P23 Framework Schedule 5A.D

Project Agreement Template 2 Scope

Project Name: XXXXXXXXXXXXXX

Project Reference: P23.XXXX

Project Agreement

Between

Client: XXXXXXXXXXXXXXXXXXXXXXX

and

Contractor: XXXXXXXXXXXXXXXXXXXXXXXX

# P23 Project Agreement Template Scope Guidance Notes

1. This template uses the ‘Navigation Pane’ in Microsoft Word to allow users to easily move around the document. To display the ‘Navigation Pane’ (select ‘View’ and tick the box ‘Navigation Pane’). Text in bold is generally either a ‘Heading 1’ or ‘Heading 2’ style which will appear in the ‘Navigation Pane’ and Contents page.
2. This template is for use with either the NEC4 Option A, Option C or Short Contract. In the case of the latter the content may be reduced significantly.
3. Clients should seek appropriate legal and technical advice when using and compiling Project Agreements.
4. Items in this template that require project specific entries are highlighted in grey. Some items can be intentionally blank in preconstruction where the information is yet to be established.
5. This Template is in three Sections:
   1. **Section D** **Standard Processes, Procedures and Obligations.**
   2. **Section E** **Project Specific Scope**: to be completed and developed as the project progresses through the relevant stages. The headings have been taken from the ‘*NEC4: how to write the ECC Scope’ document* which can be used as a guide when preparing this document. Many entries may be intentional blank during preconstruction.
   3. **Section F Site Information**: to be completed and developed as the project progresses through the relevant stages.

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# Section D P23 Standard Processes, Procedures, and obligations

## D005 Design Responsibility ECC21.1: (see also E300)

1. The *Contractor* manages and delivers development of the design for the whole of the *works* through each Project Stage, taking full consideration of and incorporating where appropriate any design requirements or options identified by the *Client*.
2. If the *Client* has undertaken design prior to appointment of the *Contractor*, the *Contractor* assumes responsibility for such developed design, subject to paragraph 3. The *Contractor* engages the *Client’s* designer or selects their own designers as agreed with the *Client.*
3. The *Contractor* notifies the *Project Manager* if the design undertaken prior to the appointment of the *Contractor* cannot be accepted using the early warning procedure.
4. Option X8 provides for the use of collateral warranties where required. *Clients* may also require novation agreements.
5. The *Contractor* in exercising its responsibility for design of the *works*:
   1. provides the design for the *works* within the economic envelope of affordability for the Project,
   2. ensures that the standards to be adopted, such as applicable Health Building Notes, Health Technical Memorandums and other standards are clearly identified and agreed with the *Client*. The design is in accordance with the adopted standards unless amended by agreed and documented derogations from such standards, and
   3. ensures that the requirements of any safety alerts issued by the Central Alerting System are addressed within their design. For information and Contact details for the updates on CAS Alerts refer to: [CAS - Home (mhra.gov.uk)](about:blank)

## D020 Programme Requirements ECC 31.2 (see also E500)

1. The *Contractor* provides each programme and sub-programmes in a format that can be electronically transmitted.
2. The *Contractor* ensures each programme at Project Stage 4/5:

* 1. includes the order and timing for completion of the design;
  2. provides a detailed construction activities programme in accordance with clause 31.2 of the *conditions of contract*;
  3. incorporates and is consistent with any accepted Subcontractor programmes;
  4. is consistent with commissioning and handover requirements specified in section E1490;
  5. shows sectional completions, where relevant;
  6. includes dates for provision of operation and maintenance manuals, training and handover of the health and safety file; and
  7. includes dates for provisions for quality management and quality inspection.

1. Design Programme
   1. The *Contractor* provides a design programme for acceptance by the *Project Manager.*
   2. The *Contractor* identifies in the design programme:
      1. all designers and the lead designer;
      2. design development, coordination and user meetings;
      3. any *Contractor* review periods and milestones;
      4. milestone dates for submission and acceptance of design packages for acceptance;
      5. periods for *Project Manager’s* acceptance of design packages,
      6. *Client* review periods; and
      7. statutory submission dates.

1. Procurement Programme
   1. The *Contractor* provides a procurement programme that reflects the agreed procurement strategy.
   2. The *Contractor* identifies in the procurement programme:
      1. design completion dates;
      2. subcontract and supplier tender documentation preparation and periods;
      3. evaluation and assessment period for subcontract appointments including tendered packages;
      4. supplier and Subcontractor interfaces and dependencies;
      5. dates for placement of orders, lead and manufacture times;
      6. design co-ordination and development meetings;
      7. quality assurance and control procedures/audits;
      8. *Project Managers* notification periods;
      9. dates when title is to be transferred for items not yet delivered to the Site; and
      10. installation dates; and completion dates.

## D025 Restrictions or requirements for subcontracting

1. The *Contractor* maintains direct management control over the following activities:
   1. health and safety management;
   2. project quality control;
   3. management of the *works,* including liaison with the *Client* and the *Client’s* representatives;
   4. administration of contract processes, including:
      1. design checks to fulfil principal designer obligations and to ensure that all design satisfies the *Client* brief;
      2. preparation, submission and negotiation of the cost and price information:
      3. review and presentation of stage activity schedules;
      4. submission of programmes for acceptance, monitoring and when appropriate revising programmes;
      5. making monthly payment applications;
      6. preparing cash flow forecasts;
      7. notifying early warnings; and
      8. administration of compensation events
2. The *Contractor* is prohibited from subcontracting the *works* to any of the *Contractors* on the P23 Framework.
3. Subcontracts should be:
   1. in an appropriate NEC4 form with amendments in accordance with the *additional conditions of contract* unless the work is of a simple/low value that warrants another type of contract; and
   2. in terms consistent with this Contract, the CWAS2/P23 Framework Alliance Contract (P23 FA), the open book requirements, Z clauses and schedule of cost components.
4. The *Contractor* shall have regard to the publication ‘*Code of Practice for the Selection of Subcontractors*’ in the selection of Subcontractors’ (published by Construction Industry Board’s and Thomas Telford Publishing, ISBN: 9780727725424, Item Code: 2259) save for Subcontractors identified in P23 FA.
5. The *Contractor* ensures that Subcontractors and their supply chains are aware of and comply with the P23 Framework open book requirements.
6. The *Contractor* is required to take all reasonable steps to engage SMEs as Subcontractors and to seek to ensure that no less than the SME percentage of Subcontractors stated in E285 are SMEs or that a similar proportion of the Defined Cost/Prices is undertaken by SMEs.
7. The *Contractor* is required to report to the *Client* in its regular contract management monthly reporting cycle the numbers of SMEs engaged as Subcontractors and the value of the Defined Cost/Prices that has been undertaken by SMEs.
8. Where stated in E285, the *Contractor* is required to tender its Subcontracts using the same online electronic portal as was provided by the *Client* for the purposes of tendering this contract.
9. The *Contractor* is to ensure that the terms and conditions used to engage Subcontractors are no less favourable than those of this contract. A reason for the *Project Manager* not accepting subcontract documents proposed by the *Contractor* is that they are unduly disadvantageous to the Subcontractor.

