Crown Commercial Service

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

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

**FORM OF AGREEMENT**

**Incorporating the NEC3 Engineering and Construction Contract**

**Between**

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

**And**

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

**For the provision of**

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

1. ECC CONTRACT ANNEX A - FORM OF AGREEMENT

**THIS AGREEMENT BY DEED is made the [..................]day of [.......................]**

**PARTIES:**

1. **[CONTRACTING AUTHORITY NAME]** **[**[which is a company registered in **[ ]**under company number **[ ]**and whose registered office is at] [whose offices are located at] [ADDRESS] **OR [**acting as part of the Crown] (the "**Employer**"); and

2. **[FRAMEWORK SUPPLIER NAME]** which is a company incorporated in and in accordance with the laws of **[ ]** (Company No. **[ ]** whose registered office address is at **[ ]**(the "**Contractor**").

**BACKGROUND**

1. The Minister for the Cabinet Office (the "**Cabinet Office**") as represented by Crown Commercial Service, a trading fund of the Cabinet Office, without separate legal personality (the "**Authority**"), established a framework for traffic management technology and associated services for the benefit of public sector bodies.
2. The *Contractor* was appointed to the framework and executed the framework agreement (with reference number **RM1089**) which is dated *[insert date of framework agreement with the Contractor]* (the “**Framework Agreement**”).
3. On the *[insert date of issue of tender]* the *Employer*[, acting as part of the Crown,] invited the *Contractor* along with other framework suppliers to tender for the *Employer’s* traffic management technology and associated services requirements in accordance with the Call Off Procedure (as defined in the Framework Agreement).

*[Include text in square brackets if Employer is a Crown Body]*

1. On the *[insert date of tender response]* the *Contractor* submitted a tender response and was subsequently selected by the *Employer* to provide the [*services*] [*works*] [*goods* and/or *services*].
2. The *Contractor* has agreed to [provide] [carry out] [supply and/or provide] the [*services*] [*works*] [*goods* and/or *services*] in accordance with this agreement and the Framework Agreement.

**IT IS AGREED AS FOLLOWS:**

1. **Definitions and Interpretation**

This agreement (the “Call Off Contract”) incorporates the conditions set out below of:

* The core clauses of the:

[NEC3 Engineering and Construction Contract (April 2013)]

[the clauses for main Option [A] [B] [C] [D] [E] [F] [G],] **[delete as applicable]**

[dispute resolution Option [W1] [W2],] **[delete as applicable]**

[secondary Options **[list applicable X clauses]**

[Y(UK)1, Y(UK)2, Y(UK)3] **[delete as applicable]**

and option Z (being the amendments identified in the Contract Data),

which are supplemented and amended in accordance with such information and supplementary provisions as are provided in the Contract Schedules.

Together the “Conditions”

The “Contract Schedules” means any one, or all, of the annexes appended to this Call Off Contract.

1. **Entire Agreement**
2. 2.1. This Call Off Contract is the entire agreement between the parties in relation to the [*services*] [*works*] [*goods* and/or *services*] and supersedes and extinguishes all prior arrangements, understandings, agreements, statements, representations or warranties (whether written or oral) relating thereto.
3. 2.2 Neither party has been given, nor entered into this Call Off Contract in reliance on any arrangements, understandings, agreements, statements, representations or warranties other than those expressly set out in this Call Off Contract.
4. 2.3 Nothing in this Clause 2 shall exclude liability in respect of misrepresentations made fraudulently.
5. **Documents**

3.1 The documents forming part of this Call Off Contract are:

1. this form of agreement duly executed by the Parties [as a deed]
2. the Conditions
3. the Contract Data
4. the Works Information
5. **[insert reference to applicable pricing document e.g. activity schedule, price list or similar]**
6. **[insert reference to any other documents which should form part of the call off contract]**

**[Delivered** [as a deed] on the date of this document.] ***=***

***[Insert execution clause for Contracting Authority]***

|  |  |
| --- | --- |
| OPTION 1a *[execution under seal]*  Executed as a deed by **[Contracting Authority]** by affixing his common seal in the presence of: | ) ) |
|  | [Select Directors or Authorised Signatory options below] |
|  | Director or Authorised Signatory |
|  |  |
|  | Director/Secretary or Authorised Signatory |
| OPTION 1b Executed as a deed by [**Contracting Authority]** acting by: | *) )* |
|  | [Select Directors or Authorised Signatory options below] |
|  | Director or Authorised Signatory |
|  |  |
|  | Director/Secretary or Authorised Signatory |

**[Customer guidance concerning the options for how a company may need to sign can be obtained from Crown Commercial Service. Contracting Authorities will need to check with the relevant company as to which option is required].**

1. ECC CONTRACT ANNEX B - CONDITIONS OF CONTRACT

NEC3 ECC CONTRACT (APRIL 2013) CORE CLAUSES

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

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

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

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

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

1. **ecc CONTRACT ANNEX C - CONTRACT DATA PARTS ONE AND TWO**

ECC Contract Data

Part 1 - Data provided by the Employer

|  |  |
| --- | --- |
| Part one – Data provided by the *Employer* | |
| 1 General | * The *conditions of contract* are the core clauses and the clauses for main Option [ ]…. dispute resolution Option [ ] and secondary Options [X1, X2, X3, X4, X5, X6, X7, X12, X13, X14, X15, X16, X17, X18, X20, Y(UK)1, Y(UK)2, Y(UK)3] of the NEC3 Engineering and Construction Contract April 2013. |
|  | * The *works* are [….] |
|  | * The *Employer* is [….] |
|  | * The *Project Manager* is [….] |
|  | * The *Supervisor* is [….] |
|  | * The *Adjudicator* is […..] |
|  | * The Works Information is in [….] |
|  | * The Site Information is in [….] |
|  | * The *boundaries* of the site are [….] * The *language* of this contract is [….] * The *law of the contract* is the law of [….] * The *period* for reply is [….] weeks * The *Adjudicator* nominating body is [….] * The *tribuna*l is [….] * The following matters will be included in the Risk Register |
| 3 Time | * The *starting date* is * The *access dates* are  |  |  | | --- | --- | | Part of the site | Dates | | 1 |  | | 2 |  | | 3 |  |  * The *Contractor* submits revised programmes at intervals no longer than weeks |
| 4 Testing and Defects | * The *defects date* is [ ] weeks after Completion of the whole of the *works* * The *defect correction* period is [ ] weeks except that * The *defect correction* period for [ ] is [ ] weeks * The *defect correction* period for [ ] is [ ] weeks |
| 5 Payment | * The *currency* of this *contract* is the [ ] * The *assessment interval* is [ ] weeks (not more than five) * The *interest rate* is [….] % per annum (not less than 2) above the rate of the bank |
| 6 Compensation events | * The place where weather is to be recorded is * The *weather measurements* to be recorded for each calendar month are   + the cumulative rainfall (mm)   + the number of days with rainfall more than 5 mm   + the number of days with minimum air temperature less than 0 degrees Celsius   + the number of days with snow lying at ………..hours GMT   + and these measurements   ……………………………………………………………………………………………………………………………………………………………………………………………………………………………………..   * The *weather measurements* are supplied by [….] * The *weather data* are the records of the past *weather measurements* for each calendar month which were recorded at [….] and which are available from [….]   **Where no recorded data are available**   * Assumed values for the ten year return *weather data* for each *weather measurement* for each calendar month are |
| 8 Risks and insurance | * The minimum limit of indemnity for insurance in respect of loss of or damage to property (exempt the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with this contract for any one event is * The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the Contractor arising out of an in the course of their employment in connection with this contract for any one event is |
| Optional statements | **If the tribunal is arbitration**   * The *arbitration procedure* is [….] * The place where arbitration is to be held is [ ] * The person or organisation who will choose an arbitrator   + if the Parties cannot agree a choice or   + if the *arbitration procedure* does not state who selects an arbitrator is [ ]   **If the Employer has decided the completion date for the whole of the works**   * The *completion date* on the whole of the works is [….]   **If the *Employer* is not willing to take over the works before the Completion Date**   * The *Employer* is not willing to take over the works before *Completion Date*   **If no programme is identified in part two of the Contract Data**   * The *Contractor* is to submit a first programme for acceptance within weeks of the Contract Date   **If the Employer has identified work which is to meet a stated condition by a key date**   * The key dates and conditions to be met are  |  |  | | --- | --- | | Conditions to be met | key date | | 1 |  | | 2 |  | | 3 |  |   **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   **If Y(UK)2 is used and the final date for payment is not 14 days after the date when payment is due**   * The period for payment is   **If there are additional *Employer’s* risks**  [Customer’s do **not** need to include potential TUPE transfers here as there are indemnities contained in Annex G – Staff Transfer]   * These are additional *Employer’s* risks   1  2  3  **If the *Employer* is to provide Plant and Materials**   * The insurance against loss of or damage to the *works*, Plant and Materials is to include cover for Plant and Materials provided by the *Employer* for an amount of [ ]   **If the *Employer* is to provide any of the insurances stated in the Insurance Table**   * The *Employer* provides these insurances from the Insurance Table  |  |  | | --- | --- | | 1.Insurance against |  | | Cover/indemnity is |  | | The deductions are |  | | 2. Insurance against |  | | Cover/indemnity is |  | | 3. Insurance against |  | | Cover/indemnity is |  |   **If additional insurances are to be provided**   * The *Employer* provides these additional insurances  |  |  | | --- | --- | | 1.Insurance against |  | | Cover/indemnity is |  | | The deductions are |  | | 2. Insurance against |  | | Cover/indemnity is |  | | 3. Insurance against |  | | Cover/indemnity is |  |  * The *Contractor* provides these additional insurances  |  |  | | --- | --- | | 1.Insurance against |  | | Cover/indemnity is |  | | The deductions are |  | | 2. Insurance against |  | | Cover/indemnity is |  | | 3. Insurance against |  | | Cover/indemnity is |  | |
| If Option B or D is used | * The method of measurement is [….]   Amended as follows [….] |
| If Option C or D is used | * The *Contractor’s* share percentage and the share ranges are  |  |  | | --- | --- | | *share range* | *Consultant’s share percentage* | | less than [….] % | [….] % | | from [….] % to [….] % | [….] % | | from [….] % to [….] % | [….] % | | greater than [….] % | [….] % | |
| If Option C, D, E or F is used | * The *Contractor* prepares forecasts of Defined Cost for the Works at intervals not longer than weeks * The *exchange* rates are those published in on (date). |
| If Option X1 is used | * The proportions used to calculate the Price Adjustment Factor are  |  |  |  | | --- | --- | --- | | 0 | Linked to the index for |  | | 0 |  |  | | 0 |  |  | | 0 |  |  | | 0 |  |  | | 0 |  |  | | 0 |  |  | | 0 | Non-adjustable |  | | 1.00 |  |  |  * The *base date* for indices is * The indices are those prepared by |
| If Option X3 is used | * The *Employer* will pay for the items or activities listed below in the currencies stated  |  |  |  | | --- | --- | --- | | items and activities | other currency | total maximum payment in the currency | | 1 [….] | [….] | [….] | | 2 [….] | [….] | [….] | | 3 [….] | [….] | [….] |  * The *exchange* *rates* are those published in [ ] on [ ] (date) |
| If Option X5 is used | * The *completion date* for each *section* of the works is  |  |  |  | | --- | --- | --- | | *section* | description | *completion date* | | 1 | [….] | [….] | | 2 | [….] | [….] | | 3 | [….] | [….] | |
| If Option X5 and X6 are used together | * The bonus for each *section* of the *works* is  |  |  |  | | --- | --- | --- | | section | description | amount per day | | 1 [….] | [….] | [….] | | 2 [….] | [….] | [….] | | 3 [….] | [….] | [….] | | 4 [….] | [….] | [….] | | Remainder of the works | [ ] |  | |
| If Options X5 and X7 are used together | * Delay damages for each *section* of the *works* are  |  |  |  | | --- | --- | --- | | section | description | amount per day | | 1 [….] | [….] | [….] | | 2 [….] | [….] | [….] | | 3 [….] | [….] | [….] | | 4 [….] | [….] | [….] |   Remainder of the *works* [ ] |
|  |
| If Option X6 is used (but not if Option X5 is also used) | * The bonus for the whole of the *works* is [….] per day |
| If Option X7 is used (but not if Option X5 is also used) | * Delay damages for Completion or the whole of the *works* are [….] per day |
| If Option X12 is used | * The Client is [….] |
|  | * The Client’s *objective* is [….] |
|  | * The Partnering Information is in [….] |
| If Option X13 is used | * The amount of the performance bond is [….] |
| If Option X14 is used | * The amount of the advanced payment is [….] * The *Contractor* repays the instalments in assessments starting not less than [….] weeks after the Contract Date * The instalments are [….] (either an amount or a percentage of the payment otherwise due) * An advanced payment bond is/is not required |
| If Option X16 is used | * The *retention free* amount is [….] * The *retention percentage* is [….] % |
| If Option X17 is used | * The amounts for low performance damages are  |  |  | | --- | --- | | Amount | Performance level | |  | for | |  | for | |  | for | |  | for | |  | for | |
| If Option X18 is used | * The *Contractor’s* liability to the *Employer* for indirect or consequential loss is limited to [….]. * For any one event, the *Contractor’s* liability to the *Employer* for loss of or damage to the *Employer’s* property is limited to [….] * The *Contractor’s* liability for Defects due to his design which are not listed on the Defects Certificate is limited to [….] * The *Contractor’s* total liability to the *Employer* for all matters arising under or in connection with this contract, other than excluded matters, is limited to [….] * The end of *liability date* is [….] years after the Completion of the whole of the works. |
| If Option X20 is used (but not if Option X12 is also used) | * *The* *incentive schedule* for Key Performance Indicators is in [….]. * A report of performance against each Key Performance Indicator is provided at intervals of [….] months. |
| If Option Y(UK)1 is used and the *Employer* is to pay any charges made and is paid any interest paid by the *project bank* | * The *Employer*  is to pay any charges made and is paid any interest paid by the *project bank.* |
| If Option Y(UK)3 are both used | |  |  | | --- | --- | | * **term** | **person or organization** | | [The provisions of Option Y(UK)1] | [Named Suppliers] | | Z32.2 | A Subcontractor | |
| Clause Z29  [if used] | * The Network Rail possession charge is                               Type x            £…………… per possession.                              Type y            £…………… per possession. |
| If Option Z is used | * The additional conditions of contract are [….] |

|  |  |
| --- | --- |
| Part two – Data provided by the *Contractor* | |
| 1 General | The *Contractor* is  Name ………………………………….  Address …………………………………. |
|  | * The *direct fee percentage* is [….] % |
|  | * The *subcontracted fee percentage* is [….] % |
|  | * The *working areas* are the Site and [….] |
|  | * The key people are  |  |  | | --- | --- | | (1) Name |  | | Job |  | | Responsibilities |  | | Qualifications |  | | Experience |  | | (2) Name |  | | Job |  | | Responsibilities |  | | Qualifications |  | | Experience |  | |
|  | * The following matters will be included in the Risk Register   [….] |
| Optional statements | **If the *Contractor* is to provide Works Information for his design**   * The Works Information for the *Contractor’s* design is in |
|  | **If a programme is to be identified in the Contract Date**   * The programme identified in the Contract Data is [….]   **If the *Contractor* is to decide the *completion date* for the whole of the works**   * The *completion date* for the whole of the *works* is |
| If Option A or C is used | * The activity schedule is [….] |
| If Option B or D is used | * The *bill of quantities* is [….] |
| If Option A, B, C or D is used | * The tendered total of the Prices is [….] |
| If Option F is used | * Work which the Contractor will do himself is  |  |  | | --- | --- | | activity | *price* (lump sum or unit rate) | | [….] | [….] | | [….] | [….] | | [….] | [….] | | [….] | [….] | |
| If Option Y(UK)1 is used | * The *project bank* is [….] * The *named suppliers* are [….] |
| If Option A or B is used |  |
| Data for the Shorter Schedule of Costs Components | * The percentage for the people overheads is [….] % * The published list of Equipment is the last edition of the list published by [….] * The percentage for adjustment for Equipment in the published list is [….]% (state plus or minus) * The rates for other Equipment are  |  |  |  | | --- | --- | --- | | Equipment | size or capacity | *rate* | | [….] | [….] | [….] | | [….] | [….] | [….] | | [….] | [….] | [….] | | [….] | [….] | [….] | |
|  | * The hourly rates for Defined Cost of design outside the Working Areas are  |  |  | | --- | --- | | category of employee | hourly rate | | [….] | [….] | | [….] | [….] | | [….] | [….] | | [….] | [….] | |
|  | * The percentage for design overheads is [….] % |
|  | * The categories of design employees whose travelling expenses to and from the Working Areas are included in Defined Cost are [….] |
| If Option C, D or E is used |  |
| Data for Schedule of Costs Components | * The listed items of Equipment purchased for work on this contract, with an on cost charge, are  |  |  |  | | --- | --- | --- | | Equipment | time related charge | per time period | | [….] | [….] | per | | [….] | [….] | per | | [….] | [….] | per | | [….] | [….] | per | |
|  | * The rates for special Equipment are  |  |  |  | | --- | --- | --- | | Equipment | size or capacity | rate | | [….] | [….] | [….] | | [….] | [….] | [….] | | [….] | [….] | [….] | | [….] | [….] | [….] | |
|  | * The percentage for Working Areas overheads is [….] % * The hourly rates for Defined Costs or manufacture and fabrication outside the Working Areas are  |  |  | | --- | --- | | category of employee | hourly rate | | [….] | [….] | | [….] | [….] | | [….] | [….] | | [….] | [….] | |
|  | * The percentage for manufacture and fabrication overhead is [….] % |
| If Option C, D or E is used |  |
| Data for both schedules of cost components | * The hourly rates for Defined Cost of design outside the Working Areas are  |  |  | | --- | --- | | category of employee | hourly rate | | [….] | [….] | | [….] | [….] | | [….] | [….] | | [….] | [….] | |
|  | * The percentage for design overheads is [….] % |
|  | * The categories of design employees whose travelling expenses to and from the Working Areas are included as a cost of design of the *works* and Equipment done outside of the Working Areas are [….] |
| If Option C, D or E is used |  |
| Data for the Shorter Schedule of Cost Components | * The percentage for people overheads is [….] % * The published list of Equipment is the last edition of the list published by [….] * The percentage for adjustment for Equipment in the published list is [….]% (state plus or minus) * The rates for other Equipment are  |  |  |  | | --- | --- | --- | | Equipment | size or capacity | rate | | [….] | [….] | [….] | | [….] | [….] | [….] | | [….] | [….] | [….] | | [….] | [….] | [….] | |
| Contract Data relating to Z Clauses |  |
|  | **If clause Z37, Z54 or Z55 is used**  The *credit ratings* at the Contract Date and the rating agencies issuing them are   |  |  |  | | --- | --- | --- | | party | rating agency | *credit rating* | | *[Contractor]* | [ ] | [ ] | | [Consortium Member] | [ ] | [ ] | | [Guarantor] | [ ] | [ ] | |
|  | If Clause Z10 is used:   * The Quality Statement is in [ ] |
|  | If Clause Z13 is used:   * the *extended liability period* is [ ] |
|  | If Clause Z29 is used:   * The *Network possessions* required to Provide the Works are     Type x            ........ No    Type y            .........No |
|  | If Clause Z40 is used:   * the required level of *professional indemnity insurance* is [ ] |
|  | If Clause Z45 is used:   * the *failure level* is [ ] |
|  | If Clause Z51 is used:   * the *Contractor* provides *collateral warranty agreements* in favour of [ ]. * the Contractor procures *collateral warranty agreements* from the following Subcontractors: * [ ] * in favour of the following parties [ ] |

