

Term Service Contract OPTION A: PRICED CONTRACT WITH ACTIVITY SCHEDULE

Contract Data Forms

June 2017 (with amendments January 2023)

AOMR Framework – Northern Hub Area 4, Greater Manchester Merseyside and Cheshire (GMC)

AOMR Lot 3 Vegetation Management (Routine Maintenance)

Contract Execution

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

Terms in this agreement have the meanings given to them in the contract between the Environment Agency and Lowther Forestry Group Ltd for the schedule of works (the *works*).

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

The *Contractor* was appointed to Asset Operation, Maintenance, Response framework and executed the framework agreement.

Executed under hand

by

The Environment Agency (Client)

Lowther Forestry Group Ltd. (Contractor)

Signed on behalf of the Contractor	
Nama	
Position	
Signature	
Date	
The Client accepts the Contractor's Offe	r to Provide the Works
Signed on behalf of the Client	
Name	
Position	
Signature	
Date	

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 Term Service Contract June 2017 (with amendments January 2023) Main Options А Option for resolving and avoiding disputes W2 Secondary Options X2 - Changes in law X11- Termination by the Client X17 – Low Service Damages X18 - Limitation of Liability X23 - Extending the Service Period X24 - The Accounting Periods Y(UK)1 Project Bank Account Y(UK)2 - The Housing Grants, Construction and Regeneration Act 1996 Y(UK)3 The Contracts (Rights of Third Parties) Act 1999 Z Additional Client Clauses The service is The operation of works regarding the Maintenance of assets in Northern Hub Area 4, Greater Manchester, Merseyside and Cheshire (GMC) as defined in the Scope The Client is **Environment Agency** Name Address for communications Horizon House **Deanery Road** Bristol BS1 5AH Address for electronic communications

The Service Manager is			
Name			
Address for communications	5		
Address for electronic comm	nunication		
The Affected Property is	and the r Appendix	ets as set out in the AIMS:OM outine maintenance program (A, and those assets set out scopes and work schedules for	me of works, in future works
The Scope is in	schedule Appendi informati Appendi assessm options s consultat Appendi maintena Addition not inclue Addition to additic or skilled of public	x A – V1 – GMC Routine ma of works. x B – V1 - GMC maintenance on (Power point Schedule info (Power point Schedule info (x C – MEOS or EPCR – GMC ents. MEOS - (Maintenance of heet) or EPCR - Environmen ion record). (x D - V2.0 – FCRM Environmen ance standards 26/10/2021 (al work – Any additional wor ded within the agreed program al works may be in the form of onal asset vegetation mainten tree works and small asset re safety repairs and / or fencing ons, as detailed within the fram nt.	e schedule ormation). C environmental environmental tal protection nental ks required but nme of works. f, but not limited ance, aerial and / epairs in the form g and gate
The <i>shared services</i> which may be carried out outside the Service Areas are			
The language of the contract is	;	English	
The <i>law of the contract</i> is the la	w of	the law of England and Wa jurisdiction of the courts of Wales	
The <i>period for reply</i> is		2 weeks	except that

The following matters will be included in the Early Warning Register

	Early warning meetings are to be he	ld at intervals	no longer than	4 weeks	
2 The Contractor's main	n responsibilities				
If Option C or E is used	The <i>Contractor</i> prepares forecasts for the whole of the service at interv			N/A	
		alo no longo			_
3 Time					
	The starting date is			1 st August 2024	
	The service period is			6 months	
	The <i>Contractor</i> submits revised plan than	ns at interval	s no longer	4 weeks	
	The period within which the <i>Contractor</i> is to submit a Task Order programme for acceptance is			4 weeks	
If no plan is identified in part	The period after the Contract Date within which the				
two of the Contract Data	Contractor is to submit a first plan for acceptance is		2 weeks		
4 Quality management					
	The period after the Contract Date w	vithin which f	the		
	<i>Contractor</i> is to submit a quality poli quality plan is	cy statemen	t and	2 weeks	
	quality plants				
5 Payment					
	The currency of the contract is the	GBP Sterli	ng		
	The assessment interval is	1 month			
	The interest rate is	% per annu	um (not less tha	n 2) above the	
	Base	rate of the	Bank of Engla	nd	bank
If the period in which payments are made is not three weeks and Y(UK)2 is	The period within which is paymented is	s are made		make payment with te of the invoice.	hin 14

not used

6 Compensation events

If Option A is used

The *value engineering percentage* is 50%, unless another percentage is stated here, in which case it is

