from the certified amount and which is required to make payment to Named Suppliers.
- Y1.10 The *Consultant* notifies the *Service Manager* if the amount due to any Named Supplier stated in the Payment Schedule is different from that in the payment certificate and provides reasons for the change.
- Y1.11 If the *account holder* is the *Consultant*, it authorises payment in accordance with the Payment Schedule no later than one day before the final date for payment. Following payment, the *Client* checks the amounts paid to the Named Suppliers by inspecting the Project Bank Account.
- Y1.12 If the *account holder* is the Parties, they jointly authorise payment in accordance with the Payment Schedule no later than one day before the final date for payment.
- Y1.13 Following authorisation, the *Consultant* and Named Suppliers receive payment from the Project Bank Account of the sums set out in the Payment Schedule as soon as practicable after the Project Bank Account receives payment.
- Y1.14 The *Consultant* updates the Project Bank Account Tracker and submits it to the *Service Manager* within one week of any payment being made from the Project Bank Account.
- Y1.15 A payment which is due from the *Consultant* to the *Client* is not made through the Project Bank Account.

Effect of Payment Y1.16 Payments made from the Project Bank Account are treated as payments from the *Client* to the *Consultant* in accordance with the contract. A delay in payment due to a failure of the *Consultant* to comply with the requirements of this clause is not treated as late payment under the contract.

Trust Deed Y1.17 The *Client*, the *Consultant* and *named suppliers* sign the Trust Deed within two weeks of the Contract Date.

Termination Y1.18 If the *Service Manager* issues a termination certificate, no further payment is made into the Project Bank Account.

TRUST DEED

This agreement is made between the *Client*, the *Consultant* and the Named Suppliers.

Terms in this deed have the meanings given to them in the contract between and for (the *service*).

Background

The *Client* and the *Consultant* have entered into a contract for the *service*.

The Named Suppliers have entered into contracts with the *Consultant* or a Subcontractor in connection with the *service*.

A Project Bank Account will be established to make provision for payment to the *Consultant* and the Named Suppliers.

Agreement

The parties to this deed agree that

- sums due to the *Consultant* and Named Suppliers and set out in the Payment Schedule are held in trust in the Project Bank Account for distribution to the *Consultant* and Named Suppliers in accordance with the banking arrangements applicable to the Project Bank Account,
- further Named Suppliers may be added as parties to this deed with the agreement of the *Client* and *Consultant*. The agreement of the *Client* and *Consultant* is treated as agreement by the Named Suppliers who are parties to this deed,
- this deed is subject to the law of the contract for the *service*,
- the benefits under this deed may not be assigned.

Executed as a deed on

by

..... (Client)

..... (Consultant)

.....

.....

..... (Named Suppliers)

.....

JOINING DEED

This agreement is made between the *Client*, the *Consultant* and (the Additional Supplier).

Terms in this deed have the meanings given to them in the contract between and for (the *service*).

Background

The *Client* and the *Consultant* have entered into a contract for the *service*.

The Named Suppliers have entered into contracts with the *Consultant* or a Subcontractor in connection with the *service*.

A Project Bank Account **has been/will be** (delete as applicable) established to make provision for payment to the *Consultant* and the Named Suppliers.

The *Client*, the *Consultant* and the Named Suppliers have entered into a deed as set out in Annex 1 (the Trust Deed) and have agreed that the Additional Supplier may join that deed.

Agreement

The parties to this deed agree that

- the Additional Supplier becomes a party to the Trust Deed from the date set out below,
- this deed is subject to the law of the contract for the *service*,
- the benefits under this deed may not be assigned.

Executed as a deed on

by

. (*Client*)

. (*Consultant*)

. (Additional Supplier)