1. ECC CONTRACT ANNEX D – OPTIONAL Z CLAUSES

|  |  |
| --- | --- |
| **Clause Z1** | **Interpretation and the law**  Z1.1 In this contract, except where the context shows otherwise:   * references to a document include any revision made to it in accordance with this contract; * 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; * references to a British, European or International standard include any current relevant standard that replaces it; * references to persons or organisations will be construed so as to include bodies corporate, unincorporated associations, partnerships and any other legal entity; and * the words “includes” or “including” are construed without limitation. |
| **Clause Z2** | **Corrupt practices**  Z2.1 The *Contractor* does not   * offer or give to any person in the service of the *Employer* any gift or consideration of any kind as an inducement or reward in relation to the obtaining or execution of this contract or any other contract with the *Employer* or for showing favour or disfavour to any person in relation to this contract or any other contract with the *Employer*, or * enter into this contract or any other contract with the *Employer* if, in connection with this contract or any such other contract, commission has been paid or an agreement for the payment of commission has been made by him or on his behalf or to his knowledge.   Z2.2 A failure to comply with this condition is treated as a substantial failure by the *Contractor* to comply with his obligations. |
| **Clause Z3** | **Intellectual Property Rights**  Z3.1     Intellectual Property Rights are any current and future legal and equitable interests in patents, trademarks, design rights, copyright, know-how and other similar rights, whether or not registered or capable of registration.  Z3.2     All Intellectual Property Rights in documents and other materials created by or on behalf of the *Employer* in connection with the contract are the property of the *Employer* or the Crown.  Z3.3.    The *Contractor* hereby assigns to the *Employer* all present and future Intellectual Property Rights in all documents and other materials created by or on behalf of the *Contractor* or any Subcontractorin performing its obligations under, or otherwise in connection with, the contract.  The *Contractor* obtains from Subcontractors equivalent rights over the documents and other materials prepared by the Subcontractors.  This assignment takes effect either on the Contract Date or as a present assignment of future rights that will take effect immediately on the coming into existence of the relevant Intellectual Property Rights, as appropriate.  Z3.4     Background IPR means Intellectual Property Rights owned by the *Contractor*, a Subcontractor or a third party and which are not assigned to the *Employer* pursuant to clause Z3.3.  In respect of Background IPR, the *Contractor* grants a non-exclusive, world-wide, perpetual, irrevocable, royalty free licence (including the right to sub-licence) to the *Employer* to use the Background IPR for all purposes of the *Employer*.  Each licence granted under this clause Z3.4 by the *Contractor* survives the termination or expiry of this contract and cannot be terminated by the *Contractor* or its assignees.  The *Contractor* obtains from the Subcontractors or third parties equivalent rights over Background IPR owned by the Subcontractors or third parties.  Z3.5   The *Employer* grants to the *Contractor,* or procures the direct grant to the *Contractor* of, a non-exclusive, non-transferable, revocable licence to use all Intellectual Property Rights and Background IPR owned (or capable of being so licensed or procured without cost) by the *Employer* and reasonably required by the *Contractor* in order to Provide the Works.  Any such licence is granted for the duration of this contract solely to enable the *Contractor* to comply with its obligations under this contract. |
| **Clause Z4** | **Recovery of sums due from *Contractor***  *[Option for Crown Bodies]*  Z4.1 When under the contract any sum of money is recoverable from or payable by the *Contractor* such sum may be deducted from or reduced by the amount of any sum or sums then due or which at any time after may become due to the *Contractor* under this contract or any other contract with any Department or Office of Her Majesty’s Government.  *[Alternative option for non Crown Bodies]*  Z4.1 Where under this contract or any other contract between the *Contractor* and the *Employer* any sum of money is recoverable from or payable by the *Contractor,* such sum may be deducted from or reduced by the amount of any sum of sums then due or which at any time after may become due to the *Contractor* under this contract or any other contract with the *Employer.*  *[delete one of above options]* |
| **Clause Z5**  *[Include Z5.3 if required]* | **Assignment**  Z5.1 The *Contractor* does not assign, transfer or charge the benefit of this contract or any part of it or any benefit or interest under it without the prior agreement of the *Employer.*  Z5.2 The *Employer’s* ability to assign this contract or any part of it or any benefit or interest under it is unrestricted  Z5.3 If requested by the *Employer*, the *Contractor* executes a novation agreement transferring the benefit and burden of this contract to   * another Department or Office of Her Majesty's Government; * a local authority * an organisation established to take over the *Employer*’s functions or part of them or; * any other body (including private sector body) exercising similar functions   The novation agreement is in the form set out in Works Informationor such other form as the *Employer* may reasonably require. |
| **Clause Z6** | **Discrimination**  Z6.1 The *Contractor* does not discriminate directly or indirectly or by way of victimisation or harassment against any person contrary to the Equality Act 2010, any predecessor statute of it or any amendment or re-enactment of it from time to time (the “Discrimination Acts”).  Z6.2 In Providing the Works, the *Contractor* co-operates with and assists the *Employer* to satisfy its duty under the Discrimination Acts to eliminate unlawful discrimination and to promote equality of opportunity between persons of different racial groups and between disabled people and other people.  Z6.3 Where any employee or Subcontractoremployed by the *Contractor* is required to carry out any activity on the *Employer’s* premises or alongside the *Employer’s* employees on any other premises, the *Contractor* ensures that each such employee or Subcontractorcomplies with the *Employer’s* employment policies and codes of practice relating to discrimination and equal opportunities  Z6.4 The *Contractor* notifies the *Project Manager* in writing as soon as he becomes aware of any investigation or proceedings brought against the *Contractor* under the Discrimination Acts in connection with this contract and:   * provides any information requested by the investigating body, court or *tribunal* in the timescale allotted, * attends (and permits a representative from the *Employer* to attend) any associated meetings, * promptly allows access to any relevant documents and information and * co-operates fully and promptly with the investigatory body, court or *tribunal*.   Z6.5 The *Contractor* indemnifies the *Employer* against all costs, charges, expenses (including legal and administrative expenses) and payments made by the *Employer* arising out of or in connection with any investigation or proceedings under the Discrimination Acts resulting from any act or omission of the *Contractor*.  Z6.6 The *Contractor* includes in the *conditions of contract* for each Subcontractorobligations substantially similar to those set out above. |
| **Clause Z7** | **Disclosure of information**  Z7.1 A Disclosure Request is a request for information relating to this contract received by the *Employer* pursuant to the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or otherwise.  Z7.2 The *Contractor* acknowledges that the *Employer* may receive Disclosure Requests and that the *Employer* may be obliged (subject to the application of any relevant exemption and, where applicable, the public interest test) to disclose information (including commercially sensitive information) pursuant to a Disclosure Request. Where practicable, the *Employer* consults with the *Contractor* before doing so in accordance with the relevant Code of Practice. The *Contractor* uses its best endeavours to respond to any such consultation promptly and within any deadline set by the *Employer* and acknowledges that it is for the *Employer* to determine whether or not such information should be disclosed.  Z7.3 When requested to do so by the *Project Manager*, the *Contractor* promptly provides information in its possession relating to this contract and assists and co-operates with the *Employer* to enable the *Employer* to respond to a Disclosure Request within the time limit set out in the relevant legislation.  Z7.4 The *Contractor* promptly passes any Disclosure Request which it receives to the *Employer*. The *Contractor* does not respond directly to a Disclosure Request unless instructed to do so by the *Employer.*  Z7.5 The *Contractor* acknowledges that the *Employer* is obliged to publish the provisions of this contract in accordance with the Cabinet Office Efficiency Reform Group Guidance Note entitled “Transparency - Publication of New Central Government Contracts” dated December 2012 (or any later revision) except to the extent that any information in it is exempt from disclosure pursuant to the Freedom of Information Act 2000. The *Employer* consults with the *Contractor* before deciding whether information is exempt, but the *Contractor* acknowledges that the *Employer* has the final decision. The *Contractor* co-operates with and assists the *Employer* to publish this contract in accordance with the *Employer’*s obligation. |
| **Clause Z8** | **Construction Industry Scheme**  Z8.1 In this clause (but not otherwise):  “**Act**” means the Finance Act 2004 and  “**Regulations**” means the Income Tax (Construction Industry Scheme) Regulations 2005 (SI 2005/2045).  Z8.2 This contract falls within the scope of the Construction Industry  Scheme provided for by Chapter 3, Part 3 of the Act.  Z8.3 The *Contractor* provides the information required by the Regulations to enable the *Employer* to verify (in accordance with paragraph 6 of the Regulations) whether the *Contractor* under the Act:   * is registered for gross payment, * is registered for payment under deduction, * is exempt from registration as a local authority or other public body or * is neither registered nor exempt from registration.   Z8.4 If the *Contractor* is registered for payment under deduction or is neither registered nor exempt from registration:   * the *Contractor* submits an application for payment which separately identifies the cost of labour and * the *Employer* deducts the relevant percentage from the payment in accordance with the Act and the Regulations. |
| **Clause Z9** | **Indemnified claims**  Z9.1 The *Employer* notifies the *Contractor* as soon as practicable of any notice or demand which it receives in respect of a claim made by a third party against the *Employer* in respect of a matter which is at the *Contractor’s* risk under this contract (an Indemnified Claim).  Z9.2 The *Contractor* may elect to conduct the defence of any Indemnified Claim (including any settlement negotiations) in the name of the *Employer*. The *Employer* co-operates with and gives reasonable assistance to the *Contractor* in defending the Indemnified Claim.  Z9.3 The *Contractor* keeps the *Employer* fully informed and consults with the *Employer* as appropriate in relation to the conduct of any Indemnified Claim.  Z9.4 Where the *Contractor* is diligently conducting the defence of an Indemnified Claim, the *Employer* does not settle nor agree to make a payment in respect of the Indemnified Claim without the prior consent of the *Contractor*.  Z9.5 The *Contractor* bears the costs which he incurs in defending an Indemnified Claim. The *Contractor* indemnifies the *Employer* against any costs incurred by the *Employer* arising out of the *Contractor’s* defence of the Indemnified Claim.  Z9.6 The *Employer* may give the *Contractor* notice that he is taking over the conduct of an Indemnified Claim. On receipt of the *Employer’s* notice the *Contractor*:   * takes all the steps necessary to transfer the conduct of the Indemnified Claim to the *Employer* and * co-operates with and gives reasonable assistance to the *Employer* in defending the Indemnified Claim.   Where the reason for the *Employer’s* notice is not due to the fault of the *Contractor* in conducting the Indemnified Claim, the *Contractor* is released from its indemnity to the *Employer* in respect of it. |
| **Clause Z10** | **Quality Management system**  Z10.1 In this clause Z10:  (1) Quality Plan has the meaning given to it in BS EN ISO 9000:2008.  (2) Quality Statement is the statement of that name referred to in the Contract Data setting out the *Contractor’*s proposals for the management and resourcing of the *works.*  Z10.2 The *Contractor* provides design services and carries out construction under a quality management system which:   * complies with BS EN ISO 9001:2008 (or the current standard that replaces it); * incorporates an environmental management system consistent with ISO 14001 (or the current standard that replaces it); * has third party certification from a an accreditation body approved by the applicable national member of the European Co-operation on Accreditation or is operating in preparation for accreditation within 12 months of the Contract Date; and * complies with good industry practice.   Z10.3 The Quality Plan incorporates the Quality Statement and is sufficiently detailed to demonstrate how the *Contractor* will achieve each of the commitments in the Quality Statement and meet the *Employer’s* objectives for this contract.  Z10.4 The *Project Manager* notifies the *Contractor* if he considers that the Quality Plan does not comply with the requirements of this contract. Following such notification the *Contractor* reviews the Quality Plan and reports to the *Project Manager* setting out his proposed changes. If the *Project Manager* accepts the proposals the Quality Plan is changed.  Z10.5 The *Project Manager* and *Supervisor* may carry out audits of the *Contractor’*s quality management system from time to time. The *Contractor* allows access to any place where he or any *Subcontractor*  carries out any work that relates to this contract at all reasonable times for the *Project Manager* and *Supervisor* to carry out audits, to inspect work and materials and generally to investigate whether the *Contractor* is performing his obligations under this contract. The *Contractor* provides all facilities necessary to allow such audits and inspections to be carried out.  Z10.6 The *Contractor* corrects a failure to comply with a requirement of this contract or the Quality Plan within a time which minimises the adverse effect on the *Employer* or Others and takes corrective action to eliminate the cause of the failure before undertaking any operation the same as or similar to that in respect of which the failure occurred. The *Contractor* submits a corrective action report to the *Project Manager* for acceptance not later than two weeks after the failure is identified. The corrective action report identifies the changes he has made to the Quality Plan to prevent further failures.  Z10.7 If the *Project Manager* does not accept the corrective action report he notifies the *Contractor* and instructs the Contractor to revise it. A reason for not accepting the corrective action report is that it will not allow the *Contractor* to Provide the Works effectively or efficiently  Z10.8 If the *Contractor* fails to take corrective action within the time set out in the *Contractor*‘s corrective action report, the *Contractor*:   * establishes the reason for the failure and * submits a new corrective action report to the *Project Manager* not later than two weeks after the failure is identified.   Z10.9 A failure by the *Contractor* to take corrective action within the time set out in the *Contractor*‘s new corrective action report is treated as a substantial failure by the *Contractor* to comply with his obligations. |
| **Clause Z11**  *[Use these clauses in whole or part as appropriate for the contract being prepared]* | **Data protection**  Z11.1  (1) The Data Protection Acts are the Data Protection Act 1998 (as amended) and any other laws or regulations relating to privacy or personal data.  (2) Personal Data is information collected by the *Contractor* on behalf of the *Employer* in relation to this contract, which relates to living individuals who can be identified   * from that information or * from that information combined with other details in (or likely to come into) the possession of the *Employer*.   Z11.2 For the purposes of this contract and the Data Protection Acts   * the *Employer* is the Data Controller and * the *Contractor* is the Data Processor.   Z11.3 The *Contractor* processes the Personal Data in accordance with (and so as not to put the *Employer* in breach of) the Data Protection Acts and only to the extent necessary for the purpose of performing his obligations under this contract.  Z11.4 The *Contractor* has in place for as long as it holds the Personal Data   * appropriate technical and organisational measures (having regard to the nature of the Personal Data) to protect the Personal Data against accidental, unauthorised or unlawful processing, destruction, loss, damage, alteration or disclosure and * adequate security programmes and procedures to ensure that unauthorised persons do not have access to the Personal Data or to any equipment used to process the Personal Data.   Z11.5 The *Contractor* immediately notifies the *Employer* if it receives   * a request from any person whose Personal Data it holds to access his Personal Data or * a complaint or request relating to the Employer’s obligations under the Data Protection Acts.   Z11.6 The *Contractor* assists and co-operates with the *Employer* in relation to any complaint or request received, including   * providing full details of the complaint or request, * complying with the request within the time limits set out in the Data Protection Acts and in accordance with the instructions of the *Employer* and * promptly providing the *Employer* with any Personal Data and other information requested by him.   Z11.7 The *Contractor* complies with the requirements of the *Employer* in relation to the storage, dispatch and disposal of Personal Data in any form or medium.  Z11.8 The *Contractor* immediately notifies the *Employer* on becoming aware of any breach of this clause or of the Data Protection Acts.  Z11**.**9 The *Contractor* does not process Personal Data outside the European Economic Area (the “EEA”) without the prior written agreement of the *Employer*.  Z11.10 If the *Contractor* becomes aware that Personal Data will be transferred or processed outside the EEA, the *Contractor* sends the *Employer* details of:  Z11.10.1 the Personal Data which will be processed outside the EEA;  Z11.10.2 the countries where the Personal Data will be processed;  Z11.10.3 any Subcontractors or other third parties who will be processing and/or receiving Personal Data outside the EEA; and  Z11.10.4 proposals to ensure the *Contractor* will provide adequate levels of protection and safeguards of the Personal Data that will be processed outside the EEA to ensure compliance with the Data Protection Acts.  Z11.11 Where the Employer agrees to the Contractor processing or transferring Personal Data outside the EEA the Contractor complies with the instructions of the Employer and provides an adequate level of protection to any Personal Data in accordance with the Data Protection Acts. |
| **Clause Z12** | **Security Requirements**  Z12.1 The *Contractor* complies with, and procures the compliance of its personnel, with:   * the Security Policy; * the Security Management Plan produced pursuant to the Security Provisions contained in the Works Information; and * the Security Provisions contained in the Works Information.   Z12.2 The *Contractor* shall ensure that the Security Management Plan produced by the *Contractor* fully complies with the Security Policy. |
| **Clause Z13**  *[Include this clause if an extended liability period for the identification and correction of Defects related to Plant incorporated in the works is required]* | ***Extended liability period* for Plant**  Z13.1 If prior to the issue of the Defects Certificate the correction of  a Defect in the Plant stated in the Contract Data requires the replacement of part of the Plant, the *Contractor* corrects any further Defect in the part which has been replaced during the *extended liability period*.  Z13.2 The *Contractor* carries the risk of loss or damage caused by or  resulting from his work in correcting a Defect after the *defects date*. |
| **Clause Z14**  *[Include if Option C chosen]* | **Payment of the *Contractor’s* share**  Z14.1If, prior to Completion of the whole of the *works*, the Price for Work Done to Date exceeds the total of the Prices, the *Project Manager* makes an assessment of the *Contractor*’s share of the difference between the total of the Prices and the Price for Work Done to Date at each assessment date. The total of the Prices includes the *Project Manager’s* interim assessment of the changes to the Prices for a compensation event which has not been implemented at the assessment date. |
| **Clause Z15** | **Appointment of *Adjudicator***  Z15.1 The *Adjudicator*’s appointment under the NEC3 Adjudicator’s Contract (April 2013) includes the following additional condition of contract  “The *Adjudicator* complies, and takes all reasonable steps to ensure that any persons advising or aiding him comply, with the Official Secrets Act 1989. Any information concerning the Contract obtained either by the *Adjudicator* or any person advising or aiding him is confidential, and may not be used or disclosed by the *Adjudicator* or any such person except for the purposes of this Agreement.” |
