Crown Commercial Service

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traffic management technology framework schedule 4B – template call off agreement (INCORPORATING THE NEC3 ENGINEERING AND CONSTRUCTION SHORT CONTRACT), contract data and z clauses

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**Table of Contents**

[1. Contract Data – NEC3 Engineering and Construction Short Contract (April 2013) 4](#_Toc450830663)

[2. The *Contractor's* Offer 6](#_Toc450830664)

[3. The *Employer's* Acceptance 7](#_Toc450830665)

[4. Price List 8](#_Toc450830666)

[5. Works Information 9](#_Toc450830667)

[6. Site Information 11](#_Toc450830668)

[7. Conditions of Contract 12](#_Toc450830669)

[8. Optional Z Clauses Engineering and Construction Short Contract 13](#_Toc450830670)

**Date..................................**

**FORM OF AGREEMENT**

**Incorporating the NEC3 Engineering and Construction Short Contract**

**Between**

**.......................................................................................................................................**

**And**

**.......................................................................................................................................**

**For the provision of**

 **……………………………………………………………………………………………………………………………………**

|  |
| --- |
| Contract Data – NEC3 Engineering and Construction Short Contract (April 2013) |

The *Employer* is

Name …………………………………………………....………………….

Address ……………………………………………………………………….

 ………………………………………………………………………

Telephone …….……………….. Fax ………………….………………..

E-mail address ……………………………………………………………..……..

The *works* are ……………………………………………………….……………………

The *site* is ………………………………………………………………………………….

The *starting date* is ………………………………………………………………………..

The *completion date* is ……………………………………………………………………

The *period for reply* to a communication is [1] week.

The *defects date* is [52 weeks] after Completion.

The *defect correction period* is [4 weeks].

The *delay damages* are £............... per day.

The *assessment day* is the [last calendar day] of each month.

The *retention* is nil %

The United Kingdom Housing Grants, Construction and Regeneration Act (1996, as amended) applies. *[Include if applicable]*

The *Adjudicator* is [the person chosen by the Parties from the list of Adjudicators published by the Institution of Civil Engineers.]

The *Adjudicator nominating body* is [the Institution of Civil Engineers.]

The interest rate on late payment is [unless the provisions of the Late Payment of Commercial Debts (Interest) Act 1998 otherwise require, 3% per annum above the Bank of England base rate in force from time to time.]

The *Contractor* is not liable to the *Employer* for loss of or damage to the *Employer*’s property in excess of [£5m] for any one event.

The minimum amount of cover for the third insurance stated in the Insurance Table is [£5m] [for any one occurrence without limit to the number of occurrences (except for claims arising out of pollution or contamination, where the minimum amount of cover applies in the aggregate in any one annual period of insurance).]

*[Increase this amount of insurance to £25m and add Network Rail as a joint party if work to be carried out involves work over, under or in the vicinity of a railway]*

The minimum amount of cover for the fourth insurance stated in the Insurance Table is [£5m] [for any one event.]

The *tribunal* is [arbitration.]

The arbitration procedure is [the Institution of Civil Engineers Arbitration Procedure (Third Edition) April 2012.]

The entries for the Price List are in *[refer to where the Price List is located or state ‘set out below’. There is below a Price List on the standard NEC form].*

The Works Information is *[refer to where the Works Information is located or state ‘set out below’. There is below a Works Information template on the standard NEC form].*

The Site information is in *[refer to where the Site Information is located or state ‘set out below’. There is below a Site Information template on the standard NEC form].*

|  |
| --- |
| If Clause Z12 is used:* the *extended liability period* is [       ]
 |
| If Clause Z22 is used:* the *Network Rail possession charge* is [            ]
* the number of *Network Rail possessions* is[           ]
 |
| If Clause Z36 is used:* the *Contractor* provides collateral warranty agreementsin favour of [                ].
* the Contractor procures collateral warranty agreements from the following Subcontractors:
* [                 ]
* in favour of the following parties [           ]
 |
| The following persons or organisations may enforce the following terms of this contract**term person or organisation**Z13 Named SuppliersZ30.2 a subcontractor |
| If Clause Z40 is used:* The *Contractor* provides professional indemnity insurance with a minimum amount of indemnity of

£[ ] any one claim / in the aggregate [delete as applicable] |
| If Clause Z41 is used and the final date for payment is not 14 days after the due date:* the final date for payment is [ ] days after the due date
 |

The *conditions of contract* are the NEC3 Engineering and Construction Short Contract (April 2013) and the following additional conditions:

***[REFER TO AND INCORPORATE ADDITIONAL CONDITIONS / Z CLAUSES FOR ECC SHORT FORM]***

|  |
| --- |
| The *Contractor's* Offer |

The Contractor is

Name …………………………………………………....………………….

Address ……………………………………………………………………….

Telephone …………………….. Fax ………………….……………….

E-mail address ……………………………………………………………..……..…

The percentage for overheads and profit added to the Defined Cost for people is ..... %.

The percentage for overheads and profit added to other Defined Cost is ..... %.

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

The offered total of the Prices is .................................... Each entry in the Price List is our forecast of the Defined Cost plus the relevant overhead and profit percentage for that item.

|  |
| --- |
| The *Employer's* Acceptance |

The *Employer* accepts the *Contractor*'s offer to Provide the Works. [This constitutes a binding agreement between yourselves and the *Employer]*

Signed on behalf of the *Employer*

Name ……………………………………………………………………..

Position …………………………………………………………………..

Signature …………………………………… Date ……………………

|  |
| --- |
| Price List |

*[Set out items of work and, where appropriate, quantities]*



|  |
| --- |
| Works Information |

*[The Works Information should be a complete and precise statement of the Employer’s requirements. If it is incomplete or imprecise there is a risk the Contractor will interpret it differently from the Employer’s intention. Information provided by the Contractor should be listed in the Works Information only if the Employer is satisfied that it is required, is part of a complete statement of the Employer’s requirements and is consistent with the other parts of the Works Information.*

*Describe the Works Information under the following headings:*

* Description of the *works*

*[Give a detailed description of what the Contractor is required to do and of any work the Contractor is to design]*

* List applicable Drawings
* List applicable Specifications including title and date/revision
* State any constraints on how the *Contractor* Provides the Works

*[State any constraints on the sequence* *and timing of work and on the methods and conduct of work including the requirements for any work by the Employer*

* Requirements for the programme

*[State whether a programme is required and it is, state what form it is to be in, what information is to be shown on it, when it is to be submitted and when it is to be updated].*

* Requirements for inspections and testing
* Services and other things provided by the *Employer*

*[Describe what the Employer will provide, such as services (including water and electricity) and “free issue” Plant and Materials and Equipment]*

*[Include under the appropriate headings of the Works Information the following:]*

**Health & Safety requirements**

The *Employer* appoints the *Contractor* to act as Principal Contractor for the purposes of the Construction (Design and Management) Regulations 2015.

