



## **National Highways Limited**

### **NEC4 Professional Service Contract (June 2017 with amendments January 2019 and October 2020)**

### **Contract Data Part One**

in relation to a service for

### **Development of Ipswich Motorway Maintenance Compound**

# Contract Data

## PART ONE – DATA PROVIDED BY THE *CLIENT*

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

### 1 General

The *conditions of contract* are the core clauses and the clauses for the following main Option, the Option for resolving and avoiding disputes and secondary Options of the NEC4 Professional Service Contract June 2017 with amendments January 2019 and October 2020.

Main  
Option

Option A: Priced  
Contract with Activity  
Schedule

Option for resolving and  
avoiding disputes

W2

Secondary Options

X clauses:

- X2: Changes in the law
- X5: Sectional completion
- X7: Delay damages,
- X11: Termination by the *Client*
- X18: Limitation of liability.

Option Y clauses:

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

Z clauses:

- Z1 to Z60 (inclusive) as listed hereafter

The *service* is

As per the service outlined within the document titled “Scope in relation to a service for Development of Ipswich Motorway Maintenance Compound.”

The *Client* is

Name

National Highways Limited, a company incorporated in and in accordance with the laws of England, having as its registered number (company No. 09346363) whose registered office is at Bridge House, 1 Walnut Tree Close, Guildford, Surrey GU1 4LZ

Address for  
communications

National Highways, Brunel House 930 Hempton Court Aztec West, Bristol BS32 4SR

Address for  
electronic  
communications

The *Service Manager* is

Name

Address for  
communications

Head Office: Halford House, Charles St, Leicester, LE1 1HA

Address for  
electronic  
communications

The Scope is in

The Scope is within the document titled Scope.

The *language of the contract* is

English

The *law of the contract* is the law of

England, subject to the exclusive jurisdiction of the Courts of England

The *period for reply* is

Two weeks

except that

The *period for reply* for

Accepting the *Consultants* proposals for the project

is

The timescale detailed on the agreed pre-construction programme

The *period for reply* for

Subcontract works package tender analysis due diligence and “sign-off”

is

The timescale detailed within the agreed pre-construction Subcontract works package tender programme

The *period for retention* is

12 years

year(s) following Completion or earlier termination

The following matters will be included in the Early Warning Register

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As detailed within the document titled Early Warning Register as referred to within the Form of Agreement.

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

Two weeks

## 2 The *Consultant's* main responsibilities

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

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

*condition* to be met

*key date*

(1)

Consultant NEC4 PSC produces final draft of Consultant's Statement / Proposal in respect of Construction Contract Two; Main Works

30/10/2025

(2)

Consultant NEC4 PSC Statement / Proposal in respect of Construction Contract Two; Main Works signed-off by parties

06/11/2025

(3)

Obtain Contract Signatures NEC4 ECC Contract in respect of Construction Contract Two; Main Works

13/11/2025

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

Four weeks

## 3 Time

The date for completing the pre-construction process is

13/11/2025

The *starting date* is

14/07/2025

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

access

*access date*

(1) Tenderers site visit

To be arranged by request

The *Consultant* submits revised programme(s) at intervals no longer than

Two weeks

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

13/11/2025

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

Two weeks

#### 4 Quality management

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

Two

weeks

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

Fifty-Two

weeks

The *threshold level* is 25 Quality Management Points.

The *quality table* is:

Failure	Quality Management Points (Points)	Period of effect
Failure to appoint a suitable quality manager or to replace the quality manager when instructed by the <i>Service Manager</i> .	25	Until evidence confirms that failure corrected
Failure to have a complete quality plan in place and operating.	25	Until evidence confirms that failure corrected
The quality plan does not comply with the requirements of the contract.	10 per failure	Until evidence confirms that failure corrected
Failure to identify a Nonconformity.	5 per failure	6 months
Failure to raise a Nonconformity report for an identified Nonconformity. (see note 1 below)	10 per failure	Until evidence confirms that failure corrected

Failure to raise a Corrective Action plan after raising a Nonconformity report.  (see note 1 below)	10 per failure	Until evidence confirms that failure corrected
Failure to correct a Nonconformity in the time and manner set out in the Corrective Action plan.  (see note 1 below)	10 per failure	Until evidence confirms that failure corrected
Failure to implement actions contained in an audit report.  (see note 1 below)	5 per action	Until evidence confirms that action implemented
Failure to carry out internal audit or to carry out assurance activity.	15 per audit	Until audit carried out
Carrying out work without release of hold point.	10 per item	6 months
Failure to make records available for inspection by the <i>Client</i> .	10 per failure	Until the records are made available
Failure to allow access for <i>Client</i> audits (excluding audits of the Supply Chain Maturity Matrix (SCMM)).	10 per failure	Until access is allowed
Failure by <i>Consultant</i> to accrue Quality Management Points that should have been accrued.	The number of QMPs that should have been accrued	The period applicable to the failure that should have accrued Points
	Plus an additional number of QMPs equivalent to the QMPs that should have been accrued	6 months from the date when the additional QMPs were accrued
Note 1: For these failures additional Quality Management Points are accrued at each audit until an audit confirms that rectification/correction/implementation/action has taken place.		

<b>5 Payment</b>			
The <i>currency of the contract</i> is the		Pound sterling (£)]	
The <i>assessment interval</i> is		One calendar month	
The <i>expenses</i> stated by the <i>Client</i> are			
Item		amount	
Travel and Subsistence (where not included in the “all-in” people rates within the Activity Schedule or the rates stated in Contract Data Part Two.		Payments in accordance with the <i>Clients</i> Travel and Expenses Policy (refer Appendix A herewith)	
The <i>interest rate</i> is, (unless the provisions of the Late Payment of Commercial Debts (Interest) Act 1998 otherwise require) is		3.0	% per annum (not less than 2) above the
Base rate of the	The Bank of England	in force from time to time	
If the period in which payments are made is not three weeks and Y(UK)2 is not used.			
The period within which payments are made is		One Calendar Month	
<b>6 Compensation events</b>			
These are additional compensation events			
<ul style="list-style-type: none"> <li>The <i>Client</i> notifies the <i>Consultant</i> that payments under the contract will no longer be made using the Project Bank Account</li> </ul>			
<b>8 Liabilities and insurance</b>			
These are additional <i>Client's</i> liabilities			
(1)	None		
(2)	None		

(3)

None

The *Consultant* provides the insurances from the Insurance Table below and in accordance with the requirements in Annex 03 of the Scope.

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

Event	Minimum amount of cover	Period following completion of the whole of the <i>service</i> or termination
The <i>Consultant's</i> failure to use the skill and care normally used by professionals providing services similar to the <i>service</i>	A limit of indemnity of not less than two million pounds (£2,000,000) in respect of any one claim and in the aggregate per annum.	Twelve (12) years
Loss of or damage to property and liability for bodily injury to or death of a person (not an employee of the <i>Consultant</i> ) arising from or in connection with the <i>Consultant</i> Providing the Service	A limit of indemnity of not less than ten million pounds (£10,000,000) in respect of any one occurrence without limit to the number of occurrences in any annual policy period, but ten million pounds (£10,000,000) in respect of any one occurrence and in the aggregate per annum in respect of liability arising out of products and pollution or contamination liability (to the extent insured by the relevant policy).	None
Death of or bodily injury to employees of the <i>Consultant</i> arising out of and in the course of their employment in connection with the contract	Not less than ten million pounds (£10,000,000) (or such greater amount as is required by the applicable law for the duration of the contract) in respect of any one occurrence, the number	None



	of occurrences being unlimited during any annual period of insurance or such greater period as is required by law.	
The <i>Client</i> provides these insurances from the Insurance Table		
(1) Insurance against	Liability of the Consultant for claims made against it arising out of the Consultant's failure to use the skill and care normally used by professionals providing services similar to the works	
Minimum amount of cover is	A limit of indemnity of not less than £5million pounds [(£5,000,000)] in respect of any one claim and in the aggregate per annum, [and to include one (1) automatic reinstatement of the limit of indemnity].	
The deductibles are	None	
The <i>Client</i> provides these additional insurances		
(1) Insurance against	No additional insurances will be provided by the <i>Client</i>	
Minimum amount of cover is	Not Applicable	
The deductibles are	Not Applicable	
The <i>Consultant's</i> total liability to the <i>Client</i> for all matters arising under or in connection with the contract, other than the excluded matters is limited to		Refer to X clause X18
<b>Resolving and avoiding disputes</b>		
The <i>tribunal</i> is	arbitration	
The <i>arbitration procedure</i> is	The Institution of Civil Engineers Arbitration Procedure (April 2012)	
The place where arbitration is to be held is	London	

The person or organisation who will choose an arbitrator if the Parties cannot agree a choice or if the <i>arbitration procedure</i> does not state who selects an arbitrator is	
the President for the time being of the Institution of Civil Engineers or their nominee	
The <i>Senior Representatives</i> of the <i>Client</i> are	
Name (1)	[REDACTED]
Address for communications	The Cube, 199 Wharfside Street, Birmingham, B1 1RN
Address for electronic communications	[REDACTED]
Name (2)	[REDACTED]
Address for communications	Ash House, Falcon Road, Sowton Industrial Estate, Exeter EX2 7LB
Address for electronic communications	[REDACTED]
The <i>Adjudicator</i> is	
Name	the Parties from the list of adjudicators published by the Institution of Civil Engineers
Address for communications	Address will be obtained by the Parties from the list of adjudicators published by the Institution of Civil Engineers
Address for electronic communications	Address will be obtained by the Parties from the list of adjudicators published by the Institution of Civil Engineers
The <i>Adjudicator nominating body</i> is	The Institution of Civil Engineers

## X2: Changes in the law

The *law of the project* is

England, subject to the jurisdiction of the Courts of England.

## X5: Sectional Completion

The completion date for each section of the service is

section	description	completion date
(1)	Consultant NEC4 PSC produces final draft of Consultant's Statement / Proposal in respect of Construction Contract One; Early Works (Sectional Completion)	18/09/2025
(2)	Consultant NEC4 PSC Statement / Proposal in respect of Construction Contract One; Early Works signed-off by parties (Sectional Completion)	25/09/2025
(3)	Obtain Contract Signatures NEC4 ECC Contract in respect of Construction Contract One; Early Works (Sectional Completion)	02/10/2025

## X7: Delay damages

Delay damages for each *section* of the *service* are

section	description	amount per day
(1)	Consultant NEC4 PSC produces final draft of Consultant's Statement / Proposal in respect of Construction Contract One; Early Works (Sectional Completion)	£NIL
(2)	Consultant NEC4 PSC Statement / Proposal in respect of Construction Contract One; Early Works	£NIL

	signed-off by parties (Sectional Completion)		
(3)	Obtain Contract Signatures NEC4 ECC Contract in respect of Construction Contract One; Early Works (Sectional Completion)		£NIL
The delay damages for the remainder of the service are			
		£350	per day

### X18: Limitation of liability

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

The total value of the service as per the Activity Schedule (as a minimum) and any increase as a consequence of compensation events

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

The total value of the service as per the Activity Schedule (as a minimum) and any increase as a consequence of compensation events

The *end of liability date* is 12 years after the Completion of the whole of the *service*

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

Term

*beneficiary*

Prompt payment Scope section S 827

A Subcontractor  
subcontractors (at any stage of remoteness from the *Client*)

Subcontracting Scope section S 825

A Subcontractor  
Subcontractors (at any stage of remoteness from the *Client*)

Term

*beneficiary*

The provisions of Options Y(UK)1

Named Suppliers

### Z: Additional conditions of contract

The *additional conditions of contract* are clause Z1 to Z60.