| **Clause Z16**  *[Include if required]* | **Value engineering**  Z16.1 The *Contractor* may submit to the *Project Manager* for acceptance written proposals to change the Works Information which if implemented would   * enhance the quality or durability of the *works,* * improve the efficiency of carrying out the *works* or * reduce the cost to the *Employer* of maintaining the *works.*   Z16.2 The *Contractor* submits with his proposal a quotation for the proposed change setting out details of   * how any cost savings resulting from the implementation of the change are to be shared, * how any risks associated with the implementation of the change are to be allocated, * how any costs associated with the development of the change are to be funded and * any consequential changes to the remainder of the Works Information.   Z16.3 If the *Contractor’s* proposal and quotation are accepted, the *Project Manager* instructs the change to the Works Information. This instruction is not a compensation event. |
| **Clause Z17** | **Cost Verification**  Z17.1 The *Contractor* allows the *Employer* (or a forensic cost verification *Contractor* engaged by the *Employer*) to remove data relating to the assessment of Defined Cost (including Personal Data) from the Working Areas for the purpose of verifying the Defined Cost incurred.  Z17.2 The *Employer* ensures that data removed from the Working Areas for verification is adequately protected against the risk of accidental, unauthorised or unlawful processing, destruction, loss, damage, alteration or disclosure.  Z17.3 The *Contractor* obtains agreement from the data subject for the removal of Personal Data from the Working Areas for verification. |
| **Clause Z18**  *[Include if Option Y(UK)1 is used]* | **Project Bank Account**  Z18.1 Option Y(UK)1 from the NEC3 Engineering and Construction Contract (April 2013) applies to this contract.  Z18.2 Clause Y1.6 is amended by inserting the following after the second sentence:  “The *Employer* may propose that a Supplier is added to the Named Suppliers. The *Contractor* accepts the proposal if the addition of the Supplier to the Named Suppliers is practicable.”  Z18.3 The *Employer* may notify the *Contractor* that payments under this contract will no longer be made using the Project Bank Account. This notice is a compensation event. Within one week of the *Employer’s* notice, the *Contractor* notifies the Named Suppliers that the Project Bank Account is no longer to be used and proposes an alternative method to ensure that the Named Suppliers receive payments in accordance with their contracts. |
| **Clause Z19** | **Conflict of Interest**  Z19.1 The *Contractor* does not take an action which would cause a conflict of interest to arise in connection with this contract. The *Contractor* notifies the *Employer* if there is any uncertainty about whether a conflict of interest may exist or arise.  Z19.2 The *Contractor* immediately notifies the *Employer* of any circumstances giving rise to or potentially giving rise to conflicts of interest relating to the *Contractor* and/or the *Employer* (including without limitation its reputation and standing), of which it is aware or anticipates may justify the *Employer* taking action to protect its interests. |
| **Clause Z20** | **Records and Audit Access**  Z20.1The *Contractor* keeps documents and information obtained or prepared by the *Contractor* or any subcontractor in connection with this contract for a period of *[6/12]* years after the *completion date*. *[select 6 or 12 years as appropriate – 6 years for simple contracts, 12 years for deeds]*  Z20.2 The *Contractor* permits the *Employer*, Comptroller, Auditor General and any other auditor appointed by the *Employer* to examine documents held or controlled by the *Contractor* or any Subcontractor.  Z20.3 The *Contractor* provides such oral or written explanations as the *Employer* or the Comptroller and Auditor General considers necessary.  Z19.4 Z20.4 The *Contractor* acknowledges that, for the purpose of examining and certifying the *Employer’s* accounts or any examination pursuant to Section 6(1) of the National Audit Act 1983, the Comptroller and Auditor General or any other auditor appointed by the *Employer* may examine documents held or controlled by the *Contractor* or any Subcontractor and may require the *Contractor* to provide such oral or written explanations as he considers necessary. The *Contractor* promptly complies with any such requirements at his own cost. This clause does not constitute a requirement or agreement for the purposes of section 6(3)(d) of the National Audit Act 1983 for the examination, certification or inspection of the accounts of the *Contractor* and the carrying out of an examination under Section 6(3)(d) of the National Audit Act 1983 in relation to the *Contractor* is not a function exercisable under this contract. The *Contractor* permits the Comptroller and Auditor General to examine documents held or controlled by the *Contractor* or any Subcontractor. The *Contractor* provides such oral or written explanations as the Comptroller and Auditor General considers necessary. |
| **Clause Z21** | **Euro (€) functionality**  Z21.1 The *Contractor* Provides the Works is such a way that the *works*:   * would not be prejudiced by the implementation of the Euro; * comply with all legal requirements applicable to the Euro in the United Kingdom, including the rules on conversion and rounding set out in the EC Regulation 1213/97; * are capable of utilising all symbols and codes adopted by the EU Commission in relation to the Euro; and * are in accordance with the *Employer*‘s requirements both for Sterling and for the Euro. |
| **Clause Z22** | **Official Secrets Act**  Z22.1 The Official Secrets Act 1989 applies to this contract from the *starting date* until the defects date or earlier termination.  Z22.2 The *Contractor* notifies his employees and Subcontractors of their duties under the Official Secrets Act 1989.  Z22.3 A failure to comply with this clause is treated as a substantial failure by the *Contractor* to comply with his obligations.  [Z22.4 The *Contractor* complies with the staff vetting and training requirements stated in the Works Information.] *[Include if applicable]* |
| **Clause Z23** | **Subcontracting**  Z23.1 Before:   * appointing a proposed Subcontractor or * allowing a Subcontractor to appoint a proposed subsubcontractor   the *Contractor* submits to the *Employer* for acceptance   * a European Single Procurement Document (as described in regulation 59 of the Public Contracts Regulations 2015) in respect of the proposed Subcontractor or subsubcontractor or * other means of proof that none of the mandatory or discretionary grounds for exclusion referred to in regulation 57 of the Public Contracts Regulations 2015 applies to the proposed Subcontractor or subsubcontractor.   Z23.2 The *Contractor* does not appoint the proposed Subcontractor (or allow the Subcontractor to appoint the proposed subsubcontractor) until the *Employer* has accepted the submission. A reason for not accepting the submission is that it shows that there are grounds for excluding the proposed Subcontractor or subsubcontractor under regulation 57 of the Public Contracts Regulations 2015.  Z23.3 If requested by the *Employer*, the *Contractor* provides further information to support, update or clarify a submission under clause Z23.1.  Z23.4 If, following the acceptance of a submission under clause Z23.2, it is found that one of the grounds for excluding the Subcontractor or subsubcontractor under regulation 57 of the Public Contracts Regulations 2015 applies, the *Employer* may instruct the *Contractor* to   * replace the Subcontractor or * require the Subcontractor to replace the subsubcontractor. |
| **Clause Z24**  *[Delete if not relevant]* | **Energy Efficiency Directive**  Z24.1 The *Contractor* includes in the *conditions of contract* for each Subcontractor and subsubcontractor obligations substantially similar to those set out in the Works Information for   * compliance with the Procurement Policy Note 7/14 entitled “Implementing Article 6 of the Energy Efficiency Directive” and * demonstrating to the *Employer* how in Providing the Works how the Subcontractor and subsubcontractor complies with the requirements of Procurement Policy Note 7/14 entitled “Implementing Article 6 of the Energy Efficiency Directive”. |
| **Clause Z25**  *[Include if required –if included then the Fee table in the IfT will need to include pension costs]* | **Schedule of Cost Components**  Z25.1 The following components of cost in the Schedule of Cost Components are deleted:  12 (a) bonuses and incentives  12 (f) severance related to work on this contract  [Z25.2 The following component of cost in the Schedule of Cost components is deleted  13 (j) pensions and life assurance  and replaced by  13 (j) life assurance] |
| **Clause Z26** | **Prevention of fraud and bribery**  **[Guidance note: The first option for this Clause Z26 is only for use by Highways England. All other Customers must use the second option. Delete as applicable]**  [Z26.1 The *Contractor* represents and warrants that neither it, nor to the best of its knowledge any of its employees, have at any time prior to the Contract Date:   * committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or * been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.   Z26.2 In this clause Z26, Prohibited Act meansany of the following:   * 1. to directly or indirectly offer, promise or give any person working for or engaged by the *Employer* a financial or other advantage to:      1. induce that person to perform improperly a relevant function or activity; or      2. reward that person for improper performance of a relevant function or activity;   2. to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this contract;   3. committing any offence:      1. under the Bribery Act 2010 (or any legislation repealed or revoked by such Act); or      2. under legislation creating offences concerning fraud; or      3. at common law concerning fraud; or   committing (or attempting or conspiring to commit) fraud.]  **OR**  [Z26.1 The *Contractor* represents and warrants that neither it, nor to the best of its knowledge any of its employees, have at any time prior to the Contract Date:   * committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or * been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.   Z26.2 During the *services period* the *Contractor* does not:   * commit a Prohibited Act; and/or * do or suffer anything to be done which would cause the *Employer* or any of the *Employer’s* employees, contractors, sub-contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements   Z26.3 During the *services period* the *Contractor*:   * establishes, maintains and enforces, and requires that its SubContractors establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act; * keeps appropriate records of its compliance with this contract  and make such records available to the *Employer* on request; * provides and maintains and where appropriate enforces an anti-bribery policy (which shall be disclosed to the *Employer* on request) to prevent it and any *Contractor’s* employees or any person acting on the *Contractor's* behalf from committing a Prohibited Act.   Z26.4 The *Contractor* immediately notifies the *Employer* in writing if it becomes aware of any breach of clause Z26.1, or has reason to believe that it has or any of the its employees or SubContractors have:   * been subject to an investigation or prosecution which relates to an alleged Prohibited Act; * been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or * received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this contract or otherwise suspects that any person or Party directly or indirectly connected with this contract has committed or attempted to commit a Prohibited Act.   Z26.5 If the *Contractor* makes a notification to the *Employer* pursuant to clause Z26.4, the *Contractor* responds promptly to the *Employer's* enquiries, co-operates with any investigation, and allows the *Employer* to audit any books, records and/or any other relevant documentation in accordance with this contract.  Z26.6 If the *Contractor* breaches Clause Z26.3, the *Employer* may by notice require the *Contractor* to remove from Providing the Service any *Contractor* employee whose acts or omissions have caused the *Contractor*’s breach.  Z26.7 In this Clause Z26, Prohibited Act meansany of the following:   * 1. to directly or indirectly offer, promise or give any person working for or engaged by the *Employer* a financial or other advantage to:      1. induce that person to perform improperly a relevant function or activity; or      2. reward that person for improper performance of a relevant function or activity;   2. to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this contract;   3. committing any offence:      1. under the Bribery Act 2010 (or any legislation repealed or revoked by such Act); or      2. under legislation creating offences concerning fraud; or      3. at common law concerning fraud; or   committing (or attempting or conspiring to commit) fraud.] |
| **Clause Z27**  *[The period should be 12 years if the contract is executed as a deed and 6 years in other cases]* | ***Employer*’s Codes of Conduct**  Z27.1 The *Contractor* complies (and ensures that any person employed by him or acting on his behalf complies) with the *Employer’s* Anti Bribery Code of Conduct and Anti Fraud Code of Conduct, collectively “the Codes”. The *Contractor* complies with the Codes until Completion and with   * + paragraph 4 of the *Employer’s* Anti Bribery Code of Conduct and   + paragraph 3 of the *Employer’s* Anti Fraud Code of Conduct   for a period of *[6/12]* years after Completion.  Z27.2 A failure to comply with this condition is treated as a substantial failure by the *Contractor* to comply with his obligations. |
| **Clause Z28** | **Confidentiality**  Z28.1 A new clause 70.3 is added as follows:  “The *Contractor* keeps (and ensures that his employees and Subcontractors keep) confidential and does not:   * disclose to any person the terms of this contract nor * use (except for the purposes of this contract) or disclose to any person any confidential or proprietary information (including Personal Data) provided to or acquired by the *Contractor* in the course of Providing the Works   except that the *Contractor* may disclose information   * to his legal or other professional advisers, * to his employees and Subcontractors as needed to enable the *Contractor* to Provide the Works, * where required to do so by law or by any professional or regulatory obligation or by order of any court or governmental agency, provided that prior to disclosure the *Contractor* consults the *Employer* and takes full account of the *Employer’s* views about whether (and if so to what extent) the information should be disclosed, * which it receives from a third party who lawfully acquired it and who is under no obligation restricting its disclosure, * which is in the public domain at the time of disclosure other than due to the fault of the *Contractor* or * with the consent of the *Employer*.   Z28.2 The *Contractor* may only disclose the *Employer’s* confidential information to its personnel who are directly involved in Providing the Works and who need to know the information, and shall ensure that such personnel are aware of and shall comply with these obligations as to confidentiality.  Z28.3 The *Contractor* may only disclose the *Employer’s* confidential information to its personnel who need to know the information, and shall ensure that its personnel are aware of, acknowledge the importance of, and comply with these obligations as to confidentiality. In the event that any default, act or omission of any of the *Contractor*’s personnel causes or contributes (or could cause or contribute) to the *Contractor* breaching its obligations as to confidentiality under or in connection with this contract, the *Contractor* shall take such action as may be appropriate in the circumstances, including the use of disciplinary procedures in serious cases. To the fullest extent permitted by its own obligations of confidentiality to any of the *Contractor*’s personnel, the *Contractor* shall provide such evidence to the *Employer* as the *Employer* may reasonably require (though not so as to risk compromising or prejudicing the case) to demonstrate that the *Contractor* is taking appropriate steps to comply with this clause, including copies of any written communications to and/or from the *Contractor*’s personnel, and any minutes of meetings and any other records which provide an audit trail of any discussions or exchanges with the *Contractor*’s personnel in connection with obligations as to confidentiality.  Z28.4 At the written request of the *Employer*, the *Contractor* shall procure that those members of the *Contractor*’s personnel identified in the *Employer’s* notice signs a confidentiality undertaking prior to commencing any work in accordance with this contract.  Z28.5 Where the *Employer* supplies the *Contractor* with press cuttings provided to the *Employer* under the terms of the *Employer’s* licence with the Newspaper Licensing Agency (“NLA”), the *Contractor* does not reproduce the cuttings or forward them to any third party unless the *Contractor* has first entered into an agreement with NLA authorising it to do so. |
| **Clause Z29**  *[Include (either of the 2 options) where NR possessions are a key aspect of the scheme]* | **Network Rail Possessions**  Z29.1    The *Contractor* pays the *Employer* therelevant *Network Rail possession charge* for each additional possession required over and above the number of *Network Rail possessions* stated in the Contract Data. The number of *Network Rail possessions* is adjusted if additional possessions are required as a result of a compensation event.  *[or]*  Z29.1    The total of the Prices is reduced by therelevant *Network Rail possession charge* for each additional possession required over and above the number of *Network Rail possessions* stated in the Contract Data. The number of *Network Rail possessions* is adjusted if additional possessions are required as a result of a compensation event.  *[For either option]*  Clause 29.2  Insert an additional bullet before the first bullet   * by paying fines or charges to Others, |
| **Clause Z30**  *[This replaces secondary option X4, which must not be used]* | **Parent Company Guarantee**  Z30.1 If required by the *Project Manager*, the *Contractor* gives to the *Employer* a Parent Company Guarantee. If the Parent Company Guarantee was not given by the Contract Date, it is given to the *Employer* within four weeks of the Contract Date. Parent Company Guarantees are given by   * for a standalone company – the Controller, * for an unincorporated JV (“more than one party”) – the Controller of each Consortium Member or * for an incorporated JV – the Controller of each Consortium Member.   In all cases it is for the *Employer* to decide (in its discretion) whether it will accept a Parent Company Guarantee from a company other than the Controller.  Z30.2 A failure to comply with this condition is treated as a substantial failure by the *Contractor* to comply with his obligations. |
| **Clause Z31**  *[Include Z31.6 only if Option A chosen]* | **Reporting: Small and Medium Enterprises**  Z31.1 In this clause Z31 SME is:   * a Subcontractor or * a subcontractor to a Subcontractor   and   * is autonomous, * is a European Union enterprise not owned or controlled by a non-European Union parent company, * for a medium sized enterprise (medium class) employs fewer than 250 staff, has turnover no greater than 50 million Euros and does not have a balance sheet greater than 43 million Euros, * for a small sized enterprise (small class) employs fewer than 50 staff, has turnover no greater than 10 million Euros and does not have a balance sheet greater than 10 million Euros and * for a micro sized enterprise (micro class) employs fewer than 10 staff, has turnover no greater than 2 million Euros and does not have a balance sheet greater than 2 million Euros.   Z31.2 For each SME employed on the *works*, the *Contractor* reports to the *Project Manager* each quarter from the *starting date* until Completion and at the *defects date*   * the name of the SME, * the class of the SME (medium, small or micro), * the value of the contract undertaken by the SME, * the monthly amounts paid to the SME in the quarter and * the aggregated value paid to the SME since the *starting date*.   Z31.3 The *Contractor* acknowledges that the *Employer* may   * publish the information supplied under Z31.2, along with the *Contractor’s* name and this contract name and * pass the information supplied under this clause Z31 to any Government Department who may then publish it along with the names of the SMEs, the *Contractor's* name and this contract name.   Z31.4 The *Contractor* ensures that the *conditions of contract* for each Subcontractor who is an SME include   * a term allowing the *Employer* to publish the information supplied under Z31.2 and * obligations substantially similar to those set out in this clause Z31.   Z31.5 The *Contractor* further ensures that the *conditions of contract* for each Subcontractor include a requirement that the *conditions of contract* for any subcontractor engaged by the Subcontractor who is an SME include obligations substantially similar to those set out in Z31.4.  Z31.6 The *Contractor* keeps accounts and records of his charges expenses and allows the *Employer* to inspect them at any time within working hours. |
