

A number of questions have been raised by prospective Contractors. These are listed below with our response to these questions provided in blue text.

9. The clauses Z7, Z8 and Z9 place risk on the contractor making realistic pricing difficult. Please would WRT consider revising these clauses to collaboratively share these risks, particularly in relation to flood events whereby completion of the works would be prevented at considerable cost.

WRT fully appreciate the concerns expressed. WRT use NEC contracts as we believe they can work well for both WRT and Contractors, allowing for appropriate flexibility.

WRT operate as an environmental charity and as such are subject to limited funding. WRT have a need for an element of protection which has led to the inclusion of the highlighted Z clauses in many of our contracts.

However, in this case WRT are willing to review clauses Z7 and Z8 whereby entitlement to compensation event will not be fully deleted. Though WRT are subject to limited funding, in the spirit of cooperation WRT are prepared to share an element of risk subject to strict requirements that would include, but not limited to; early warnings, full transparency of the impact including delivery and costs, and subject to negotiation and a sharing of the risk.

The above mentioned proposals to amend clauses Z7 and Z8 we feel address the concerns expressed around flood events. WRT will not issue an amended draft NEC3 contract at this stage. The returned draft contract will be subject to negotiation according to the above following this tender process.

WRT advise including an itemised risk contingency in the price list to reflect remaining concerns over risk. This may assist with any further negotiation should you be successful. WRT would anticipate the position of paying any contingency only when there is legitimate cause for discussing a compensation event.

WRT would prefer to leave clause Z9 in current form for this contract. An itemised price list allows for invoicing against completed items.

10. Please could the deadline be extended for one week to allow for suitable consideration of answers provided to the above question.

I can confirm that the requested extension will be granted. The revised deadline is Friday March 25th 17:00hrs.

11. Please could the Client kindly confirm if a Parent Company Guarantee (PCG) is required, as per Z2.1 of the NEC3 Contract. If so, please could the Client provide further details relating to this clause?

Contractors who are subsidiaries of a parent are required to submit a Parent Company Guarantee (PCG). A PCG is a promise given by a contracting party's holding company, provided in favour of the *Employer* in the contract as a measure to guarantee the expected performance of contractual obligations. The PCG would detail the obligations as described in the contract.

The PCG may be supplied following a confirmed successful tender as part of the contract negotiation process following this tender process, receipt and acceptance of which would be a condition precedent to WRT signing the contract.

END