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CPD

Procurement Guidance Note

PGN 01/15

(as amended)

Standardisation of NEC3 Engineering and Construction Contract Z Clauses

Reissued: 05 September 2016



PROCUREMENT GUIDANCE NOTES

[Northern Ireland Public Procurement Policy \(NIPPP\)](#) was approved by the Northern Ireland Executive in 2002. In approving the policy, the Executive took the decision that legislation was not necessary to ensure that Departments, their Agencies, Non-Departmental Public Bodies and Public Corporations complied with the policy. Instead, it considered that compliance could be achieved by means of administrative direction.

Procurement Guidance Notes (PGNs) are the administrative means by which Departments are advised of procurement policy and best practice developments. They apply to those bodies subject to NIPPP and also provide useful guidance for other public sector bodies.

PGNs are developed by the Central Procurement Directorate (CPD), in consultation with the Centres of Procurement Expertise (CoPEs), and are subject to the approval of the Procurement Board.

Once endorsed by the Procurement Board, they are issued to the Departments for implementation and copied to CoPEs to develop, if necessary, underpinning procedures supporting the implementation of this guidance in their particular sector. PGNs are also published on the [Department of Finance \(DoF\) website](#).

The following PGN was endorsed by the Procurement Board with effect from 13 February 2015 for use by those bodies subject to NIPPP.

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Definition of Terminology

In the preparation of this guide, the term **contractor/supplier** has been used to denote an organisation that contracts directly with a Department, whether it is a supplier, a service provider or a construction contractor.

The term **Department** has been used to refer to those bodies subject to Northern Ireland Public Procurement Policy including Departments, Non-Departmental Public Bodies and Public Corporations. A full list of such bodies is available in Annex A of the [Northern Ireland Public Procurement Policy](#).

1 BACKGROUND

- 1.1 In May 2006, the Procurement Board agreed that NEC3 contracts should be adopted as the form of contract for construction works and services undertaken by Departments, their Agencies, Non-Departmental Public Bodies and Public Corporations¹.
- 1.2 NEC3 is a modern suite of contracts that facilitates the implementation of sound project management principles and practices as well as defining legal relationships. It stimulates good management of the relationship between the two parties to the contract and, hence, of the work included in the contract. It can be used in a wide variety of commercial situations, for a wide variety of types of work and in any location. It is a clear and simple document using language and a structure which are straightforward and easily understood.
- 1.3 Z clauses are additional conditions of contract added via secondary Option Z, and are available in most NEC3 contracts. They may be used by Government to include new policy requirements that have been developed. Examples of this include the use of the Construction Contract Monitor and Project Bank Accounts and, in this context, Z clauses are an important mechanism for policy implementation for Government in its construction works contracts.
- 1.4 Option Z also enables the Parties to agree additional conditions of contract to cater for specific needs relating to the project or type of project. While this guidance speaks to that situation, it is important to note that in most cases there may be very little need to incorporate all of the additional Z clauses attached at Annex A. NEC3 contracts were structured to provide flexibility and offer a choice of main and secondary Options to cater for a range of payment regimes and risk profiles.

¹ Forms of contract other than NEC3, will only be used for construction works or services if they demonstrably add value in comparison to NEC3 contracts and only following approval of the Head of the CoPE.