Z Clause Contents	
Number	Title
Z1	Changes to Core and Secondary Option clauses
Z2	Interpretation
Z3	Recovery of sums due from the <i>Consultant</i> .
Z4	Assignment and transfer
Z5	Not Used
Z6	Adjudication
Z7	Termination – Public Contract Regulations 2015
Z8	Subcontracting
Z9	Change of Control and financial distress
Z10	Joint ventures
Z11	Parent Company Guarantee
Z12	Discrimination, Bullying and Harassment
Z13	Intellectual Property Rights (IPRs)
Z14	[Not Used]
Z15	Tax Non – Compliance
Z16	Value Added Tax Recovery
Z17	Removal of <i>service</i> from the Scope
Z18	Corruption or loss of data
Z19	Conflict of Interest
Z20 – Z49	Not Used
Z50	[Not Used]
Z51	Changes to rates and/or prices
Z52	[Not Used]
Z53	[Not Used]
Z54	[Not Used]
Z55	[Not Used]
Z56	Not Used
Z57	Infrastructure Act 2015
Z58	Revisions to Quality Submission
Z59	[Not Used]
Z60	Tax Arrangements of appointees
Z61	[Not Used]
Z62 – Z99	Not Used

Z1	Changes to core & Secondary Option clauses
11	Identified and defined terms
11.2	<p>Add the following defined terms:</p> <p>(24) Not Used</p> <p>(25) Alternative Guarantee is an alternative form of guarantee or security to a Parent Company Guarantee agreed by the <i>Client</i> or <i>Service Manager</i>.</p> <p>(26) Associated Company is</p> <ul style="list-style-type: none"> <li>• a Consortium Member or</li> <li>• any company, corporation, partnership, joint venture or other entity which directly or indirectly Controls, is under the Control of or is under common Control with the <i>Consultant</i> or a Consortium Member.</li> </ul> <p>(27) Change of Control is an event where any single person, or group of persons acting in concert, acquires Control of the <i>Consultant</i> or a Consortium Member or acquires a direct or indirect interest in the relevant share capital of the <i>Consultant</i> or a Consortium Member, as a result of which that person or group of persons holds or controls the largest direct or indirect interest in (and in any event more than 25% of) the relevant share capital of the <i>Consultant</i> or a Consortium Member.</p> <p>(28) Not Used</p> <p>(29) Not Used</p> <p>(29) Not Used</p> <p>(30) Not Used</p> <p>(31) Not Used</p> <p>(32) Not Used</p> <p>(33) Consortium Member is an organisation which is a member of the group of economic operators comprising the <i>Consultant</i>, whether as a participant in a non-integrated joint venture or a shareholder in an unincorporated joint venture company.</p> <p>(34) Not Used</p> <p>(35) Not Used</p> <p>(36) Control has the meaning set out in section 1124 of the Corporation Tax Act 2010.</p> <p>(37) Not Used</p>

(38)	<p>Controller is the single person (or group of persons acting in concert) that</p> <ul style="list-style-type: none"> <li>• has Control of the <i>Consultant</i> or a Consortium Member or</li> <li>• holds or controls the largest direct or indirect interest in the relevant share capital of the <i>Consultant</i> or a Consortium Member.</li> </ul>
(39)	Corrective Action has the meaning given in BS EN ISO9000:2015
(40)	Credit Rating is the <i>credit rating</i> or any revised long term credit rating issued by a rating agency accepted by the <i>Client</i> in respect of the <i>Consultant</i> , a Consortium Member or any Guarantor.
(41)	<p>Data Protection Legislation is</p> <ul style="list-style-type: none"> <li>• the UK General Data Protection Regulation (the retained EU law version of the General Data Protection Regulation (EU2016/679)),</li> <li>• the LED (Law Enforcement Directive (Directive (EU) 2016/680),</li> <li>• the Data Protection Act 2018,</li> <li>• the Privacy and Electronic Communications (EC Directive) Regulations 2003, and</li> <li>• any other laws or regulations applicable in England and Wales.</li> </ul>
(42)	Not Used
(43)	The Discrimination Acts is the Equality Act 2010.
(44)	Not Used
(45)	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).
(46)	Not Used
(47)	[Enforcement Action is enforcement action brought by a regulatory authority against the <i>Consultant</i> or an Associated Company under any health and safety or environmental legislation, including a successful prosecution or the issue of a prohibition or improvement notice under any contract.]
(48)	Not Used
(49)	<p>EU Reference is any European Union</p> <ul style="list-style-type: none"> <li>• regulation,</li> <li>• decision,</li> <li>• tertiary legislation or</li> <li>• provision of the European Economic Area agreement</li> </ul>

- |      |   |
|------|---|
| (50) | Exit Day is the exit day as defined in section 20 of the European Union (Withdrawal) Act 2018, as amended.  |
| (51) | Financial Standing Test is the financial test for the <i>Consultant</i> , a Consortium Member or a proposed guarantor used in the selection stage of the competition for the contract.  |
| (52) | Form of Performance Security is a form of bond specified in the Scope (or such other form as the <i>Client</i> may reasonably require).   |
| (53) | General Anti-Abuse Rule is <ul style="list-style-type: none"> <li>the legislation in Part 5 of the Finance Act 2013 and</li> <li>any future legislation introduced to counteract tax advantages arising from abusive arrangements to avoid National Insurance contributions.</li> </ul>   |
| (54) | Not Used  |
| (55) | Guarantor is the <i>guarantor</i> unless later changed in accordance with the contract.   |
| (56) | Halifax Abuse Principle is the principle explained in the CJEU case C-255/02 Halifax and others.  |
| (57) | Health, Safety and Wellbeing Plans are <ul style="list-style-type: none"> <li>[a completed Supply Chain Maturity Matrix (SCMM) for the <i>Consultant</i> or each Consortium Member in the form required by the <i>Client</i>, recording the level of safety maturity within the organisation at the date of the SCMM and</li> <li>the SCMM Action Plan setting out the actions to be taken by the <i>Consultant</i> or each Consortium Member over a period of twelve months following the date of the SCMM in order to improve the scores recorded in the SCMM by not less than the percentage specified from time to time by the <i>Client</i>, including the timescale for each action and the implementation of the action.]</li> </ul> |
| (58) | Not Used  |
| (59) | Not Used  |
| (60) | Not Used  |
| (61) | Not Used  |
| (62) | Information Systems can be a combination of hardware, software, infrastructure and trained personnel organised to facilitate planning, control, co-ordination and decision making in an organization.   |
| (63) | [Intellectual Property Rights or IPRs are copyright and related rights, database rights, design rights, patents, inventions, trade marks (and goodwill attaching to those trade marks), domain names, applications for and the right to apply for any of the foregoing, moral rights, confidential information and any other  |



	intellectual or industrial property rights, whether or not registered or capable of registration, whether subsisting now or in future in any part of the world.
(64)	Not Used
(65)	Licence is the document entitled "National Highways: Licence" dated April 2015 listed in <b>Annex 02</b> to the Scope.]
(66)	Listed Company is a company that is listed on a recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) at the Contract Date, and remains so, that is subject to a Change of Control.
(67)	Not Used
(68)	[Nonconformity has the meaning given in BS EN 9000:2015 (and includes Defects)]
(69)	Off-Payroll Working Rules Costs are any and all costs, expenses, claims, demands, taxes, liabilities, losses, deductions, contributions or assessments, along with any and all related or associated penalties, fines or interest, in each case, which arise, have arisen, are imposed or are incurred under or as a result of the application of the Off-Payroll Working Rules (including as a result of any person being a "relevant person" for the purposes of section 688AA of the Income Tax (Earnings and Pensions) Act 2003) listed in <b>Annex 02</b> to the Scope.
(70)	Not Used
(71)	Not Used
(72)	Parent Company Guarantee is a guarantee of the <i>Consultant's</i> performance in the form set out in the Scope
(73)	Performance Requirement is the required standard for performance of each element of the <i>service</i> as specified in the Scope.
(74)	Personal Data is any data relating to an identified or identifiable natural individual that is within the scope of protection as "personal data" under the Data Protection Legislation.
(75)	Quality Management Points are points accrued by the <i>Consultant</i> in accordance with the quality table in the Contract Data.
(76)	Quality Submission (unless later changed in accordance with the <i>conditions of contract</i> ) is the document entitled <i>quality submission</i> that the <i>Consultant</i> returned with its tender, detailing the commitments made by the <i>Consultant</i> in respect of how it is to perform its obligations under the contract.
(77)	Quality Warning Notice is a warning given in accordance with Scope section S 542 (Quality Management Points).

(78)	Not Used
(79)	Related Dispute is a dispute under or in connection with a contract between a Party and Others relating to this contract.
(80)	Related Dispute Adjudicator is an adjudicator appointed to determine a Related Dispute.
(81)	Not Used
(82)	Relevant Tax Authority is His Majesty's Revenue and Customs or, if the <i>Consultant</i> is established in another jurisdiction, the tax authority in that jurisdiction.
(83)	<p>Reputational Damage is suffered by the <i>Client</i> where</p> <ul style="list-style-type: none"> <li>• any shareholder, director or shadow director of <ul style="list-style-type: none"> <li>○ the <i>Consultant</i>,</li> <li>○ any Consortium Member,</li> <li>○ any Guarantor or</li> <li>○ any Controller,</li> </ul> </li> <li>• the <i>Consultant</i>,</li> <li>• any Consortium Member,</li> <li>• any Guarantor or</li> <li>• any Controller</li> </ul> <p>is subject to any Sanction or in the opinion of the <i>Client</i>, may cause reputational damage to the <i>Client</i>, any <i>Client's</i> shareholder or the Crown.</p>
(84)	<p>RIDDOR Incident is an incident occurring under any contract between</p> <ul style="list-style-type: none"> <li>• the <i>Consultant</i> or an Associated Company and</li> <li>• the <i>Client</i> or any other person</li> </ul> <p>which results in death or serious injury to any worker or non-worker and for which the <i>Consultant</i>, an Associated Company or subcontractor (at any stage of remoteness from the <i>Client</i>) is responsible under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (or any replacement of it) or equivalent laws outside England applicable to such a contract.</p>
(85)	Sanctions means any laws or regulations relating to economic or financial, trade, immigration or other sanctions, export controls, trade embargoes or such other restrictive measures as may from time to time be imposed administered or enforced by a Sanctions Authority.
(86)	Sanctions Authority means the United Nations, the United Kingdom's government or any other governmental authority (or