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

COST COMPONENTS

CONTRACT DATA

OPTION Y(UK)2: THE HOUSING GRANTS, CONSTRUCTION AND REGENERATION ACT 1996

The Housing Grants, Construction and Regeneration Act 1996	Y(UK)2	
Definitions	Y2.1	In this Option, time periods stated in days exclude Christmas Day, Good Friday and bank holidays.
Dates for payment	Y2.2	<p>The date on which a payment becomes due is the later of</p> <ul style="list-style-type: none"> • the date of receipt by the Party making payment of an invoice, issued in accordance with these <i>conditions of contract</i> and • fourteen days after the assessment date. <p>The date on which the final payment becomes due is the later of</p> <ul style="list-style-type: none"> • the date of receipt by the Party making payment of an invoice, issued in accordance with these <i>conditions of contract</i> and <ul style="list-style-type: none"> – if the <i>Service Manager</i> makes an assessment after the <i>defects date</i> or the date the last Defect is corrected, six weeks after the <i>defects date</i> or the date the last Defect is corrected, whichever is the later, – if the <i>Service Manager</i> does not make an assessment after the <i>defects date</i> or the date the last Defect is corrected, two weeks after the <i>Consultant</i> issues its assessment or – if the <i>Service Manager</i> has issued a termination certificate, fifteen weeks after the issue of the certificate. <p>The final date for payment is seven days after the date on which payment becomes due, or a different period for payment if stated in the Contract Data.</p> <p>The <i>Service Manager's</i> certificate is the notice of payment specifying the amount due at the payment due date (the notified sum, which may be zero) and stating the basis on which the amount was calculated. If the <i>Service Manager</i> does not make an assessment after the <i>defects date</i> or the date the last Defect is corrected, the <i>Consultant's</i> assessment is the notice of payment.</p>
Notice of intention to pay less	Y2.3	If either Party intends to pay less than the notified sum, it notifies the other Party not later than seven days (the prescribed period) before the final date for payment by stating the amount considered to be due and the basis on which that sum is calculated. A Party does not withhold payment of an amount due under the contract unless it has notified its intention to pay less than the notified sum as required by the contract.
	Y2.4	<p>If the <i>Client</i> 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 <i>Client</i> makes the certified payment unless</p> <ul style="list-style-type: none"> • it has notified the <i>Consultant</i> in accordance with the contract that it intends to pay less than the notified sum or • the termination is for one of reasons R1 to R10 and the reason occurred after the last date on which it could have notified the <i>Consultant</i> in accordance with the contract that it intends to pay less than the notified sum.
Suspension of performance	Y2.5	If the <i>Consultant</i> exercises its right under the Housing Grants, Construction and Regeneration Act 1996 as amended by the Local Democracy, Economic Development and Construction Act 2009 to suspend performance, it is a compensation event.

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 *Client* notifies the *Consultant* of the name of the *beneficiary* once it has been identified.

OPTION Z: ADDITIONAL CONDITIONS OF CONTRACT

Additional conditions of contract

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

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

COST COMPONENTS

CONTRACT DATA

For use on Foreign, Commonwealth, and Development Office projects only

Schedule of Cost Components

This schedule is part of these *conditions of contract* only when Option C or E is used. An amount is included

- only if it does not form part of the *expenses*,
- only in one cost component and
- only if it is incurred in order to Provide the Service.

People

- 1 The following components of the cost of each person who is directly employed by the *Consultant* and who is providing a part of the *service*.
- 11 A cost calculated by dividing the total of the following payments by the total time recorded, with the resulting amount multiplied by the time recorded for work on the contract. Time recorded is that shown in the *Consultant's* time recording system.
 - Payments made to the person, excluding any amounts listed in items (a) to (j) in component 12.
 - Payments made in relation to the person in accordance with their employment contract, excluding any amounts listed in items (a) to (j) in component 12 for
 - (a) contributions, levies or taxes imposed by law
 - (b) pensions and life assurance
 - (c) death benefit
 - (d) occupational accident benefits
 - (e) medical aid and health insurance
 - (f) a vehicle
- 12 Payments related to work on the contract and made to the person, or in relation to the person, in accordance with their employment contract for
 - (a) bonuses and incentives
 - (b) enhanced or increased amounts paid for overtime and unsocial hours in addition to the rate paid for normal time
 - (c) severance
 - (d) protective clothing
 - (e) safety training
 - (f) relocation
 - (g) medical examinations
 - (h) passports and visas
 - (i) travel insurance
 - (j) items (f) to (i) for dependants
- 13 The following components of the cost of people who are not directly employed by the *Consultant* but are paid for by it according to the time properly spent on work in the contract.

Amounts paid by the *Consultant*.

Subcontractors	2	The following components of the cost of Subcontractors.
	21	Payments to Subcontractors for work which is subcontracted without taking into account any amounts paid to or retained from the Subcontractor by the <i>Consultant</i> , which would result in the <i>Client</i> paying or retaining the amount twice.
Charges	3	The following components of the cost of support people and office overhead.
	31	A charge for support people and office overhead costs calculated by applying the <i>overhead percentage</i> stated in the Contract Data to the total of people items 11, 12 and 13. The charge includes provision and use of people, accommodation, equipment, supplies and services required to provide the office and to support people providing the <i>service</i> .
Insurance	4	The following are deducted from cost
		<ul style="list-style-type: none"> the cost of events for which the contract requires the <i>Consultant</i> to insure and other costs paid to the <i>Consultant</i> by insurers.

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

COST COMPONENTS

CONTRACT DATA

For use on Foreign, Commonwealth, and Development Office Projects only

Short Schedule of Cost Components

This schedule is part of the *conditions of contract* only when Option A is used. An amount is included

- only if it does not form part of the *expenses*,
- only in one cost component and
- only if it is incurred in order to Provide the Service.