%

If there are additional compensation events

These are additional compensation events

	TBC			
8 Liabilities and in	surance			
If there are additional Clie	ent's liabilities These are additi	onal <i>Client's</i> liabilities		
	(1) Not used			
	(2) Not used	(2) Not used		
	(3) Not used			
	(except Plant and Mate person (not an employ <i>Contractor</i> Providing th The minimum amount employees of the <i>Con</i>	of cover for insurance against loss of or damage to property erials and Equipment) and liability for bodily injury to or death of a ee of the <i>Contractor</i>) arising from or in connection with the he Service for any one event is of cover for insurance against death of or bodily injury to <i>tractor</i> arising out of and in the course of their employment in ontract for any one event is		
If the <i>Client</i> is to provide Plant and Materials		loss of or damage to Plant and Materials and Equipment is to and Materials provided by the <i>Client</i> for an amount of Nil		
	The Contractor provides these	e additional insurances		
	(1) Insurance against	Contractors All Risk Insurance		
	Minimum amount of cover is	e value of this contract		
	The deductibles are	The excess up to a maxim		
	(2) Insurance against	Professional Indemnity		
	Minimum amount of cover is			
	The deductibles are	The excess up to a maximum		
	(3) Insurance against			
	Minimum amount of cover is			
	The deductibles are			

9 Resolving and avoiding disputes				
	The <i>tribunal</i> is	Litigation in the court	S	
If the <i>tribunal</i> is arbitration	The arbitration procedure	is TBC]
	The place where arbitration s to be held is	ТВС		
	The person or organisation what agree a choice or if the <i>arbitra</i> arbitrator is			
	Simon Robinson			
	The Senior Representatives o	f the <i>Client</i> are		
	Name (1)			
	Address for commu	unications		
	Address for electron	nic communications		
	Name (2)			
	Address for comm	nunications		
	Address for electr	onic communications		
	The Adjudicator is			
	Name		To be confirmed	
	Address for comm	nunications	To be confirmed	
	Address for electr	onic communications	To be confirmed	
	The Adjudicator nomina		Institution of Civil Engineers	
		5 7	L ü	

X17: Low service damages

If Option X17 is used

Service Credits will be used to maintain service delivery through the contract, based on the Key Performance Indicators set out below (monitored and recorded on a quarterly basis).

The Service Credits approach is set out below:

- Contractors are required to score **at least 80%** per quarter. If they achieve a score below this, they are required to submit a Performance Improvement Plan to the Service Manager to set out how they will improve their performance to the required levels.
- If a Contractor **scores below 70%**, service credits would apply on a sliding scale basis as seen below (the below numbers have been used as an example and will be calculated based on a quarterly price from the returned pricing schedule):

KPI Score	Percentage retained	Amount retained per quarter (based on £4,134 weekly fee; £53,742/ quarter)	Equivalent amount retained per week
66-70	30		
61-65	40		
51-60	50		
45-50	75		
Below 45	100		

- If in the following quarter the Contractor then scores above 80, any retained credits from the previous quarter would be repaid (this relates to the previous quarter only and not any previous quarters).
- Alternatively, if in the following quarter the Contractor scores between 70 and 80, half of the retained credits from the previous quarter only would be repaid. The other half of the retained credits are permanently lost.
- OR if the Contractor does not reach a score of 80 in the following quarter, all previous retained credits are permanently lost.

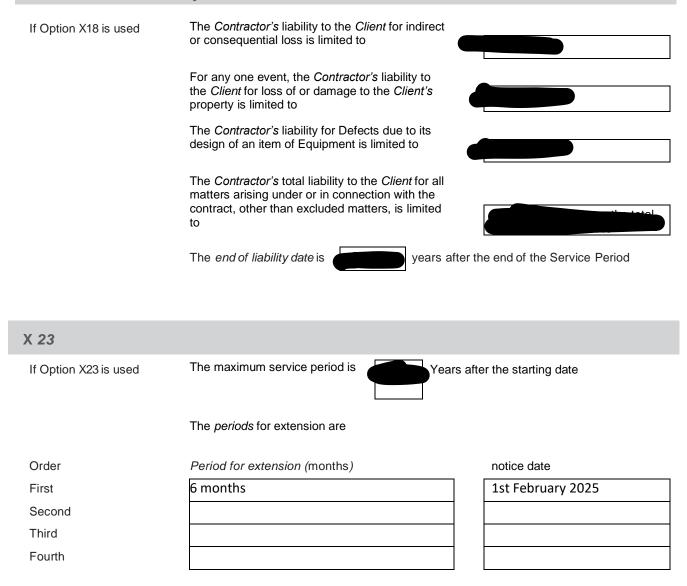
Examples are shown in the following table:

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		PPLIER KPI SCORE FOR QUARTER				
EXAMPLE: OUTCOMES BASED ON KPI's	Quarter 1	Q2	Q3	Q4	Q5	ACTION TAKEN
Contractor KPI score above 80	82					No action taken
A score of less than 80 in any quarter requires the Contractor to provide an Improvement Plan		76				Contractor must provide an Improvement Plan
A score of less than 70 in any quarter results in service credits applying: every percentage below 70 results in the same reduction in % payments of the quarterly			66			EA retains 30% of the management fee from the quarterly invoiced totals
invoice amount (to a capped maximum reduction of 100% of management fee)						Contractor must provide an Improvement Plan
If following a Service Credit quarter, the Contractor KPI score exceeds 80 in the following quarter , any retained service credits from the previous quarter would be repaid				81		Service Credits from previous quarter (30% of management fee) are paid (along with regular quarterly payment).
OR If following a Service Credit quarter, in the next quarter the Contractor KPI score achieves a score of 70 but fails to achieve a score of 80, half of the service credits retained in the previous quarter are paid; half are permanently lost.				72		Half of the previously retained 30% is repaid (15%) along with regular quarterly payment), (15% of previous quarters management fee) is permanently retained.
The Contractor is required to provide an Improvement Plan						Contractor must provide an Improvement Plan
OR If following a Service Credit quarter, in the next quarter the Contractor KPI score again fails to achieve a score of 70, the same % is deducted from the quarterly invoice amount (to a capped maximum reduction				50		EA retains 75% of management fee from the quarterly invoiced totals AND the previously retained 30% of management fee is permanently retained.
of 100%)						Contractor must provide an Improvement Plan

If following two Service Credit quarters, the Contractor KPI score exceeds 80 in the following quarter , any retained service credits from the previous quarter only would be repaid	81	Service Credits from previous quarter (100% of management fee) are paid, along with regular quarterly payment. Note that any previously retained Service Credits are not repaid.
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X18: Limitation of liability



If there are criteria for extension

The criteria for extension are

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(1)	Additional maintenance outside the original programme timeframe
(2)	
(3)	

X24: The accounting periods

If Option X24 is
used and Option C
is not used

The accounting periods are

1st August 2024 to 1st February 2025

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

If Y(UK)2 is used and the date on which a payment is due is not fourteen weeks after the end of the <i>accounting</i> <i>period</i> or Service Period	The period is		weeks	
If Y(UK)2 is used and the final date for payment is not fourteen days after the date on which payment becomes due	The period for pay	yment is 21		days after the date on which payment becomes due