	equivalent) and in each case the respective governmental, judicial or regulatory institutions, agencies, departments and authorities, including the UN Security Council, His Majesty's Treasury and the UK Office of Financial Sanctions Implementation and Department of International Trade.
(87)	The Secretary of State is the Secretary of State for Transport.
(88)	Not Used
(89)	Not Used
(90)	Not Used
(91)	Staff are persons employed or engaged by the <i>Consultant</i> , an Associated Company or any subcontractor at any stage of remoteness from the <i>Client</i> to Provide the Service at any time.
(92)	[Supply Chain Maturity Matrix (SCMM) is the document formed by completing the "Supply Chain Maturity Matrix (SCMM)" template in <b>Annex 02</b> of the Scope and is about measuring suppliers' safety maturity.]
(93)	Supply Chain Safety Leadership Group (SCSLG) is a group formed to give focus to improving safety performance across the <i>Client's</i> strategic road network through collaborative working across the supply chain where common risks exist and provide.
(94)	<p>Tax Non-Compliance is where a tax return submitted by the <i>Consultant</i> or a Consortium Member to a Relevant Tax Authority on or after 1 October 2012</p> <ul style="list-style-type: none"> <li>• is found on or after 1 April 2013 to be incorrect as a result of a Relevant Tax Authority successfully challenging the <i>Consultant</i> or a Consortium Member under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rule or legislation with similar effect or</li> <li>• the failure of an avoidance scheme in which the <i>Consultant</i> or a Consortium Member was involved which was (or should have been) notified to a Relevant Tax Authority under the DOTAS or a similar regime or</li> <li>• 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 date of award of this contract or to a civil penalty for fraud or evasion.</li> </ul>
(95)	Tender Commitments are the measurable commitments contained within the Quality Submission.
(96)	Tender Commitments Register is the tender commitments contained in the Tender Commitments Register within the Quality Submission.
(97)	Not Used

(98) Not Used

(99) Not Used

(100) Not Used

Amend the following terms

## 11.2

### (6) Defects

At the end of the first sentence insert the following sentence

“or a Nonconformity either in Providing the Service, or in the *service*, in compliance with the quality, or as the quality plan should have been if changes to the Quality Submission had been correctly implemented from the date the change should have been implemented by the *Consultant* (all as required by the contract).”

### (18) Disallowed Cost

In the definition of “Disallowed Cost”

(i) add two new bullet points before the first bullet point

- is Off-Payroll Working Rules Costs,
- is any payment by the *Consultant*, to any member of Staff, to the extent that such payment arises or is increased as a result of any Off-Payroll Working Rules Costs (either of the *Consultant* or any other person),
- is any Off-Payroll Working Rules Costs forming part of
  - the cost of people under section 1 of the schedule of cost components whether employed by the *Consultant* or any other person including by any subcontractor (at any stage of remoteness from the *Client*),
  - Subcontractor costs under section 2 of the schedule of cost components incurred by any subcontractor (at any stage of remoteness from the *Client*) or

(ii) after “and the cost of” insert the following additional bullet points

- implementing any modifications or enhancements to the *Consultant's* data collection systems (or those of a subcontractor, at any stage of remoteness from the *Client*) to meet the *Client's* requirements as stated in the Scope,
- carrying out additional audits of the *Consultant's* quality management system during any period while the number of Quality Management Points in effect is above the *threshold level*,
- replacing a *key person* (and any associated costs)
- complying with Scope sections
  - S 526.3 (Consideration of Others),

- S 545.16 (Alcohol and Substance abuse) and resulting costs,
- S 518.1 (Behavioural Attributes),
- taxes and registration requirements arising in the country where the *Consultant* or a Consortium Member is registered through the execution or delivery of the contract or through the enforcement of any claims by or against the *Consultant*,

(iii) after the last bullet point insert an additional paragraph as follows, “and any other cost stated in the *additional conditions of contract* as being a Disallowed Cost.”]

## **12 Interpretation and the law**

### **12.2 Delete & replace clause with**

The contract is governed by the *law of the contract*. In the contract, unless the context otherwise requires, any reference which immediately before Exit Day is a reference to (as it has effect from time to time)

- any EU References which are to form part of domestic law by application of section 3 of the European Union (Withdrawal) Act 2018 (see link in **Annex 02** of the Scope) and are read on and after Exit Day as a reference to the EU References as they form part of domestic law by virtue of section 3 of the European Union (Withdrawal) Act 2018 as modified by domestic law from time to time and
- any European Union
  - institution,
  - authority or
  - other such body

is read on and after Exit Day as a reference to the United Kingdom institution, authority or body to which its functions are transferred.

## **20 The *Consultant's* main responsibilities**

### **Providing the Service**

Delete existing clause 20.2 of the conditions of contract and replace it with

“20.2 The *Consultant's* obligation is to use the skill and care expected of a qualified, experienced and competent member of its profession providing professional services in connection with services of equivalent type size and complexity to the *service*.”

## **23 Subcontracting**

23.3 Insert an additional bullet point after “A reason for not accepting the subcontract documents is that”

- they do not include all the provisions regarding subcontracts specified in the Scope.

## **25 Assignment**

Delete clause 25

## **26 Disclosure**

Delete clause 26

## **50 Assessing the amount due**

Delete clause 50.5 and replace it with

If

- no programme is identified in the Contract Data, one quarter of the Service Provided to Date is retained in assessments of the amount due until the *Consultant* has submitted a first programme to the *Service Manager* for acceptance showing the information which the contract requires and
- the *Consultant* has not produced all the Health, Safety and Wellbeing Plans in the form which the contract requires and the *Client* does not terminate, one quarter of the Service Provided to Date is retained in assessments of the amount due until the *Consultant* has produced such plans.

## **51 Payment**

51.1 insert prior to the last sentence starting “Payments are in”:

A reference to invoice shall mean an “electronic invoice” where an invoice has been issued transmitted and received in a structured electronic format which allows for its automatic and electronic processing. The invoice is an electronic invoice if it complies with the standard on electronic invoicing. An electronic invoice complies with the standard on electronic invoicing where it complies with the European standard and any of the syntaxes published in Commission Implementing Decision (EU) 2017/1870 or any variation, amendment or future legislation (see link in Scope **Annex 02**).

## **60 Compensation events**

In clause 60.1(1) delete “or” at the end of the first bullet point and insert a comma. At the end of the clause delete the full stop and insert

“or

- a change to the
  - Information Systems or the introduction of a new Information System,
  - method of or requirements for performance measurement or
- a change which is stated elsewhere in these *conditions of contract* not to be a compensation event.

60.1 (4) Insert at the end (before the full stop)

“unless the instruction relates to a notification from the *Consultant* that a conflict of interest may exist or arise”.

## **82 Recovery of costs**

Delete clause 82.1 and insert new clause

“Any

- cost which the *Client* has paid or will pay as a result of an event for which the *Consultant* is liable or
- costs, losses, liabilities, fines, penalties and expenses (including legal expenses) which might be suffered or incurred by the *Client* in connection with taxes or registration requirements arising in the country where the *Consultant* or a Consortium Member is registered through the execution or delivery of the contract or through the enforcement of any claims against the *Consultant*

is paid by the *Consultant*.”

### **83 Insurance Cover**

83 Insurance cover

Delete clauses 83.2, 83.3 and the Insurance Table and insert new clause 83.2

“83.2 The *Consultant* provides the insurances as stated in the Contract Data.”

### **87 Limitation of liability**

In clause 87.1, delete the bullet points and insert in its place,

“The excluded matters are amounts payable by the *Consultant*, or for which the *Consultant* is liable to the *Client*, as stated in the contract or in law for

- loss of or damage to the *Client*’s property,
- delay damages if Option X7 applies,
- *Consultant*’s share if Option C applies,
- loss or damage
  - to the third party property or
  - due to pollution,
- interest on debt,
- losses caused by the *Consultant*’s illegal acts, deliberate default, deliberate abandonment, willful misconduct or reckless misconduct,
- death of or personal bodily injury caused by negligence,
- fraud or fraudulent misrepresentation,
- loss arising from breach of
  - confidentiality or data protection obligations or,
  - anti-bribery or anti-corruption obligations,
- infringement of the rights of Others and
- any other events which are not excluded above for which the *Consultant* is required to provide insurance against as stated in the contract, provided that only amounts up to the minimum levels of insurance

required by the contract are excluded. Where the *Consultant's* liability for an insured event exceeds the minimum level of insurance required by the contract, the amount over the minimum level will not be an excluded matter and will be included in the *Consultant's* total liability to the *Client* which is limited to the amount stated in the Contract Data."

## **90 Termination**

In clause 90.2, in the Termination Table, in the delete "R1-R15, R18 or R22" and replace with "R1-R15, R18, R22 or R23"

## **91 Reasons for termination**

Insert a new clause 91.9 after clause 91.8

"91.9 The *Client* may terminate if the *Client* suffers Reputational Damage (R23)."

## **Option X2 Changes in the law**

X2.1 In line 2 after "Contract Date" add "unless the change and its effects could reasonably have been anticipated by the *Consultant* prior to the tender return date".]

## **Option X10 Information modelling**

Not Used

## **Option X11 Termination by the *Client***

In line 2 of clause X11.2, delete "the amounts due on termination are A1 and A3" and replace it with "the amount due on termination is A1".]

## **Option Y(UK)1: Project Bank Account [Not Used]**

## **Form of Trust Deed**

Delete the form of Trust Deed and replace with the form in **Annex 11**.

## **Form of Joining Deed**

Delete the form of Joining Deed and replace with the form in **Annex 12**.

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

Y2.1 At the end, before the full-stop, insert:



	<p>“and a reference to “invoice” shall mean an “electronic invoice” where an invoice has been issued transmitted and received in a structured electronic format which allows for its automatic and electronic processing. An electronic invoice complies with the standard on electronic invoicing where it complies with the European standard and any of the syntaxes published in Commission Implementing Decision (EU) 2017/1870 or any variation, amendment or future legislation (see link at Scope <b>Annex 02</b>).”</p> <p><b>Schedule of Cost Components</b></p> <p>Delete the existing Schedule of Cost Components and replace with the document entitled “Short Schedule of Cost Components (SSoCC)”.</p>
<b>Z2</b>	<b>Interpretation</b>
Z2.1	<p>In the contract, except where the context shows otherwise</p> <ul style="list-style-type: none"> <li>• references to a document include any revision made to it in accordance with the contract,</li> <li>• references to a statute or statutory instrument include any amendment or re-enactment of it from time to time and any subordinate legislation or code of practice made under it,</li> <li>• references to a British, European or International standard include any current relevant standard that replaces it,</li> <li>• references to persons or organisations include bodies corporate, unincorporated associations, partnerships and any other legal entity, and</li> <li>• the words “includes” or “including” are construed without limitation.</li> </ul>
<b>Z3</b>	<b>Recovery of sums due from the <i>Consultant</i>.</b>
Z3.1	<p>Where, under the contract a sum of money is recoverable from or payable by the <i>Consultant</i>, 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 <i>Consultant</i> under the contract or any other contract with the <i>Client</i>.</p>
<b>Z4</b>	<b>Assignment and transfer</b>
Z4.1	<p>The <i>Consultant</i> does not assign, transfer or charge the benefit of the contract or any part of it or any benefit or interest under it without the prior agreement of the <i>Client</i>.</p>
Z4.2	<p>If requested by the <i>Client</i>, the <i>Consultant</i> executes a novation agreement in the form specified in the Scope (or such other form as the <i>Client</i> may reasonably require), transferring the benefit and burden of the contract to</p> <ul style="list-style-type: none"> <li>• a replacement organisation established to take over the <i>Client</i>’s functions or part of it,</li> <li>• another public body exercising similar functions,</li> </ul>