| **Clause Z32** | **Fair Payment**  Z32.1 The *Contractor* assesses the amount due to a Subcontractor without taking into account the amount certified by the *Project Manager*.  Z32.2 The *Contractor* includes in the contract with each Subcontractor   * a period for payment of the amount due to the Subcontractor not greater than 19 days after the date on which payment becomes due under this contract. The amount due includes, but is not limited to, payment for work which the Subcontractor has completed from the previous assessment date up to the current assessment date in this contract, * a provision requiring the Subcontractor to include in each subsubcontract the same requirement, except that the period for payment is to be not greater than 23 days after the date on which payment becomes due under this contract and * a provision requiring the Subcontractor to assess the amount due to a subsubcontractor without taking into account the amount paid by the *Contractor*.   Z32.3 The *Contractor* notifies non-compliance with the timescales for payment through the Efficiency and Reform Group Supplier Feedback Service. The *Contractor* includes this provision in each subcontract, and requires Subcontractors to include the same provision in each subsubcontract.  Z32.4 A failure to comply with this condition is treated as a substantial failure by the *Contractor* to comply with his obligations |
| **Clause Z33**  *[Include if project bank account drafting being used]* | **Payment for subcontracted works**  Z33.1 In assessing the amount due at an assessment date, the amount due for works provided by a Subcontractor (other than a Named Supplier) is retained from the *Contractor* unless, at the assessment date, the *Contractor* has paid the Subcontractor for the *works*.  Z33.2 An amount retained is included in the amount due at the assessment date after the *Contractor* has paid the Subcontractor for the *works*.  Z33.3 When submitting an invoice, the *Contractor* demonstrates that payment has been made for the amount due to a Subcontractor in respect of *works* provided by a Subcontractor. |
| **Clause Z34**  *Omit the sections in parenthesis if Option E is chosen.* | **Changes to rates and prices**  Z34.1 The Parties may at any time agree a reduction to the percentage for business overheads and profits stated in the Schedule of Cost Components [and to the Prices].  Z34.2 The reduced percentage [and Prices] apply to any *works* performed after the reduction is agreed.  Z34.3 If the *Contractor* does not agree a reduction requested by the *Employer*, the *Employer* may terminate the *Contractor*’s obligation to Provide the Works by notifying the *Contractor*. |
| **Clause Z35** | **Quality Management Points**  Z35.1 Quality Management Points are points accrued by the *Contractor* in accordance with the Quality Table. Quality Management Points accrue for the failures listed on the Quality Table whether arising from an audit by the *Contractor*, the *Employer* or the relevant accreditation body  Z35.2 If the *Contractor* fails to comply with his quality management system, the *Contractor* accrues Quality Management Points from the date when the failure is identified in accordance with the Quality Table. The number of Quality Management Points is reduced in accordance with the Quality Table.  Z35.3 The *Contractor* maintains a register of the number of Quality Management Points in effect, showing when Quality Management Points accrue and are removed.  Z35.4 If the number of Quality Management Points in effect at any time is more than 25 points, the *Contractor* and the *Employer* meet within one week to consider ways of reducing the number of Quality Management Points in effect to 25 or less and to avoid accruing further Quality Management Points. The *Contractor* submits a report to the *Employer* within one week of the meeting setting out   * the actions agreed at the meeting and * any other actions which the *Contractor* proposes to take immediately to reduce the number of Quality Management Points in effect to 25 or less and to avoid accruing further Quality Management Points.   Z35.5 If the *Employer* does not accept the *Contractor*’s proposals or the *Contractor* does not take the agreed actions, the *Employer* serves a quality warning notice on the *Contractor*. Within one week of receipt of the quality warning notice, the *Contractor* submits a report to the *Employer* setting out the actions which the *Contractor* has taken and what further or alternative actions he proposes to take to reduce the number of Quality Management Points in effect to 25 or less.  Z35.6 Until the number of Quality Management Points in effect is reduced to 25 or less, the *Contractor* takes the actions detailed in his reports and submits weekly update reports to the *Employer* setting out the actions he has taken, the results of those actions and the actions which are still to be taken by him.  Z35.7 Failure to take actions to reduce the number of Quality Management Points in effect to 25 or less is treated as a substantial failure by the *Contractor* to comply with his obligations.  **Quality Table**   | Failure | Quality Management Points | Period of effect | | --- | --- | --- | | Failure to have a complete [Quality Plan] in place and operating | 25 | Until audit confirms that [Quality Plan] complete and operating | | The [Quality Plan] does not comply with the requirements of this contract | 10 per failure | Until audit confirms that [Quality Plan] complies | | Failure to raise a [Non-Conformity report] | 5 per [Non-Conformity] | 6 months | | Failure to raise a [corrective action report] | 5 per [Non-Conformity] | 6 months | | Failure to correct [Quality Plan] in manner set out in a [corrective action report]  (see note 1 below) | 10 per failure | Until failure corrected | | Failure to implement recommendations in [audit report]  (see note 1 below) | 5 per recommendation | Until audit confirms that recommendation implemented | | Failure to carry out internal audit | 25 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 *Employer* | 10 per failure | Until the records are made available | | Failure to allow access for *Employer* audits | 10 per failure | Until *Employer* audit is carried out | | Failure by *Contractor* to accrue Quality Management Points that should have been accrued | The number of Quality Management Points that should have been accrued | Applicable to the failure that should have accrued Quality Management Points | | plus an additional number of Quality Management Points equivalent to the Quality Management Points that should have been accrued | 6 months | | 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. | | | |
| **Clause Z36**  *[Include if Employer’s liability is limited]* | **The *Employer*’s liability**  Z36.1 The *Employer*’s total liability to the *Contractor* for all matters arising under or in connection with this contract, other than the excluded matters, is limited to £[ ], and applies in contract, tort or delict or otherwise to the extent allowed under the *law of the contract*.  Z36.2 The excluded matters are the amounts payable to the *Contractor* as stated in this contract for   * the total of the Prices if Option A applies, * the Price for Work Done to Date and the *Contractor*’s share if Option C applies and * the Price for Work Done to Date if Option E applies.   Z36.3 The *Employer*’s liability to the *Contractor* is limited to that proportion of the *Contractor*’s losses for which the Employer is responsible under this contract. |
| **Clause Z37** | **Merger, take-over or change of control**  Z37.1 In clauses Z37, Z54 and Z55   * **Change of Control** is an event where a single person (or group of persons acting in concert) * acquires Control of the *Contractor* or * acquires a direct or indirect interest in the relevant share capital of the *Contractor* and as a result holds or controls the largest direct or indirect interest in (and in any event more than 25% of) the relevant share capital of the *Contractor*, * **Consortium Member** is an organisation or person which is a member of a group of economic operators comprising the *Contractor*, whether as a participant in an unincorporated joint venture or a shareholder in a joint venture company, * **Control** has the meaning set out in section 1124 of the Corporation Tax Act 2010, * **Controller** is the single person (or group of persons acting in concert) that * has Control of the *Contractor* or aConsortium Member or * holds or controls the largest direct or indirect interest in the relevant share capital of the *Contractor* or aConsortium Member, * **Credit Rating Threshold** means the minimum credit rating  for the Consultant, a Consortium Member or a proposed guarantor, such credit rating being set out at Annex 2 to Schedule 16 of the Framework Agreement. * **Framework Agreement** means the framework agreement pursuant to which this contract has been entered into * **Guarantor** is a person who has given a Parent Company Guarantee to the *Employer* and * **Parent Company Guarantee** is a guarantee of the *Contractor’s* performance in the form set out in the Works Information.   Z37.2 A Change of Control does not happen without the prior agreement of the *Project Manager*, and if a Change of Control occurs without the *Project Manager*’s prior consent, then the *Employer* may treat the Change of Control as a substantial failure by the *Contractor* to comply with his obligations.  Z37.3 The *Contractor* notifies the *Project Manager* immediately if a Change of Control has occurred or is expected to occur.  Z37.4 If the Change of Control will not allow the *Contractor* to perform its obligations under this contract, the *Employer* may treat the Change of Control as a substantial failure by the *Contractor* to comply with his obligations.  Z37.5 The *Contractor* notifies the *Project Manager* immediately of any material change in   * the direct or indirect legal or beneficial ownership of any shareholding in the *Contractor*. A change is material if it relates directly or indirectly to a change of 3% or more of the issued share capital of the *Contractor*, or * the composition of the *Contractor*. A change is material if it * directly or indirectly affects the performance of this contract by the *Contractor* or * is considered substantial in accordance with Regulation 72(8) of the Public Contract Regulations 2015.   Z37.6 The *Contractor* notifies the *Project Manager* immediately of any change or proposed change in the name or status of the*Contractor*.  Z37.7 If the *Contractor* does not provide a notification required by clause Z37.5 or Z37.6, the *Employer* may treat that failure as a substantial failure by the *Contractor* to comply with his obligations.  Z37.8 In this clause Z37 a   * Change of Control in relation to, * material change in the ownership of shares in or * change in the name or status of   a Consortium Member is treated as a change relating to the *Contractor.* |
| **Clause Z38**  *[Include for contracts with an estimated value in excess of £5M]* | **Tax Non-Compliance**  Z38.1 In this clause   1. Tax Non-Compliance is where a tax return submitted by the *Contractor* to a Relevant Tax Authority on or after 1 October 2012  * is found on or after 1 April 2013 to be incorrect as a result of * a Relevant Tax Authority successfully challenging the *Contractor* under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rule or legislation with similar effect or * the failure of an avoidance scheme in which the *Contractor* was involved which was (or should have been) notified to a Relevant Tax Authority under the DOTAS or a similar regime or * gives rise on or after 1 April 2013 to a criminal conviction in any jurisdiction for tax-related offences which is not spent at the Contract Date or to a civil penalty for fraud or evasion.   (2) DOTAS are the Disclosure of Tax Avoidance Schemes rules contained in Part 7 of the Finance Act 2004 and in secondary legislation made pursuant to it, as extended to National Insurance contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012 (SI 2012/1868).  (3) General Anti-Abuse Rule is   * the legislation in Part 5 of the Finance Act 2013 and * any future legislation introduced to counteract tax advantages arising from abusive arrangements to avoid National Insurance contributions.   (4) Halifax Abuse Principle is the principle explained in the CJEU case C-255/02 Halifax and others.  (5) Relevant Tax Authority is HM Revenue & Customs or, if the *Contractor* is established in another jurisdiction, the tax authority in that jurisdiction.  Z38.2 The *Contractor* warrants that it has notified the *Employer* of any Tax Non-Compliance or any litigation in which it is involved relating to any Tax Non-Compliance prior to the Contract Date.  Z38.3 The *Contractor* notifies the *Employer* within one week of any Tax Non-Compliance occurring after the Contract Date and provides details of   * the steps the *Contractor* is taking to address the Tax Non-Compliance and to prevent a recurrence, * any mitigating factors that it considers relevant and * any other information requested by the *Employer*.   Z38.4 The *Contractor* is treated as having substantially failed to comply with his obligations if   * the warranty given by the *Contractor* under clause Z38.2 is untrue, * the *Contractor* fails to notify the *Employer* of a Tax Non-Compliance or * the *Employer* decides that any mitigating factors notified by the *Contractor* are unacceptable. |
| **Clause Z39** | **Insurance cover**  Z39.1 All insurances required to be effected and maintained under this contract are placed with reputable insurers, to whom the other party has no reasonable objection and upon customary and usual terms prevailing for the time being in the insurance market. The said terms and conditions do not include any term or condition to the effect that any insured must discharge any liability before being entitled to recover from the insurers, or any other term or condition which might adversely affect the rights of any person to recover from the insurers pursuant to the Third Parties (Rights Against Insurers) Act 1930, Third Parties (Rights Against Insurers) Act 2012 or the Third Parties (Rights Against Insurers) Act (Northern Ireland) Order 1930 as amended by the Insolvency (Northern Ireland) Order 1989.  Z39.2 Nothing in this clause relieves the *Contractor* from any of its obligations and liabilities under this contract. |
| **Clause Z40** | **Professional indemnity insurance**  Z40.1 If required to obtain *professional indemnity insurance*, the *Contractor* obtains and maintains the *professional indemnity insurance* upon customary and usual terms and conditions prevailing for the time being in the insurance market, and with reputable insurers lawfully carrying on such insurance business on the basis and in an amount not less than that stated in the Contract Data, provided always that such insurance is available at commercially reasonable rates. The said terms and conditions do not include any term or condition to the effect that the *Contractor* must discharge any liability before being entitled to recover from the insurers, or any other term or condition which might adversely affect the rights of any person to recover from the insurers pursuant to the Third Parties (Rights Against Insurers) Act 1930 or the Third Parties (Rights Against Insurers) Act (Northern Ireland) 1930 as amended by the Insolvency (Northern Ireland) Order 1989.  Z40.2 The *Contractor* does not without the prior written approval of the *Employer* settle or compromise with the insurers any claim which the *Contractor* may have against the insurers and which relates to a claim by the *Employer* against the *Contractor*, nor by any act or omission lose or prejudice the *Contractor*’s right to make or proceed with such a claim against the insurers.  Z40.3 The *Contractor* immediately informs the *Employer* if the *professional indemnity insurance* ceases to be available at rates and on terms that the *Contractor* considers to be commercially reasonable. Any increased or additional premium required by insurers by reason of the *Contractor*’s own claims record or other acts, omissions, matters or things particular to the *Contractor*  is deemed to be within commercially reasonable rates.  Z40.4 The *Contractor* co-operates fully with any measures reasonably required by the *Employer* including (without limitation) completing any proposals for insurance and associated documents, maintaining such insurance at rates above commercially reasonable rates if the *Employer* undertakes in writing to reimburse the *Contractor* in respect of the net cost of such insurance to the *Contractor* above commercially reasonable rates or, if the *Employer* effects such insurance at rates at or above commercially reasonable rates, reimbursing the *Employer* in respect of what the net cost of such insurance to the *Employer* would have been at commercially reasonable rates.  Z40.5 The above obligation in respect of professional indemnity insurance continues notwithstanding termination of the *Contractor*’s employment under this contract for any reason whatsoever, including (without limitation) breach by the *Employer.* |
| **Clause Z41** | **Tax Arrangements of Public Appointees**  Z41.1   For the purposes of this clause   * **Associated Company** is any company, corporation, partnership, joint venture or other entity which directly or indirectly controls, is controlled by or is under common control with the *Contractor*.  The word “control” in this context means the ability or entitlement to exercise, directly or indirectly, at least 50 per cent of the voting rights attributable to the shares or other interest in the controlled company, corporation, partnership, joint venture or other entity. * **Staff** are individuals (other than direct employees of the *Contractor*, an Associated Company or any Subcontractor) made available by the *Contractor* to the *Employer* for the purpose of Providing the Works.   Z41.2   Where any Staff are liable to be taxed in the United Kingdom in respect of consideration received under this contract, the *Contractor* 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.  Z41.3   Where any Staff are liable to National Insurance Contributions (NICs) in respect of consideration received under this contract, the *Contractor* 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.  Z41.4    The *Employer* may, at any time during the term of this contract, request the *Contractor* to provide information to demonstrate either how any member of Staff is complying with clauses Z41.2 and Z41.3 or why those clauses do not apply to it.  Z41.5  If the *Contractor* fails to provide information in response to a request under clause Z41.4   * within the *period for reply* or * which adequately demonstrates either how any member of Staff is complying with clauses Z41.2 and Z41.3 or why those clauses do not apply to it   the *Employer* may   * treat such failure as a substantial failure by the *Contractor* to comply with his obligations or * instruct the *Contractor* to replace the relevant member of Staff   Z41.6 If the *Employer* receives or identifies information through any means which demonstrates that a member of Staff is not complying with clauses Z41.2 and Z41.3, the *Employer* may treat such non-compliance as a substantial failure by the *Contractor* to comply with his obligations.  Z41.7   The *Contractor* acknowledges that the *Employer* may   * supply any information which it receives under clauses Z41.4 or Z41.6 or * advise the non-supply of information   to the Commissioners of Her Majesty’s Revenue & Customs [or Revenue Scotland][[1]](#footnote-2)[1] for the purpose of the collection and management of revenue for which they are responsible. |
| **Clause Z42** | **Value Added Tax (VAT) Recovery**  Z42.1 Where under this contract any amount is calculated by reference to any sum which has been or may be incurred by any person, the amount shall include any VAT in respect of that amount only to the extent that such VAT is not recoverable as input tax by that person (or a member of the same VAT group) whether by set off or repayment. |
| **Clause Z43** | **Consortia**  Z43.1 Where two or more Consortium Members comprise the *Contractor*, each Consortium Member is jointly and severally liable to the *Employer* for the performance of the *Contractor’s* obligations under this contract.  Z43.2 If the joint ventures arrangement is terminated for any reason, the *Employer* may  • terminate this contract with immediate effect and  • treat the termination of this contract as a substantial failure by the *Contractor* to comply with his obligations.  Z43.3 Clause 91.1 of the *conditions of contract* is amended by inserting after “the other Party” in each place where it appears (three times) the words “(or, in the case of the *Contractor*, any Consortium Member)”. |
| **Clause Z44** | **Compliance with statutory requirements**  Z44.1 The *Contractor* Provides the Works in compliance with all relevant:   * acts of parliament and any instruments, rules, orders, regulations, notices, directions, bye-laws, permissions and plans for the time being made under or deriving validity from them; * European Directives or Regulations legally enforceable in England and Wales; * rules, regulations, building regulations, orders, bye-laws or codes of practice or similar of any local or other competent authority or of any statutory undertaker; and * permissions, consents, approvals, licences, certificates and permits as may be necessary lawfully to commence, carry out, complete and maintain the *works*. |
| **Clause Z45** | **Termination and omission of work**  Z45.1 If the *Project Manager* instructs a change to the Works Information which involves the omission of part of the *works*, the *Employer* may engage other people to carry out the part omitted. The instruction is assessed as a compensation event, except that if the instruction is given for insolvency or a default by the *Contractor*, the assessment includes a deduction of the forecast additional cost to the *Employer* of completing the *works*.  Z45.2 The following are treated as a substantial failure by the *Contractor* to comply with his obligations  • a key resource needed by the *Contractor* to Provide the Works is no longer available and the *Contractor* does not propose an alternative resource acceptable to the *Employer*, or  • the *Contractor’*s performance as measured in accordance with the current edition of the Highways England’s [collaborative performance framework (or any replacement for it)] is below the *failure level*. *[Compiler note: add relevant performance measurement model here]* |
| **Clause Z46** | **Not Used** |