Z: Additional conditions of contract

If Option Z is used

The additional conditions of contract are

Z Clauses

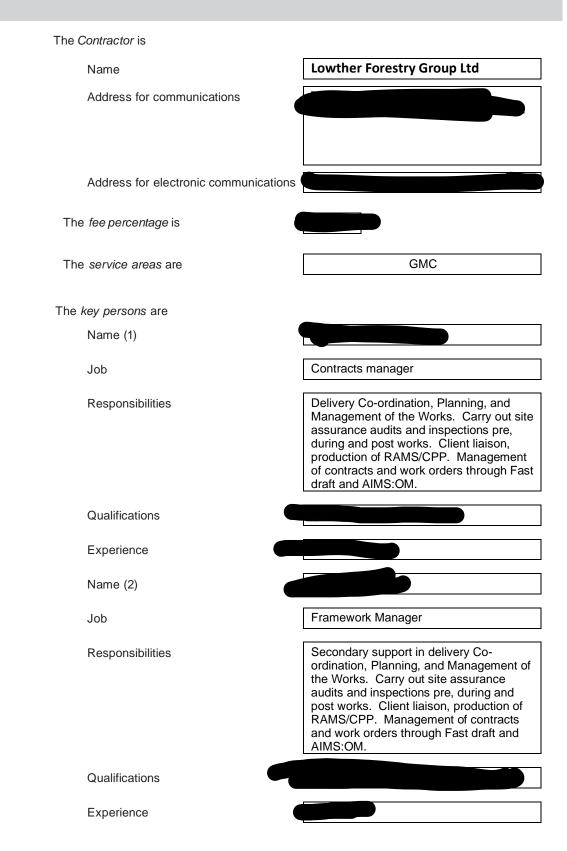
Clause No.	Clause
Z1	Z1 Environment Agency as regulatory authority
	Z1.1 The Environment Agency's role as a regulatory authority and as Client under the contract is
	separate and distinct. Actions taken in one capacity are deemed not to be taken in the other.
	Z1.2 Where statutory consents must be obtained from the Environment Agency in its capacity as a
	regulatory authority, the Contractor is responsible for obtaining these and paying fees. The Client's
	acceptance of a tender and the Client's instruction or variation of the works does not constitute
	statutory approval or consent.
	Z1.3 An action by the Environment Agency as regulatory authority is the action of Other.
Z2	Z2 Framework Agreement
	Z2.1 The Contractor shall ensure at all times during this contract it complies with all the obligations
	and conditions of the Asset Operations Operation, Maintenance, Response Framework Agreement
	made with the Client.
Z3	Z3 Data Protection
	Z3.1 The requirements of the Data Protection Schedule shall be incorporated into this contract
Z4	Z4 Liabilities and insurance
	Z4.1 Civil data protection claims and regulatory fines for breaches of Data Protection Legislation are
	excluded from any limit of liability stated.
Z5	Z5 Risks and insurance
25	Z5.1 Replace clause 84.1 with the following
	Insurance certificates are to be submitted to the Service Manager on an annual basis.
Z6	Z6 Resolving Disputes
20	Z6.1 Delete clause W2.1
Z31	
231	Z31 Price Adjustment for Inflation TSC
	The Client recognises the ongoing pricing uncertainty with regards to inflation. The Client will
	mitigate this uncertainty through this clause.
	Z31.1 Defined terms:
	a) The index is Office for National Statistics (ONS) CPI (UK, 2015=100).
	b) The Base Date Index (B) is the latest available index published by ONS prior to the Contract
	Date.
	c) The Latest Index (L) is the latest available index published by ONS before the date of
	assessment of an amount due.
	d) The Price Adjustment Factor (PAF) at each date of assessment of an amount due is
	0.9((L-B)/B).
	Z31.2 Application rules.
	The provisions of this clause [Z31] shall apply provided that:
	a) The Price for Service Provided to Date is less than or equal to the total of the Prices
	and
	b) Inflation remains positive ie L is greater than B.
	Z31.3 Price Adjustment Factor.
	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 works is
	used for calculating an amount for price adjustment after that date.
	Z31.4 Price adjustment Options A and B.
	Each amount due includes an amount for price adjustment which is the sum of
	• 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

PART TWO – DATA PROVIDED BY THE CONTRACTOR

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

1 General



The following matters will be included in the Early Warning Register

2 The Contractor's ma	in responsibilities	
If the <i>Contractor</i> is to provide S	cope for its plan The Scope provided by the <i>Contractor</i> for its plan is in	
3 Time		
If a plan is to be identified in the	e Contract Data The plan identified in the Contract Data is	
5 Payment		
If Option A, C or E is used	The <i>price list</i> is	

Price List –

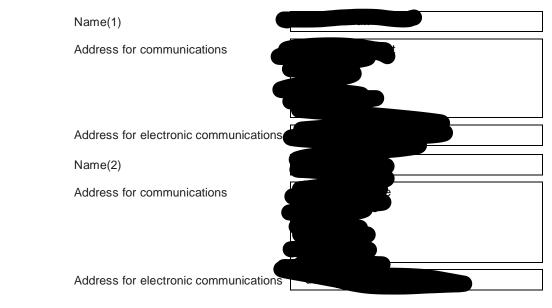
If Option A or C is used

Item	Description	Unit	Quantity	Rate	Price
Number					
	The Price List as contained in the schedule of works Appendix A				
1	River Mersey	Item	1		
2	Penleach Brook	Item	1		
3	Padgate Brook	Item	1		
4	Atherton FSR Full Cut_GM3_Aug	Item	1		
5	Pennington Brook	Item	1		
16	River Birket old course	Item	1		
The total of the Prices					1

The tendered total of the Prices is

9 Resolving and avoiding disputes

The Senior Representatives of the Contractor are



X10: Information modelling

If Option X10 is used

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

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

The people rates are		
category of person	unit	rate
As defined in the Framework Price Workbook 24/25 - 'Lowther Forestry Group Ltd PRICE SCHEDULE_Lot 3_GMC Yr1'		
Aerial Tree work Operative	Hour	
Winch/Chipper Operatives	Hour	
Tree Surveyor	Hour	

The published list of Equipment is the edition current at the Contract Date of the list published by

The percentage for adjustment for Equipment in the published list is

Nil	%	(state	plus	or
	mi	nus)		

The rates for other Equipment are

Equipment

Unit

rate

Chippers (up to 6")
Tipper
Stump Grinder
Mobile Elevated Work Platforms
Excavators (3 tonne)
Excavators (8 tonne)
Excavators (15 tonne)
Tracked Dumper (12 tonne)
Tractor
Tractor (including winch)
Winches