Z4.3	<ul style="list-style-type: none"> <li>• a Department or Office of His Majesty's Government or</li> <li>• a local authority.</li> </ul> <p>If the <i>Consultant</i> wishes to transfer the benefit and burden of the contract to a new contractor, it seeks the <i>Client's</i> agreement through the <i>Service Manager</i> to do so. The <i>Consultant</i></p> <ul style="list-style-type: none"> <li>• explains the reasons for the proposed transfer and</li> <li>• provides any further information requested by the <i>Service Manager</i>.</li> </ul> <p>If the <i>Client</i> (in its absolute discretion) agrees to the proposed transfer, the Parties and the new consultant execute a novation in the relevant form set out in the Scope or such other form as the <i>Client</i> may reasonably require.</p>
<b>Z6</b>	<b>Adjudication</b>
Z6.1	<p>The NEC4 Dispute Resolution Service Contract (June 2017) includes the following additional condition of contract,</p> <p>Any information concerning the contract obtained by either the <i>Adjudicator</i> or any person advising or aiding the <i>Adjudicator</i> is confidential, and is not used or disclosed by the <i>Adjudicator</i> or any such person except for the purposes of this Agreement. The <i>Adjudicator</i> complies, and takes all reasonable steps to ensure that any persons advising or aiding the <i>Adjudicator</i> comply, with the Official Secrets Acts 1911 to 1989.</p>
Z6.2	<p>If a dispute under the contract raises issues that are substantially the same as or connected with issues in a Related Dispute and the Related Dispute has been referred to adjudication, the dispute under the contract is referred to the Related Dispute Adjudicator and the Related Dispute Adjudicator becomes the <i>Adjudicator</i>.</p>
<b>Z7</b>	<b>Termination - Public Contract Regulations 2015</b>
Z7.1	<p>The <i>Client</i> may terminate the <i>Consultant's</i> obligation to Provide the Service if one of the mandatory grounds for exclusion referred to in regulation 57 of the Public Contracts Regulations 2015 applied to the <i>Consultant</i> at the Contract Date.</p>
Z7.2	<p>The <i>Client</i> may terminate the <i>Consultant's</i> obligation to Provide the Service with immediate effect if the 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.</p>
Z7.3	<p>The procedure and amount due on termination are the same as for</p> <ul style="list-style-type: none"> <li>• R18 if the modification or infringement was due to a default by the <i>Consultant</i>,</li> <li>• R19 if the modification or infringement was due to a default by the <i>Client</i> and</li> <li>• R20 if the modification or infringement was due to any other reason.</li> </ul>
<b>Z8</b>	<b>Subcontracting</b>

Z8.1	The <i>Consultant</i> assesses the amount due to a subcontractor without taking into account the amount assessed under the contract.
Z8.2	If the <i>Consultant</i> subcontracts work to an Associated Company, the Defined Cost of the work subcontracted is assessed as if the work had not been subcontracted unless otherwise agreed by the <i>Client</i> .
Z8.3	The <i>Service Manager</i> may, having stated the reasons, instruct the <i>Consultant</i> to remove a subcontractor (at any stage of remoteness from the <i>Client</i> ). The <i>Consultant</i> then arranges the removal of the subcontractor (at any stage of remoteness from the <i>Client</i> ) and the appointment of a replacement in accordance with the contract.
Z8.4	Not Used.
Z8.5	<p>Before</p> <ul style="list-style-type: none"> <li>• appointing a proposed subcontractor or</li> <li>• allowing a subcontractor to appoint a proposed subsubcontractor</li> </ul> <p>the <i>Consultant</i> submits to the <i>Service Manager</i> for acceptance</p> <ul style="list-style-type: none"> <li>• either <ul style="list-style-type: none"> <li>○ a Single Procurement Document (as described in regulation 59 of the Public Contracts Regulations 2015) in respect of the proposed subcontractor or subsubcontractor or</li> <li>○ other means of proof (as specified in regulations 60(4) and 60(5) of the Public Contracts Regulations 2015) 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 and</li> <li>○ details of any RIDDOR Incident under any contract for which the proposed subcontractor or subsubcontractor is responsible and of any Enforcement Action brought against the proposed subcontractor or subsubcontractor.</li> </ul> </li> </ul>
Z8.6	<p>The <i>Consultant</i> does not appoint the proposed subcontractor (or allow the subcontractor to appoint the proposed subsubcontractor) until the <i>Service Manager</i> has accepted the submission. A reason for not accepting the submission is that</p> <ul style="list-style-type: none"> <li>• it shows that there are grounds for excluding the proposed subcontractor or subsubcontractor under regulation 57 of the Public Contracts Regulations 2015 or</li> <li>• the <i>Service Manager</i> is not satisfied that the proposed subcontractor or subsubcontractor has put in place adequate measures to ensure that similar matters to the RIDDOR Incident or event giving rise to Enforcement Action will not occur.</li> </ul>
Z8.7	If requested by the <i>Service Manager</i> , the <i>Consultant</i> provides further information to support, update or clarify a submission under clause Z8.5.
Z8.8	If, following the acceptance of a submission under clause Z8.6, it is found

	<p>that</p> <ul style="list-style-type: none"> <li>• one of the grounds for excluding the subcontractor or subsubcontractor under regulation 57 of the Public Contracts Regulations 2015 applies or</li> <li>• the subcontractor or subsubcontractor has not put in place adequate measures to ensure that similar matters to the RIDDOR Incident or event giving rise to Enforcement Action will not occur</li> </ul> <p>the <i>Service Manager</i> may instruct the <i>Consultant</i> to</p> <ul style="list-style-type: none"> <li>• replace the subcontractor or</li> <li>• require the subcontractor to replace the subsubcontractor.</li> </ul>
Z8.9	<p>The <i>Consultant</i> submits the name of each proposed subcontractor to the <i>Client</i> for acceptance. A reason for not accepting the subcontractor is that its appointment does not allow the <i>Consultant</i> to Provide the Service.</p> <p>The <i>Consultant</i> does not appoint a proposed subcontractor until the <i>Service Manager</i> has accepted it.</p>
Z8.10	<p>The <i>Consultant</i> submits the proposed conditions of contract for each subcontract to the <i>Service Manager</i> for acceptance unless the <i>Service Manager</i> has agreed that no submission is required.</p>
Z8.11	<p>The <i>Consultant</i> does not appoint a subcontractor on the proposed subcontract conditions submitted until the <i>Service Manager</i> has accepted them. A reason for not accepting them is that they</p> <ul style="list-style-type: none"> <li>• will not allow the <i>Consultant</i> to Provide the Service or</li> <li>• do not include a statement that the parties to the subcontract act in a spirit of mutual trust and co-operation.</li> </ul>
Z8.12	<p>If option Y(UK)1 is used, the <i>Consultant</i> provides and keeps up to date a project bank account tracker in accordance with S 1606.1 of the Scope which identifies</p> <ul style="list-style-type: none"> <li>• all Tier Two Suppliers and subcontractors (at any stage of remoteness from the <i>Client</i>),</li> <li>• which Tier Two Suppliers and subcontractors (at any stage of remoteness from the <i>Client</i>) are beneficiaries of any Project Bank Account,</li> <li>• if a Tier Two Supplier is not a Named Supplier, the reason why and the date of the <i>Service Manager's</i> agreement in accordance with clause Y1.5A.</li> </ul> <p>and allows the <i>Service Manager</i> to inspect and provide a copy of the project bank account tracker immediately upon demand and provides a copy of the project bank account tracker with each application for payment.</p>
Z8.13	<p>If at any time the <i>Consultant</i> does not provide a copy of the up to date project bank account tracker, then one quarter of change in the Price for Service Provided to Date may be retained in assessments of the amount due until the <i>Consultant</i> provides a copy of the up to date project bank</p>

	account tracker as required by the contract.
<b>Z9</b>	<b>Merger, takeover, Change of Control and financial distress</b>
Z9.1	The <i>Consultant</i> notifies the <i>Service Manager</i> immediately if a Change of Control has occurred.
Z9.2	Except for a Listed Company, if a Change of Control occurs without the <i>Service Manager's</i> prior consent or does not allow the <i>Consultant</i> to Provide the Service, the <i>Client</i> may terminate the <i>Consultant's</i> obligation to Provide the Service with immediate effect. In the event of a termination under this clause, the termination procedures followed are P1 and P2 and the amounts due on termination is A2.
Z9.3	<p>The <i>Consultant</i> notifies the <i>Service Manager</i> immediately of any material change in</p> <ul style="list-style-type: none"> <li>the direct or indirect legal or beneficial ownership of any shareholding in the <i>Consultant</i> (or a Consortium Member). A change is material if it relates directly or indirectly to a change of 3% or more of the issued share capital of the <i>Consultant</i> (or a Consortium Member) or of an entity that has direct or indirect legal or beneficial ownership in the <i>Consultant</i> (or a Consortium Member), or</li> <li>the composition of the <i>Consultant</i> or a Consortium Member. A change is material if it directly or indirectly affects the performance of this contract by the <i>Consultant</i>.</li> </ul>
Z9.4	The <i>Consultant</i> notifies the <i>Service Manager</i> immediately of any change or proposed change in the name or status of the <i>Consultant</i> or a Consortium Member.
Z9.5	<p>The <i>Consultant</i> notifies the <i>Service Manager</i> immediately if</p> <ul style="list-style-type: none"> <li>any of the following events occurs in relation to the <i>Consultant</i>, a Consortium Member or a Guarantor <ul style="list-style-type: none"> <li>its Credit Rating falls below the relevant <i>credit rating</i>,</li> <li>there is a further fall in its Credit Rating below the relevant <i>credit rating</i>,</li> <li>it issues a profits warning to a stock exchange or makes any other public announcement about a material deterioration in its financial position or prospects,</li> <li>it is subject to a public investigation into improper financial accounting and reporting, suspected fraud or any other impropriety,</li> <li>it commits a material breach of its covenants to its lenders,</li> <li>its financial position or prospects deteriorate to such an extent that had it been part of the original assessment of Financial Standing Test the outcome of the Financial Standing Test would have been a failure or</li> </ul> </li> <li>any Parent Company Guarantee, Form of Performance Security or any Alternative Guarantee or alternative forms of guarantee</li> </ul>