## D030 Additional Records ECC 52.2 (Option C only)

1. The *Contractor* maintains a computerised purchase order driven cost allocation system showing order value, delivery and paid amount for each item in order to demonstrate Defined Cost.
2. The *Contractor* maintains available for inspection by the *Project Manager* and other representatives of the *Client* cost records including:
   1. copies of all records of goods received;
   2. all amounts paid to Subcontractors and other suppliers together with details of how the amounts were calculated and any applicable discounts and rebates;
   3. time sheets for all relevant staff and operatives and Subcontractor’s staff authorised by a line manager with receipts for relevant expenses; and
   4. suitable substantiation of any amounts claimed in assessment applications.
3. The *Contractor* provides access to the *Client’s* professional advisors for the purpose of auditing and verification of any costs relevant to this project.

## D035 Assessment Procedures NEC Option A, Option C and Short Form

1. The *Contractor’s* application for payment does not exceed the amount forecast by the cash flow forecast established for the relevant stage of the works (see section D060).
2. The *Contractor*, on receipt of the *Project Manager’s* certificate, submits a VAT invoice in the manner required by the *Client*.
3. The *Contractor* holds in readiness for review by the *Project Manager* all data and calculations to support assessment applications.
4. Where the *Contractor* fails to comply with appropriate procedures or make available to the *Project Manager* records and information required to meet the requirements of the contract, any amounts claimed by the *Contractor* but not supported by such records and information will not be included in the Project Manager’s certificate.
5. The *Contractor* includes with each application for payment a list (aged creditors) showing those creditors with payments outstanding at the time of the application.
6. The *Contractor*, on receipt of the *Project Manager’s* certificate, submits a VAT invoice in the manner required by the *Client*.

## D045 Compensation Events and communications

1. Limitation of *Project Manager’s* authority to accept or notify compensation events.

* 1. If a compensation event has the potential to exceed the *Project Manager’s* authority limit (See E1525) the *Client* endorses the *Project Manager’s* notification of acceptance and instruction for the *Contractor* to submit a quotation.
  2. If a quotation for a compensation event exceeds the *Project Manager’s* authority limit the *Client* endorses the *Project Manager’s* notification of acceptance of a quotation.
  3. The *Client* is reminded of the *Project Manager’s* duty to act impartially and should not use the process of endorsement to amend the *Project Manager’s* instructions as this could compromise the validity of the instruction.

1. Compensation events and communications required under the NEC contract should be instructed / notified in the form agreed at commencement of the project (see E205). This may be an IT system and/or the P23 FA NEC4 Contract Administration Proformas.
2. Instructions and notifications outside the form agreed at commencement of the project are invalid.

## D050 Quality Management System

1. Within the period describe in template 1 Clause 4 Quality Management the PSCP provides a quality policy statement and quality plan that:
   1. Complies with the quality management system described by the PSCPs as part of their Framework Agreement tender.
   2. Complies with any requirements detailed in section E206 of this scope.
   3. At the relevant contract stage complies with any handover requirements detailed in section E1490.

## D060 Affordability Amount & Stage Target/Prices, Forecast of Defined Cost and Cash Flow

**Affordability Amount and Stage Target/Prices**

1. Prior to Stage 4/5 there are two pricing elements:
   1. the Affordability Amount for the Project. The Affordability Amount is the forecast of the total Prices for the whole of the *works* and
   2. the Target Price/Prices agreed at the start of each stage of the Project.
2. The *Contractor* is obliged to progress the Project design within the Affordability Amount as adjusted by any compensation events and shall follow Framework Instruction 1 unless agreed otherwise.
3. Upon appointment, the *Contractor* reports to the *Client* on the achievability of the Project within the Affordability Amount or provides details of the *Contractor’s* forecast of the Affordability Amount for the Project where the *Client* has not provided the Affordability Amount.
4. The Affordability Amount is the amount stated in the Contract Data (unless the amount stated is later changed in accordance with the Contract) and includes amounts for each of the Project Stages and reflects the Affordability Amount for the aggregate of all Project Stages.
5. The *Contractor* shall report and meet monthly with the *Client* and/or their appointed advisors to discuss any changes or risks to the Affordability Amount, stage Target Price/Prices and/or the Target Price/Prices.

**Forecast of Defined Cost and Cash Flow Forecast**

1. The *Contractor* provides a cash flow forecast of the forecast monthly assessment of the amount due including the cumulative value of each assessment. During Project Stages 1 to 3 the cash flow forecast is required for both the relevant stage Target Price/Price and the Project Affordability Amount. The first forecast/s shall be provided within the time period stated in the project letter of instruction or four weeks of the date of appointment of the *Contractor* to the Project, whichever is the longest. For project using Option C these requirements should be read in conjunction with NEC 4 clause 20.4.
2. The *Contractor* shall update and submit to the *Project Manager* the cash flow forecast/s each calendar month. With regards to the Z clause amendment to clause 51.1, reproduced below, the relevant cash flow forecast is the agreed stage cash flow forecast based on the planned completion and agreed stage Prices (as adjusted by compensation events), or in the case of Option C the agreed stage Target Price or forecast of Defined Cost plus fee whichever is the lower. In the event the *Contractor* does not submit a cash flow forecast or the submitted cash flow forecast is not accepted by the *Project Manager* the *Project Manager* will make their own assessment of the cash flow forecast for the purpose of the amended clause 51.

**Z Clause amendment to NEC clause 51.1**: Third sentence, after “change in the amount due since the last payment assessment” add “provided always that the change in the amount due shall not exceed the cash flow forecast for the relevant stage of the works.”