| **Clause Z47** | **Termination – PCRs, Regulation 73**  Z47.1 The *Employer* may terminate the *Contractor*‘s obligation to Provide the Works if one of the mandatory or discretionary grounds for exclusion referred to in regulation 57 of the Public Contracts Regulations 2015 applied to the *Contractor* at the Contract Date. This is treated as a termination because of a substantial failure of the *Contractor* to comply with his obligations.  Z47.2 The *Employer* may terminate the *Contractor*‘s obligation to Provide the Works if   * this contract has been subject to substantial modification which would have required a new procurement procedure pursuant to regulation 72 of the Public Contracts Regulations 2015 or * the Court of Justice of the European Union declares, in a procedure under Article 258 of the Treaty on the Functioning of the European Union, that a serious infringement of the obligations under the European Union Treaties and the Public Contracts Directive has occurred.   If the modification or infringement was due to a default by the *Contractor*, this is treated as a termination because of a substantial failure of the *Contractor* to comply with his obligations. |
| **Clause Z48**  *[Compiler Note: If TUPE applies and the Employer is Highways England, use this clause Z48 and delete alternative clause Z48 below]*  *[Compiler Note: If TUPE applies and the Employer is a different entity, delete this clause and use alternative clause Z48 below]*  *[Compiler Note: If TUPE does not apply at all, delete this clause Z48 and alternative clause Z48 below and insert “Not used”]* | **Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”)**  Z48.1 The *Contractor* provides to the *Employer* within 10 days of the *Employer*’s request such information in connection with TUPE as the *Employer* may require. The *Contractor* promptly notifies the *Employer* of any later change to information provided by it.  Z48.2 The *Contractor* acknowledges that the *Employer* may disclose information provided by the *Contractor* to  • any replacement provider of works similar to the *works* and  • any person tendering to become a replacement provider.  The *Employer* obtains undertakings from any person to whom the information is disclosed not to disclose it to any other person (unless required to do so by law).  Z48.3 During the 8 month period immediately prior to the Completion Date, the *Contractor* submits for the acceptance of the *Employer* any proposals to  • materially amend the terms and conditions of employment of any employee whose work, wholly or mainly falls within the scope of this contract,  • materially increase the number of employees whose work (or any part of it) is work undertaken for the purposes of this contract or  • move or deploy any key person away from the performance of the *works*.  The *Employer* may withhold acceptance if the proposal would increase the cost to the *Employer* of this or any future contract for the *works*.  Z48.4 The *Contractor* does not do anything which may adversely affect the orderly transfer of responsibility for provision of the *works*.  Z48.5 The *Contractor* complies with, and ensures that any Subcontractor complies with, the Code of Practice on Workforce Matters in Local Customer Service Contracts (as currently contained in COPM Circular 3/03, Annex O) or any similar code applicable to persons engaged on service contracts for any department or office of Her Majesty’s Government.  *[include Z48.5 if it is possible that Contractor’s staff have been transferred from the public sector]* |
| **Clause Z48**  *[see above compiler notes - this clause Z48 is for use where the Employer is not Highways England]* | **Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”)**  Delete Core Clause 82.1 and replace with:  82.1 Each Party indemnifies the other:   * against claims, proceedings, compensation and costs due to an event which is at his risk; and * in accordance with the indemnities that apply to this contract in Contract Annex G – Staff Transfer. |
| **Clause Z49**  *[Delete if not required]* | **Negotiation**  Z49.1 Without prejudice to either Party’s right to refer a dispute to the *Adjudicator* in accordance with clause W1 or W2 (as appropriate), any dispute or difference between the Parties arising out of or relating to this contract is referred by either Party initially to representatives of the *Employer* and *Contractor* for negotiation and resolution.  Z49.2 If any dispute is not resolved within ten working days after it has been referred to the Parties’ representatives (or such longer period as the Parties may agree), it is referred to an authorised senior officer of the *Employer* and an authorised senior officer of the *Contractor* for negotiation and resolution.  Z49.3 If any dispute cannot be resolved within ten working days after it has been referred to the authorised senior officers of the *Employer* and *Contractor* (or such longer period as the Parties may agree) either Party may decline to continue to participate in the negotiation. |
| **Clause Z50**  *[Delete if not required]* | **Mediation**  Z50.1 Without prejudice to either Party’s right to refer a dispute to the *Adjudicator* in accordance with clause W1 or W2 (as appropriate), any dispute or difference between the Parties arising out of or relating to this contract and which has not been resolved by negotiation is referred to mediation in accordance with the provisions of this clause.  Z50.2 The procedure and associated provisions for mediation pursuant to this clause are as follows:   * a neutral adviser or mediator (‘the Mediator’) is chosen by agreement between the *Employer* and the *Contractor* or, if they are unable to agree upon the identity of the Mediator within ten working ways after a request by one Party to the other, or if the Mediator agreed upon is unable or unwilling to act, either Party may within ten working ways from the date of the proposal to appoint a Mediator or within ten working days of notice to either Party that he is unable or unwilling to act, apply to the Centre for Effective Dispute Resolution (“CEDR”) to appoint a Mediator; and * the Parties meet with the Mediator within ten working days of his appointment in order to agree the programme for exchange of all relevant information and the procedure under which negotiations will be held. The Parties may at any stage seek guidance from CEDR regarding a suitable procedure.   Z50.3 Unless otherwise agreed by the Parties, all negotiations connected with the dispute and any settlement agreement relating to it are confidential and without prejudice to the rights of the Parties in any future proceedings.  Z50.4 In the event that the Parties reach agreement on the resolution of the dispute, the agreement is reduced to writing and is binding on both Parties once it is signed by a duly authorised senior officer of the *Employer* and a duly authorised senior officer of the *Contractor*.  Z50.5 Failing agreement, the *Employer* and *Contractor* may agree to invite the Mediator to provide a non-binding but informative opinion in writing. No such invitation is made without the written consent of both Parties. If it is agreed that such an invitation is to be made, the opinion is provided on a without prejudice basis and is not used in evidence in any proceedings relating to this contract without the written consent of both Parties.  Z50.6 The *Employer* and the *Contractor* each bears their own costs in relation to any reference made to the Mediator and the fees and all other costs of the Mediator are borne jointly in equal proportions by both Parties unless otherwise directed by the Mediator.  Z50.7 In the event that the *Employer* and the *Contractor* fail to reach agreement within forty working days after the Mediator’s appointment, or such longer period as may be agreed, the dispute may be referred to the *tribunal*. |
| **Clause Z51** | **Collateral Warranty Agreements**  Z51.1 The *Contractor* enters into the collateral warranty agreements in the formats appended in [ ] in favour of the parties identified in the Contract Data and delivers executed copies in duplicate to the *Employer* no later than ten working days after the *Employer* has provided the *Contractor* with appropriate collateral warranty agreements suitable for execution.  Z51.2 The *Contractor* procures from the Subcontractors identified in the Contract Data collateral warranty agreements in the formats appended in [ ] in favour of the parties identified in the Contract Data and delivers executed copies in duplicate to the *Employer* no later than fifteen working days after the *Employer* has provided the *Contractor* with appropriate collateral warranty agreements suitable for execution.  Z51.3 If the *Contractor* fails to deliver the required collateral warranty agreements in the manner and within the time stipulated by this contract, one quarter (¼) of the Price for Work Provided to Date is retained in assessments of the amount due until the *Contractor* has remedied the failure. |
| **Clause Z52**  *[MOD contracts only]* | **Access to MOD sites**  Z52.1 In this clause only:   * “Site” includes any of Her Majesty’s Ships or Vessels and Service Stations; and * “Officer in charge” includes Officers Commanding Service Stations, Ships’ Masters or Senior Officers, and Officers superintending Government Establishments.   Z52.2 The *Employer* issues passes for those representatives of the *Contractor* who are approved for admission to the Site and a representative is not admitted unless in possession of such a pass. Passes remain the property of the *Employer* and are surrendered on demand or on completion of the *service*.  Z52.3 The *Contractor’*s representatives when employed within the boundaries of a Site comply with such rules, regulations and requirements (including those relating to security arrangements) as may be in force for the time being for the conduct of personnel at that Site. When on board ship, compliance is with the Ship’s Regulations as interpreted by the Officer in charge. Details of such rules, regulations and requirements are provided on request to the Officer in charge.  Z52.4 The *Contractor* is responsible for the living accommodation and maintenance of its representatives while they are employed at a Site. Sleeping accommodation and messing facilities, if required, may be provided by the *Employer* wherever possible, at the discretion of the Officer in charge, at a cost fixed in accordance with current Ministry of Defence regulations. At Sites overseas, accommodation and messing facilities, if required, are provided wherever possible. The status accorded to the *Contractor*‘s personnel for messing purposes is at the discretion of the Officer in charge who, wherever possible, gives his decision before the commencement of this contract where so asked by the *Contractor*. When sleeping accommodation and messing facilities are not available, a certificate to this effect may be required by the *Employer* and is obtained by the *Contractor* from the Officer in charge. Such certificate is presented to the *Employer* with other evidence relating to the costs of this contract.  Z52.5 Where the *Contractor*’s representatives are required by this contract to join or visit a Site overseas, transport between the United Kingdom and the place of duty (but excluding transport within the United Kingdom) is provided for them free of charge by the Ministry of Defence whenever possible, normally by Royal Air Force or by MOD chartered aircraft. The *Contractor* makes such arrangements through the Technical Branch named for this purpose in this contract. When such transport is not available within a reasonable time or in circumstances where the *Contractor* wishes its representatives to accompany material for installation which it is to arrange to be delivered, the *Contractor* makes its own transport arrangements. The *Employer* reimburses the *Contractor*’s reasonable costs for such transport of its representatives on presentation of evidence supporting the use of alternative transport and of the costs involved. Transport of the *Contractor*’s representatives locally overseas which is necessary for the purpose of this contract is provided wherever possible by the Ministry of Defence or by the Officer in charge and, where so provided, is free of charge.  Z52.6 Out-patient medical treatment given to the *Contractor*’s representatives by a Service Medical Officer or other Government Medical Officer at a Site overseas is free of charge. Treatment in a Service hospital or medical centre, dental treatment, the provision of dentures or spectacles, conveyance to and from a hospital, medical centre or surgery not within the Site and transportation of the *Contractor*’s representatives back to the United Kingdom, or elsewhere, for medical reasons, is charged to the *Contractor* at rates fixed in accordance with current Ministry of Defence regulations.  Z52.7 Accidents to the *Contractor*’s representatives which ordinarily require to be reported in accordance with Health and Safety at Work Act 1974 are reported to the Officer in charge so that the Inspector of Factories may be informed.  Z52.8 No assistance from public funds, and no messing facilities, accommodation or transport overseas is provided for dependants or members of the families of the *Contractor’*s representatives. Medical or necessary dental treatment may, however, be provided for dependants or members of families on repayment at current Ministry of Defence rates.  Z52.9 The *Contractor*, wherever possible, arranges for funds to be provided to its representatives overseas through normal banking channels (e.g. by travellers’ cheques). If banking or other suitable facilities are not available, the *Employer*, upon request by the *Contractor* and subject to any limitation required by the *Contractor*, makes arrangements for payments, converted at the prevailing rate of exchange (where applicable), to be made at the Site to which the *Contractor*’s representatives are attached. All such advances made by the *Employer* are recovered from the *Contractor.* |
| **Clause Z53**  *[MOD contracts only]* | **MoD DEFCON Requirements**  Z53.1 This clause is to incorporate MoD special terms and conditions in the form of DEFCONs and DEFORMs as detailed in [ ] |
| **Clause Z54** | **Financial Distress**  Z54.1 In this clause Z54 **Credit Rating** is the *credit rating* or any revised long term credit rating issued by a rating agency accepted by the *Project Manager* in respect of the *Contractor*, a Consortium Member or any Guarantor.  Z54.2 The *Contractor* notifies the *Project Manager* within one week if any of the following events occurs in relation to the *Contractor*, a Consortium Member or a Guarantor   * its Credit Rating falls below the relevant *credit rating*, * a further fall in its Credit Rating below the relevant *credit rating,* * 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, * it is subject to a public investigation into improper financial accounting and reporting, suspected fraud or any other impropriety, * it commits a material breach of its covenants to its lenders or * its financial position or prospects deteriorate to such an extent that it would not meet the Credit Rating Threshold.   Z54.3 If any of the events listed in clause Z54.2 occurs, the *Project Manager* may require the *Contractor* togive to the *Employer* a Parent Company Guarantee from the Controller or an alternative guarantor proposed by the *Contractor* and accepted by the *Project Manager* who (in either case)   * meets the Credit Rating Threshold and * has a Credit Rating at least equal to the *credit rating* for the person to whom the event listed in clause Z54.2 has occurred.   Z54.4 The *Project Manager* may accept a Parent Company Guarantee from the Controller or an alternative guarantor proposed by the *Contractor* who does not comply with clause Z54.3 if the *Contractor* gives to the *Project Manager* an assurance that the Controller or the alternative guarantor will so comply within [18] months of the *Project Manager*‘s acceptance. If so, the Parties agree a process for reviewing the financial standing of the Controller or the alternative guarantor during that period in order to demonstrate to the *Project Manager* that it will so comply by the end of that period.  Z54.5 If   * the *Contractor* fails to notify the *Project Manager* that an event listed in clause Z54.2 has occurred, * neither the Controller nor any alternative guarantor proposed by the *Contractor* complies with clause Z198.3, * the *Contractor* does notgive to the *Employer* a Parent Company Guarantee from the Controller or an alternative guarantor accepted by the *Project Manager* within four weeks of a request from the *Project Manager* to do so or * the *Contractor* fails to demonstrate to the *Project Manager* that the Controller or the alternative guarantor accepted by the *Project Manager* will comply with clause Z54.3 within [18] months of the *Project Manager*‘s acceptance   the *Employer* may treat such failure as a substantial failure by the *Contractor* to comply with his obligations. |
| **Clause Z55** | **Change of Control – new guarantee**  Z55.1 If a Change of Control occurs, the *Contractor* provides to the *Project Manager*  • certified copies of the audited consolidated accounts of the Controller for the last three financial years,  • a certified copy of the board minute of the Controller confirming that it will give to the *Employer* a Parent Company Guarantee if so required by the *Project Manager* and  • any other information required by the *Project Manager* in order to determine whether the Controller  • meets the Credit Rating Threshold and  • has a Credit Rating at least equal to the *credit rating* for the original Guarantor (if there is one) or the *Contractor* (if there is not).  Z55.2 If the Controller does not comply with the tests in clause Z55.1 or (if applicable) does not provide the legal opinion required in clause Z55.6, the *Contractor* may propose an alternative guarantor to the *Project Manager* for acceptance. The *Contractor* provides to the *Project Manager* the details set out in clause Z55.1 and (if applicable) the legal opinion required in clause Z55.6 in relation to the proposed alternative guarantor. A reason for not accepting the proposed alternative guarantor is that he does not comply with the tests in clause Z55.1 or (if applicable) does not provide the legal opinion required in clause Z55.6.  Z55.3 If so required by the *Project Manager*, the *Contractor* within four weeks gives to the *Employer* a Parent Company Guarantee from the Controller or an alternative guarantor accepted by the *Project Manager*.  Z55.4 The *Project Manager* may accept a Parent Company Guarantee from the Controller or an alternative guarantor proposed by the *Contractor* who does not comply with the tests in clause Z55.1 if the *Contractor* gives to the *Project Manager* an assurance that the Controller or the alternative guarantor will so comply within [18] months of the *Project Manager‘s* acceptance. If so, the Parties agree a process for reviewing the financial standing of the Controller or the alternative guarantor during that period in order to demonstrate to the *Project Manager* that it will so comply by the end of that period.  Z55.5 If  • neither the Controller nor any alternative guarantor proposed by the *Contractor* complies with the tests in clause Z55.1 or provides the legal opinion required by clause Z55.6,  • the *Contractor* does not give to the *Employer* a Parent Company Guarantee from the Controller or an alternative guarantor accepted by the *Project Manager* within four weeks of a request from the *Project Manager* to do so or  • the *Contractor* fails to demonstrate to the *Project Manager* that the Controller or the alternative guarantor accepted by the *Project Manager* will comply with the tests in clause Z55.1 within [18] months of the *Project Manager‘s* acceptance  the *Employer* may treat such failure as a substantial failure by the *Contractor* to comply with his obligations.  Z55.6 If the Controller, or any alternative guarantor proposed by the *Contractor*, is not a company incorporated in and subject to the laws of England and Wales, the *Contractor* provides a legal opinion from a lawyer or law firm which is  • qualified and registered to practise in the jurisdiction in which the Controller or guarantor is incorporated and  • accepted by the *Project Manager*.  The legal opinion is addressed to the *Employer* on a full reliance basis and the liability of the lawyer or law firm giving the opinion is not subject to any financial limitation unless otherwise agreed by the *Project Manager*.  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 Works Information |
| **Clause Z650** | **Offshoring of data** |
|  | Z650.1 In this clause  **Risk Assessment** is a full risk assessment and security review carried out by the *Employer* in accordance with [HMG Security Policy Framework (SPF) including HMG IA Standard No. 1 - Technical Risk Assessment, October 2009, Issue No: 3.51 and ICT Offshoring (International Sourcing) Guidance dated July 2011] or any later revision or replacement. |
|  | Z650.2The Contractor does not store any of the *Employer*‘s data that is classified as Official or higher in accordance with “Government Security Classifications” dated April 2014 (or any later revision or replacement)   * offshore or * in any way that it could be accessed from an offshore location   until *the Project Manager has confirmed to the Contractor that* either   * the *Employer* has gained approval for such storage in accordance with “*Offshoring information assets classified at OFFICIAL” dated November 2015* (or any later revision or replacement) *or*   such approval is not required. |
|  | Z650.3 The Contractor ensures that no premises are used in Providing the Works until   * such premises have passed a Risk Assessment or * the Project Manager confirms to the Contractor that no Risk Assessment is required. |
|  | Z650.4 The Contractor complies with a request from the Project Manager to provide any information required to allow the Employer to   * gain approval for storing data or allowing access to data from an offshore location in accordance with Z650.2 or * conduct a Risk Assessment for any premises in accordance with Z650.3. |
|  | Z650.5 The Contractor ensures that any subcontract (at any stage of remoteness from the Employer) contains provisions to the same effect as this clause. |
|  | Z650.6 A failure to comply with this condition is treated as a substantial failure by the Contractor to comply with his obligations. |