	becomes invalid or unenforceable for any reason.
Z9.6	<p>If a Change of Control occurs and is likely to give rise to an actual or potential conflict of interest, the <i>Consultant</i> and the <i>Service Manager</i> meet within one week to discuss the actions to be taken by either Party in order to overcome or mitigate the conflict. If the Parties do not agree and implement the actions needed to overcome or mitigate the conflict, the <i>Client</i> may terminate the <i>Consultant's</i> obligation to Provide the Service with immediate effect. In the event of a termination under this clause, the termination procedures followed are P1 and P2 and the amounts due on termination are A2.</p>
Z9.7	<p>If a Change of Control occurs, the <i>Consultant</i> provides to the <i>Service Manager</i></p> <ul style="list-style-type: none"> <li>• certified copies of the audited consolidated accounts of the Controller for the last three financial years,</li> <li>• a certified copy of the board minute of the Controller confirming that it will give to the <i>Client</i> a Parent Company Guarantee if so required by the <i>Service Manager</i>,</li> <li>• any other information required by the <i>Client</i> in order to determine whether, had the Controller been included in the original Financial Standing Test, such inclusion would not have resulted the outcome of the Financial Standing Test being a failure and</li> <li>• any other information requested by the <i>Service Manager</i> in order to satisfy itself that the <i>Consultant</i> remains in a position to Provide the Service.</li> </ul>
Z9.8	<p>If a Change of Control or any of the events listed in clauses Z9.3 to Z9.5 occurs, the <i>Service Manager</i> may require the <i>Consultant</i> to give to the <i>Client</i></p> <ul style="list-style-type: none"> <li>• a Parent Company Guarantee from the relevant Controller or (if the Controller had been part of the original Financial Standing Test and the outcome of the Financial Standing Test would have been a failure) an alternative guarantor proposed by the <i>Consultant</i> and accepted by the <i>Service Manager</i> or</li> <li>• a Form of Performance Security (see Scope <b>Annex 10</b>), (or an alternative form of bond or security agreed by the <i>Service Manager</i> from an alternative guarantor proposed by the <i>Consultant</i> and accepted by the <i>Service Manager</i>) <ul style="list-style-type: none"> <li>○ if there is no Controller,</li> <li>○ if the Controller had been included in the original Financial Standing Test and the outcome of the Financial Standing Test would have been a failure and a suitable alternative guarantor is not acceptable or</li> <li>○ if agreed by the <i>Service Manager</i> and the <i>Consultant</i> or relevant Consortium Member.</li> </ul> </li> </ul>
Z9.9	<p>The <i>Consultant</i> provides the <i>Service Manager</i> with the information listed in clause Z9.8 and the credit ratings for the proposed alternative guarantor</p>

	(unless agreed otherwise by the <i>Service Manager</i> ) and any further information requested by the <i>Service Manager</i> concerning the alternative guarantor.
Z9.10	<p>A reason for not accepting an alternative guarantor proposed by the <i>Consultant</i> is that</p> <ul style="list-style-type: none"> <li>• had it been included in the original Financial Standing Test the outcome of the Financial Standing Test would have been a failure,</li> <li>• it does not provide the legal opinion required in clause Z9.16 or</li> <li>• it does not have a Credit Rating at least equal to the <i>credit rating</i> for the person to whom the event listed in clause Z9.5 has occurred.</li> </ul>
Z9.11	<p>A reason for not accepting an alternative guarantor (for a Form of Performance Security, or an alternative a form of bond agreed by the <i>Service Manager</i>) proposed by the <i>Consultant</i> is that it</p> <ul style="list-style-type: none"> <li>• does not have a Credit Rating at least equal to <ul style="list-style-type: none"> <li>○ long term credit rating of A or short term issues credit rating of A2 (Standard &amp; Poor's Financial Services LLC.),</li> <li>○ long term credit rating of Aa or short term rating of Prime-1 (Moody's Investor Service Inc.) or</li> <li>○ long term credit rating of A or short term issues credit rating of F2 (Fitch Ratings Inc.)</li> </ul> <p>unless agreed otherwise by the <i>Service Manager</i>,</p> </li> <li>• does not have a commercial position which is strong enough to carry the bond,</li> <li>• is not issued by an office of the proposed alternative guarantor located in England or the Form of Performance Security (or an alternative a form of bond agreed by the <i>Service Manager</i>) is not subject to the law of the contract or</li> <li>• does not have appropriate financial regulation or have a standing of good repute in the United Kingdom financial market.</li> </ul>
Z9.12	<p>If so required by the <i>Service Manager</i>, the <i>Consultant</i> within four weeks after the <i>Service Manager</i> notifies the requirement gives to the <i>Client</i></p> <ul style="list-style-type: none"> <li>• a Parent Company Guarantee from the Controller or an alternative guarantor accepted by the <i>Service Manager</i> or</li> <li>• a Form of Performance Security, or an alternative form of bond agreed by the <i>Service Manager</i></li> </ul> <p>for the <i>Consultant</i> or relevant Consortium Member the notification refers to.</p>
Z9.13	<p>The <i>Service Manager</i> may accept a Parent Company Guarantee from the Controller or an alternative guarantor proposed by the <i>Consultant</i> who if it had been included in the original Financial Standing Test the outcome of the Financial Standing Test would have been a failure if the <i>Consultant</i> gives to the <i>Client</i> an assurance that the Controller or the alternative guarantor will meet the Financial Standing Test within eighteen months of the <i>Service Manager's</i> acceptance. If so, the Parties agree a process for</p>

	<p>reviewing the financial standing of the Controller or the alternative guarantor during that period in order to demonstrate to the <i>Client</i> that if it had been included in the original Financial Standing Test the outcome of the Financial Standing Test would have been a pass by the end of that period.</p>
Z9.14	<p>If</p> <ul style="list-style-type: none"> <li>the <i>Consultant</i> fails to notify the <i>Client</i> that an event listed in clause Z9.3 to 9.5 has occurred,</li> <li>neither the Controller nor any alternative guarantor proposed by the <i>Consultant</i> complies with the Financial Standing Test within the timescale stated in clause Z9.13 or fails to provide the legal opinion required by clause Z9.15</li> <li>the <i>Consultant</i> does not give to the <i>Client</i> a <ul style="list-style-type: none"> <li>Parent Company Guarantee from the Controller or an alternative guarantor accepted by the <i>Service Manager</i>,</li> <li>a Form of Performance Security or an alternative form of bond agreed by the <i>Service Manager</i> or</li> </ul> within four weeks of a request from the <i>Service Manager</i> to do so or</li> <li>the <i>Consultant</i> fails to demonstrate to the <i>Service Manager</i> that the Controller or the alternative guarantor accepted by the <i>Service Manager</i> if it had been included in the original Financial Standing Test the outcome of the Financial Standing Test would have been a pass within 18 months of the <i>Service Manager's</i> acceptance</li> </ul> <p>the <i>Client</i> may treat such failure as a substantial failure by the <i>Consultant</i> to comply with its obligations.</p>
Z9.15	<p>If the <i>Consultant</i>, a Consortium Member, a Guarantor or an alternative guarantor proposed by the <i>Consultant</i> (in this clause referred to as a "relevant entity") is not a company incorporated in and subject to the laws of England and Wales, the <i>Consultant</i> provides a legal opinion from a lawyer of a law firm which is</p> <ul style="list-style-type: none"> <li>qualified and registered to practise in the jurisdiction in which the relevant entity is incorporated and</li> <li>agreed by the <i>Service Manager</i>.</li> </ul> <p>The legal opinion is addressed to the <i>Client</i> on a full reliance basis and the liability of the independent regulated legal firm giving the opinion is not subject to any financial limitation unless agreed otherwise by the <i>Client</i>.</p> <p>The legal opinion confirms that the method of execution of the Parent Company Guarantee is valid and binding under applicable local law and in particular covers the matters listed in the Scope.</p>
Z9.16	<p>If accepted by the <i>Service Manager</i>, the alternative guarantor becomes the Guarantor for the <i>Consultant</i> or the relevant Consortium Member and the credit ratings become the <i>credit rating</i> for the Guarantor.</p>
Z9.17	<p>A failure to comply with this clause Z9 is treated as a substantial failure by</p>



	the <i>Consultant</i> to comply with its obligations.
<b>Z10</b>	<b>Joint ventures</b>
Z10.1	This clause applies if the <i>Consultant</i> is an unincorporated joint venture.
Z10.2	Each Consortium Member is jointly and severally liable to the <i>Client</i> for the performance of the <i>Consultant's</i> obligations under this contract.
Z10.3	The <i>Consultant</i> nominates the representative named in the Contract Data for the purposes of the contract and for the giving and receiving of all notices, certificates, instructions and other communications under it. The <i>Consultant</i> acknowledges that receipt of a communication by the <i>Consultant's</i> nominated representative constitutes receipt by all the Consortium Members. The <i>Consultant</i> notifies the <i>Client</i> in advance of any change to the identity of the <i>Consultant's</i> nominated representative.
Z10.4	The <i>Consultant</i> acknowledges that any payment made by the <i>Client</i> to a Consortium Member under the contract to that extent discharges the <i>Client's</i> liability to make payment to the <i>Consultant</i> .
Z10.5	A Consortium Member gives not less than four weeks' notice to the <i>Service Manager</i> of any proposed termination of the joint venture arrangement.
Z10.6	Termination of the joint venture arrangement for any reason is treated as a substantial failure by the <i>Consultant</i> to comply with its obligations.
Z10.7	Where two or more Consortium Members comprise the <i>Consultant</i> , clause 90.1 and 91.1 of the conditions of contract are amended by inserting after "the other Party" the words "or in the case of the <i>Consultant</i> , any Consortium Member".
<b>Z11</b>	<b>Parent Company Guarantee</b>
Z11.1	<p>Where a <i>Consultant</i> or Consortium Member has a Controller, if required by the <i>Service Manager</i>, the <i>Consultant</i> gives to the <i>Client</i> a Parent Company Guarantee. If a Parent Company Guarantee was not given by the Contract Date, it is given to the <i>Client</i> within four weeks of the Contract Date or of the <i>Service Manager's</i> request, whichever is later.</p> <p>Parent Company Guarantees are given for</p> <ul style="list-style-type: none"> <li>• a standalone company – from the Controller or</li> <li>• a joint venture (whether incorporated or unincorporated) – from the Controller of each Consortium Member.</li> </ul> <p>In all cases it is for the <i>Client</i> to decide (in its discretion) whether it will accept a Parent Company Guarantee from a company other than the Controller.</p>
Z11.2	<p>Where</p> <ul style="list-style-type: none"> <li>• the <i>Client</i> has agreed an Alternative Guarantee for the <i>Consultant</i> or a Consortium Member and</li> <li>• a <i>Consultant</i> or Consortium Member has a Controller,</li> </ul>

Z11.3

the *Consultant* gives to the *Client* the Alternative Guarantee(s). If the Alternative Guarantee(s) are given not given by the Contract Date, it is given to the *Client* within four weeks of the Contract Date or of the *Service Manager's* request, whichever is later.

Alternative Guarantees are given for

- a standalone company – from its Guarantor or
- a joint venture (whether incorporated or unincorporated) from the Guarantor of each relevant Consortium Member (which has a Controller).

In all cases it is for the *Client* to decide (in its discretion) whether it will accept an Alternative Guarantee from a company other than the Guarantor.