People	1	The following components of the cost of people.
	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.
Subcontractors	2	The following components of the cost of Subcontractors.
	21	Payments to Subcontractors for work which is subcontracted.
Insurance	3	The following are deducted from cost
		<ul style="list-style-type: none"> • the cost of events for which the contract requires the <i>Consultant</i> to insure and • other costs paid to the <i>Consultant</i> by insurers.

For use on Foreign, Commonwealth, and Development Office projects only

Contract Data

PART ONE – DATA PROVIDED BY THE CLIENT

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 main Option, the Option for resolving and avoiding disputes and secondary Options of the NEC4 Professional Service Contract June 2017 (with amendments October 2020)

Main Option Option for resolving and avoiding disputes

Secondary Options

The *service* is

The *Client* is

Name

Address for communications

Address for electronic communications

The *Service Manager* is

Name

Address for communications

Address for electronic communications

The *Scope* is in

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

COST COMPONENTS

CONTRACT DATA

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 *period for retention* is year(s) following Completion or earlier termination

The following matters will be included in the Early Warning Register

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

2 The Consultant's main responsibilities

If the *Client* has identified work which is set to meet a stated *condition* by a *key date*

The *key dates* and *conditions* to be met are

	<i>condition</i> to be met	<i>key date</i>
(1)	<input type="text"/>	<input type="text"/>
(2)	<input type="text"/>	<input type="text"/>
(3)	<input type="text"/>	<input type="text"/>

If Option A is used

The *Consultant* prepares forecasts of the total *expenses* at intervals no longer than

If Option C or E is used

The *Consultant* prepares forecasts of the total Defined Cost plus Fee and *expenses* at intervals no longer than

3 Time

The *starting date* is

The *Client* provides access to the following persons, places and things

access	access date
(1) <input type="text"/>	<input type="text"/>
(2) <input type="text"/>	<input type="text"/>
(3) <input type="text"/>	<input type="text"/>

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

If the *Client* has decided the *completion date* for the whole of the *service*

The *completion date* for the whole of the *service* is

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

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

4 Quality management

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

The period between Completion of the whole of the *service* and the *defects date* is

5 Payment

The *currency of the contract* is the

The *assessment interval* is

If the *Client* states any *expenses*

The *expenses* stated by the *Client* are

item	amount
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

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 and Y(UK)2 is not used

The period within which payments are made is

If Option C or E is used and the *Client* states any locations

The locations for which the *Consultant* provides a charge for the cost of support people and office overhead are

If Option C is used

The *Consultant's share percentages* and the *share ranges* are

share range

Consultant's share percentage

less than	<input type="text"/> %	<input type="text"/> %
from	<input type="text"/> % to <input type="text"/> %	<input type="text"/> %
from	<input type="text"/> % to <input type="text"/> %	<input type="text"/> %
greater than	<input type="text"/> %	<input type="text"/> %

If Option C or E is used

The *exchange rates* are those published in
on (date)

6 Compensation events

If there are additional compensation events

These are additional compensation events

8 Liabilities and insurance

If there are additional *Client's* liabilities

These are additional *Client's* liabilities

(1)

(2)

(3)

The minimum amount of cover and the periods for which the *Consultant* maintains insurance are

EVENT	MINIMUM AMOUNT OF COVER	PERIOD FOLLOWING COMPLETION OF THE WHOLE OF THE SERVICE OR TERMINATION
The <i>Consultant's</i> failure to use the skill and care normally used by professionals providing services similar to the <i>service</i>	<input type="text"/> 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 <i>Consultant</i>) arising from or in connection with the <i>Consultant</i> Providing the Service	<input type="text"/> in respect of each event, without limit to the number of events	
Death of or bodily injury to employees of the <i>Consultant</i> arising out of and in the course of their employment in connection with the contract	<input type="text"/> in respect of each event, without limit to the number of events	

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

The *Client* 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

(3) Insurance against

Minimum amount of cover is

The deductibles are

If additional insurances are to be provided

The *Client* 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

(3) Insurance against

Minimum amount of cover is

The deductibles are

The *Consultant* 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

(3) Insurance against

Minimum amount of cover is

The deductibles are

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

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 *Client* are

Name (1)

Address for communications

Address for electronic communications

Name (2)

Address for communications

Address for electronic communications

The *Adjudicator* is

Name

Address for communications

Address for electronic communications

The *Adjudicator nominating body* is

X1: Price adjustment for inflation (used only with Options A and C)

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 *base date* for indices is

These indices are

X2: Changes in the law

If Option X2 is used

The *law of the project* is

X3: Multiple currencies (used only with Option A)

If Option X3 is used

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

items and activities	other currency	total maximum payment in the currency
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