1. ecc CONTRACT ANNEX E – THE works INFORMATION

[NOTE: PLEASE SEE FRAMEWORK SCHEDULE 2 FOR THE FULL SCOPE OF GOODS AND SERVICES AVAILABLE TO CONTRACTING AUTHORITIES. CONTRACTING AUTHORITIES SHOULD POPULATE THE WORKS INFORMATION IN LIGHT OF AND IN ACCORDANCE WITH FRAMEWORK SCHEDULE 2. IT SHOULD DETAIL TYPES OF goods and or SERVICES THAT YOU REQUIRE TOGETHER WITH ANY RESPONSE TIMES, DATA PACK, and STANDARDS. FURTHERMORE, CONTRACTING authorities MUST MAKE SURE THAT THE works INFORMATION CONTAINS ALL OF THE REQUIRED INFORMATION AND REQUIREMENTS ENVISAGED BY THE NEC3 ecc. THE works INFORMATION MUST BE ALIGNED WITH THE NEC3 ecc AND IF EITHER THE CCS OR A CONTRACTING authority REQUIRES ADVICE OR GUIDANCE ON COMPILING THE works INFORMATION THEN THE NEC CAN OFFER THIS TRAINING]

[INSERT OR APPEND HERE THE works INFORMATION DEVELOPED DURING THE FURTHER COMPETITION PROCEDURE].

1. ECC CONTRACT ANNEX F – PRICE LIST

[Insert or append here the Price List]

1. ECC CONTRACT ANNEX G – STAFF TRANSFER

***[Guidance Note: this schedule only contains general provisions on the application of***

***TUPE and related issues and is essentially designed to alert Employers to the range of issues that may need to be considered where the entering into of a Call Off Agreement (and/or its subsequent expiry) is likely to entail a TUPE transfer. Employers should always take specialist legal advice on the specific TUPE and pensions drafting requirements (e.g. whether the New Fair Deal applies, whether there will be a Relevant Transfer etc) relevant to their project.]***

1. Definitions
   1. In this Annex G, the following definitions shall apply:

|  |  |
| --- | --- |
|  |  |
| **“Contractor’s Final Personnel List”** | means a list provided by the *Contractor* of all staff who will transfer under the Employment Regulations on the Relevant Transfer Date; |
| **“Contractor’s Provisional Personnel List”** | means a list prepared and updated by the *Contractor* of all staff who are engaged in or wholly or mainly assigned to the provision of the *service* or any relevant part of the *service* which it is envisaged as at the date of such list will no longer be provided by the *Contractor* |
| **“Employee Liabilities”** | 1. means all claims, actions, proceedings, orders, demands, complaints, investigations (save for any claims for personal injury which are covered by insurance) and any award, compensation, damages, tribunal awards, fine, loss, order, penalty, disbursement, payment made by way of settlement and costs, expenses and legal costs reasonably incurred in connection with a claim or investigation including in relation to the following:    1. redundancy payments including contractual or enhanced redundancy costs, termination costs and notice payments;    2. unfair, wrongful or constructive dismissal compensation;    3. compensation for discrimination on grounds of  sex, race, disability, age, religion or belief, gender reassignment, marriage or civil partnership, pregnancy and maternity  or sexual orientation or claims for equal pay;    4. compensation for less favourable treatment of part-time workers or fixed term employees;    5. outstanding debts and unlawful deduction of wages including any PAYE and National Insurance Contributions in relation to payments made by the *Employer* or the Replacement Contractor to a Transferring Contractor Employee which would have been payable by the *Contractor* or the Sub-Contractor if such payment should have been made prior to the Service Transfer Date;    6. claims whether in tort, contract or statute or otherwise;    7. any investigation by the Equality and Human Rights Commission or other enforcement, regulatory or supervisory body and of implementing any requirements which may arise from such investigation; |
| **"New Fair Deal"** | the revised Fair Deal position set out in the HM Treasury guidance: “Fair Deal for staff pensions: staff transfer from central government” issued in October 2013; |
| **"Notified Sub-Contractor"** | means a Sub-Contractor identified in Annex 1 of this Contract Annex G to whom Transferring Employer’s Employees and/or Transferring Former Contractor Employees will transfer on a Relevant Transfer Date; |
| **"Principles of Good Employment Practice"** | means the guidance published by the Cabinet Office and found at [www.gov.uk/government/publications/principles-of-good-employment-practice](http://www.gov.uk/government/publications/principles-of-good-employment-practice) ; |
| **“Replacement Contractor”** | means any third party provider of Replacement Services appointed by or at the direction of the *Employer* from time to time or where the *Employer* is providing Replacement Services for its own account, shall also include the *Employer* |
| **“Replacement Services”** | means any services which are substantially similar to any of the *service* and which the *Employer* receives in substitution for any of the *service* following the end of the *service period* or earlier termination, whether those services are provided by the *Employer* internally and/or by any third party; |
| **“Replacement Sub-Contractor”** | means a subcontractor of the Replacement Contractor to whom Transferring Contractor Employees will transfer on a Service Transfer Date (or any sub-contractor of any such sub-contractor); |
| **“Service Transfer”** | any transfer of the *service* (or any part of the *service*), for whatever reason, from the *Contractor* or any subcontractor to a Replacement Contractor or a Replacement Sub-Contractor |
| **“Service Transfer Date”** | means the date of a Service Transfer; |
| **"Staffing Information"** | means, in relation to all persons identified on the Contractor's Provisional Personnel List or Contractor's Final Personnel List, as the case may be, such information as the *Employer* may reasonably request (subject to all applicable provisions of the Data Protection Legislation), but including in an anonymised format:  their ages, dates of commencement of employment or engagement and gender;  details of whether they are employed, self employed contractors or consultants, agency workers or otherwise;  details of contracted working hours;  the identity of the employer or relevant contracting party;  their relevant contractual notice periods and any other terms relating to termination of employment, including redundancy procedures, and redundancy payments;  their wages, salaries and profit sharing arrangements as applicable;  details of other employment-related benefits, including (without limitation) medical insurance, life assurance, pension or other retirement benefit schemes, share option schemes and company car schedules applicable to them;  any outstanding or potential contractual, statutory or other liabilities in respect of such individuals (including in respect of personal injury claims);  details of any such individuals on long term sickness absence, parental leave, maternity leave or other authorised long term absence;  copies of all relevant documents and materials relating to such information, including copies of relevant contracts of employment (or relevant standard contracts if applied generally in respect of such employees); and  any other “employee liability information” as such term is defined in regulation 11 of the Employment Regulations; |
| **“Transferring Contractor Employees”** | means those employees of the *Contractor* and/or the Sub-Contractors to whom the Employment Regulations will apply on the Service Transfer Date |
| **"Transferring Employer Employees"** | means those employees of the *Employer* to whom the Employment Regulations will apply on the Relevant Transfer Date; |

**Interpretation**

Where a provision in this Annex imposes an obligation on the *Contractor* to provide an indemnity, undertaking or warranty, the *Contractor* shall procure that each of its Sub-Contractors shall comply with such obligation and provide such indemnity, undertaking or warranty to the *Employer*, Former Contractor, Replacement Contractor or Replacement Sub-Contractor, as the case may be.

**PART A**

**Transferring Employer Employees at commencement of the provision of Services**

1. RelevantTransfers
   1. The *Employer* and the *Contractor* agree that:
      1. the commencement of the provision of the *service* or of each relevant part of the *service* will be a Relevant Transfer in relation to the Transferring Employer Employees; and
      2. as a result of the operation of the Employment Regulations, the contracts of employment between the *Employer* and the Transferring Employer Employees (except in relation to any terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Relevant Transfer Date as if originally made between the *Contractor* and/or any Notified Sub-Contractor and each such Transferring Employer Employee.
   2. The *Employer* shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of the Transferring Employer Employees in respect of the period arising up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period up to (but not including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the *Employer*; and (ii) the *Contractor* and/or any Notified Sub-Contractor (as appropriate).
2. *Employer* Indemnities
   1. Subject to paragraph 1 of Part A of this Annex G, the *Employer* shall indemnify the *Contractor* and any Notified Sub-Contractor against any Employee Liabilities in respect of any Transferring Employer Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:
      1. any act or omission by the *Employer* occurring before the Relevant Transfer Date;
      2. the breach or non-observance by the *Employer* before the Relevant Transfer Date of:
         1. any collective agreement applicable to the Transferring Employer Employees; and/or
         2. any custom or practice in respect of any Transferring Employer Employees which the *Employer* is contractually bound to honour.
      3. any claim by any trade union or other body or person representing the Transferring Employer Employees arising from or connected with any failure by the *Employer* to comply with any legal obligation to such trade union, body or person arising before the Relevant Transfer Date;
      4. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
         1. in relation to any Transferring Employer Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and
         2. in relation to any employee who is not a Transferring Employer Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the *Employer* to the *Contractor* and/or any Notified Sub-Contractor as appropriate, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date.
      5. a failure of the *Employer* to discharge, or procure the discharge of, all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Employer Employees arising before the Relevant Transfer Date;
      6. any claim made by or in respect of any person employed or formerly employed by the *Employer* other than a Transferring Employer Employee for whom it is alleged the *Contractor* and/or any Notified Sub-Contractor as appropriate may be liable by virtue of the Employment Regulations and/or the Acquired Rights Directive; and
      7. any claim made by or in respect of a Transferring Employer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Employer Employee relating to any act or omission of the *Employer* in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the *Contractor* or any Sub-Contractor to comply with regulation 13(4) of the Employment Regulations.
   2. The indemnities in paragraph 2.1 of Part A of this Annex G shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the *Contractor* or any Sub-Contractor (whether or not a Notified Sub-Contractor) whether occurring or having its origin before, on or after the Relevant Transfer Date including any Employee Liabilities:
      1. arising out of the resignation of any Transferring Employer Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the *Contractor* and/or any Sub-Contractor to occur in the period from (and including) the Relevant Transfer Date); or
      2. arising from the failure by the *Contractor* or any Sub-Contractor to comply with its obligations under the Employment Regulations.
   3. If any person who is not identified by the *Employer* as a Transferring Employer Employee claims, or it is determined in relation to any person who is not identified by the *Employer* as a Transferring Employer Employee, that his/her contract of employment has been transferred from the *Employer* to the *Contractor* and/or any Notified Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
      1. the *Contractor* shall, or shall procure that the Notified Sub-Contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to the *Employer*; and
      2. the *Employer* may offer (or may procure that a third party may offer) employment to such person within fifteen (15) Working Days of receipt of the notification by the *Contractor* and/or any Notified Sub-Contractor, or take such other reasonable steps as the *Employer* considers appropriate to deal with the matter provided always that such steps are in compliance with *law of the contract*.
   4. If an offer referred to in paragraph 2.3.2 of Part A of this Annex G is accepted, or if the situation has otherwise been resolved by the *Employer*, the *Contractor* shall, or shall procure that the Notified Sub-Contractor shall, immediately release the person from his/her employment or alleged employment.
   5. If by the end of the fifteen (15) Working Day period specified in paragraph 2.3.2 of Part A of this Annex G:
      1. no such offer of employment has been made;
      2. such offer has been made but not accepted; or
      3. the situation has not otherwise been resolved,

the *Contractor* and/or any Notified Sub-Contractor may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.

* 1. Subject to the *Contractor* and/or any Notified Sub-Contractor acting in accordance with the provisions of paragraphs 2.3 to 2.5 of Part A of this Annex G and in accordance with all applicable proper employment procedures set out in the *law of the contract*, the *Employer* shall indemnify the *Contractor* and/or any Notified Sub-Contractor (as appropriate) against all Employee Liabilities arising out of the termination pursuant to the provisions of paragraph 2.5 of Part A of this Annex G provided that the *Contractor* takes, or procures that the Notified Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.
  2. The indemnity in paragraph 2.6 of Part A of this Annex G
     1. shall not apply to:
        1. any claim for

discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the *Contractor* and/or any Sub-Contractor;

* + - 1. any claim that the termination of employment was unfair because the *Contractor* and/or Notified Sub-Contractor neglected to follow a fair dismissal procedure; and
    1. shall apply only where the notification referred to in paragraph 2.3.1 of Part A of this Annex G is made by the *Contractor* and/or any Notified Sub-Contractor (as appropriate) to the *Employer* within six (6) months of the Contract Date.
  1. If any such person as is referred to in paragraph 2.3 of Part A of this Annex G is neither re-employed by the *Employer* nor dismissed by the *Contractor* and/or any Notified Sub-Contractor within the time scales set out in paragraph 2.5 of Part A of this Annex G such person shall be treated as having transferred to the *Contractor* and/or any Notified Sub-Contractor and the *Contractor* shall, or shall procure that the Notified Sub-Contractor shall, comply with such obligations as may be imposed upon it under the *law of the contract*.

1. *Contractor* Indemnities and Obligations
   1. Subject to paragraph 3.2 of Part A of this Annex G, the *Contractor* shall indemnify the *Employer* against any Employee Liabilities in respect of any Transferring Employer Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:
      1. any act or omission by the *Contractor* or any Sub-Contractor whether occurring before, on or after the Relevant Transfer Date;
      2. the breach or non-observance by the *Contractor* or any Sub-Contractor on or after the Relevant Transfer Date of:
         1. any collective agreement applicable to the Transferring Employer Employees; and/or
         2. any custom or practice in respect of any Transferring Employer Employees which the *Contractor* or any Sub-Contractor is contractually bound to honour;
      3. any claim by any trade union or other body or person representing any Transferring Employer Employees arising from or connected with any failure by the *Contractor* or any Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
      4. any proposal by the *Contractor* or a Sub-Contractor made before the Relevant Transfer Date to change the terms and conditions of employment or working conditions of any Transferring Employer Employees on or after their transfer to the *Contractor* or the relevant Sub-Contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Employer Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
      5. any statement communicated to or action undertaken by the *Contractor* or any Sub-Contractor to, or in respect of, any Transferring Employer Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the *Employer* in writing;
      6. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
         1. in relation to any Transferring Employer Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and
         2. in relation to any employee who is not a Transferring Employer Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the *Employer* to the *Contractor* or a Sub-Contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;
      7. a failure of the *Contractor* or any Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Employer Employees in respect of the period from (and including) the Relevant Transfer Date; and
      8. any claim made by or in respect of a Transferring Employer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Employer Employee relating to any act or omission of the *Contractor* or any Sub-Contractor in relation to their obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the *Employer*'s failure to comply with its obligations under regulation 13 of the Employment Regulations.
   2. The indemnities in paragraph 3.1 of Part A of this Annex G shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the *Employer* whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the *Employer*’s failure to comply with its obligations under the Employment Regulations.
   3. The *Contractor* shall comply, and shall procure that each Sub-Contractor shall comply, with all its obligations under the Employment Regulations (including its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-Contractor shall perform and discharge, all its obligations in respect of the Transferring Employer Employees, from (and including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period from and including the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the *Employer* and the *Contractor*.
2. Information
   1. The *Contractor* shall, and shall procure that each Sub-Contractor shall, promptly provide to the *Employer* in writing such information as is necessary to enable the *Employer* to carry out its duties under regulation 13 of the Employment Regulations. The *Employer* shall promptly provide to the *Contractor* and each Notified Sub-Contractor in writing such information as is necessary to enable the *Contractor* and each Notified Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.
3. Principles of Good Employment Practice
   1. The Parties agree that the principles set out in the Principles of Good Employment Practice issued by the Cabinet Office in December 2010 apply to the treatment by the *Contractor* of employees whose employment begins after the Relevant Transfer Date, and the *Contractor* undertakes to treat such employees in accordance with the provisions of the Principles of Good Employment Practice.
   2. The *Contractor* shall, and shall procure that each Sub-Contractor shall, comply with any requirement notified to it by the *Employer* relating to pensions in respect of any Transferring Employer Employee as set down in:
      1. the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007;
      2. HM Treasury's guidance “Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999;
      3. HM Treasury's guidance: “Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues” of June 2004; and/or
      4. The New Fair Deal.
4. Pensions
   1. The *Contractor* shall, and shall procure that each of its Sub-Contractors shall, comply with the pensions provisions set out in the following Annex.