Where

- a *Consultant* or Consortium Member has no Controller and
- the *Client* has agreed one or more alternative form of guarantee,

the *Consultant* gives to the *Client* the alternative forms of guarantee. If the alternative forms of guarantee are given not given by the Contract Date, it is given to the *Client* within four weeks of the Contract Date or of the *Service Manager's* request, whichever is later.

The alternative forms of guarantee are given for

- a standalone company – from its Guarantor or
- a joint venture (whether incorporated or unincorporated) - from the Guarantor of each relevant Consortium Member (which does not have a Controller).

In all cases it is for the *Client* to decide whether it will accept an alternative form of guarantee from the Guarantor.

Z11.4

If

- the Controller or
- an alternative guarantor (including any bank or surety provider) proposed by the *Consultant* and agreed by the *Client*

(in this clause referred to as a “relevant entity”) is not a company incorporated in and subject to the laws of England and Wales, the *Consultant* provides a legal opinion is given signed and issued by an independent regulated legal firm which is

- independent the *Consultant*, Consortium Members, Guarantors and alternative guarantors,
- qualified and registered to practise in the jurisdiction in which the relevant entity is incorporated and
- agreed by the *Service Manager*

The legal opinion is addressed to the *Client* on a full reliance basis and the liability of the independent regulated legal firm giving the opinion is not

	<p>subject to any financial limitation.</p> <p>The legal opinion confirms that the method of execution of the Parent Company Guarantee (or any alternative guarantee agreed by the <i>Client</i>) is valid and binding under applicable local law and covers the matters listed in the Scope, section S 1102 (legal opinion).</p> <p>If accepted by the <i>Service Manager</i>, the alternative guarantor becomes the Guarantor for the <i>Consultant</i> or the relevant Consortium Member and the credit ratings become the <i>credit rating</i> for the Guarantor.</p>
Z11.5	A breach of clause Z11 is treated as the <i>Consultant</i> having substantially hindered the <i>Client</i> or Others.
<b>Z12</b>	<b>Discrimination, Bullying &amp; Harassment and Modern Slavery</b>
Z12.1	<p>The <i>Consultant</i> indemnifies the <i>Client</i> against all costs, charges, expenses (including legal and administrative expenses) and payments made by the <i>Client</i> arising out of or in connection with</p> <ul style="list-style-type: none"> <li>• any investigation or proceedings under the Discrimination Acts or</li> <li>• any allegation of bullying or harassment</li> </ul> <p>resulting from any act or omission of the <i>Consultant</i> in connection with the contract.</p>
<b>Z13</b>	<b>Intellectual Property Rights (IPRs)</b>
Z13.1	The <i>Client</i> owns (or will own) all IPRs in material prepared in connection with the contract, except as stated otherwise in the Scope. To the extent that these IPRs do not automatically belong to the <i>Client</i> , the <i>Consultant</i> enters into such documents and does such acts as the <i>Client</i> requests to transfer the IPRs to the <i>Client</i> and procures that its subcontractors (at any stage of remoteness from the <i>Client</i> ) do the same. The <i>Consultant</i> provides to the <i>Client</i> , the documents which transfer these IPRs to the <i>Client</i> .
Z13.2	The <i>Consultant</i> waives or procures a waiver of any moral rights in any copyright works assigned to the <i>Client</i> under the contract.
Z13.3	<p>The <i>Consultant</i> obtains perpetual, royalty-free, non-exclusive, assignable and irrevocable licences (capable of being sub-licensed to a third party, who shall also have the right to grant further sub-licences) of other IPRs for the <i>Client</i> as stated in the Scope. Any licence granted under this clause survives the termination or expiry of the contract and cannot be terminated by the <i>Consultant</i> or its assignees or any third party. The <i>Consultant</i> provides to the <i>Client</i> the documents which license these IPRs to the <i>Client</i>.</p> <p>The <i>Consultant's</i> or third-party licensor's exclusive remedies for any breach by the <i>Client</i>, or any sub-licensee, of any licence granted under this clause, are damages and equitable relief.</p>
Z13.4	The <i>Consultant</i> ensures that any subcontract (at any stage of remoteness from the <i>Client</i> ) contains a right for the <i>Client</i> (enforceable in accordance with the Contracts (Rights of Third Parties) Act 1999 to enforce the obligations in this clause.

Z13.5	Not Used
Z13.6	Not Used
Z13.7	Not Used
<b>Z14</b>	<b>Project Bank Account [Not Used]</b>
Z14.1	<del>The <i>Project Manager</i> may at any time notify the <i>Consultant</i> that payments under the contract are no longer to be made using the Project Bank Account. This notice is a compensation event. Within one week of the <i>Project Manager's</i> notice, the <i>Consultant</i> 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 its contracts.</del>
<b>Z15</b>	<b>Tax Non – Compliance</b>
Z15.1	The <i>Consultant</i> warrants that it has notified the <i>Service Manager</i> of any Tax Non-Compliance or any litigation in which the <i>Consultant</i> (or a Consortium Member) is involved relating to any Tax Non-Compliance prior to the Contract Date.
Z15.2	<p>The <i>Consultant</i> notifies the <i>Client</i> within one week of any Tax Non-Compliance occurring after the Contract Date and provides details of</p> <ul style="list-style-type: none"> <li>• the steps the <i>Consultant</i> is taking to address the Tax Non-Compliance and to prevent a recurrence,</li> <li>• any mitigating factors that it considers relevant and</li> <li>• any other information requested by the <i>Service Manager</i>.</li> </ul>
Z15.3	<p>The <i>Consultant</i> is treated as having substantially failed to comply with its obligations if the</p> <ul style="list-style-type: none"> <li>• warranty given by the <i>Consultant</i> under clause Z15.1 is untrue,</li> <li>• <i>Consultant</i> fails to notify the <i>Client</i> of a Tax Non-Compliance or</li> <li>• <i>Client</i> decides that any mitigating factors notified by the <i>Consultant</i> are unacceptable.</li> </ul>
<b>Z16</b>	<b>Value Added Tax (VAT) Recovery</b>
Z16.1	An amount due under the contract calculated by reference to a sum incurred by any person includes value added tax (VAT) only to the extent that it is not recoverable as input tax by that person (or a member of the same tax group).
<b>Z17</b>	<b>Termination and removal of part of the <i>service</i></b>
Z17.1	<p>The <i>Service Manager</i> may at any time instruct the <i>Consultant</i> that</p> <ul style="list-style-type: none"> <li>• part or all of the <i>service</i> is to be permanently removed from the contract or</li> <li>• for urgent reasons of health and safety, part of the <i>service</i> is to be</li> </ul>

	temporarily removed from the contract.
	In either case the <i>Consultant</i> acknowledges that the <i>Client</i> may itself, or may appoint another supplier in place of the <i>Consultant</i> to provide services similar to the removed <i>service</i> (or part of it).
Z17.2	An instruction given under clause Z17.1 is assessed as a compensation event, except that if the instruction is given for one of the reasons R1-R15, R18 or R22 [or the <i>Consultant</i> has a Quality Warning Notice]. The assessment includes a deduction of the forecast of the additional cost to the <i>Client</i> of completing the removed <i>service</i> , and if all of the remaining <i>service</i> is to be permanently removed, the <i>Consultant</i> agrees that it is not entitled to any loss of profit or any other form of compensation including if the <i>Client</i> appoints another consultant to complete the <i>service</i> or any part of it.
Z17.3	<p>If the <i>Consultant's</i> obligation to Provide the Service is terminated for any reason, the <i>Consultant</i> if instructed by the <i>Service Manager</i></p> <ul style="list-style-type: none"> <li>• completes the performance of any part of the <i>service</i> started prior to the date of termination and</li> <li>• co-operates with the <i>Client</i> or any Incoming Consultant to ensure a smooth transfer of functions.</li> </ul>
<b>Z18</b>	<b>Corruption or loss of data</b>
Z18.1	<p>If any data of the <i>Client</i> is corrupted, lost, stolen or sufficiently degraded as a result of the <i>Consultant's</i> default so as to be unusable, the <i>Consultant</i> immediately reports this to the <i>Service Manager</i> and</p> <ul style="list-style-type: none"> <li>• the <i>Service Manager</i> may instruct the <i>Consultant</i> to restore the data in accordance with the <i>Service Manager's</i> requirements (and any cost incurred by the <i>Consultant</i> in so doing is Disallowed Cost) or</li> <li>• the <i>Client</i> may itself restore the data (and the <i>Consultant</i> pays to the <i>Client</i> any reasonable expenses which the <i>Client</i> incurs in so doing).</li> </ul>
<b>Z19</b>	<b>Conflict of Interest</b>
Z19.1	Any steps taken in accordance with paragraph S 508.1 in the Scope is not a compensation event.
Z19.2	A failure to comply with paragraph S 508.1 in the Scope is treated as a substantial failure by the <i>Consultant</i> to comply with its obligations.
<b>Z20</b>	<b>Other amounts to be paid by the <i>Consultant</i></b>
Z20.1	The <i>Consultant</i> pays the <i>Client's</i> costs incurred for additional audits when the number of Quality Management Points in effect exceeds the <i>threshold level</i> .
<b>Z21- Z49</b>	<b>Not Used</b>
<b>Z50</b>	<b>Not Used</b>

Z50.1	Not Used
Z50.2	Not Used
Z50.3	Not Used
<b>Z51</b>	<b>Changes to Prices</b>
Z51.1	The Parties may at any time agree a reduction to the Prices.
Z51.2	The reduced Prices apply to any <i>service</i> performed after the reduction is agreed.
Z51.3	If the <i>Consultant</i> does not agree a reduction requested by the <i>Client</i> , the <i>Client</i> may terminate the <i>Consultant's</i> obligation to Provide the Service by notifying the <i>Consultant</i> .
<b>Z52</b>	<b>[Transfer of Undertakings (Protection of Employment) Regulations (TUPE)]</b>
Z52.1	Not Used
Z52.2	Not Used
Z52.3	Not Used
Z52.4	Not Used
Z52.5	Not Used
<b>Z53</b>	<b>[Pensions]</b>
Z53.1	Not Used
<b>Z54</b>	<b>[Extension to the Completion Date]</b>
Z54.1	Not Used
Z54.2	Not Used
Z54.3	Not Used
<b>Z55</b>	<b>[Payment of the <i>Consultant's</i> share]</b>
Z55.1	Not Used
<b>Z56</b>	<b>Not Used</b>
<b>Z57</b>	<b>Infrastructure Act 2015</b>
Z57.1	The <i>Consultant</i> Provides the Service in compliance with, and so as not to put the <i>Client</i> in breach of <ul style="list-style-type: none"> <li>the Licence and</li> </ul>