1. Within [one week] of the *Contractor* submitting a cash flow forecast for acceptance, the *Project Manager* either accepts the forecast or notifies the *Contractor* of the reason for not accepting it. A reason for not accepting the forecast is that

* it does not comply with the Scope or
* it includes work which is not necessary for the Project Stage for which the forecast was prepared or
* it will not allow the Affordability Amount to be met or
* it does not comply with the programme or
* it does not contain realistic forecasts against the programme activities or
* it is based on an unrealistic planned completion date.

## D065 Stage Proposals

1. Pricing Information is information which specifies how the Contractor prepares its assessment / proposal of the Prices for each of the Project Stages as detailed in D065, D075 and E105.
2. The *Contractor* develops the stage proposal for the next Project Stage in collaboration with the *Project Manager.* The stage proposal includes the documents detailed in section E105.
3. The *Contractor* submits its stage proposal to the *Project Manager* for acceptance.
4. The stage proposal includes the *Contractor’s* forecast of the effect of the design proposal on the Project Target Price/Prices and the Accepted Programme.
5. The Target Price/Price is assessed by the *Contractor* using the Pricing Information stated D075 and E105. The development of the Target Price/Prices for Project Stage 4/5 is in an activity schedule format supplemented by a cost plan which follows the BCIS ‘Elemental Standard Form of Cost Analysis’ unless the *Project Manager* requires otherwise. The *Contractor* submits the Target Price/Price for Project Stages 4/5 to the *Project Manager* in the form of revisions to the Activity Schedule/Price List. The Activity Schedule/Price List includes the Price for Work Done to Date in Project Stages 1-3.
6. If the submission is not accepted, the *Project Manager* gives reasons. A reason for not accepting a *Contractor’s* submission is that

* it does not comply with the Scope,
* it will cause the *Client* to incur unnecessary costs to Others or
* the *Project Manager* is not satisfied that the Prices or any changes to the Prices have been properly assessed.

1. The *Contractor* makes a revised submission taking account of the *Project Manager’s* reasons.
2. The *Contractor* obtains approvals and consents from Others where stated in the Scope (E315)
3. Any additional Scope provided by the Contractor in Project Stages 1-3 becomes Scope provided by the *Contractor* for its design.
4. The *Contractor* completes any outstanding design during Project Stages 4/5.
5. The *Client* issues the Agreement for the *Contractor* to proceed to Project Stages 4/5 when:

* the *Contractor* has obtained approvals and consents from Others where stated in the Scope (E315);
* changes to the Affordability Amount have been agreed or assessed by the *Project Manager*;
* the *Project Manager* and the *Contractor* have agreed the Target Price/Price for Project Stages 4/5; and
* the *Client* has confirmed the works are to proceed.

1. If the *Client* does not issue an Agreement to proceed to the next Project Stage for any reason, the *Project Manager* issues an instruction that the work required is removed from the Scope. This instruction is not a compensation event and the parties acknowledge and agree that the *Contractor* shall have no claim against the *Client* for:
   1. loss of profit, loss of contract, loss of business, loss of chance or other similar loss; or
   2. any indirect or consequential loss.
2. If the *Client* does not issue an Agreement to proceed to Project Stages 4/5 because:

* the *Project Manager* and the *Contractor* have not agreed the Target Price/Price for Project Stages 4/5; or
* the *Contractor* has failed to achieve any performance requirements stated in the Scope,

the *Client* may appoint another contractor to complete the Project Stages 4/5 works.

1. If one of the following events happens, the *Project Manager* and the *Contractor* discuss different ways of dealing with changes to the Affordability Amount which are practicable.

* The *Project Manager* gives an instruction changing the *Client’s* requirements stated in the Scope.
* Additional events stated in the Contract Data.

1. The *Project Manager* and the *Contractor* agree changes to the Affordability Amount within four weeks of the event arising which changes the Affordability Amount. If the *Project Manager* and the *Contractor* cannot agree the changes to the Affordability Amount the *Project Manager* assesses the change and notifies the *Contractor* of the assessment.

## D070 Enabling works (as detailed in E108)

1. Clients may instruct enabling work prior to commencement of Project Stage 4/5 This should be based on:
   1. an agreed target for the work that is included in the project Target Price/Prices;
   2. the work is managed, accounted and paid for as if undertaken during Project Stage 4/5, and
   3. the final total of Work Done to Date for the enabling work is included in the final total of the Prices for Project Stage 4/5 and under Option C calculation of the Project Stage 4/5 share percentage at Completion.
2. Enabling works known and required to be carried out prior to Project Stage 4/5 should be stated and defined within the Scope for the applicable Project Stage. Thereafter the work is undertaken as if it were in Project Stage 4/5 regarding application of the NEC4 contract processes
3. For enabling work not identified in the scope of work prior to commencement of the applicable Project Stage a change to Scope should be initiated.
4. Enabling work requires a detailed scope of work, accepted programme and activity schedule for the scope of the enabling work together with a revision to the current Target Price/Price for the Project Stage. A *Project Manager* compensation event notification is required for the enabling work where there is change to the Scope. The notification should record that a formal compensation event quotation is not required to be submitted. The forecast additional direct cost is to be submitted to the *Client* by the *Contractor* as an ‘enabling Work Target Price/Price Proposal that includes all necessary Project Stage 4/5 requirements including programme, resources, Design etc. for acceptance.

## D075 Contractor Fee Percentages and Hourly Rates

1. The *Contractor* Framework Pricing, or as adjusted during the call-off process, contain the following which are used to calculate the Prices in the *Contractor* stage proposal:
   1. the *Contractor’s* fee percentages appropriate to the Project value band and contract option; and
   2. hourly rates for design outside the working area and Schedule of cost Components 1 People for those roles listed in Framework Pricing.
2. The hourly rates for design outside the working area and People are:
   1. to be adjusted for inflation every year as detailed in Framework Pricing;
   2. the first inflation adjustment is due after 24 months from commencement of the P23 FA; and
   3. any inflation adjustment is not a compensation event.