12/08/2013

**ANNEX TO PART A: PENSIONS**

1. Participation
   1. The *Contractor* undertakes to enter into the Admission Agreement.
   2. The *Contractor* and the *Employer*:
      1. undertake to do all such things and execute any documents (including the Admission Agreement) as may be required to enable the *Contractor* to participate in the Schemes in respect of the Fair Deal Employees;
      2. agree that the *Employer* is entitled to make arrangements with the body responsible for the Schemes for the *Employer* to be notified if the *Contractor* breaches the Admission Agreement;
      3. notwithstanding Paragraph 1.2.2 of this Annex, the *Contractor* shall notify the *Employer* in the event that it breaches the Admission Agreement; and
      4. agree that the *Employer* may terminate this Call Off Contract for material default in the event that the *Contractor* breaches the Admission Agreement.
   3. The *Contractor* shall bear its own costs and all costs that the *Employer* reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the *Contractor* participating in the Schemes.
2. Future Service Benefits
   1. The *Contractor* shall procure that the Fair Deal Employees shall be either admitted into or offered continued membership of the relevant section of the Schemes that they currently contribute to or were eligible to join immediately prior to the Relevant Transfer Date and the *Contractor* shall procure that the Fair Deal Employees shall continue to accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.
   2. The *Contractor* undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to the *Employer*, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with access to an occupational pension scheme certified by the Government Actuary’s Department or any actuary nominated by the *Employer* in accordance with relevant guidance produced by the Government Actuary’s Department as providing benefits which are broadly comparable to those provided by the Schemes at the relevant date.
   3. The parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.
3. Funding
   1. The *Contractor* undertakes to pay to the Schemes such amounts as are due under the Admission Agreement and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.
   2. The *Contractor* shall indemnify and keep indemnified the *Employer* on demand against any claim by, payment to, or loss incurred by the Schemes in respect of the failure to account to the Schemes for payments received and non-payment or the late payment of any sum payable by the *Contractor* to or in respect of the Schemes.
4. Provision of Information
   1. The *Contractor* and the *Employer* respectively undertake to each other:
      1. to provide all information which the other party may reasonably request concerning matters:

referred to in this Annex; and

set out in the Admission Agreement

and shall supply such information as expeditiously as possible; and

* + 1. not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other party (not to be unreasonably withheld or delayed).

1. Indemnities
   1. The *Contractor* undertakes to the *Employer* to indemnify and keep indemnified the *Employer* on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.
2. Employer Obligation
   1. The *Contractor* shall comply with the requirements of the Pensions Act 2008 and the Transfer of Employment (Pension Protection) Regulations 2005.
3. Subsequent Transfers
   1. The *Contractor* shall:
      1. not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the date of the relevant future transfer; and
      2. provide all such co-operation and assistance as the Replacement Contractor and/or the *Employer* may reasonably require to enable the Replacement Contractor to participate in the Schemes in respect of any Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under the New Fair Deal; and.
      3. for the period either:
         1. after notice (for whatever reason) is given, in accordance with the other provisions of this contract, to terminate the contract or any part of the *service*; or
         2. after the date which is two (2) years prior to the date of expiry of this contract,

ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Contract or the *Employer*, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such employees are not reduced without (in any case) the prior approval of the *Employer* (such approval not to be unreasonably withheld). Save that this sub-paragraph shall not apply to any change made as a consequence of participation in an Admission Agreement.

12/08/2013

**PART B**

**Transferring Former Contractor Employees at commencement of the provision of Services**

1. Relevant Transfers
   1. The parties agree that:
      1. the commencement of the provision of the *service* or of any relevant part of the *service* will be a Relevant Transfer in relation to the Transferring Former Contractor Employees; and
      2. as a result of the operation of the Employment Regulations, the contracts of employment between each Former Contractor and the Transferring Former Contractor Employees (except in relation to any terms disapplied through the operation of regulation 10(2) of the Employment Regulations) shall have effect on and from the Relevant Transfer Date as if originally made between the *Contractor* and/or Notified Sub-Contractor and each such Transferring Former Contractor Employee.
   2. The *Employer* shall procure that each Former Contractor shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of all the Transferring Former Contractor Employees in respect of the period up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (but not including) the Relevant Transfer Date) and the *Contractor* shall make, and the *Employer* shall procure that each Former Contractor makes, any necessary apportionments in respect of any periodic payments.
2. Former Contractor Indemnities
   1. Subject to paragraph 1.2 of Part B of this Annex G, the *Employer* shall procure that each Former Contractor shall indemnify the *Contractor* and any Notified Sub-Contractor against any Employee Liabilities in respect of any Transferring Former Contractor Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:
      1. any act or omission by the Former Contractor arising before the Relevant Transfer Date;
      2. the breach or non-observance by the Former Contractor arising before the Relevant Transfer Date of:
         1. any collective agreement applicable to the Transferring Former Contractor Employees; and/or
         2. any custom or practice in respect of any Transferring Former Contractor Employees which the Former Contractor is contractually bound to honour.
      3. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
         1. in relation to any Transferring Former Contractor Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and
         2. in relation to any employee who is not a Transferring Former Contractor Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Contractor to the *Contractor* and/or any Notified Sub-Contractor as appropriate, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations in respect of the period to (but excluding) the Relevant Transfer Date;
      4. a failure of the Former Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Contractor Employees in respect of the period to (but excluding) the Relevant Transfer Date;
      5. any claim made by or in respect of any person employed or formerly employed by the Former Contractor other than a Transferring Former Contractor Employee for whom it is alleged the *Contractor* and/or any Notified Sub-Contractor as appropriate may be liable by virtue of this contract and/or the Employment Regulations and/or the Acquired Rights Directive; and
      6. any claim made by or in respect of a Transferring Former Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Contractor Employee relating to any act or omission of the Former Contractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the *Contractor* or any Sub-Contractor to comply with regulation 13(4) of the Employment Regulations.
   2. The indemnities in paragraph 2.1 of Part B of this Annex G shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the *Contractor* or any Sub-Contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities:
      1. arising out of the resignation of any Transferring Former Contractor Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the *Contractor* or any Sub-Contractor to occur in the period from (and including) the Relevant Transfer Date); or
      2. arising from the failure by the *Contractor* and/or any Sub-Contractor to comply with its obligations under the Employment Regulations).
   3. If any person who is not identified by the *Employer* as a Transferring Former Contractor Employee claims, or it is determined in relation to any person who is not identified by the *Employer* as a Transferring Former Contractor Employee, that his/her contract of employment has been transferred from a Former Contractor to the *Contractor* and/or any Notified Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
      1. the *Contractor* shall, or shall procure that the Notified Sub-Contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to the *Employer* and, where required by the *Employer*, to the Former Contractor; and
      2. the Former Contractor may offer (or may procure that a third party may offer) employment to such person within fifteen (15) Working Days of the notification by the *Contractor* and/or the Notified Sub-Contractor or take such other reasonable steps as the Former Contractor considers appropriate to deal with the matter provided always that such steps are in compliance with the *law of the contract*.
   4. If an offer referred to in paragraph 2.3.2 of Part B of this Annex G is accepted, or if the situation has otherwise been resolved by the Former Contractor and/or the *Employer*, the *Contractor* shall, or shall procure that the Notified Sub-Contractor shall, immediately release the person from his/her employment or alleged employment.
   5. If by the end of the 15 Working Day period specified in paragraph 2.3.2 of Part B of this Annex G:
      1. no such offer of employment has been made;
      2. such offer has been made but not accepted; or
      3. the situation has not otherwise been resolved;

the *Contractor* and/or any Notified Sub-Contractor may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.

* 1. Subject to the *Contractor* and/or any Notified Sub-Contractor acting in accordance with the provisions of paragraphs 2.3 to 2.5 of Part B of this Annex G and in accordance with all applicable proper employment procedures set out in the *law of the contract*, the *Employer* shall procure that the Former Contractor indemnifies the *Contractor* and/or any Notified Sub-Contractor (as appropriate) against all Employee Liabilities arising out of the termination pursuant to the provisions of paragraph 2.5 of Part B of this Annex G provided that the *Contractor* takes, or shall procure that the Notified Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.
  2. The indemnity in paragraph 2.6 of Part B of this Annex G
     1. shall not apply to:
        1. any claim for

discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees;

in any case in relation to any alleged act or omission of the *Contractor* and/or any Sub-Contractor; or

* + - 1. any claim that the termination of employment was unfair because the *Contractor* and/or Notified Sub-Contractor neglected to follow a fair dismissal procedure; and
    1. shall apply only where the notification referred to in paragraph 2.3.2 of Part B of this Annex G is made by the *Contractor* and/or any Notified Sub-Contractor (as appropriate) to the *Employer* and, if applicable, the Former Contractor, within six (6) months of the Contract Date.
  1. If any such person as is described in paragraph 2.3 of Part B of this Annex G is neither re-employed by the Former Contractor nor dismissed by the *Contractor* and/or any Notified Sub-Contractor within the time scales set out in paragraph 2.5 of Part B of this Annex G, such person shall be treated as having transferred to the *Contractor* or Notified Sub-Contractor and the *Contractor* shall, or shall procure that the Notified Sub-Contractor shall, comply with such obligations as may be imposed upon it under the *law of the contract*.

1. Contractor Indemnities and Obligations
   1. Subject to paragraph 3.2  of Part B of this Annex G, the *Contractor* shall indemnify the *Employer* and/or the Former Contractor against any Employee Liabilities in respect of any Transferring Former Contractor Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:
      1. any act or omission by the *Contractor* or any Sub-Contractor whether occurring before, on or after the Relevant Transfer Date;
      2. the breach or non-observance by the *Contractor* or any Sub-Contractor on or after the Relevant Transfer Date of:
         1. any collective agreement applicable to the Transferring Former Contractor Employee; and/or
         2. any custom or practice in respect of any Transferring Former Contractor Employees which the *Contractor* or any Sub-Contractor is contractually bound to honour;
      3. any claim by any trade union or other body or person representing any Transferring Former Contractor Employees arising from or connected with any failure by the *Contractor* or a Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
      4. any proposal by the *Contractor* or a Sub-Contractor prior to the Relevant Transfer Date to change the terms and conditions of employment or working conditions of any Transferring Former Contractor Employees on or after their transfer to the *Contractor* or a Sub-Contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Former Contractor Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
      5. any statement communicated to or action undertaken by the *Contractor* or a Sub-Contractor to, or in respect of, any Transferring Former Contractor Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the *Employer* and/or the Former Contractor in writing;
      6. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
         1. in relation to any Transferring Former Contractor Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and
         2. in relation to any employee who is not a Transferring Former Contractor Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Contractor to the *Contractor* or a Sub-Contractor, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;
      7. a failure of the *Contractor* or any Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Contractor Employees in respect of the period from (and including) the Relevant Transfer Date; and
      8. any claim made by or in respect of a Transferring Former Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Contractor Employee relating to any act or omission of the *Contractor* or any Sub-Contractor in relation to obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Former Contractor's failure to comply with its obligations under regulation 13 of the Employment Regulations.
   2. The indemnities in paragraph 3.1 of Part B of this Annex G shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Former Contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Former Contractor’s failure to comply with its obligations under the Employment Regulations.
   3. The *Contractor* shall comply, and shall procure that each Sub-Contractor shall comply, with all its obligations under the Employment Regulations (including without limitation its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-Contractor shall perform and discharge, all its obligations in respect of all the Transferring Former Contractor Employees, on and from the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period from (and including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the *Contractor* and the Former Contractor.
2. Information
   1. The *Contractor* shall, and shall procure that each Sub-Contractor shall, promptly provide to the *Employer* and/or at the *Employer*’s direction, the Former Contractor, in writing such information as is necessary to enable the *Employer* and/or the Former Contractor to carry out their respective duties under regulation 13 of the Employment Regulations. The *Employer* shall procure that the Former Contractor shall promptly provide to the *Contractor* and each Notified Sub-Contractor in writing such information as is necessary to enable the *Contractor* and each Notified Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.
3. Principles of Good Employment Practice
   1. The *Contractor* shall, and shall procure that each Sub-Contractor shall, comply with any requirement notified to it by the *Employer* relating to pensions in respect of any Transferring Former Contractor Employee as set down in:
   2. the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007;
   3. HM Treasury's guidance “Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999;
   4. HM Treasury's guidance: “Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues” of June 2004; and/or
   5. the New Fair Deal.
4. Procurement Obligations
   1. Notwithstanding any other provisions of this Part B of this Annex G, where in this Part B the *Employer* accepts an obligation to procure that a Former Contractor does or does not do something, such obligation shall be limited so that it extends only to the extent that the *Employer*'s contract with the Former Contractor contains a contractual right in that regard which the *Employer* may enforce, or otherwise so that it requires only that the *Employer* must use reasonable endeavours to procure that the Former Contractor does or does not act accordingly.
5. Pensions
   1. The *Contractor* shall, and shall procure that each Sub-Contractor shall, comply with the pensions provisions in the following Annex.

12/08/2013

**ANNEX TO PART B: PENSIONS**

1. Participation
   1. The *Contractor* undertakes to enter into the Admission Agreement.
   2. The *Contractor* and the *Employer*:
      1. undertake to do all such things and execute any documents (including the Admission Agreement) as may be required to enable the *Contractor* to participate in the Schemes in respect of the Fair Deal Employees;
      2. agree that the *Employer* is entitled to make arrangements with the body responsible for the Schemes for the *Employer* to be notified if the *Contractor* breaches the Admission Agreement;
      3. notwithstanding Paragraph 1.2.2 of this Annex, the *Contractor* shall notify the *Employer* in the event that it breaches the Admission Agreement; and
      4. agree that the *Employer* may terminate this Call Off Contract for material default in the event that the *Contractor* breaches the Admission Agreement.
   3. The *Contractor* shall bear its own costs and all costs that the *Employer* reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the *Contractor* participating in the Schemes.
2. Future Service Benefits
   1. If the *Contractor* is rejoining the Schemes for the first time, the *Contractor* shall procure that the Fair Deal Employees shall be either admitted to or offered continued membership of the relevant section of the Schemes that they became eligible to join on the Relevant Transfer Date and shall continue to accrue or accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.
   2. If staff have already been readmitted to the Schemes, the *Contractor* shall procure that the Fair Deal Employees shall be either admitted into or offered continued membership of the relevant section of the Schemes that they currently contribute to or were eligible to join immediately prior to the Relevant Transfer Date and the *Contractor* shall procure that the Fair Deal Employees shall continue to accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.
   3. The *Contractor* undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to the *Employer*, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with access to an occupational pension scheme certified by the Government Actuary’s Department or any actuary nominated by the *Employer* in accordance with relevant guidance produced by the Government Actuary’s Department as providing benefits which are broadly comparable to those provided by the Schemes at the relevant date.
   4. The parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.
3. Funding
   1. The *Contractor* undertakes to pay to the Schemes such amounts as are due under the Admission Agreement and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.
   2. The *Contractor* shall indemnify and keep indemnified the *Employer* on demand against any claim by, payment to, or loss incurred by the Schemes in respect of the failure to account to the Schemes for payments received and non-payment or the late payment of any sum payable by the *Contractor* to or in respect of the Schemes.
4. Provision of Information
   1. The *Contractor* and the *Employer* respectively undertake to each other:
      1. to provide all information which the other party may reasonably request concerning matters:

referred to in this Annex; and

set out in the Admission Agreement

and shall supply such information as expeditiously as possible; and

* + 1. not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other party (not to be unreasonably withheld or delayed).

1. Indemnities
   1. The *Contractor* undertakes to the *Employer* to indemnify and keep indemnified the *Employer* on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.
2. Employer Obligation
   1. The *Contractor* shall comply with the requirements of the Pensions Act 2008 and the Transfer of Employment (Pension Protection) Regulations 2005.
3. Subsequent Transfers
   1. The *Contractor* shall:
      1. not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the date of the relevant future transfer; and
      2. provide all such co-operation and assistance as the Replacement Contractor and/or the *Employer* may reasonably require to enable the Replacement Contractor to participate in the Schemes in respect of any Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under the New Fair Deal; and.
      3. for the period either:
         1. after notice (for whatever reason) is given, in accordance with the other provisions of this contract, to terminate the contract or any part of the *service*; or
         2. after the date which is two (2) years prior to the date of expiry of this contract,

ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Contract or the *Employer*, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such employees are not reduced without (in any case) the prior approval of the *Employer* (such approval not to be unreasonably withheld). Save that this sub-paragraph shall not apply to any change made as a consequence of participation in an Admission Agreement.

12/08/2013

**PART C**

**No transfer of employees at commencement of the provision of Services**

1. Procedure in the Event of Transfer
   1. The *Employer* and the *Contractor* agree that the commencement of the provision of the *service* or of any part of the *service* will not be a Relevant Transfer in relation to any employees of the *Employer* and/or any Former Contractor.
   2. If any employee of the *Employer* and/or a Former Contractor claims, or it is determined in relation to any employee of the *Employer* and/or a Former Contractor, that his/her contract of employment has been transferred from the *Employer* and/or the Former Contractor to the *Contractor* and/or any Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
      1. the *Contractor* shall, and shall procure that the relevant Sub-Contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to the *Employer* and, where required by the *Employer*, give notice to the Former Contractor; and
      2. the *Employer* and/or the Former Contractor may offer (or may procure that a third party may offer) employment to such person within fifteen (15) Working Days of the notification by the *Contractor* or the Sub-Contractor (as appropriate) or take such other reasonable steps as the *Employer* or Former *Contractor* (as the case may be) considers appropriate to deal with the matter provided always that such steps are in compliance with the *law of the contract*.
   3. If an offer referred to in paragraph 1.2.2 of Part C of this Annex G is accepted (or if the situation has otherwise been resolved by the *Employer* and/or the Former Contractor), the *Contractor* shall, or shall procure that the Sub-Contractor shall, immediately release the person from his/her employment or alleged employment.
   4. If by the end of the fifteen (15) Working Day period specified in paragraph 1.2.2
      1. no such offer of employment has been made;
      2. such offer has been made but not accepted; or
      3. the situation has not otherwise been resolved,

the *Contractor* and/or the Sub-Contractor may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.