Z57.2	<ul style="list-style-type: none"> <li>any other directions and guidance issued by the Secretary of State to the <i>Client</i> under section 6 of the Infrastructure Act 2015 (and notified by the <i>Service Manager</i> to the <i>Consultant</i>).</li> </ul> <p>The <i>Service Manager</i> notifies the <i>Consultant</i> of any notice issued by the Office of Rail and Road to the <i>Client</i> under section 11(2)(a) of the Infrastructure Act 2015 that relates to the <i>service</i>. The <i>Consultant</i> complies with the terms of any such notice and indemnifies the <i>Client</i> against any associated fine imposed on the <i>Client</i> under section 11(2)(b) of that Act where the fine results from an act or omission of the <i>Consultant</i>.</p>
<b>Z58</b>	<b>Revisions to Quality Submission</b>
Z58.1	<p>The <i>Consultant</i> may submit to the <i>Service Manager</i> proposed revisions to the Quality Submission for acceptance within the <i>period for reply</i>. A reason for not accepting the proposed revision is that</p> <ul style="list-style-type: none"> <li>it does not enable the <i>Consultant</i> to meet a Performance Requirement,</li> <li>it unacceptably increases the risk of failure to meet a Performance Requirement,</li> <li>it does not enable the <i>Consultant</i> to achieve the level of performance specified in the Quality Submission or</li> <li>it unacceptably increases the risk of failure to achieve the level of performance specified in the Quality Submission or</li> <li>it constitutes a substantial modification of the contract within the meaning of regulation 72 of the Public Contracts Regulations 2015.</li> </ul>
Z58.2	A revision to the Quality Submission accepted by the <i>Service Manager</i> is not a compensation event.
Z58.3	The <i>Service Manager</i> may instruct the <i>Consultant</i> to amend the Quality Submission where it is not compliant with the Scope provided by the <i>Client</i> . This instruction is not a compensation event.
<b>Z59</b>	<b>Indemnified claims</b>
Z59.1	Not Used
Z59.2	Not Used
Z59.3	Not Used
Z59.4	Not Used
Z59.5	Not Used
Z59.6	Not Used
Z59.7	Not Used
<b>Z60</b>	<b>Tax Arrangements</b>
Z60.1	Where any Staff are liable to be taxed in the United Kingdom in respect of consideration received under this contract, the <i>Consultant</i> complies, and procures that the Staff comply, with the Income Tax (Earnings and

	Pensions) Act 2003 and all other statutes and regulations relating to income tax in respect of that consideration.
Z60.2	Where any Staff are liable to National Insurance Contributions (NICs) in respect of consideration received under this contract, the <i>Consultant</i> complies, and procures that the Staff comply, with the Social Security Contributions and Benefits Act 1992 and all other statutes and regulations relating to NICs in respect of that consideration.
Z60.3	The <i>Client</i> may, at any time during the term of this contract, request the <i>Consultant</i> to provide information to demonstrate either how any member of Staff is complying with clauses Z60.1 and Z60.2 or why those clauses do not apply to it.
Z60.4	<p>If the <i>Consultant</i> fails to provide information in response to a request under clause Z60.3</p> <ul style="list-style-type: none"> <li>• within the period for reply or</li> <li>• which adequately demonstrates either how any member of Staff is complying with clauses Z60.1 and Z60.2 or why those clauses do not apply to it</li> </ul> <p>the <i>Client</i> may</p> <ul style="list-style-type: none"> <li>• treat such failure as a substantial failure by the <i>Consultant</i> to comply with its obligations or</li> <li>• instruct the <i>Consultant</i> to replace the relevant member of Staff.</li> </ul>
Z60.5	If the <i>Client</i> receives or identifies information through any means which demonstrates that a member of Staff is not complying with clauses Z60.1 and Z60.2, the <i>Client</i> may treat such non-compliance as a substantial failure by the <i>Consultant</i> to comply with its obligations.
Z60.6	<p>The <i>Consultant</i> acknowledges that the <i>Client</i> may</p> <ul style="list-style-type: none"> <li>• supply any information which it receives under clauses Z60.3 or Z60.5 or</li> <li>• advise the non-supply of information</li> </ul> <p>to the Commissioners of His Majesty's Revenue &amp; Customs for the purpose of the collection and management of revenue for which they are responsible.</p>
<b>Z61</b>	<b>Enhancements</b>
Z61.1	Not Used
Z61.2	Not Used
Z61.3	Not Used
Z61.4	Not Used
Z61.5	Not Used



Z61.6	Not Used
Z61.7	Not Used
Z61.8	Not Used
Z61.9	Not Used
Z61.10	Not Used
Z61.11	Not Used
Z61.12	Not Used
Z61.13	Not Used
Z61.14	Not Used
<b>Z62–Z99 Not Used</b>	

## Appendix A - National Highways Travel and Expenses Policy

Including guidance on travel, expenses and incidental spend

Where referred to hereafter as National Highways, the principles/requirements will apply equally to the *Consultant*.

The following only applies where no allowed within the “all-in staff rates” priced in the Activity Schedule and/or Contract Data Part Two.

### 1.0 Policy, scope and principles

#### Introduction

Where *Consultant's* employees may need to travel away from home and the work location they are normally based at, as part of their job. This policy provides the basis on which the *Client* will reimburse colleagues for travel, meals and incidental expenditure incurred as a result.

Costs for attending training will be deemed to be in the Fee.

#### Scope of policy

This policy applies to all *Consultant's* employees on a substantive or fixed-term contract, and to associated persons such as secondees, contractors and others employed under a contract of service.

#### Policy Statement

The *Client* is a government owned company and the *Consultant's* employees are expected to follow the principles of the Civil Service Code, which states that they must “make sure public money and other resources are used properly and efficiently.”

Expense claims across the public sector activities frequently attract public interest. This policy ensures that we safeguard our own, and the company's, reputation.

*Consultant's* employees are expected to exercise their best judgment and integrity to ensure expenses claimed do not exceed what is reasonable, appropriate and that they provide value for money. The *Consultant's* managers/supervisors are responsible for approving expenses on the same basis. Both are accountable for any expenses that are found to be inaccurate or inappropriately approved for payment.

The *Consultant's* employees must have incurred additional costs to be eligible to claim. For example, if you usually buy a sandwich for lunch when at the work location that you are normally based at, and you travel to another site and buy a sandwich for lunch there, additional expenditure has not been incurred and no claim should be made.

The following principles must be applied irrespective of the type of expense involved.

- Only costs which are necessary and additional to normal daily expenditure

will be claimed,

- The *Consultant's* employees must keep expenses incurred to a minimum and record, explain and justify any expenses fully,
- The *Client* will only reimburse actual costs within the agreed limits,
- All claims need to be supported by itemised receipts or invoices, scanned or photographed and attached to every claim submitted to the *Service Manager* for consideration for payment. The scan or photograph must be legible, show all of the expenditure being claimed and include the date of purchase. Partial or unreadable receipt images should not be approved by managers. There is no requirement to keep original receipts when they have been scanned.
- All claims for expenses must be approved by the *Consultant's* employee's manager,
- Accountability for the accuracy of claims lies with the claimant and their manager,
- Claims for goods or services where alternative purchasing mechanisms exist, will not be reimbursed.
- The *Client* expects the *Consultant's* employees to consider 'carbon efficiency' when planning a journey,
- The *Client* will not reimburse for gratuities/tips unless it is a requirement of the restaurant, for instance for groups over a certain size, and included in the bill.
- The purchase of alcohol will only be reimbursed when *Service Manager* has given approval by email prior to its purchase.

The *Consultant's* employees are obliged to follow these rules to ensure that travel and expense expenditure meet the requirements of the Civil Service Code of Conduct and safeguards the company's reputation.

The *Consultant's* managers review, and authorisation of claims is a key policy compliance check. Counter fraud processes are also in place to protect against misuse of public funds. (see section 5).

It is not possible to provide an exhaustive list of items that may be claimed for. The individual sections of the document that follow, need to be considered by *Consultant's* employees and managers before incurring any personal expense with the expectation of reimbursement. If unsure, *Consultant's* employees and managers should seek further guidance from the *Service Manager* before committing to expenditure.

## 2. Travel Expenses

The underlying principle behind the Travel and Expenses Policy is reimbursement of necessary additional costs incurred in carrying out official duties. Actual spend, supported by itemised receipts, will be reimbursed. Claims must not exceed the rates in Annex A unless there are valid reasons agreed in advance with the *Service Manager*. All claims must be approved by the *Consultant's* managers prior to submission to the *Service Manager* for consideration of payment.

The *Consultant's* employees are asked to consider whether they need to travel or can undertake activities in a different way such as by Team conference calls (and the like). If travel is necessary then the *Consultant's* employees should consider the best option (public transport, hire car, vehicle share or use of your own vehicle) including safety and cost implications.

The *Consultant's* employees are responsible for ensuring that no unnecessary costs are incurred, and that *Client* receives good value for money. The *Client* will not reimburse expenses incurred unnecessarily or unreasonably. The *Consultant's* managers must decline reimbursement if a journey is excessive or inappropriate before submission of any claim for payment to the *Service Manager*.

The *Client* does not routinely reimburse for travel to and from your home and your usual work location whether travelling by public transport or car. Official journeys may start from home, or end there, if that is the shortest and most cost-effective route.

The *Consultant's* employees must purchase all hotel accommodation, rail and air tickets through intranet-based booking agents that provide best price. Journeys should be booked as early in advance as possible, and you must consider off-peak and split ticket options.

In some cases, purchasing a season ticket will be more economical than buying multiple tickets for a frequently repeated trip. This is permissible if the *Service Manager* agrees in advance by email that it will be more cost efficient and meets the needs of the business. The requirement for, and economy of, the pass should be reviewed regularly.

When regular train travel is required for business there may be a financial benefit for the *Consultant's* employees to have a discounted rail card for instance a network rail, 18-25, Armed Forces or Senior Citizen card. Any reimbursement by the company of a rail card must be authorised by the *Service Manager* in advance by email who needs to consider whether the rules for use of this card, such as only off- peak travel, fits with business need. If there is a clear saving to be made, the *Consultant's* employee can buy the card and reclaim attaching both the approval email from the *Service Manager* and a scan/photo of the card.

The *Client* expects colleagues to apply the same approach to business expenses in relation to early journey planning and economy as you would with the *Consultant's* employees own money. Only expenditure necessarily incurred can be claimed, subject to the limits shown in Annex A.

### **Travel by Rail, Air and Car on Official Business**

#### **Reducing Carbon Emissions**

The *Client* expects the *Consultant's* employees to consider 'carbon efficiency' when planning a journey. This means, where possible:

- making full use of telephone and video conferencing,
- using trains instead of cars for long journeys,
- using public transport instead of taxis,
- multiple occupation of vehicles.

These modes of travel will not be appropriate in all circumstances, but carbon-friendly travel is encouraged.

#### **Rail and Air Travel within UK**

All *Consultant's* employees must travel standard class irrespective of grade, except where an individual has:

- temporary or permanent disability. A temporary disability might include things such as a broken leg or arm, or any injury or other condition that affects mobility. A permanent disability is as defined by the Equality Act 2010; or
- pregnancy related reasons where a risk assessment identifies that a reasonable adjustment is required.

The above must be authorised with the *Service Manager* by email prior to purchasing.

If the *Consultant's* employees satisfy the criteria for traveling in first class and a complimentary meal is provided, you are not eligible to claim additional expense for that meal rate time period (see Annex A).

Where *Consultant's* employees experience travel disruption that is eligible for a refund on tickets, they should make a claim through the appropriate process. This includes where season tickets are used for business purposes.