The *Contractor* reports to the *Employer* within 24 hours details of any serious incidents involving any person injured or killed in connection with the works on the Site. The *Contractor* reports such incidents through the Highways England's Accident and Incident Reporting System. *[this sentence for HE contracts only]*

The *Contractor* issues the information in the Health and Safety file to the *Employer* at Completion.

The *Contractor* operates an occupational health management system in line with the requirements of HSE's construction occupational health management model.

Before commencing the construction phase of the works, the *Contractor* confirms to the *Employer* that adequate welfare facilities are in place.

**Working with Others**

The *Contractor* complies with the special requirements of the following Statutory Bodies:

*[list]*

**Environmental requirements**

In Providing the Works the *Contractor* complies with the *Employer’s* environmental policy [include details of environmental policy]

|  |
| --- |
| Site Information |

*[Give information about the site such as the ground conditions and any other information whis is likely to affect the Contractor’s work such as the limitations on access and he position of adjacent structures]*

|  |
| --- |
| Conditions of Contract |

NEC3 ECsC CONTRACT (APRIL 2013) CORE CLAUSES

**[** *The terms and conditions of contract applied at call-off for the Traffic Management Technology 2 Framework Agreement are the core clauses of the NEC Engineering and Construction Short Contract (ECSC).*

*Access to the NEC suite of contracts, including* **guidance** *and membership details can be found via the NEC Website:* [*https://www.neccontract.com/*](https://www.neccontract.com/)

*Additionally, Crown Commercial Service has worked together with NEC to provide discounted* **access to** *the suite of contracts.  Further information can be found on the TMT2 Framework Agreement Webpage:*

[*http://ccs-agreements.cabinetoffice.gov.uk/contracts/rm1089*](http://ccs-agreements.cabinetoffice.gov.uk/contracts/rm1089)

*Customers are able to select the most appropriate optional Z clauses and include additional Z clauses that meet their requirement.***]**

|  |
| --- |
| Optional Z Clauses Engineering and Construction Short Contract |
|  |  |
| **Identified and defined terms** | A Subcontractor is a person or organisation who has a contract with the *Contractor* to provide part of the *works*.  |
| **Clause Z1** | Not Used  |
| **Clause Z2** | **Corrupt practices** Z2.1 The *Contractor* does not* offer or give to any person in the service of the *Employer* any gift or consideration of any kind as an inducement or reward in relation to the obtaining or execution of this contract or any other contract with the *Employer* or for showing favour or disfavour to any person in relation to this contract or any other contract with the *Employer*, or
* enter into this contract or any other contract with the *Employer* if, in connection with this contract or any such other contract, commission has been paid or an agreement for the payment of commission has been made by him or on his behalf or to his knowledge.

Z2.2 A failure to comply with this condition is treated as a substantial failure by the *Contractor* to comply with his obligations. |
| **Clause Z3** | **Discrimination**Z3.1 The *Contractor* does not discriminate directly or indirectly or by way of victimisation or harassment against any person contrary to the Equality Act 2010, any predecessor statute of it or any amendment or re-enactment of it from time to time (the “Discrimination Acts”).Z3.2 In Providing the Works, the *Contractor* co-operates with and assists the *Employer* to satisfy its duty under the Discrimination Acts to eliminate unlawful discrimination and to promote equality of opportunity between persons of different racial groups and between disabled people and other people.Z3.3 Where any employee or subcontractor employed by the *Contractor* is required to carry out any activity on the *Employer*’s premises or alongside the *Employer’*s employees on any other premises, the *Contractor* ensures that each such employee or subcontractor complies with the *Employer*’s employment policies and codes of practice relating to discrimination and equal opportunities.Z3.4 The *Contractor* notifies the *Employer* in writing as soon as he becomes aware of any investigation or proceedings brought against the *Contractor* under the Discrimination Acts in connection with this contract and* provides any information requested by the investigating body, court or *tribunal* in the timescale allotted,
* attends (and permits a representative from the *Employer* to attend) any associated meetings,
* promptly allows access to any relevant documents and information and
* cooperates fully and promptly with the investigatory body, court or *tribunal*

Z3.5 The *Contractor* indemnifies the *Employer* against all costs, charges, expenses (including legal and administrative expenses) and payments made by the *Employer* arising out of or in connection with any investigation or proceedings under the Discrimination Acts resulting from any act or omission of the *Contractor*.Z3.6 The *Contractor* includes in the *conditions of contract* for each subcontract obligations substantially similar to those set out above. |
| **Clause Z4** | **Disclosure of information**Z4.1 A Disclosure Request is a request for information relating to this contract received by the *Employer* pursuant to the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or otherwise.Z4.2 The *Contractor* acknowledges that the *Employer* may receive Disclosure Requests and that the *Employer* may be obliged (subject to the application of any relevant exemption and, where applicable, the public interest test) to disclose information (including commercially sensitive information) pursuant to a Disclosure Request. Where practicable, the *Employer* consults with the *Contractor* before doing so in accordance with the relevant Code of Practice. The *Contractor* uses its best endeavours to respond to any such consultation promptly and within any deadline set by the *Employer* and acknowledges that it is for the *Employer* to determine whether or not such information should be disclosed.Z4.3 When requested to do so by the *Employer*, the *Contractor* promptly provides information in its possession relating to this contract and assists and co-operates with the *Employer* to enable the *Employer* to respond to a Disclosure Request within the time limit set out in the relevant legislation.Z4.4 The *Contractor* promptly passes any Disclosure Request which it receives to the *Employer*. The *Contractor* does not respond directly to a Disclosure Request unless instructed to do so by the *Employer.* Z4.5 The *Contractor* acknowledges that the *Employer* is obliged to publish the provisions of this contract in accordance with the Cabinet Office Efficiency Reform Group Guidance Note entitled “Transparency - Publication of New Central Government Contracts” dated December 2010 (or any later revision) except to the extent that any information in it is exempt from disclosure pursuant to the Freedom of Information Act 2000. The *Employer* consults with the *Contractor* before deciding whether information is exempt, but the *Contractor* acknowledges that the *Employer* has the final decision. The *Contractor* co-operates with and assists the *Employer* to publish this contract in accordance with the *Employer’*s obligation. |
| **Clause Z5** | **Construction Industry Scheme**Z5.1 This contract falls within the scope of the Construction Industry Scheme provided for by Chapter 3, Part 3 of the Finance Act 2004 (the “Act”) and the Income Tax (Construction Industry Scheme) Regulations 2005 (SI 2005/2045) (the “Regulations”).Z5.2 The *Contractor* provides the information required by the Regulations to enable the *Employer* to verify (in accordance with paragraph 6 of the Regulations) whether the *Contractor* * + is registered for gross payment,
	+ is registered for payment under deduction,
	+ is exempt from registration as a local authority or other public body or
	+ is neither registered nor exempt from registration.