2 PURPOSE OF THIS GUIDANCE

- 2.1 The introduction of the NEC3 suite of contracts reflects Government's desire to standardise its construction contracts for the benefit of itself, its contract managers and the construction industry. Adoption of a single form of contract has enabled Government to remove inconsistencies in the application of different contracts and improve the contract management skills of its practitioners by enabling them to focus on one form of contract. The use of a single form of contract has created efficiency and improved transparency for the construction industry when bidding for Government construction contracts.
- 2.2 However, Government is aware that the inappropriate use of Z clauses has the unintended consequence of undermining the principles upon which NEC3 was introduced. The proliferation of different Z clauses across Government has resulted, in some cases, in the unnecessary modification of the contract and the inappropriate allocation of risk. As contractors normally include a cost for this risk in their tender, the misallocation of risk can considerably increase the cost of construction projects to Government.
- 2.3 A key feature of NEC3 contracts is simplicity. There is no cross-referencing with other contract clauses. A myriad of Z clauses inevitably require a sophisticated system of cross-referencing, especially where they affect a large number of core clauses. In this process there is the ever-present risk that ambiguity and inconsistency will be introduced for Government and industry, especially where the relevant Z clauses amend the wording within the standard clauses.
- 2.4 There is another risk for Government when Z clauses are used. In the event of inconsistencies or ambiguities in drafting, the relevant Z clauses will be interpreted in a way that is contrary to the interest of the party drafting them. This is the *contra proferentum* rule that the courts use when interpreting contracts. The rule is also enshrined in the NEC3 Engineering and Construction Contract (ECC), April 2013 edition, at clause 63.8. An ambiguity or inconsistency may require a change in the Works Information². Where the

² See Section 5.

Project Manager instructs such change, the resulting compensation event³ is assessed in a way that is more favourable to the party that had not provided the Works Information. Therefore, ambiguous drafting of Z clauses is another potential source of additional cost to Government.

2.5 Consequently the purpose of this guidance is:

- to create a standardised suite of Z clauses that Departments must not deviate from in their construction works contracts;
- to establish clear and unambiguous wording for each of these Z clauses which eradicates the risk to Government of poor drafting; and
- to provide guidance to Departments on the use of Z clauses to ensure the appropriate allocation of risk.

3 APPLICATION

3.1 This guidance will apply to Departments' construction works contracts which use the NEC3 ECC. It should also be applied to construction contracts using the NEC3 Engineering and Construction Short Contract (ECSC) April 2013 edition. However, it will not apply to construction contracts which use the NEC3 Term Service Contract or to NEC3 Professional Services Contracts.

3.2 The ECSC is an alternative to the NEC Engineering and Construction Contract. It is for use with contracts which comprise straight forward work, do not require sophisticated management techniques, and impose only low risks on both the *Employer* and the *Contractor*. Therefore, Departments should note that not all of the Z clauses attached at Annex A will be suitable for use with the ECSC. Where the implementation of such clauses is necessary, the Department should consider using the ECC instead.

³ If an event occurs during the course of the works that causes the works to be changed then these may be compensation events. Compensation events will normally result in additional payment being made to the Contractor and may result in adjustment of the Completion Date or any Key Dates.

3.3 A Standard List of Z clauses is attached at Annex A. These Z clauses have been developed following extensive consultation with:

- construction CoPEs;
- Departmental Solicitors Office;
- NEC Users' Group; and
- representatives from the local construction industry.

3.4 The Standard List of Z clauses, included at Annex A, is an exhaustive list. Z clauses which are denoted as Core (C) clauses⁴ will normally be included in all NEC3 engineering and construction contracts. Those Z clauses which can be used at the discretion of the Department are identified as Discretionary(D). Subject to paragraph 3.5, Departments must not use any Z clause which is not included in this list. In addition, Departments must not amend the wording of the Z clauses, attached at Annex A, for the reasons previously described under Section 2.4 of this guidance. Where Departments employ construction consultants to prepare contract documentation for their construction works contracts, the Department must ensure that the consultant(s) adhere to the advice contained within this guidance.

3.5 Where a Department wishes to include a Z clause in a construction works contract which is not included in the Standard List at Annex A, it must consult with its CoPE. Inclusion of Z clauses not included within this list will require prior approval by the CoPE's Head of Procurement. Departments will also be required to report to CPD Policy and Performance Division, details of additional Z clauses that have been included in its contracts beyond the agreed Standard List.

⁴ There may be occasion when it is not appropriate to include a Core Z clause; however, this will depend on the specifics of the contract and the advice of the relevant CoPE.