## D076 Expenses

1. Expenses are paid in accordance with the project agreement and below:
   1. Cars (all types of fuel) 20p per mile, for miles travelled which are in excess of the home to agreed work base return journey,
   2. public transport is reimbursed at the cost of bus fares and standard rail fares,
   3. When an employee stays overnight in a hotel, guesthouse, or other commercial accommodation with the agreement of the *Project Manager*, the overnight costs will be reimbursed as follows:
      1. the actual, receipted cost of bed and breakfast, up to the normal maximum limit as:
         1. Hotels in the London postal area: up to £115.00/night.
         2. Hotels elsewhere in the UK: up to £85.00/night; plus
      2. A meals allowance, to cover the cost of a main evening meal and one other day-time meal, up to £20.00.
   4. A meal allowance is payable when an employee is necessarily absent from home and more than five miles from their base, by the shortest practicable route, as follows, these allowances are not paid where meals are provided free at the temporary place of work:
      1. Day meals allowance rates are Lunch allowance (more than five hours away from base, including the lunchtime period between 12:00 pm to 2:00 pm) £5.00
      2. Evening meal allowance (more than ten hours away from base and return after 7:00 pm) £15.00. These allowances are not paid where meals are provided free at the temporary place of work.
   5. A day meals allowance is payable only when an employee necessarily spends more on a meal/s than would have been spent at their place of work.

## D080 Identification and Management of Risk and Early Warning Register

**Guidance Note:** Client to review guidance note and define any forms of register to be used and the Contractors obligations in section E120.

1. One of the changes in NEC4 from NEC3 was to rename the Risk Register to an Early Warning Register. Part of the rational for this change was to make a clearer distinction between the need for proactive management of NEC contractual risks, potentially impacting on the agreed Target Price/Prices and Completion Date, and the Clients more wider risk management processes associated with the projects overall commercial risk and contingency management. For P23 projects this distinction can be summarised as:
   1. The NEC contractual allocation of risks (liabilities under NEC4) and matters that may impact on the agreed stage Target Price/Prices Completion date, and
   2. Guidance used more widely by Clients as part of the requirements of HM Treasury and NHS business case and project management processes, such as:
      1. HM Treasury Orange book: management of risk - Principles and Concepts,
      2. HM Treasury Green book: appraisal and evaluation in central government,
      3. HM Treasury Green Book supplementary guidance: optimism bias,
      4. Comprehensive Investment Appraisal (CIA) model and guidance,
      5. Capital regime, investment and property business case approval guidance for NHS providers

1. This distinction and when to operate the early warning processes in the NEC contract is often clearer during the construction phase but can be less clear in preconstruction, particularly around when to issue early warnings relating to design and business case development issues that do not necessarily impact on the stage Target Price/Prices and programme.
2. There can also be subtle differences in how the two are used, particularly in preconstruction where risks have been identified more generally via a workshop and the mitigation will not be as time critical. A key Client aim during preconstruction is to use risk management techniques to reduce the optimism bias cost allowance and finalise the project's cost contingency.
3. Contractors and Clients need to be aware of the above distinctions and agree how these will integrate with and complement each other on each project. This may include:
   1. overlap and cross referencing between the NEC contract early warning register and project/client risk registers;
   2. defining the requirements for reporting and managing time and cost issues relating to the development of the design and business case during preconstruction;
   3. define within the Scope the *Contractor’s* responsibility for leading the risk management process as a task/activity; and
   4. agreeing how the risk management processes will be used to develop the construction stage Target Price/Prices including any risk allowances includes in the Project Stage Target Price/Prices.
4. Any amounts identified and accepted in the Project Stage 4/5 Target Price/Price as Contractor’s risk are included at the *Contractor’s* risk.

## D085 *Client’s* Works specification (detailed requirements included in E2000)

1. Materials and workmanship are to conform to recognised European Standards and *Client* specifications and standards whichever represents the higher or better standard.
2. *Client* specifications and standards, including derogations, are to be established and recorded by the *Contractor* during the design process;
   1. The *Contractor’s* proposals for derogations to Health Building Notes and Health Technical Memoranda and other similar applicable requirements or guidance are to include consideration of the effects, benefits and disadvantages of the proposed derogations. The effects of all proposed derogations are to be clearly and unambiguously explained to the *Client*.
   2. Derogations should be managed in accordance with the process laid down by NHS England and improvement within their Business Case Guidance
   3. The *Contractor* submits with each design for acceptance within the Scope a statement of the identified standards to be employed in the parts of the works designed by the *Contractor* and its confirmation that such standard has been and/or will be used.
3. The *Contractor* incorporates only new materials in the works unless it is specifically stated that previously used materials may be re-used.
4. The *Contractor* Provides the Works:
   1. in a proper manner with due skill, care and judgment:
   2. in compliance with all statutes, statutory instruments, regulations, rules and orders made under any statute or directive having the force of law which affect the works or performance of any obligations under this contract; and
   3. any regulation, bye-law, permission or approval of any local authority or statutory undertaker having jurisdiction in relation to the works or with whose systems the works are, or are to be, connected.
5. The *Contractor* performs its obligations under this contract (including those in relation to the works) in accordance with:
6. all applicable equality Law (whether in relation to race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy, maternity or otherwise);
7. the *Client's* Policies; and
8. any other requirements and instructions which the *Client* reasonably imposes in connection with any equality obligations imposed on the *Client* at any time under applicable equality Law.

# E100 Description of the works

1. The works are insert Project specific text

## E105 Stage Proposal Documents (As referenced in section D065)

1. The Contractors stage proposal includes the following documents: (amend accordingly)
   1. Appendix 02.01 Target Price
   2. Appendix 02.02 Contract Data Part one
   3. Appendix 02.03 Contract Data Part Two Data
   4. Appendix 02.04 Priced Resource Activity Schedule
   5. Appendix 02.05 Activity Schedule
   6. Appendix 02.06 Project Programme
   7. Appendix 02.07 Project Cash flow
   8. Appendix 02.08 Project Procurement Strategy
   9. Appendix XXX List other appendices or documents

## E106 Procurement Policy Notes, Assurance Tools and Framework Instructions

**Guidance Notes**: New and updated documents are published over time and may apply to the project dependant on the type and scale of the project and if the *Client* is an ‘in scope’ organisation for the PPN. Several PPNs are included as part of the P23 Framework and do not require listing separately here. In some instances, *Clients* will need to supplement any reference to documents below with detailed requirements. Requirements relating to SMEs and Apprentices are included at D025, E280 and E285

1. The *Contractor* complies with the following Procurement Policy Notes (amend accordingly):
   1. 11/16 Procuring steel in major contracts
   2. 01/18 Supply Chain Visibility
   3. List others PPNs as required
2. The Contractor complies with the following P23 Assurance tools/framework instructions:
   1. Framework Instruction 1 (see Scope D060.2)
   2. List out as required

## E107 Preconstruction Services Provided by the *Contractor*

**Guidance note:** The list provided is only an aid and should be revised and expanded upon accordingly by reference to the *Client* call-off documents, brief and *Contractors* tender submission.