Z5.3 If the *Contractor* is registered for payment under deduction or is neither registered nor exempt from registration* + the *Contractor* submits an application for payment which separately identifies the cost of labour and
	+ the *Employer* deducts the relevant percentage from the payment in accordance with the Act and the Regulations.
 |
| **Clause Z6** | **Recovery of sums due from *Contractor***[Option for Crown Bodies]Z6.1 When under this contract any sum of money is recoverable from or payable by the *Contractor* such sum may be deducted from or reduced by the amount of any sum or sums then due or which at any time after may become due to the *Contractor* under this contract or any other contract with any Department or Office of Her Majesty's Government.[Alternative option for non Crown Bodies]Z6.1 Where under this contract or any other contract between the *Contractor* and the *Employer* any sum of money is recoverable from or payable by the *Contractor*, such sum may be deducted from or reduced by the amount of any sum or sums then due or which at any time after may become due to the *Contractor* under this contract or any other contract with the *Employer*.*[delete one of above options]* |
| **Clause Z7***[Include Z7.3 if required]* | **Assignment** Z7.1 The *Contractor* does not assign, transfer or charge the benefit of this contract or any part of it or any benefit or interest under it without the prior agreement of the *Employer.*Z7.2 The Employer’s ability to assign this contract or any part of it or any benefit or interest under it is unrestricted.Z7.3 If requested by the *Employer*, the *Contractor* executes a novation agreement transferring the benefit and burden of this contract to* another Department or Office of Her Majesty's Government,
* a local authority
* an organisation established to take over the *Employer*’s functions or part of them or
* any other body (including private sector body) exercising similar functions

The novation agreement is in the form set out in the Works Information or such other form as the *Employer* may reasonably require. |
| **Clause Z8** | **Official Secrets Act**Z8.1 The Official Secrets Act 1989 applies to this contract from the *starting date* until the *defects date* or earlier termination. Z8.2 The *Contractor* notifies his employees and subcontractors of their duties under the Official Secrets Act 1989.Z8.3 A failure to comply with this clause is treated as a substantial failure by the *Contractor* to comply with his obligations.[Z8.4 The *Contractor* complies with the staff vetting and training requirements stated in the Works Information. *[delete Z8.4 if not required]* |
| **Clause 9** | **Confidentiality** Z9.1 A new clause 70.3 is added as follows:“The *Contractor* keeps (and ensures that his employees and Subcontractors keep) confidential and does not: * disclose to any person the terms of this contract nor
* use (except for the purposes of this contract) or disclose to any person any confidential or proprietary information (including Personal Data) provided to or acquired by the *Contractor* in the course of Providing the Works

except that the *Contractor*may disclose information* to his legal or other professional advisers,
* to his employees and Subcontractors as needed to enable the *Contractor* to Provide the Works,
* where required to do so by law or by any professional or regulatory obligation or by order of any court or governmental agency, provided that prior to disclosure the *Contractor* consults the *Employer* and takes full account of the *Employer*’s views about whether (and if so to what extent) the information should be disclosed,
* which it receives from a third party who lawfully acquired it and who is under no obligation restricting its disclosure,
* which is in the public domain at the time of disclosure other than due to the fault of the *Contractor* or
* with the consent of the *Employer*.”

Z9.2 The *Contractor* may only disclose the *Employer*’s confidential information to its personnel who are directly involved in Providing the Works and who need to know the information, and shall ensure that such personnel are aware of and shall comply with these obligations as to confidentiality. Z9.3 The *Contractor* may only disclose the *Employer*’s confidential information to its personnel who need to know the information, and shall ensure that its personnel are aware of, acknowledge the importance of, and comply with these obligations as to confidentiality. In the event that any default, act or omission of any of the *Contractor*’s personnel causes or contributes (or could cause or contribute) to the *Contractor* breaching its obligations as to confidentiality under or in connection with this contract, the *Contractor* shall take such action as may be appropriate in the circumstances, including the use of disciplinary procedures in serious cases. To the fullest extent permitted by its own obligations of confidentiality to any of the *Contractor*’s personnel, the *Contractor* shall provide such evidence to the *Employer* as the *Employer* may reasonably require (though not so as to risk compromising or prejudicing the case) to demonstrate that the *Contractor* is taking appropriate steps to comply with this clause, including copies of any written communications to and/or from the *Contractor*’s personnel, and any minutes of meetings and any other records which provide an audit trail of any discussions or exchanges with the *Contractor*’s personnel in connection with obligations as to confidentiality. Z9.4 At the written request of the *Employer*, the *Contractor* shall procure that those members of the *Contractor*’s personnel identified in the *Employer*’s notice signs a confidentiality undertaking prior to commencing any work in accordance with this contract. Z9.5 Where the *Employer* supplies the *Contractor* with press cuttings provided to the *Employer* under the terms of the *Employer*’s licence with the Newspaper Licensing Agency (“NLA”), the *Contractor* does not reproduce the cuttings or forward them to any third party unless the *Contractor* has first entered into an agreement with NLA authorising it to do so. |
| **Clause Z10***[Use these clauses in whole or part as appropriate for the contract being prepared]* | **Data Protection**Z10.1 (1) The Data Protection Acts are the Data Protection Act 1998 (as amended) and any other laws or regulations relating to privacy or personal data.(2) Personal Data is information collected by the *Contractor* on behalf of the *Employer* in relation to this contract, which relates to living individuals who can be identified* from that information or
* from that information combined with other details in (or likely to come into) the possession of the *Employer*.

Z10.2 For the purposes of this contract and the Data Protection Acts * the *Employer* is the Data Controller and
* the *Contractor* is the Data Processor.

Z10.3 The *Contractor* processes the Personal Data in accordance with (and so as not to put the *Employer* in breach of) the Data Protection Acts and only to the extent necessary for the purpose of performing his obligations under this contract.Z10.4 The *Contractor* has in place for as long as it holds the Personal Data* appropriate technical and organisational measures (having regard to the nature of the Personal Data) to protect the Personal Data against accidental, unauthorised or unlawful processing, destruction, loss, damage, alteration or disclosure and
* adequate security programmes and procedures to ensure that unauthorised persons do not have access to the Personal Data or to any equipment used to process the Personal Data.

Z10.5 The *Contractor* immediately notifies the *Employer* if it receives * a request from any person whose Personal Data it holds to access his Personal Data or
* a complaint or request relating to the *Employer*’s obligations under the Data Protection Acts.

Z10.6 The *Contractor* assists and co-operates with the *Employer* in relation to any complaint or request received, including* providing full details of the complaint or request,
* complying with the request within the time limits set out in the Data Protection Acts and in accordance with the instructions of the *Employer* and
* promptly providing the *Employer* with any Personal Data and other information requested by him.