1. Indemnities
   1. Subject to the *Contractor* and/or the relevant Notified Sub-Contractor acting in accordance with the provisions of paragraphs 1.2 to 1.4 of Part C of this Annex G and in accordance with all applicable employment procedures set out in the *law of the contract* and subject also to paragraph 1.4 of Part C of this Annex G, the *Employer* shall:
      1. indemnify the *Contractor* and/or the relevant Notified Sub-Contractor against all Employee Liabilities arising out of the termination of the employment of any employees of the *Employer* referred to in paragraph 1.2 of Part C of this Annex G made pursuant to the provisions of paragraph 1.4 of Part C of this Annex G provided that the *Contractor* takes, or shall procure that the Notified Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities; and
      2. procure that the Former Contractor indemnifies the *Contractor* and/or any Notified Sub-Contractor against all Employee Liabilities arising out of termination of the employment of the employees of the Former Contractor made pursuant to the provisions of paragraph 1.2 of Part C of this Annex G provided that the *Contractor* takes, or shall procure that the relevant Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.
   2. If any such person as is described in paragraph 1.2 of Part C of this Annex G is neither re employed by the *Employer* and/or the Former Contractor as appropriate nor dismissed by the *Contractor* and/or any Sub-Contractor within the fifteen (15) Working Day period referred to in paragraph 1.4 of Part C of this Annex G such person shall be treated as having transferred to the *Contractor* and/or the Sub-Contractor (as appropriate) and the *Contractor* shall, or shall procure that the Sub-Contractor shall, comply with such obligations as may be imposed upon it under the *law of the contract*.
   3. Where any person remains employed by the *Contractor* and/or any Sub-Contractor pursuant to paragraph 1.2 of Part C of this Annex G, all Employee Liabilities in relation to such employee shall remain with the *Contractor* and/or the Sub-Contractor and the *Contractor* shall indemnify the *Employer* and any Former Contractor, and shall procure that the Sub-Contractor shall indemnify the *Employer* and any Former Contractor, against any Employee Liabilities that either of them may incur in respect of any such employees of the *Contractor* and/or employees of the Sub-Contractor.
   4. The indemnities in paragraph 2.1 of Part C of this Annex G
      1. shall not apply to:
         1. any claim for

discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees, or

in any case in relation to any alleged act or omission of the *Contractor* and/or any Sub-Contractor; or

* + - 1. any claim that the termination of employment was unfair because the *Contractor* and/or Notified Sub-Contractor neglected to follow a fair dismissal procedure; and
    1. shall apply only where the notification referred to in paragraph 1.2.1 of Part C of this Annex G is made by the *Contractor* and/or any Sub-Contractor to the *Employer* and, if applicable, Former Contractor within six (6) months of the Contract Date.

1. Procurement Obligations
   1. Where in this Part C of this Annex G the *Employer* accepts an obligation to procure that a Former Contractor does or does not do something, such obligation shall be limited so that it extends only to the extent that the *Employer*'s contract with the Former Contractor contains a contractual right in that regard which the *Employer* may enforce, or otherwise so that it requires only that the *Employer* must use reasonable endeavours to procure that the Former Contractor does or does not act accordingly.

12/08/2013

**PART D**

**Employment Exit Provisions**

1. Pre-service Transfer Obligations
   1. The *Contractor* agrees that within twenty (20) Working Days of the earliest of:
      1. receipt of a notification from the *Employer* of a Service Transfer or intended Service Transfer;
      2. receipt of the giving of notice of early termination or any partial termination of this contract;
      3. the date which is twelve (12) months before the end of the *service period*; and
      4. receipt of a written request of the *Employer* at any time (provided that the *Employer* shall only be entitled to make one such request in any six (6) month period),

it shall provide in a suitably anonymised format so as to comply with the Data Protection Legislation, the Contractor's Provisional Personnel List, together with the Staffing Information in relation to the Contractor's Provisional Personnel List and it shall provide an updated Contractor's Provisional Personnel List at such intervals as are reasonably requested by the *Employer*.

* 1. At least twenty (20) Working Days prior to the Service Transfer Date, the *Contractor* shall provide to the *Employer* or at the direction of the *Employer* to any Replacement Contractor and/or any Replacement Sub-Contractor:
     1. the Contractor's Final Personnel List, which shall identify which of the Staff are Transferring Contractor Employees; and
     2. the Staffing Information in relation to the Contractor’s Final Personnel List (insofar as such information has not previously been provided).
  2. The *Employer* shall be permitted to use and disclose information provided by the *Contractor* under paragraphs 1.1 and 1.2 of Part D of this Annex G for the purpose of informing any prospective Replacement Contractor and/or Replacement Sub-Contractor.
  3. The *Contractor* warrants, for the benefit of the *Employer*, any Replacement Contractor, and any Replacement Sub-Contractor that all information provided pursuant to paragraphs 1.1 and 1.2 of Part D of this Annex G shall be true and accurate in all material respects.
  4. From the date of the earliest event referred to in paragraphs 1.1.1 to 1.1.3 of Part D of this Annex G, the *Contractor* agrees, that it shall not, and agrees to procure that each Sub-Contractor shall not, assign any person to the provision of the Services who is not listed on the Contractor’s Provisional Personnel List and shall not without the approval of the *Employer* (not to be unreasonably withheld or delayed):
     1. replace or re-deploy any Staff listed on the Contractor’s Provisional Personnel List other than where any replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person he/she replaces;
     2. make, promise, propose or permit any material changes to the terms and conditions of employment of the Staff (including any payments connected with the termination of employment);
     3. increase the proportion of working time spent on the Services (or the relevant part of the Services) by any of the Staff save for fulfilling assignments and projects previously scheduled and agreed;
     4. introduce any new contractual or customary practice concerning the making of any lump sum payment on the termination of employment of any employees listed on the Contractor's Provisional Personnel List;
     5. increase or reduce the total number of employees so engaged, or deploy any other person to perform the Services (or the relevant part of the Services); or
     6. terminate or give notice to terminate the employment or contracts of any persons on the Contractor's Provisional Personnel List save by due disciplinary process,

and shall promptly notify, and procure that each Sub-Contractor shall promptly notify, the *Employer* or, at the direction of the *Employer*, any Replacement Contractor and any Replacement Sub-Contractor of any notice to terminate employment given by the *Contractor* or relevant Sub-Contractor or received from any persons listed on the Contractor's Provisional Personnel List regardless of when such notice takes effect.

* 1. During the *service period*, the *Contractor* shall provide to the *Employer* any information the *Employer* may reasonably require relating to any individual employed, assigned or engaged in providing the Services (subject to any limitations imposed by the Data Protection Legislation) including without limitation the Staffing Information and, upon reasonable request by the *Employer* and subject only to any limitation imposed by the Data Protection Legislation, the *Contractor* shall provide, and shall procure that each Sub-Contractor shall provide, the *Employer* or, at the direction of the *Employer* to a Replacement Contractor and/or any Replacement Sub-Contractor with access (on reasonable notice and during normal working hours) to such employment records as the *Employer* reasonably requests and shall allow the *Employer* or at the *Employer*’s direction, the Replacement Contractor and/or any Replacement Sub-Contractor to have copies of any such documents.
  2. The *Contractor* shall provide, and shall procure that each Sub-Contractor shall provide, all reasonable cooperation and assistance to the *Employer*, any Replacement Contractor and/or any Replacement Sub-Contractor to ensure the smooth transfer of the Transferring Contractor Employees on the Service Transfer Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements can be made to enable the Transferring Contractor Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within five (5) Working Days following the Service Transfer Date, the *Contractor* shall provide, and shall procure that each Sub-Contractor shall provide, the *Employer* or, at the direction of the *Employer*, to any Replacement Contractor and/or any Replacement Sub-Contractor (as appropriate), in respect of each person on the Contractor's Final Personnel List who is a Transferring Contractor Employee:
     1. the most recent month's copy pay slip data;
     2. details of cumulative pay for tax and pension purposes;
     3. details of cumulative tax paid;
     4. tax code;
     5. details of any voluntary deductions from pay; and
     6. bank/building society account details for payroll purposes.

1. Employment Regulations Exit Provisions
   1. The *Employer* and the *Contractor* acknowledge that subsequent to the *starting date*, the identity of the provider of the Services (or any part of the Services) may change (whether as a result of termination or partial termination of this contract or otherwise) resulting in the Services being undertaken by a Replacement Contractor and/or a Replacement Sub-Contractor. Such change in the identity of the *Contractor* of such services may constitute a Relevant Transfer to which the Employment Regulations and/or the Acquired Rights Directive will apply. The *Employer* and the *Contractor* further agree that, as a result of the operation of the Employment Regulations, where a Relevant Transfer occurs, the contracts of employment between the *Contractor* and the Transferring Contractor Employees (except in relation to any contract terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Service Transfer Date as if originally made between the Replacement Contractor and/or a Replacement Sub-Contractor (as the case may be) and each such Transferring Contractor Employee.
   2. The *Contractor* shall, and shall procure that each Sub-Contractor shall, comply with all its obligations in respect of the Transferring Contractor Employees arising under the Employment Regulations in respect of the period up to (and including) the Service Transfer Date and shall perform and discharge, and procure that each Sub-Contractor shall perform and discharge, all its obligations in respect of all the Transferring Contractor Employees arising in respect of the period up to (and including) the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period ending on (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the *Contractor* and/or the Sub-Contractor (as appropriate); and (ii) the Replacement Contractor and/or Replacement Sub-Contractor.
   3. Subject to paragraph 2.4 of Part D of this Annex G, the *Contractor* shall indemnify the *Employer* and/or the Replacement Contractor and/or any Replacement Sub-Contractor against any Employee Liabilities in respect of any Transferring Contractor Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:
      1. any act or omission of the *Contractor* or any Sub-Contractor whether occurring before, on or after the Service Transfer Date;
      2. the breach or non-observance by the *Contractor* or any Sub-Contractor occurring on or before the Service Transfer Date of:
         1. any collective agreement applicable to the Transferring Contractor Employees; and/or
         2. any other custom or practice with a trade union or staff association in respect of any Transferring Contractor Employees which the *Contractor* or any Sub-Contractor is contractually bound to honour;
      3. any claim by any trade union or other body or person representing any Transferring Contractor Employees arising from or connected with any failure by the *Contractor* or a Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or before the Service Transfer Date;
      4. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
         1. in relation to any Transferring Contractor Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and before the Service Transfer Date; and
         2. in relation to any employee who is not a Transferring Contractor Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the *Contractor* to the *Employer* and/or Replacement Contractor and/or any Replacement Sub-Contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or before the Service Transfer Date;
      5. a failure of the *Contractor* or any Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Contractor Employees in respect of the period up to (and including) the Service Transfer Date);
      6. any claim made by or in respect of any person employed or formerly employed by the *Contractor* or any Sub-Contractor other than a Transferring Contractor Employee for whom it is alleged the *Employer* and/or the Replacement Contractor and/or any Replacement Sub-Contractor may be liable by virtue of this contract and/or the Employment Regulations and/or the Acquired Rights Directive; and
      7. any claim made by or in respect of a Transferring Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Contractor Employee relating to any act or omission of the *Contractor* or any Sub-Contractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the *Employer* and/or Replacement Contractor to comply with regulation 13(4) of the Employment Regulations.
   4. The indemnities in paragraph 2.3 of Part D of this Annex G shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Replacement Contractor and/or any Replacement Sub-Contractor whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities:
      1. arising out of the resignation of any Transferring Contractor Employee before the Service Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Replacement Contractor and/or any Replacement Sub-Contractor to occur in the period on or after the Service Transfer Date); or
      2. arising from the Replacement Contractor’s failure, and/or Replacement Sub-Contractor’s failure, to comply with its obligations under the Employment Regulations.
   5. If any person who is not a Transferring Contractor Employee claims, or it is determined in relation to any person who is not a Transferring Contractor Employee, that his/her contract of employment has been transferred from the *Contractor* or any Sub-Contractor to the Replacement Contractor and/or Replacement Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive, then:
      1. the *Employer* shall procure that the Replacement Contractor shall, or any Replacement Sub-Contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to the *Contractor*; and
      2. the *Contractor* may offer (or may procure that a Sub-Contractor may offer) employment to such person within fifteen (15) Working Days of the notification by the Replacement Contractor and/or any and/or Replacement Sub-Contractor or take such other reasonable steps as it considers appropriate to deal with the matter provided always that such steps are in compliance with the *law of the contract*.
   6. If such offer is accepted, or if the situation has otherwise been resolved by the *Contractor* or a Sub-Contractor, the *Employer* shall procure that the Replacement Contractor shall, or procure that the Replacement Sub-Contractor shall, immediately release or procure the release of the person from his/her employment or alleged employment.
   7. If after the fifteen (15) Working Day period specified in paragraph 2.5.2 of Part D of this Annex G has elapsed:
      1. no such offer of employment has been made;
      2. such offer has been made but not accepted; or
      3. the situation has not otherwise been resolved;

the *Employer* shall advise the Replacement Contractor and/or Replacement Sub-Contractor, as appropriate that it may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.

* 1. Subject to the Replacement Contractor and/or Replacement Sub-Contractor acting in accordance with the provisions of paragraphs 2.5 to 2.7 of Part D of this Annex G and in accordance with all applicable proper employment procedures set out in the *law of the contract*, the *Contractor* shall indemnify the Replacement Contractor and/or Replacement Sub-Contractor against all Employee Liabilities arising out of the termination pursuant to the provisions of paragraph 1.7 of Part D of this Annex G provided that the Replacement Contractor takes, or shall procure that the Replacement Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.
  2. The indemnity in paragraph 2.8 of Part D of this Annex G
     1. shall not apply to:
        1. any claim for

discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Replacement Contractor and/or Replacement Sub-Contractor; or

* + - 1. any claim that the termination of employment was unfair because the Replacement Contractor and/or Replacement Sub-Contractor neglected to follow a fair dismissal procedure; and
    1. shall apply only where the notification referred to in paragraph 2.5.1 of Part D of this Annex G is made by the Replacement Contractor and/or Replacement Sub-Contractor to the *Contractor* within six (6) months of the Service Transfer Date.
  1. If any such person as is described in paragraph 2.5 of Part D of this Annex G is neither re-employed by the *Contractor* or any Sub-Contractor nor dismissed by the Replacement Contractor and/or Replacement Sub-Contractor within the time scales set out in paragraphs 2.5 to 2.7 of Part D of this Annex G, such person shall be treated as a Transferring Contractor Employee and the Replacement Contractor and/or Replacement Sub-Contractor shall comply with such obligations as may be imposed upon it under the *law of the contract*.
  2. The *Contractor* shall comply, and shall procure that each Sub-Contractor shall comply, with all its obligations under the Employment Regulations and shall perform and discharge, and shall procure that each Sub-Contractor shall perform and discharge, all its obligations in respect of the Transferring Contractor Employees up to (but not including) the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between:
     1. the *Contractor* and/or any Sub-Contractor; and
     2. the Replacement Contractor and/or the Replacement Sub-Contractor.
  3. The *Contractor* shall, and shall procure that each Sub-Contractor shall, promptly provide to the *Employer* and any Replacement Contractor and/or Replacement Sub-Contractor, in writing such information as is necessary to enable the *Employer*, the Replacement Contractor and/or Replacement Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations. The *Employer* shall procure that the Replacement Contractor and/or Replacement Sub-Contractor shall promptly provide to the *Contractor* and each Sub-Contractor in writing such information as is necessary to enable the *Contractor* and each Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.
  4. Subject to paragraph 2.14 of Part D of this Annex G, the *Employer* shall procure that the Replacement Contractor indemnifies the *Contractor* on its own behalf and on behalf of any Replacement Sub-Contractor and its sub-contractors against any Employee Liabilities in respect of each Transferring Contractor Employee (or, where applicable any employee representative (as defined in the Employment Regulations) of any Transferring Contractor Employee) arising from or as a result of:
     1. any act or omission of the Replacement Contractor and/or Replacement Sub-Contractor;
     2. the breach or non-observance by the Replacement Contractor and/or Replacement Sub-Contractor on or after the Service Transfer Date of:
        1. any collective agreement applicable to the Transferring Contractor Employees; and/or
        2. any custom or practice in respect of any Transferring Contractor Employees which the Replacement Contractor and/or Replacement Sub-Contractor is contractually bound to honour;
     3. any claim by any trade union or other body or person representing any Transferring Contractor Employees arising from or connected with any failure by the Replacement Contractor and/or Replacement Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
     4. any proposal by the Replacement Contractor and/or Replacement Sub-Contractor to change the terms and conditions of employment or working conditions of any Transferring Contractor Employees on or after their transfer to the Replacement Contractor or Replacement Sub-Contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Contractor Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
     5. any statement communicated to or action undertaken by the Replacement Contractor or Replacement Sub-Contractor to, or in respect of, any Transferring Contractor Employee on or before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the *Contractor* in writing;
     6. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
        1. in relation to any Transferring Contractor Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date; and
        2. in relation to any employee who is not a Transferring Contractor Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the *Contractor* or Sub-Contractor, to the Replacement Contractor or Replacement Sub-Contractor to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date;
     7. a failure of the Replacement Contractor or Replacement Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Contractor Employees in respect of the period from (and including) the Service Transfer Date; and
     8. any claim made by or in respect of a Transferring Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Contractor Employee relating to any act or omission of the Replacement Contractor or Replacement Sub-Contractor in relation to obligations under regulation 13 of the Employment Regulations.
  5. The indemnities in paragraph 2.3 of Part D of this Annex G shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the *Contractor* and/or any Sub-Contractor (as applicable) whether occurring or having its origin before, on or after the Relevant Transfer Date, including any Employee Liabilities arising from the failure by the *Contractor* and/or any Sub-Contractor (as applicable) to comply with its obligations under the Employment Regulations.

12/08/2013

**ANNEX 1: LIST OF NOTIFIED SUBCONTRACTORS**

***[Guidance Note: list of Notified Sub-Contractors to be inserted here as required.*]**

1. ecc CONTRACT ANNEX H – [ ]

[Insert reference to any other documents which should form part of the call off contract]

1. [1]               Need to confirm if any further tax authority has been devolved to Revenue Scotland. [↑](#footnote-ref-2)