1. The *Contractor* provides pre-construction services and where appointed acts as principal designer and principal contractor for Providing the Works.
2. Wherever relevant uses the repeatable room designs and standard component agreements.
3. The services for this stage include but are not limited to:
   1. duties of the principal designer and principal contractor (CDM Regulations) where appointed as such by the C*lient*;
   2. manages the design process;
   3. Affordability Amount review as Section D060;
   4. Agree/update the project brief*;*
   5. life cycle/whole life cost analysis and advice;
   6. development of the design including drawings and other design outputs;
   7. prepare and submit relevant planning and Building Regulation applications;
   8. review the equipment strategy;
   9. undertake an environmental/BREEAM assessment;
   10. prepare the stage contract documents and subcontract documents;
   11. participate and lead the project risk management process as specified in section D080 and E120;
   12. P23 assurance processes/framework instructions included in E106;
   13. provide a stage proposal for the following stage; and
   14. [list other services]
4. The *Contractor* develops the design to an agreed level of completion, and assists and collaborates with the *Project Manager* in preparation of the Business Case for the *Client* as required by the Scope which includes:
   1. cost control and reporting of the Affordability Amount;
   2. updating the Procurement Strategy;
   3. updating the Project Quality Plans;
   4. updating the Project Execution Plan;
   5. providing the Construction Stage plan (CDM 2015); and
   6. making allowance within the Prices for:
      1. the *Contractor’s* operations between FBC Proposal submission and completion of Appendix C to the Project Agreement;
      2. Project Stage 4/5 - Construction delivery [(including the Project Stage 4/5 Prices [within the Target Price in the re-affirmed Form of Agreement])].

## E108 Enabling works (See section D070)

1. The *Contractor* undertakes the following enabling works: Insert project specific text or indicate not applicable

## E109 Stage 4/5 Services provided by the *Contractor’s* Completion of the substantial design, construction and handover.

**Guidance note:** *Client* reviews and amends accordingly.

1. The *Contractor* undertakes the roles of principal designer, principal contractor and designer for Providing the Works.
2. This Project Stage 4/5 *works* includes but is not limited to:
   1. duties of the principal designer (CDM Regulations 2015) where appointed as such by the *Client*;
   2. completing the design, produced during preconstruction and accepted by the *Project Manager*;
   3. update Scope for the *Contractor’s* design;
   4. provision of the construction manual incorporating all necessary instructions and procedures developed during production of the design;
   5. review of the equipment strategy;
   6. updating the environmental/BREEAM assessment;
   7. participating in risk and value management processes detailed in Section D060 and E120;
   8. construction, including provision of Plant and Materials necessary to complete the *works* in accordance with the accepted design;
   9. commissioning and handover as section E1490.
   10. maintaining a security presence during the period following commissioning and prior to acceptance of the responsibility by the *Client;* and
   11. handover to the *Client* of the completed *works*.

## E110 Project Stage 5 Services (defects Date period) provided by the *Contractor*

1. The *Contractor* provides the services of an aftercare manager with access to people, Equipment and any other necessary resources who can undertake work of repair/Defect correction without delay. The aftercare manager is to be contactable by a 24-hour ‘hotline’ telephone the number for which is to be recorded with the hospital trust 24-hour security team.

## E110 *Client’s* Project Objectives

**Guidance note:** *Client* reviews and amends accordingly

The *Client’s* objectives for the project are to:

1. appoint the *Contractor* as principal contractor and principal designer (if one is not already appointed) for the purposes of the CDM Regulations, to manage the design and delivery of the works for the Project and perform all the functions and obligations required to be performed by the principal contractor and principal designer under the CDM Regulations;
2. achieve Completion of the whole of the works by the Completion Date for the Project; and
3. List additional objectives:

## E115 The *Client’s* Strategy

1. Insert Project Specific text

## E120 Clients Risk/Early Warning Management requirements (Read section D080 and define requirements below)

1. Insert Project Specific text

# E200 General constraints on how the *Contractor* Provides the Works (see D085)

## E205 General constraints

1. Healthcare-Associated Infections (HCAIs) The *Contractor* complies with the requirements contained in Department of Health publication: Health Facilities Note (HFN) 30 - Infection control in the built environment - design and planning” or any document that supersedes it during the period of the P23 FA).
2. The agreed system/method of NEC 4 communication shall be (see D045): Insert Project specific text if proprietary system and/or P23 Proformas
3. Insert additional constraints: Insert Project specific text

## E206 Quality Management

1. Insert Project Specific text

## E210 Confidentiality

1. Insert Project Specific text

## E215 Security and protection of the site

1. The *Contractor* complies with the *Client’s* security policy and procedures for existing facilities.
2. *Client’s* particular security requirements are:
   1. [Other Clients’ Insert project specific text e.g. CRB requirements].

## E220 Security and identification of people

1. Insert Project specific text

## E225 Protection of existing services and structures

1. Insert Project specific text

## E230 Protection of the works

1. Insert Project specific text

## E235 Cleanliness of roads

1. Insert Project specific text

## E240 Traffic Management

1. Insert Project specific text

## E245 Condition Surveys

1. Insert Project specific text

## E250 Consideration of others

1. Insert Project specific text

## E255 Industrial relations

1. Insert Project specific text

## E260 Control of Site personal

1. Insert Project specific text

## E265 Site Cleanliness

1. Insert Project specific text

## E270 Waste Materials

1. Insert Project specific text

## E275 Deleterious and hazardous materials

1. Insert Project specific text

## E280 Apprenticeships

**Guidance note**: *Client* to review wording or delete if not applicable.

1. The *Contractor* takes all reasonable steps to employ apprentices, and reports to the *Client* the numbers of apprentices employed, and the wider skills training provided, during the delivery of the works.
2. The *Contractor* takes all reasonable steps to ensure that no less than a percentage of its people (agreed between the Parties) are on formal apprenticeship programmes or that a similar proportion of hours worked in Providing the Works, (which may include support staff and Subcontractors) are provided by people on formal apprenticeship programmes.
3. The *Contractor* makes available to its people and Subcontractors working on the contract, information about the Government’s Apprenticeship programme and wider skills opportunities.
4. The *Contractor* provides any further skills training opportunities that are appropriate for its people engaged in Providing the Works.
5. The *Contractor* provides a report detailing the following measures in its regular contract management monthly reporting cycle and is prepared to discuss apprenticeships at its regular meetings with the *Project Manager:* 
   1. the number of people during the reporting period employed on the contract, including support staff and Subcontractors;
   2. the number of apprentices and number of new starts on apprenticeships directly initiated through this contract;
   3. the percentage of all people taking part in an apprenticeship programme;
   4. if applicable, an explanation from the *Contractor* as to why it is not managing to meet the specified percentage target;
   5. actions being taken to improve the take up of apprenticeships; and
   6. other training/skills development being undertaken by people in relation to this contract including:
      1. work experience placements for 14 to 16-year olds;
      2. work experience /work trial placements for other ages;
      3. student sandwich/gap year placements;
      4. graduate placements;
      5. vocational training;
      6. basic skills training; and
      7. onsite training provision/ facilities