 Z10.7 The *Contractor* complies with the requirements of the *Employer* in relation to the storage, dispatch and disposal of Personal Data in any form or medium.Z10.8 The *Contractor* immediately notifies the *Employer* on becoming aware of any breach of this clause or of the Data Protection Acts.Z10**.**9 The *Contractor* does not process Personal Data outside the European Economic Area (the “EEA”) without the prior written agreement of the *Employer*. Z10.10 If the *Contractor* becomes aware that Personal Data will be transferred or processed outside the EEA, the *Contractor* sends the *Employer* details of: Z10.10.1 the Personal Data which will be processed outside the EEA; Z7.10.2 the countries where the Personal Data will be processed;  Z7.10.3 any Subcontractors or other third parties who will be processing and/or receiving Personal Data outside the EEA; and  Z7.10.4 proposals to ensure the *Contractor* will provide adequate levels of protection and safeguards of the Personal Data that will be processed outside the EEA to ensure compliance with the Data Protection Acts Z10.11 Where the *Employer* agrees to the *Contractor* processing or transferring Personal Data outside the EEA the *Contractor* complies with the instructions of the *Employer* and provides an adequate level of protection to any Personal Data in accordance with the Data Protection Acts |
| **Clause Z11***[Include if Employer’s liability is limited]* | **The *Employer*’s liability**Z11.1 The *Employer*’s total liability to the *Contractor* for all matters arising under or in connection with this contract, other than the excluded matters, is limited to £[ ], and applies in contract, tort or delict or otherwise to the extent allowed under the law of the contract.Z11.2 The excluded matters are the amounts payable to the *Contractor* as stated in this contract for* the Price for Work Done to Date.

Z11.3 The *Employer*’s liability to the *Contractor* is limited to that proportion of the *Contractor*’s losses for which the *Employer* is responsible under this contract. |
| **Clause Z12***[Include if an extended liability period is required for the identification and correction of Defects related to Plant incorporated in the works]* | ***Extended liability period* for Plant**Z12.1 If prior to the issue of the Defects Certificate the correction of a Defect in the Plant stated in the Contract Data requires the replacement of part of the Plant, the *Contractor* corrects any further Defect in the part which has been replaced during the *extended liability period*. Z12.2 The *Contractor* carries the risk of loss or damage caused by or resulting from his work in correcting a Defect after the *defects date*. |
| **Clause Z13***[Include Z13 if a project bank account is used]* | **Project Bank Account**Z13.1 Option Y(UK)1 from the NEC3 Engineering and Construction Contract (April 2013) applies to this contract save that references in Option Y(UK)1 to the *Project Manager* shall be treated as references to the *Employer*. Z13.2 Clause Y1.6 is amended by inserting the following after the second sentence:“The *Employer* may propose that a Supplier is added to the Named Suppliers. The *Contractor* accepts the proposal if the addition of the Supplier to the Named Suppliers is practicable”.Z13.3 The *Employer* may notify the *Contractor* that payments under this contract will no longer be made using the Project Bank Account. This notice is a compensation event. Within one week of the *Employer’s* notice, the *Contractor* notifies the Named Suppliers that the Project Bank Account is no longer to be used and proposes an alternative method to ensure that the Named Suppliers receive payments in accordance with their contracts. |
| **Clause Z14***[Include if project bank account drafting being used]* | **Payment for subcontracted works*** Z14.1 In assessing the amount due at an assessment date, amount due for *works* provided by a Subcontractor (other than a Named Supplier) is retained from the *Contractor* unless, at the assessment date, the *Contractor* has paid the Subcontractor for the *works*.
* Z14.2 An amount retained is included in the amount due at the assessment date after the *Contractor* has paid the Subcontractor for the *works*.

Z14.3 When submitting an invoice, the *Contractor* demonstrates that payment has been made for the amount due in respect of *works* provided by a Subcontractor. |
| **Clause Z15** | **Conflict of Interest**Z15.1 The *Contractor* does not take an action which would cause a conflict of interest to arise in connection with this contract. The *Contractor* notifies the *Employer* if there is any uncertainty about whether a conflict of interest may exist or arise.Z15.2 The *Contractor* immediately notifies the *Employer* of any circumstances giving rise to or potentially giving rise to conflicts of interest relating to the *Contractor* and/or the *Employer* (including without limitation its reputation and standing), of which it is aware or anticipates may justify the *Employer* taking action to protect its interests.  |
| **Clause Z16** | **Euro (€) functionality**Z16.1 The *Contractor* Provides the Works in such a way that they* + would not be prejudiced by the implementation of the Euro,
	+ comply with all legal requirements applicable to the Euro in the United Kingdom, including the rules on conversion and rounding set out in the EC Regulation 1103/97,
	+ are capable of utilising all symbols and codes adopted by the EU Commission in relation to the Euro and
	+ are in accordance with the *Employer*‘s requirements both for Sterling and for the Euro.
 |
| **Clause Z17** | **Subcontracting**Z17.1 Before * appointing a proposed Subcontractor or
* allowing a Subcontractor to appoint a proposed subsubcontratcor

the *Contractor* submits to the *Employer* for acceptance * a European Single Procurement Document (as described in regulation 59 of the Public Contracts Regulations 2015) in respect of the proposed Subcontractor or subsubcontractor or
* other means of proof that none of the mandatory or discretionary grounds for exclusion referred to in regulation 57 of the Public Contracts Regulations 2015 applies to the proposed Subcontractor or subsubcontractor.

Z17.2 The *Contractor* does not appoint the proposed Subcontractor (or allow the Subcontractor to appoint the proposed subsubcontractor) until the *Employer* has accepted the submission. A reason for not accepting the submission is that it shows that there are grounds for excluding the proposed Subcontractor or subsubcontractor under regulation 57 of the Public Contracts Regulations 2015.Z17.3 If requested by the *Employer*, the *Contractor* provides further information to support, update or clarify a submission under clause Z17.1. Z17.4 If, following the acceptance of a submission under clause Z17.2, it is found that one of the grounds for excluding the Subcontractor or subsubcontractor under regulation 57 of the Public Contracts Regulations 2015 applies, the *Employer* may instruct the *Contractor* to * replace the Subcontractor or
* require the Subcontractor to replace the subsubcontractor.
 |
| **Clause Z18***[Delete if not relevant]* | **Energy Efficiency Directive**Z18.1 The *Contractor* includes in the *conditions of contract* for each Subcontractor and subsubcontractor obligations substantially similar to those set out in the Works Information for * compliance with the Procurement Policy Note 7/14 entitled “Implementing Article 6 of the Energy Efficiency Directive” and
* demonstrating to the *Employer* how in Providing the Works how the Subcontractor and subsubcontractor complies with the requirements of Procurement Policy Note 7/14 entitled “Implementing Article 6 of the Energy Efficiency Directive”.
 |
| **Clause Z18***[The period should be 12 years if the contract is executed as a deed and 6 years in other cases]* | ***Employer*’s Codes of Conduct** Z19.1 The *Contractor* complies (and ensures that any person employed by him or acting on his behalf complies) with the *Employer’s* Anti Bribery Code of Conduct and Anti Fraud Code of Conduct, collectively “the Codes”. The *Contractor* complies with the Codes until Completion and with* + paragraph 4 of the *Employer’s* Anti Bribery Code of Conduct and
	+ paragraph 3 of the *Employer’s* Anti Fraud Code of Conduct