The *exchange rates* are those published in

on (date)

X5: Sectional Completion

If Option X5 is used

The *completion date* for each section of the *service* is

section	description	completion date
(1)	<input type="text"/>	<input type="text"/>
(2)	<input type="text"/>	<input type="text"/>
(3)	<input type="text"/>	<input type="text"/>
(4)	<input type="text"/>	<input type="text"/>

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

COST COMPONENTS

CONTRACT DATA

X6: Bonus for early Completion

If Option X6 is used without Option X5 The bonus for the whole of the *service* is per day

If Option X6 is used with Option X5 The bonus for each *section* of the *service* is

<i>section</i>	<i>description</i>	<i>amount per day</i>
(1)	<input type="text"/>	<input type="text"/>
(2)	<input type="text"/>	<input type="text"/>
(3)	<input type="text"/>	<input type="text"/>
(4)	<input type="text"/>	<input type="text"/>
The bonus for the remainder of the <i>service</i> is		<input type="text"/>

X7: Delay damages

If Option X7 is used without Option X5 Delay damages for Completion of the whole of the *service* are per day

If Option X7 is used with Option X5 Delay damages for each *section* of the *service* are

<i>section</i>	<i>description</i>	<i>amount per day</i>
(1)	<input type="text"/>	<input type="text"/>
(2)	<input type="text"/>	<input type="text"/>
(3)	<input type="text"/>	<input type="text"/>
(4)	<input type="text"/>	<input type="text"/>
The delay damages for the remainder of the <i>service</i> are		<input type="text"/>

X8: Undertakings to Others

If Option X8 is used The *undertakings to Others* are provided to

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 *Consultant* is to submit a first Information Execution Plan for acceptance 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

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

COST COMPONENTS

CONTRACT DATA

X18: Limitation of liability

If Option X18 is used

The *Consultant's* liability to the *Client* for indirect or consequential loss is limited to

The *Consultant's* liability to the *Client* for Defects that are not found until after the *defects date* is limited to

The *end of liability date* is years after the Completion of the whole of the *service*

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

Y(UK)1: Project Bank Account

If Option Y(UK)1 is used

The *Consultant* **is/is not** to pay any charges made and to be paid any interest paid by the *project bank* (Delete as applicable)

The *account holder* is **the Consultant/the Parties** (Delete as applicable)

Y(UK)2: The Housing Grants, Construction and Regeneration Act 1996

If Option Y(UK)2 is used and the final date for payment is not seven days after the date on which payment becomes due

The period for payment is days after the date on which payment becomes due

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

If Option Y(UK)3 is used	term	beneficiary
	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>

If Y(UK)3 is used with Y(UK)1 the following entry is added to the table for Y(UK)3	term	beneficiary
	The provisions of Options Y(UK)1	Named Suppliers

Z: Additional conditions of contract

If Option Z is used

The *additional conditions of contract* are

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

COST COMPONENTS

CONTRACT DATA

For use on Foreign, Commonwealth, and Development Office projects only

PART TWO – DATA PROVIDED BY THE CONSULTANT

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

1 General

The *Consultant* is

Name

Address for communications

Address for electronic communications

The *fee percentage* is

 %

The *key persons* are

Name (1)

Job

Responsibilities

Qualifications

Experience

Name (2)

Job

Responsibilities

Qualifications

Experience

The following matters will be included in the Early Warning Register

CORE CLAUSES

MAIN OPTION CLAUSES

SECONDARY OPTION CLAUSES

COST COMPONENTS

CONTRACT DATA

2 The Consultant's main responsibilities

If the *Consultant* is to provide Scope The Scope provided by the *Consultant* is in

3 Time

If a programme is to be identified in the Contract Data The programme identified in the Contract Data is

If the *Consultant* is to decide the *completion date* for the whole of the *service* The *completion date* for the whole of the *service* is

5 Payment

If the *Consultant* states any *expenses* The *expenses* stated by the *Consultant* are

item	amount
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

If Option A or C is used The *activity schedule* is

The tendered total of the Prices is

Resolving and avoiding disputes

The *Senior Representatives* of the *Consultant* are

Name (1)

Address for communications

Address for electronic communications

Name (2)

Address for communications

Address for electronic communications

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

Y(UK)1: Project Bank Account

If Option Y(UK)1 is used

The *project bank* is

named suppliers are

Data for the Schedule of Cost Components (used only with Options C or E)

The *overhead percentages* for the cost of support people and office overhead are

location	overhead percentage	
<input type="text"/>	<input type="text"/>	%
<input type="text"/>	<input type="text"/>	%
<input type="text"/>	<input type="text"/>	%

Data for the Short Schedule of Cost Components (used only with Option A)

The *people rates* are

category of person	unit	rate
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

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