#### Taxi Travel

The *Consultant's* employees are entitled to be reimbursed for the use of a taxi:

- when no other method of public transport is available (eg when travelling late at night),
- when the other methods of public transport are inadequate (eg there is no direct transport link to the location you are travelling to or from, or it will mean missing a meeting),
- when carrying heavy official papers, baggage or equipment,
- for reasons of personal safety, eg travelling late at night on public transport may be unsafe when alone,
- if you are unable to use public transport because of a temporary or permanent disability,
- pregnancy or disability related reasons where a risk assessment identifies that a reasonable adjustment is required,
- where it is more cost-effective when travelling in a group,
- due to adverse weather conditions or severe disruption to public transport. Please agree the use of taxis in advance with the *Service Manager* by email if this is the case.

The circumstances must be clearly detailed when a claim for payment is submitted to the *Service Manager*.

#### Hire Cars and Use of Private Vehicles

The *Consultant's* employees can use either a hire car or a private vehicle when they drive for work. If using either of these options the *Consultant's* employees must be familiar with, and comply with, any driving policies of the *Consultant* or *Client* before they book hire cars or make a claim for expenses. To reduce carbon emissions, the *Client* recommends where possible to use public transport. If a car is necessary, then the most appropriate and safest vehicle available should be used.

#### Hire cars on official business

Driving for Work Policy: before *Consultant's* employees book hire cars or make a claim for expenses. To reduce carbon emissions, the *Client* recommends where possible to use public transport. If a car is necessary, then the most appropriate and safest vehicle available should be used.

There is no motor mileage allowance for travel using a hire car. Instead, claims by *Consultant's* employees will be reimbursed for all the costs associated with the hire of the vehicle (e.g. fuel, parking, tolls) when you provide itemised receipts. Hire cars must be returned to the hire company (whether to their forecourt or picked up from home) with a full tank of petrol.

#### Private Vehicles on Official Business

Before using *Consultant's* employees use their own car for work purposes, they should make sure that you are familiar with any driving policies of the *Consultant* or *Client* and understand your responsibilities for ensuring that your car is taxed, suitably insured and has an MOT.

Motor mileage allowance is payable if a *Consultant's* employee uses their own car. The allowance, based on HMRC rules, includes both the cost of fuel but also other costs of running a car such as tax and insurance. Because the allowance covers the additional items there is a higher rate for the first 10,000 miles in any one financial year. After that a lower, standard rate, is paid.

See Annex A for the rates.

*Consultant's* employees must use the shortest and most cost-effective route when travelling on official business.

*Consultant's* employees cannot claim for your normal commute.

*Consultant's* employees are entitled to be paid a mileage allowance if you use a motorcycle or bicycle for official travel. Further guidance and current rates are available at Annex A.

#### Passenger Supplement

If *Consultant's* employees are carrying one or more passengers who would themselves have claimed for travel costs, the *Consultant's* employees are entitled to claim an additional passenger allowance. Please see Annex A for details of rate.

#### Equipment Supplement

If *Consultant's* employees are carrying heavy equipment or other loads which are likely to cause wear and tear to a private motor vehicle you are entitled to an additional allowance. This must be authorised by the *Service Manager* by email before the journey if the equipment supplement should be paid. Please see Annex A

#### Parking, Tolls, Congestion Charges and Fines

*Consultant's* employees can claim for unavoidable expenses such as parking, tolls or congestion charges whilst on official business. *Consultant's* employees are personally liable for the cost of tolls or congestion charges when using your private vehicle for home to base work location travel.

*Consultant's* employees are personally liable for all fines and penalties incurred during driving on official business.

#### Disruption to Public Transport

The *Client* will reimburse expense allowances in the event of emergency arrangements because of serious disruption to public transport services. Please talk to your manager about whether you should stay locally and what you will need if you do or whether there are any other ways to get you home safely.

Further guidance and current rates are available at Annex A.

#### Overseas Travel

Overseas Travel must be authorised by the *Service Manager* by email before the journey, including agreement of all costs to be incurred.

#### Incidental costs for overseas travel

Incidental costs for overseas travel must be authorised by the *Service Manager* by email before the journey, including agreement of all costs to be incurred.

### **3. Expenses**

This section covers the meals and refreshments that *Consultant's* employees are entitled to while performing their official duties. Expenses should only be claimed when the *Consultant's* employees spend more than you would as part of their daily working routine. For example, if a *Consultant's* employees usually purchase a sandwich for lunch at their base work location and then travels to another location, buying a sandwich for lunch there is not an additional expense, and no claim should be made.

Where tea and coffee is provided at work locations, any coffee and tea bought elsewhere will not be reimbursed when visiting another work location.

All claims must be supported with clearly itemised receipts and authorised by the *Consultant's* manager.

The expense levels in Annex A provide a framework to help *Consultant's* employees decide what is appropriate when considering options and allows *Consultant's* managers and budget holders to use their integrity and judgement

about what is appropriate when they authorise it.

The *Client* will not reimburse expenses unnecessarily or unreasonably incurred. The *Service Manager* will decline reimbursement if expenses appear to be excessive or inappropriate.

There will be no reimbursement for the purchase of alcohol as part of expenses. The purchase of alcohol will be at the *Consultant's* employees's expense. In exceptional circumstances, the cost of alcohol will be reimbursed if the *Service Manager* has given emailed authorisation in advance for the expenditure.

There will be no reimbursement for *Consultant's* employees's Christmas, team or leaving meals. This will be deemed to be included within the Fee.

#### 4. **Incidental Expenses**

Incidental expenses will be deemed to be included within the Fee. These include (but not limited to):

- eyesight testing
- study support
- professional memberships.

Incidental expenses, as with travel and expenses, are paid in arrears and only with a valid, itemised receipt. They will only be considered for reimbursement when the *Service Manager* has given emailed authorisation in advance for the expenditure.

Accountability for accuracy of claims rests with the claimant and their manager. Unreasonable or inappropriate claims will be challenged by the *Service Manager*.

People managers must check that the relevant body is included in the HM Revenue and Customs list of eligible professional bodies before authorising payment.

#### Voluntary Charitable Contributions

The *Client* will not reimburse any voluntary charitable contributions.

#### 5. **Claiming expenses**

##### Claim process

Travel, expenses and incidental claims are to be made to the *Service Manager*.

Before submitting any claims, *Consultant's* employees and their managers are responsible for ensuring that the items being claimed for are correct.

It is expected that *Consultant's* employees and their managers submit claims that are in line with this policy. To confirm that this is the case, *Consultant's* employees and their managers are asked to confirm that they have read and are familiar with this Travel and Expense policy when they submit a claim for payment to the *Service Manager*.



*Consultant's* employees will not be refunded for items paid for using loyalty points (eg Boots or Nectar points).

*Consultant's* employees must claim for travel and expenses incurred on the same date in a single claim. To reduce processing and payment, please also try to group low value claims. If *Consultant's* employees are claiming mileage, you should include the journey to and from a location within the same claim.

Claims should be made as soon as possible on completion of the travel and always within four weeks. Any claims submitted after four weeks may be declined for payment by the *Service Manager*. The *Service Manager* may recognise that there may be special circumstances preventing prompt submission of claims. In these cases, an explanation is required for the delay in submission, as well as acknowledgement in writing that the delay was unavoidable from the *Consultant's* employees and their manager.

When mileage allowance is claimed it should be rounded to the nearest mile, rounding up half- miles.

*Consultant's* employees may only submit expense claims for expenditure they have personally incurred. It is not acceptable to claim on behalf of a colleague or a former employee.

Claims can only be made on behalf of a group of people if the *Service Manager* has agreed in advance and it saves time. In these circumstances the claim must include the names of all those paid for and the relevant receipt to ensure that claims are not duplicated.

All claims should be supported by itemised receipts scanned or photographed and attached to your claim. There is no requirement to keep original receipts when they have been scanned if the digital version is legible and all the full receipt is visible. Partial or unreadable receipts will be rejected for reimbursement.

If *Consultant's* employees have mislaid or been unable to obtain a receipt, they must provide a clear explanation for the absence of a receipt.

#### *Consultant's* Manager approvals

*Consultant's* managers are responsible for ensuring that the *Consultant's* employees travel and incidental expenditure is cost-efficient and appropriate for the work that they are undertaking.

As a manager you may approve claims for travel and expenses or incidental expense where:

- the claim is for necessary and appropriate travel and expenses when the individual is required to travel for business purposes and other means of undertaking the work, such as through online meetings or phone calls, is not appropriate,
- you are satisfied that the expenditure was incurred using the most cost-effective means including early booking to get the cheapest train tickets,
- the rates claimed are correct,

- the claim is for an additional cost incurred and complies with the rules set out in the travel and expenses policy,
- the amounts claimed are consistent with the work undertaken, are accurate and reasonable,
- supporting documentation is attached, including images of receipts which are legible, identify the items purchased, and show the date on which the expense was incurred,
- you have confirmed that someone who has driven their own vehicles is compliant with the Driving for Work policy; having valid business insurance, road tax and an MOT certificate,
- evidence has been provided of advanced approval for any expenditure that requires it.

#### Counter fraud processes

Accountability for the accuracy of claims lies with the *Consultant's* employee and their manager.

Any non-compliant claims must be reimbursed to the *Client* for the cost of the inappropriate items.

Where fraudulent activity is suspected, a thorough investigation will be carried out and, where appropriate, the police may be notified by the *Client*.

### **Annex A Expenses and Mileage Rates**

#### Expense rates

Claims must be for the actual amount spent (up to the applicable maximum rate) and must be supported with itemised receipts.

If the total amount spent exceeds the maximum applicable rate, then only the applicable allowance can be claimed.

There will be no reimbursement for the purchase of alcohol as part of expenses unless you provide email evidence of prior approval from the *Service Manager* for the expenditure.

One meal - five-hour rate (away from usual place of work for over five hours)	Up to £5*
Two meal - ten-hour rate (away from usual place of work for over ten hours)	Up to £10*
Maximum reimbursed if away overnight	£25

\* *Consultant's* employees cannot claim both the five-hour and ten-hour rates for the same day. *Consultant's* employees are expected to claim one or the other as appropriate. If *Consultant's* employees are away overnight, they are entitled to the overnight rate up to a maximum of £25 to cover your costs for the whole 24-hour period.

Overnight hotel bed and breakfast rate maximums

London	Up to £145 per night
Elsewhere	Up to £100 per night

If *Consultant's* employees cannot find a suitable hotel, then consider changing the date of travel or finding a hotel in a different location. If this is not possible then obtain prior permission from the *Service Manager* that the travel is essential and provides value for money.

Mileage allowance

The higher mileage allowance of 45p per mile can only be claimed for a maximum of 10,000 miles in one financial year. After this you need to claim the 25p rate to remain within HMRC's benefits in kind tax rules.

Car - higher rate	45p per mile (up to 10,000 miles per financial year)
Car - standard rate	25p per mile
Motorcycle	20p per mile
Bicycle	20p per mile

*Consultant's* employees are entitled to claim additional supplemental rates when carrying colleagues or heavy equipment on official business as detailed below.

Supplemental rates

Per passenger	5p per mile
Per equipment	2p per mile