 for a period of [6/12] years after Completion.Z19.2 A failure to comply with this clause is treated as a substantial failure by the *Contractor* to comply with this contract. |
| **Clause Z20** | **Prevention of fraud and bribery****[Guidance note: The first option for this Clause Z20 is only for use by Highways England. All other Customers must use the second option. Delete as applicable]**[Z20.1 The *Contractor* represents and warrants that neither it, nor to the best of its knowledge any of its employees, have at any time prior to the Contract Date:* committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or
* been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.

Z20.2 In this clause Z20, Prohibited Act meansany of the following:* 1. to directly or indirectly offer, promise or give any person working for or engaged by the *Employer* a financial or other advantage to:
		1. induce that person to perform improperly a relevant function or activity; or
		2. reward that person for improper performance of a relevant function or activity;
	2. to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this contract;
	3. committing any offence:
		1. under the Bribery Act 2010 (or any legislation repealed or revoked by such Act); or
		2. under legislation creating offences concerning fraud; or
		3. at common law concerning fraud; or

committing (or attempting or conspiring to commit) fraud.]**OR**[Z20.1 The *Contractor* represents and warrants that neither it, nor to the best of its knowledge any of its employees, have at any time prior to the Contract Date: * committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or
* been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.

Z20.2 During the *services period* the *Contractor* does not:* commit a Prohibited Act; and/or
* do or suffer anything to be done which would cause the *Employer* or any of the *Employer’s* employees, contractors, sub-contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements

Z20.3 During the *services period* the *Contractor*:* establishes, maintains and enforces, and requires that its SubContractors establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act;
* keeps appropriate records of its compliance with this contract  and make such records available to the *Employer* on request;
* provides and maintains and where appropriate enforces an anti-bribery policy (which shall be disclosed to the *Employer* on request) to prevent it and any *Contractor’s* employees or any person acting on the *Contractor's* behalf from committing a Prohibited Act.

Z20.4 The *Contractor* immediately notifies the *Employer* in writing if it becomes aware of any breach of clause Z20.1, or has reason to believe that it has or any of the its employees or SubContractors have:* been subject to an investigation or prosecution which relates to an alleged Prohibited Act;
* been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or
* received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this contract or otherwise suspects that any person or Party directly or indirectly connected with this contract has committed or attempted to commit a Prohibited Act.

Z20.5 If the *Contractor* makes a notification to the *Employer* pursuant to clause Z20.4, the *Contractor* responds promptly to the *Employer's* enquiries, co-operates with any investigation, and allows the *Employer* to audit any books, records and/or any other relevant documentation in accordance with this contract.Z20.6 If the *Contractor* breaches Clause Z20.3, the *Employer* may by notice require the *Contractor* to remove from Providing the Service any *Contractor* employee whose acts or omissions have caused the *Contractor*’s breach.Z26.7 In this Clause Z26, Prohibited Act meansany of the following:* 1. to directly or indirectly offer, promise or give any person working for or engaged by the *Employer* a financial or other advantage to:
		1. induce that person to perform improperly a relevant function or activity; or
		2. reward that person for improper performance of a relevant function or activity;
	2. to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this contract;
	3. committing any offence:
		1. under the Bribery Act 2010 (or any legislation repealed or revoked by such Act); or
		2. under legislation creating offences concerning fraud; or
		3. at common law concerning fraud; or
		4. committing (or attempting or conspiring to commit) fraud.]
 |
| **Clause Z21** | **Intellectual Property Rights**Z21.1    Intellectual Property Rights are any current and future legal and equitable interests in patents, trademarks, design rights, copyright, know-how and other similar rights, whether or not registered or capable of registration.Z21.2     All Intellectual Property Rights in documents and other materials created by or on behalf of the *Employer* in connection with the contract are the property of the *Employer* or the Crown. Z21.3.   The *Contractor* hereby assigns to the *Employer* all present and future Intellectual Property Rights in all documents and other materials created by or on behalf of the *Contractor* or any Subcontractorin performing its obligations under, or otherwise in connection with, the contract.  The *Contractor* obtains from Subcontractors equivalent rights over the documents and other materials prepared by the Subcontractors.  This assignment takes effect either on the Contract Date or as a present assignment of future rights that will take effect immediately on the coming into existence of the relevant Intellectual Property Rights, as appropriate. Z21.4     Background IPR means Intellectual Property Rights owned by the *Contractor*, a Subcontractor or a third party and which are not assigned to the *Employer* pursuant to clause Z21.3.  In respect of Background IPR, the *Contractor* grants a non-exclusive, world-wide, perpetual, irrevocable, royalty free licence (including the right to sub-licence) to the *Employer* to use the Background IPR for all purposes of the *Employer*.  Each licence granted under this clause Z21.4 by the *Contractor* survives the termination or expiry of this contract and cannot be terminated by the *Contractor* or its assignees.  The *Contractor* obtains from the Subcontractors or third parties equivalent rights over Background IPR owned by the Subcontractors or third parties.Z21.5   The *Employer* grants to the *Contractor,* or procures the direct grant to the *Contractor* of, a non-exclusive, non-transferable, revocable licence to use all Intellectual Property Rights and Background IPR owned (or capable of being so licensed or procured without cost) by the *Employer* and reasonably required by the *Contractor* in order to Provide the Works.  Any such licence is granted for the duration of this contract solely to enable the *Contractor* to comply with its obligations under this contract. |
| **Clause Z22***[Include (either of the 2 options) where NR possessions are a key aspect of the scheme]* | **Network Rail Possessions**Z22.1   The *Contractor* pays the *Employer* therelevant *Network Rail possession charge* for each additional possession required over and above the number of *Network Rail possessions* stated in the Contract Data. The number of *Network Rail possessions* is adjusted if additional possessions are required as a result of a compensation event. *[or]*Z22.1   The total of the Prices is reduced by therelevant *Network Rail possession charge* for each additional possession required over and above the number of *Network Rail possessions* stated in the Contract Data. The number of *Network Rail possessions* is adjusted if additional possessions are required as a result of a compensation event. |
| **Clause Z23** | **Parent Company Guarantee and Change of Control**Z23.1 In this contract**Change of Control** is an event where a single person (or group of persons acting in concert)* acquires Control of the *Contractor* or
* acquires a direct or indirect interest in the relevant share capital of the *Contractor* and as a result holds or controls the largest direct or indirect interest in (and in any event more than 25% of) the relevant share capital of the *Contractor.*

**Control** has the meaning set out in section 1124 of the Corporation Tax Act 2010.**Controller** is the single person (or group of persons acting in concert) that* has Control of the *Contractor* or
* holds or controls the largest direct or indirect interest in the relevant share capital of the *Contractor.*

**Parent Company Guarantee** is a guarantee of the *Contractor’s* performance in the form set out in the Works Information.Z23.2 If required by the *Employer* at any time, the *Contractor*  within four weeks gives to the *Employer* a Parent Company Guarantee from* the Controller or
* if the *Employer* (in its discretion) agrees, a company other than the Controller.