## E285 Small and Medium Sized Enterprises (SME) (see D025)

1. The SME percentage as referred to in D025 is insert percentage as required or not applicable.
2. The *Contractor* is/is not required to tender its Subcontracts using the same online electronic portal as referred to in D025. Insert details of portal if the Contractor is required to use the same online portal

# E300 Contractors Design (See section D005 & D010)

## E310 Design provided by the *Client*

Design provided by the *Client*

1. The following elements of the design have been undertaken by the *Client*:
   1. XXXXXXXXXXXXX
2. The *Client* accepts design responsibility for the following elements of the Project:
   1. XXXXXXXXXXX
3. The *Client’s* design aims, functionality requirements and design brief for the Project are provided in the following documents:
   1. [Insert design brief or statement here and list of documents etc. or
   2. To be established in conjunction with the *Contractor* during the stage
   3. Recorded as follows XXXXXXXXXX
4. In addition to the requirements detailed in section D of this Scope the *Contractor* complies with the following specific obligations:
   1. [List other specific obligations.]

## E315 Design approvals from others ECC 27.1

1. Insert Project specific text

## E320 *Client* requirements

**Guidance Note:** *Client* to amend accordingly

The *Contractor’s* follows the following design submission process:

1. The *Contractor* submits the *Contractor's* Design Documents to the *Project Manager* for acceptance at the times detailed in the accepted design programme.
2. Design documents shall be submitted as (insert project specific text).
3. The *Project Manager* returns each *Contractor's* Design Document to the *Contractor* marked either 'A' (accepted), 'B' (accepted subject to comments) or 'C' (rejected). If the *Project Manager* marks a *Contractor's* Design Document 'B' or 'C', it states the reasons. A reason for not accepting a *Contractor's* Design Document is that it does not comply with
   1. the Scope,
   2. any previous *Contractor's* Design Documents which
      1. the *Project Manager* has returned marked 'A', or
      2. the *Project Manager* has returned marked 'B' and the *Contractor* has amended to incorporate the *Project Manager's* comments,
   3. the applicable Law or
   4. any other provision of this contract.
4. If the *Project Manager* does not return a *Contractor's* Design Document within the period for reply, it is treated as having been returned marked 'A'.
5. Where a *Contractor's* Design Document is returned marked 'A', the *Contractor* proceeds with the relevant work in accordance with the *Contractor's* Design Document.
6. Where a *Contractor's* Design Document is returned marked 'B', the *Contractor*:
   1. amends the *Contractor's* Design Document to incorporate the *Project Manager's* comments,
   2. submits the *Contractor's* Design Document as so amended to the *Project Manager* and
   3. proceeds with the relevant work in accordance with the *Contractor's* Design Document as so amended.
7. Where a *Contractor's* Design Document is returned marked 'C', the *Contractor*:
   1. amends the *Contractor's* Design Document to incorporate the *Project Manager's* comments,
   2. re-submits it to the *Project Manager* for acceptance and
   3. does not proceed with the relevant work until the *Project Manager* has returned it marked 'A' or 'B' and, where it is marked 'B', has complied with clause 21.6.
8. If the *Contractor* disagrees with a comment of the *Project Manager* on a *Contractor's* Design Document marked 'B' or 'C', it notifies the *Project Manager* in accordance with clause 15 within one week of receipt stating its reasons and that in its opinion compliance with the comment will give rise to a change in the Scope. The *Project Manager* replies within one week of receipt of the *Contractor's* notice either confirming or withdrawing the comment. A confirmation or withdrawal by the *Project Manager* is not an acceptance of the *Contractor's* opinion.”

## E325 Design coordination

1. Insert Project specific text

## E330 Requirements of others

1. Insert Project specific text

## E335 Copyright/license ECC 22.1

**Guidance note**: Refer to the P23 FA and Z Clauses regarding Intellectual Property and the *Client* use of the *Contractor’s* design and other documentation.

1. The *Client* may use the *Contractor’s* design (NEC4 ECC clause 22.1).

## E340 Access to information following completion

1. Insert Project specific text

# E400 Completion (see Section D015)

## E405 Completion definition EC 11.2(2)

**Guidance note**: Review and amend accordingly including any requirements around defects free completion where there are constraints with providing the *Contractor* with access after completion.

1. The works to be done by the Completion date are:
   1. construction of the building and its services;
   2. external work;
   3. commissioning of Plant and other installed equipment;
   4. handover of maintenance and operation manuals and supplier’s/manufacturer’s guarantees and warranties;
   5. operator training;
   6. security systems proving and certification;
   7. interior decorations and furnishings;
   8. handover;
   9. correction of Defects notified prior to Completion; and
   10. XXXXXXXXXXXXXX

## E415 Training

1. Insert Project specific text

## E420 Final Clean

1. Insert Project specific text

## E425 Security

1. Insert Project specific text

## E430 Correction of defects

1. Insert Project specific text

## E435 Pre-completion arrangements

1. Insert Project specific text

## E440 Take over EC35.2

1. The *Client* should take note of the *conditions of contract* regarding early ‘take over’ of parts of the works and the adverse effects that could result from providing access to parts of the works for the purpose of defects correction following *Client* occupation prior to Completion. Similarly, the effect of *Client* providing supervision and access for *Contractor* correction of any Defects remaining after Completion has been certified by the *Project Manager*.
2. Insert Project specific text

# E500 Programme (See D020)

1. *Client* identified milestone dates are;

Insert schedule dates and description

## E510 Programme arrangement

1. Insert Project specific text

## E515 Methodology statement

1. Insert Project specific text

## E520 Work of the *Client* and Others

1. Insert Project specific text

## E525 Information required

1. Insert Project specific text

## E530 Revised programme

1. Insert Project specific text

# E1000 Services and other things to be provided

## E1005 Services and other things for the use of the *Client*, *Project Manager* or Others to be provided by the Contractor ECC 25.2