Z23.3 The *Contractor* notifies the *Project Manager* immediately if a Change of Control has occurred or is expected to occur.Z23.4 The *Contractor* notifies the *Employer* immediately of * any material change to the direct or indirect legal or beneficial ownership of any shareholding in the *Contractor*. A change is material if it relates directly or indirectly to a change of 3% or more of the issued share capital of the *Contractor* or
* any material change in the composition of the *Contractor*’s partnership. A change in the composition of the partnership is material if it directly or indirectly affects the performance of this contract by the *Contractor*.
* any change, or proposed change in the name of or status of the *Contractor*.

Z23.5 The *Employer* may treat any of the following as a substantial failure by the *Contractor* to comply with this contract* the *Contractor* does not give to the *Employer* a Parent Company Guarantee within four weeks of the *Employer’*s request,
* the *Contractor* fails to notify the *Employer* of a Change of Control or a Change of Control will not allow the *Contractor*  to Provide the Works.
* the *Contractor* fails to notify the *Employer* as required by clause Z15.4
 |
| **Clause Z24** | **Reporting: Small and Medium Enterprises**Z24.1 In this clause Z24 an SME is* a Subcontractor or
* a subcontractor to a Subcontractor

 and is a company that* is autonomous
* is a European Union company not owned or controlled by a non-European Union parent company,
* for a medium sized enterprise (medium class) employs fewer than 250 staff, has turnover no greater than 50 million Euros and does not have a balance sheet greater than 43 million Euros
* for a small sized enterprise (small class) employs fewer than 50 staff and has turnover no greater than 10 million Euros and does not have a balance sheet greater than 10 million Euros
* for a micro sized enterprise (micro class) employs fewer than 10 staff and has turnover no greater than 2 million Euros and does not have a balance sheet greater than 2 million Euros

Z24.2 For each SME employed on the *works*, the *Contractor* reports to the *Employer* each quarter from the *starting date* until Completion and at the *defects date** the name of the SME,
* the class of the SME (medium, small or micro),
* the value of the contract undertaken by the SME,
* the monthly amounts paid to the SME in the quarter and
* the aggregated value paid to the SME since the *starting date*.

Z24.3 The *Contractor* acknowledges that the *Employer* may* publish the information supplied under Z24.2, along with the *Contractor’s* name and this contract name and
* pass the information supplied under Z24 to any Government Department who may then publish it along with the names of the SMEs, the *Contractor's* name and this contract name.

Z24.4 The *Contractor* ensures that the *conditions of contract* for each Subcontractor who is an SME include* a term allowing the *Employer* to publish the information supplied under Z24.2 and
* obligations substantially similar to those set out in this clause Z24.

Z24.5 The *Contractor* further ensures that the *conditions of contract* for each Subcontractor include a requirement that the *conditions of* contract for any subcontractor engaged by the Subcontractor who is an SME include obligations substantially similar to those set out in Z24.4.Z24.6 The *Contractor* keeps accounts and records of his charges and expenses and allows the *Employer* to inspect them at any time within working hours.   |
| **Clause Z25** | **Records and Audit Access**Z25.1 The *Contractor* keeps documents and information obtained or prepared by the *Contractor* or any Subcontractor in connection with the contract for a period of *[6/12]* years after the *completion date*. *[select 6 or 12 years as appropriate – 6 years for simple contracts, 12 years for deeds]* Z25.2 The *Contractor* permits the *Employer*, Comptroller, Auditor General and any other auditor appointed by the *Employer* to examine documents held or controlled by the *Contractor* or any Subcontractor.Z25.3 The *Contractor* provides such oral or written explanations as the *Employer* or Comptroller and Auditor General considers necessary. Z25.4 The *Contractor* acknowledges that, for the purpose of examining and certifying the *Employer*’s accounts or any examination pursuant to Section 6(1) of the National Audit Act 1983, the Comptroller and Auditor General or any other auditor appointed by the *Employer* may examine documents held or controlled by the *Contractor* or any subcontractor and may require the *Contractor* to provide such oral or written explanations as he considers necessary. The *Contractor* promptly complies with any such requirements at his own cost. This clause does not constitute a requirement or agreement for the purposes of section 6(3)(d) of the National Audit Act 1983 for the examination, certification or inspection of the accounts of the *Contractor* and the carrying out of an examination under Section 6(3)(d) of the National Audit Act 1983 in relation to the *Contractor* is not a function exercisable under this contract. The *Contractor* permits the Comptroller and Auditor General to examine documents held or controlled by the *Contractor* or any subcontractor. The *Contractor* provides such oral or written explanations as the Comptroller and Auditor General considers necessary. |
| **Clause Z26** | **Not used** |
| **Clause Z27** | **Currency of the contract**Z27.1 Payments are in the *currency of this contract* unless otherwise stated in this contract. |
| **Clause Z28** | **Changes to rates and prices*** Z29.1 The Parties may at any time agree a reduction to the rates or Prices in the Price List.
* Z29.2 The reduced rates or Prices apply to any part of the *works* provided after the reduction is agreed.

Z29.3 If the *Contractor* does not agree a reduction requested by the *Employer*, the *Employer* may terminate the *Contractor*’s obligation to Provide the Works by notifying the *Contractor*. |
| **Clause Z29** | **Appointment of *Adjudicator***Z29.1 The *Adjudicator’s* appointmentunder the NEC3 Adjudicator’s Contract (April 2013) includes the following additional condition of contract: “The *Adjudicator* complies, and takes all reasonable steps to ensure that any persons advising or aiding him comply, with the Official Secrets Act 1989. Any information concerning the Contract obtained either by the *Adjudicator* or any person advising or aiding him is confidential, and may not be used or disclosed by the *Adjudicator* or any such person except for the purposes of this Agreement.” |
| **Clause Z30** | **Fair Payment**Z30.1 The *Contractor* assesses the amount due to a Subcontractor without taking into account the amount certified by the *Employer*.Z30.2 The *Contractor* includes in the contract with each Subcontractor* + a period for payment of the amount due to the Subcontractor not greater than 19 days after the date on which payment becomes due under this contract. The amount due includes, but is not limited to, payment for work which the subcontractor has completed from the previous assessment date up to the current assessment date in this contract,
	+ a provision requiring the Subcontractor to include in each subsubcontract the same requirement, except that the period for payment is to be not greater than 23 days after the date on which payment becomes due under this contract and
	+ a provision requiring the subcontractor to assess the amount due to a subsubcontractor without taking into account the amount paid by the *Contractor*.

Z30.3 The *Contractor* notifies non-compliance with the timescales for payment through the Efficiency and Reform Group Supplier Feedback Service. The *Contractor* includes this provision in each subcontract, and requires Subcontractors to include the same provision in each subsubcontract. |
| **Clause Z31***[Note to compiler: New Tax Non Compliance Clause only needs to be included if estimated value of works is above £5M ]* | **Tax Non Compliance**Z31.1 (1) Tax Non-Compliance is where a tax return submitted by the *Contractor* to a Relevant Tax Authority on or after 1 October 2012* is found on or after 1 April 2013 to be incorrect as a result of
* a Relevant Tax Authority successfully challenging the *Contractor* under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rule or legislation with similar effect or
* the failure of an avoidance scheme in which the *Contractor* was involved which was (or should have been) notified to a Relevant Tax Authority under the DOTAS or a similar regime or
* gives rise on or after 1 April 2013 to a criminal conviction in any jurisdiction for tax-related offences which is not spent at the Contract Date or to a civil penalty for fraud or evasion.

(2) DOTAS are the Disclosure of Tax Avoidance Schemes rules contained in Part 7 of the Finance Act 2004 and in secondary legislation made pursuant to it, as extended to National Insurance contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012 (SI 2012/1868). (3) General Anti-Abuse Rule is* the legislation in Part 5 of the Finance Act 2013 and
* any future legislation introduced to counteract tax advantages arising from abusive arrangements to avoid National Insurance contributions.

(4) Halifax Abuse Principle is the principle explained in the CJEU case C-255/02 Halifax and others.(5) Relevant Tax Authority is HM Revenue & Customs or, if the *Contractor* is established in another jurisdiction, the tax authority in that jurisdiction. Z31.2 The *Contractor* warrants that he has notified the *Employer* of any Tax Non-Compliance or any litigation in which he is involved relating to any Tax Non-Compliance prior to the Contract Date.Z31.3 The *Contractor* notifies the *Employer* within one week of any Tax Non-Compliance occurring after the Contract Date and provides details of * + the steps the *Contractor* is taking to address the Tax Non-Compliance and to prevent a recurrence,
	+ any mitigating factors that he considers relevant and
	+ any other information requested by the *Employer*.

Z31.4 The *Contractor* is treated as having substantially failed to comply with his obligations if* + the warranty given by the *Contractor* under clause Z31.2 is untrue,
	+ the *Contractor* fails to notify the *Employer* of a Tax Non-Compliance or
	+ the *Employer* decides that any mitigating factors notified by the *Contractor* are unacceptable.
 |
| **Clause Z32** | **Termination and omission of work**Z32.1 If the *Employer* instructs a change to the Works Information which involves the omission of part of the *works*, the *Employer* may engage other people to carry out the part omitted. The instruction is assessed as a compensation event, except that if the instruction is given for insolvency or a default by the *Contractor*, the assessment includes a deduction of the forecast additional cost to the *Employer* of completing the *works*.Z32.2 The following is added at the end of the second sentence in clause 91.1 of the *conditions of contract*:“unless instructed otherwise by the *Employer*”.Z32.3 The following are treated as a substantial failure by the *Contractor* to comply with his obligations• a key resource needed by the *Contractor* to Provide the Works is no longer available and the *Contractor* does not propose an alternative resource acceptable to the *Employer*, or• the *Contractor*’s performance as measured in accordance with the current edition of the Highways Agency’s Motivating Success Toolkit (or any replacement for it) is below the *failure level*.  |
| **Clause Z33** | **Not Used**  |
| **Clause Z34** | **Termination - PCRs, Regulation 73**Z34.1 The *Employer* may terminate the *Contractor* ‘s obligation to Provide the Works if one of the mandatory or discretionary grounds for exclusion referred to in regulation 57 of the Public Contracts Regulations 2015 applied to the *Contractor* at the Contract Date. This is treated as a termination because of a substantial failure of the *Contractor* to comply with his obligations.Z34.2 The *Employer* may terminate the *Contractor*’s obligation to Provide the Works if* this contract has been subject to substantial modification which would have required a new procurement procedure pursuant to regulation 72 of the Public Contracts Regulations 2015 or
* the Court of Justice of the European Union declares, in a procedure under Article 258 of the Treaty on the Functioning of the European Union, that a serious infringement of the obligations under the European Union Treaties and the Public Contracts Directive has occurred.

If the modification or infringement was due to a default by the *Contractor*, this is treated as a termination because of a substantial failure of the *Contractor* to comply with his obligations. |
| **Clause Z35** | **Value Added Tax (VAT) Recovery**Z35.1 Where under this contract any amount is calculated by reference to any sum which has been or may be incurred by any person, the amount shall include any VAT in respect of that amount only to the extent that such VAT is not recoverable as input tax by that person (or a member of the same VAT group) whether by set off or repayment. |
| **Clause Z36** | **Collateral Warranty Agreements** Z36.1 The *Contractor* enters into the *collateral warranty agreements* in the formats appended in [ ] in favour of the parties identified in the Contract Data and delivers executed copies in duplicate to the *Employer* no later than ten working days after the *Employer* has provided the *Contractor* with appropriate collateral warranty agreements suitable for execution.Z36.2 The *Contractor* procures from the subcontractors identified in the Contract Data collateral warranty agreements in the formats appended in [ ] in favour of the parties identified in the Contract Data and delivers executed copies in duplicate to the *Employer* no later than fifteen working days after the *Employer* has provided the *Contractor* with appropriate collateral warranty agreements suitable for execution.Z36.3 If the *Contractor* fails to deliver the required collateral warranty agreements in the manner and within the time stipulated by this contract, one quarter (1/4) of the Price for Works Provided to Date is retained in assessments of the amount due until the *Contractor* has remedied the failure. |
| **Clause Z37***[MOD contracts only]* | **Access to MOD sites**Z37.1 In this clause only:* “Site” includes any of Her Majesty’s Ships or Vessels and Service Stations; and
* “Officer in charge” includes Officers Commanding Service Stations, Ships’ Masters or Senior Officers, and Officers superintending Government Establishments.