**Guidance note:** Amend accordingly

1. The *Contractor* provides the following Services to the *Client*:
   1. power;
   2. water;
   3. toilets and washing facilities;
   4. kitchen facilities;
   5. security;
   6. first aid; and
   7. [List other services]
2. Identify who pays the amounts due to statutory undertakers and suppliers
   1. [List details]
3. Identify who pays for connections and restorations
   1. [List details]
4. The *Contractor* provides the following things to the *Client:*
   1. offices;
   2. conference facilities;
   3. transport;
   4. secretarial services;
   5. computing;
   6. telephones;
   7. copies of monthly statistics and past records of Metbuild data;
   8. personal protective equipment; and
   9. [List other services]
5. The *Contractor* ensures that *Client* and P23 Branding Guidelines for building sites are complied with and applied to the Site. Detail requirements below;
   1. [List other things]

## E1010 Services and other things to be provided by the *Client* ECC 25.2

**Guidance note:** Amend accordingly

1. Items of Plant to be provided by the *Client*
   1. [List of Plant – provide storage details/delivery options and/or location for collection by the *Contractor*]
2. Items of Materials to be provided by the *Client*:

* 1. [List of Materials – provide storage details/delivery options and/or location for collection by the *Contractor*]

1. The *Client* provides the following services;
   1. Power;
   2. Water;
   3. Sewage disposal;
   4. Storage areas;
   5. Security;
   6. First aid;
   7. [List other services]
2. Identify who pays the amounts due to statutory undertakers and suppliers;
   1. [List details]
3. Identify who pays for connections and restorations
4. [List details]
5. The *Client* provides the following things
6. [List things]

# E1110 Health and Safety

## E1105 Health and safety Requirements ECC 27.4

1. The *Client* health and safety requirements are contained in the following documents:
   1. [List details]

## E1110 Method statements

1. Insert Project specific text

## E1115 Legal Requirements Construction (Design and Management) Regulations 2015

**Guidance note:** The *Client* must ensure both these appointments are confirmed in writing.

1. The *Contractor* acts as designer for the works: The *Contractor* assumes the duty of the principal designer when he is appointed to the Project.

1. Principal contractor: The *Contractor* assumes the duty of principal contractor when he is appointed to the Project.
2. The *Contractors* appointment as principal designer and principal contractor was confirmed by the Client on insert date and reference of letter of appointment.

## E1120 Inspections

1. Insert Project specific text

# E1200 Subcontracting (See D025)

## E1205 Restrictions or requirements for subcontracting

1. The following restrictions apply: XXXXXXXXXXXXXxx
2. The *Client* lists Subcontractors who have been previously employed by or within the *Client* property and are classed as acceptable should the *Contractor* wish to consider their use as follows:
   1. [Insert details]

# E1300 Title

## E1305 Marking ECC 71.1

1. Where the *Contractor* requires to be paid for Plant and Materials prior to bringing them to the Working Areas, he identifies procurement of such items on the Accepted Programme as an activity to accord with the cash flow forecast

## E1310 Materials from excavation and demolition ECC 73.2

1. Objects and Materials within the Site
   1. The *Contractor* has title to materials from excavation and demolition where to be used solely within the Site;
   2. The *Contractor* submits to the *Project Manager* the proposals for the disposal of surplus materials from excavation and demolition;
   3. Where the *Contractor’s* proposals are other than for disposal at licensed tips and include for use or sale of such surplus outside of the Working Areas the *Contractor* credits all benefit to Defined Cost.

# E1400 Acceptance or Procurement Procedures

1. The *Contractor* prepares and agrees with the *Project Manager* the Procurement strategy that shall detail the proposed procurement options for each subcontract package of works, plant and materials to ensure value for money. The procurement strategy shall be consistent and read in conjunction with the procurement programme and shall be reviewed monthly and updated to record any agreed changes.
2. Insert Project specific text

## E1490 Handover

**Guidance note:** The *Client* to include any requirements relating to Government Soft Landings or similar policy guidance.

1. Client requirements to be included in the *Contractor’s* Handover Plan; The Plan is to take account of and identify all supplier warranties and guarantees.

(………………………………………………………….)

# E1500 Accounts and Records (See Section D030 and D035)

## E1515 Assessment Procedures

**Guidance note:** The *Project Manager’s* appointment should identify the scope of the Project Manager’s auditing/verification of the *Contractor’s* payment applications.Include any additional requirements to section D030 and D035 below.

1. Invoices are to be submitted to:

[Insert Address]

1. The Contractor complies with the following requirements:
   1. Insert details

## E1525 Compensation Events

1. The *Client* limits the *Project Manager’s* authority to accept or notify compensation events to £XXXXX per Event for all events that have a potential to increase the total of the Prices.

# E1600 Ultimate Holding Company Guarantee (Option X4)

1. Where applicable insert copy of P23 ultimate holding company guarantee executed by both parties or include as an appendix

# E1650 Undertakings to the *Client* or Others (Option X8)

1. Provide details of any collateral warranties if applicable or include as an appendix

# E1700 Information modelling (Option X10)

1. Insert any information modelling requirements if applicable or include as an appendix.

# E1800 Performance Bond (Option X13)

1. Insert performance bond if applicable or include as an appendix.

# E1900 Advanced Payment Bond (Option X14)

1. Insert advanced payment bond if applicable or include as an appendix.

# E2000 *Client’s* works specification and drawings (see Section D085)

## E2005 *Client’s* Works specification

1. Insert Project specific text

## E2010 Drawings

1. Insert Project specific text

# Section F Site information

1. Site Information available at the time of initial document preparation by the *Client* may be limited to a general description of the Site and its surroundings; particularly if appointment is at Stage 1. Where ground, services and other relevant information is available this should be listed in the documents and provided to the *Contractor* in addition to the requirements of CDM2015 – preconstruction information.
2. In considering refurbishment projects and use of brown field sites it is important that ‘boundary conditions’ in respect of scope and conditions are set during development of the Project targets and Target Price/Prices.
3. Responsibility for the *Contractor* to further provide/obtain ground and Utilities services information required for the design and its development should be identified in this Scope.