Z37.2 The *Employer* issues passes for those representatives of the *Contractor* who are approved for admission to the Site and a representative is not admitted unless in possession of such a pass. Passes remain the property of the *Employer* and are surrendered on demand or on completion of the *works*.Z37.3 The *Contractor’*s representatives when employed within the boundaries of a Site comply with such rules, regulations and requirements (including those relating to security arrangements) as may be in force for the time being for the conduct of personnel at that Site. When on board ship, compliance is with the Ship’s Regulations as interpreted by the Officer in charge. Details of such rules, regulations and requirements are provided on request to the Officer in charge.Z37.4 The *Contractor* is responsible for the living accommodation and maintenance of its representatives while they are employed at a Site. Sleeping accommodation and messing facilities, if required, may be provided by the *Employer* wherever possible, at the discretion of the Officer in charge, at a cost fixed in accordance with current Ministry of Defence regulations. At Sites overseas, accommodation and messing facilities, if required, are provided wherever possible. The status accorded to the *Contractor’*s personnel for messing purposes is at the discretion of the Officer in charge who, wherever possible, gives his decision before the commencement of this contract where so asked by the *Contractor*. When sleeping accommodation and messing facilities are not available, a certificate to this effect may be required by the *Employer* and is obtained by the *Contractor* from the Officer in charge. Such certificate is presented to the *Employer* with other evidence relating to the costs of this contract.Z37.5 Where the *Contractor*’s representatives are required by this contract to join or visit a Site overseas, transport between the United Kingdom and the place of duty (but excluding transport within the United Kingdom) is provided for them free of charge by the Ministry of Defence whenever possible, normally by Royal Air Force or by MOD chartered aircraft. The *Contractor* makes such arrangements through the Technical Branch named for this purpose in this contract. When such transport is not available within a reasonable time or in circumstances where the *Contractor* wishes its representatives to accompany material for installation which it is to arrange to be delivered, the *Contractor* makes its own transport arrangements. The *Employer* reimburses the *Contractor*’s reasonable costs for such transport of its representatives on presentation of evidence supporting the use of alternative transport and of the costs involved. Transport of the *Contractor*’s representatives locally overseas which is necessary for the purpose of this contract is provided wherever possible by the Ministry of Defence or by the Officer in charge and, where so provided, is free of charge.Z37.6 Out-patient medical treatment given to the *Contractor*’s representatives by a Service Medical Officer or other Government Medical Officer at a Site overseas is free of charge. Treatment in a Service hospital or medical centre, dental treatment, the provision of dentures or spectacles, conveyance to and from a hospital, medical centre or surgery not within the Site and transportation of the *Contractor*’s representatives back to the United Kingdom, or elsewhere, for medical reasons, is charged to the *Contractor* at rates fixed in accordance with current Ministry of Defence regulations.Z37.7 Accidents to the *Contractor*’s representatives which ordinarily require to be reported in accordance with Health and Safety at Work Act 1974 are reported to the Officer in charge so that the Inspector of Factories may be informed.Z37.8 No assistance from public funds, and no messing facilities, accommodation or transport overseas is provided for dependants or members of the families of the *Contractor’*s representatives. Medical or necessary dental treatment may, however, be provided for dependants or members of families on repayment at current Ministry of Defence rates.Z37.9 The *Contractor*, wherever possible, arranges for funds to be provided to its representatives overseas through normal banking channels (e.g. by travellers’ cheques). If banking or other suitable facilities are not available, the *Employer*, upon request by the *Contractor* and subject to any limitation required by the *Contractor*, makes arrangements for payments, converted at the prevailing rate of exchange (where applicable), to be made at the Site to which the *Contractor*’s representatives are attached. All such advances made by the *Employer* are recovered from the *Contractor.* |
| **Clause Z38***[MOD contracts only]* | **MoD DEFCON Requirements**Z38.1 This clause is to incorporate MoD special terms and conditions in the form of DEFCONs and DEFORMs as detailed in [ ]  |
| **Clause Z39** | **Contracts (Rights of Third Parties) Act 1999**Z39.1 A person or organisation who is not a party to this contract may enforce a term of this contract under the Contracts (Rights of Third Parties) Act 1999 only if the term and the person or organisation are stated in the Contract Data. |
| **Clause Z40** | **Professional Indemnity Insurance**Z40.1 Where required bythe Contract Data, the *Contractor* provides professional indemnity insurance in the amount required by the Contract Data. |
| **Clause Z41***[If Option Y(UK)2 is not used, delete and insert “not applicable”]* | **The Housing Grants, Construction and Regeneration Act 1996**Z41.1 Option Y(UK)2 from the NEC3 Engineering and Construction Contract (April 2013) applies to this contract save that in clause Y2.2, the final paragraph shall be deleted and replaced as follows:* a *Contractor’s* application for payment which is submitted on or after its assessment date is the notice of payment specifying the sum that the *Contractor* considers to be due as at the payment due date (the “notified sum”). The *Contractor’s* application states the basis on which the amount is calculated and includes details of the calculation in accordance with the contract.

Z41.2 Clause 51.1 is deleted. |
| **Clause Z42***[Only use Z42 if Y(UK)2 is not used. If Y(UK)2 is used, delete Z42 and insert “not applicable”]* | **Payment**Z42.1 Clause 51.1 is deleted and redrafted as follows:* “Unless a different period is stated in the Contract Data, each payment is due 7 days after receipt of the *Contractor’s* applicationand must be paid by the final date for payment. The final date for payment is 14 days after the due date.”
 |
| **Clause Z650** | **Offshoring of data** |
|  | Z650.1 In this clause  **Risk Assessment** is a full risk assessment and security review carried out by the *Employer* in accordance with [HMG Security Policy Framework (SPF) including HMG IA Standard No. 1 - Technical Risk Assessment, October 2009, Issue No: 3.51 and ICT Offshoring (International Sourcing) Guidance dated July 2011] or any later revision or replacement. |
|  | Z650.2The Contractor does not store any of the *Employer*‘s data that is classified as Official or higher in accordance with “Government Security Classifications” dated April 2014 (or any later revision or replacement) * offshore or
* in any way that it could be accessed from an offshore location

until *the Project Manager has confirmed to the Contractor that* either* the *Employer* has gained approval for such storage in accordance with “*Offshoring information assets classified at OFFICIAL” dated November 2015* (or any later revision or replacement) *or*
* such approval is not required.
 |
|  | Z650.3 The Contractor ensures that no premises are used in Providing the Works until * such premises have passed a Risk Assessment or
* the Project Manager confirms to the Contractor that no Risk Assessment is required.
 |
|  | Z650.4 The Contractor complies with a request from the Project Manager to provide any information required to allow the Employer to * gain approval for storing data or allowing access to data from an offshore location in accordance with Z650.2 or
* conduct a Risk Assessment for any premises in accordance with Z650.3.
 |
|  | Z650.5 The Contractor ensures that any subcontract (at any stage of remoteness from the Employer) contains provisions to the same effect as this clause. |
|  | Z650.6 A failure to comply with this condition is treated as a substantial failure by the Contractor to comply with his obligations. |