# Framework Instructions and Assurance tools

1. Provide copies of relevant Framework Instructions and Assurance tools referred to in Section E106

# Framework Instruction 1 Managing the Project Affordability Amount

1. This Framework Instruction (FI) is intended to assist project teams in meeting the Project Agreement requirements for effective cost management of the Project’s Affordability Amount and supplements section D060 of the scope. It provides:
   1. Introduction and background commentary,
   2. Checklists for use when reviewing affordability.
2. Clients and their advisors should use available guidance, such as Health Premises Cost Guides (with suitable allowances for externals, abnormals, fee and construction risk), to ensure a robust initial Affordability Amount is calculated that reflects the scope of works at the point of *Contractor* appointment.
3. The approach can be tailored to reflect project type, scope and complexity.
4. The Affordability Amount is essentially the forecast of the Target Price/Prices.

**Affordability Amount: context**

1. Managing projects within the agreed Affordability Amount is done with due consideration to:
   1. An agreed Client brief/scope,
   2. Restrictions, constraints and phasing requirements,
   3. Effective Governance, decisions making and stakeholder management,
   4. An up-to-date and realistic programme,
   5. Effective contract management e.g. early warnings, compensation events, cashflow etc.
   6. Effective risk management linked to optimism bias and contingency/risk allowances.
2. The *Contractor* has contractual responsibility to manage each project within the following two elements, each of which should be managed, in an open and collaborative way, using the early warning and compensation event processes in the contract:
   1. the Affordability Amount for the Project and,
   2. the Target Price/Prices set and agreed for each stage of the Project.
3. Payment for any subsequent design fees can be compromised if the contract procedures have not been followed in managing costs.

**Risk, uncertainty and Optimism Bias**

1. It is essential that the Affordability Amount includes adequate provision for risk and is adjusted accordingly, through compensation events, where Client-side risks have impacted on the Affordability Amount. Whilst optimism bias can be overlooked on smaller projects all projects need to have a realistic appreciation and allowance of the project risks. If the *Client* does not share or have an allowance for optimism bias this will impact the *Contractor’s* opinion in relation to the risk allowance in the Project’s Affordability Amount.
2. The checklist provided below allow users to identify where risks exist which in turn informs the degree of confidence in the Affordability Amount set for the Project.

**Affordability Review and Management Checklist**

|  |  |
| --- | --- |
| This list can be used as part of the affordability review tailored to the type, size and stage of the project. It aids risk identification and management and informs the level of confidence in the affordability amount. Areas of concern should be included in Client Affordability reports (suggested content at the bottom of this FI). | |
| 1. **Appointment to project** | **Comments/Risk** |
| 1. Has the time-period for the initial affordability review been agreed and confirmed in the Project letter of instruction? | The time-period will reflect the level of detail and maturity of the Clients cost plan. |
| 1. Have you agreed what work is required for the affordability review e.g. agreed brief, scope, programme, review of current design information, initial risk register/workshop? | The affordability review must be based on an agreed scope/brief, realistic programme and initial appraisal of project risk |
| 1. Has the Client provided enough information to support the initial affordability review e.g. fully detailed cost plan, the current brief, known derogations, current design information, contract data part A and B, risks and issues? | Deficiencies and gaps in the information increase the risk and optimism bias |
| 1. **Initial Affordability Review Checklist** |  |
| 1. Has the cost plan been generated in NRM/BCIS format based on the provided design and benchmarked against HPCGs or suitable comparable projects |  |
| 1. Have adjustments been made for the specifics of the project compared with HPCGs/comparable projects? |  |
| 1. Have key design assumptions and principles been established, reviewed and challenged and design team agreement to work within the Affordability Amount. | This could increase the programme and change to the scope |
| 1. What is the status of clinical engagement, buy-in and sign off? Have the Trust operational policies appropriate to the projects stage been drafted? | As last |
| 1. Has soft market testing been undertaken where enough detail allows? |  |
| 1. Has the site administration (preliminaries) allowance been checked against programme requirements and suitable adjustment for complexity and phasing? |  |
| 1. Has an initial risk assessment been undertaken to inform the risk/contingency allowance? |  |
| 1. Has an initial procurement strategy been prepared which identifies risks? |  |
| 1. Has a suitable inflation allowance been included that reflects the programme and construction period? |  |
| 1. Has a robust and realistic programme been prepared and agreed that allows adequate time for approvals, commissioning periods? | Unrealistic programmes increase cost pressures as budgets are normally fixed regardless of slippage in timelines |
| 1. Does the programme allow enough time to develop the GMP and ensure robust market testing? |  |
| 1. Have design fees been confirmed and included? |  |
| 1. Have survey fees been identified and included? |  |
| 1. Has sensitivity analysis been undertaken? |  |
| 1. Has any design information been validated? |  |
| 1. Has initial quality standards, components and materials been selected? |  |
| 1. Has the use of P22 standard components and repeatable rooms been adopted as far as practical? |  |

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| **Monthly Affordability Review Checklist** |  |
| 1. Does the affordability review reflect the current programme? |  |
| 1. Has the monthly affordability meeting taken place and previous actions closed out? |  |
| 1. Has the risk allowance and optimism bias been reviewed |  |
| 1. Is the status of the current design acceptance clear (PF10) and does the affordability amount reflect the current design? |  |
| 1. Is the design proceeding to programme and are cost checks on the design up to date? |  |
| 1. Are early warning and compensation events up to date and reflected in the affordability review? |  |
| 1. Has the cashflow forecast been updated to reflect the agreed programme? |  |
| 1. What is the status of clinical engagement, buy-in and sign off? Have the Trust operational policies appropriate to the projects stage been drafted? |  |
| 1. Are value engineering options been considered if required and does the programme allow time for this? |  |
| 1. Have the Trust operational policies appropriate to the projects stage been drafted? |  |
| 1. If value engineering is envisaged have the costs for this been allowed for? |  |
| 1. Has continued soft market testing been undertaken where enough detail is available? |  |
| 1. Have any compensation events been instructed? |  |
| 1. Have early warnings been resolved? |  |
| **Affordability Report Suggested contents** |  |
| The Contractor’s affordability report to the Client should be appropriate to the size and complexity of the Project and Project Stage. Ultimately it is about demonstrating the level of confidence and potential risks to delivering the project within the affordability amount. It is envisaged the report will generally be short and succinct with suggested contents as:   * Contractor’s current view on affordability e.g. level of project maturity, degree of confidence * Action update * Clear qualifications and assumptions * Risk and early warning register * Principal risks and Challenges * Current project stage * Programme status * Design Status * Changes since previous report * Work required for next month * Compensation event/Early warning update/current status |