4 RISK ALLOCATION AND THE USE OF Z CLAUSES

4.1 Within any project, it is best practice that a project risk register is maintained throughout its duration. The project risk register will identify:

- key risks;
- the likelihood of occurrence;
- the impact;
- the risk owner;
- measures to mitigate the risk of occurrence; and
- estimated cost of each risk (where possible).

4.2 In all projects, risk should be transferred to the party which is best placed to bear and manage it. In construction projects, the project risk register is an effective means of identifying which party is best placed to manage the risks included. Z clauses enable Departments to transfer certain risks to the Contractor; however, Departments must ensure that the level of risk transfer is reasonable and can be priced by the Contractor. This will mean that a reasonable level of information should be provided to the Contractor within tender documentation to enable this risk to be priced.

4.3 Transferring risk to the Contractor will normally add cost to the Contractor's tender price. Departments should therefore exercise care when transferring risk. Departments must ensure that their Project Managers and/or construction consultants employed to prepare contract documentation and manage the contract, do not misuse Z clauses unreasonably to transfer risks to the Contractor. Through reference to the project risk register, the Project Manager and/or consultant must demonstrate to the Department and its CoPE how it has properly considered the risks and how it has selected Z clauses from the Standard List, to transfer these to the party that is best placed to manage them.

5 WORKS INFORMATION AND CONTRACT DATA

- 5.1 The NEC3 ECC consists of various documents, each fulfilling a specific and distinct function and purpose. The various documents include the:
- Form of Agreement;
 - Conditions of Contract;
 - Contract Data;
 - Works Information (prepared by the Employer and Contractor); and
 - Site Information.
- 5.2 The Works Information is integral to the proper functioning of the ECC as the Contractor is required to provide the Works in accordance with it. The Works Information must therefore specify what is required from the Contractor in order for it to complete the Works and it must also specify and describe any constraints on how the Contractor provides the Works.
- 5.3 The Contract Data contains information needed to operate the contract, including the choice of main and secondary options. The Contract Data is the information often described in other forms of contract as the contract particulars or appendix. There are two parts: Part One contains the information provided by the Employer, and Part Two is where the Contractor's data and proposals are identified. The information set out in the Contract Data identifies the documents which contain Works Information. NEC provides guidance and standard templates for completing the Contract Data document; however, Departments should ensure that the NEC standard templates (if used), or their own bespoke templates, are amended to include the additional Contract Data specified in the Standard List of Z clauses.
- 5.4 Departments should note that their specific requirements for delivery of a construction works contract may not necessitate the incorporation, or creation, of a new Z clause. The Works Information and Contract Data enable the Department to specify and reference requirements that the Contractor must comply with. For example, the inclusion of sustainability requirements in

Government construction works contracts is part of Northern Ireland Public Procurement Policy. These requirements do not necessitate the creation of a new Z clause as they can and should be captured as specification requirements contained within the Works Information.

- 5.5 Proper consideration of where the requirements of a construction works contract should be included, within an NEC3 contract, will mean that a myriad of Z clauses, beyond the Standard List, should not materialise. Such an outcome would undermine the principle of standardisation of Z clauses which this guidance seeks to achieve.

6 FURTHER INFORMATION

Any queries on this guide should be addressed to:

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⁵ Status:

Core Clauses (1 to 15) will normally be included in all NEC3 engineering and construction contracts.

Discretionary Clauses (16 to 28) can be used at the discretion of the Department.

Key to Z Clause Amendments

1). Where a Z clause in the standard list amends a clause from the existing NEC ECC or ECSC comprising one of the following:

- Core clauses;
- ECC: Main Option clauses A to F;
- ECC: Dispute resolution clauses W1 or W2;
- ECC: Secondary Option clauses - X1 to X20, Y(UK)1 to 3 and Option Z; or
- ECC: Schedule and Shorter Schedule of const components.

~~Red strike through text~~ denotes text that it is proposed to be **deleted** from the existing NEC 3 ECC clause;

Green text denotes text that it is proposed to be **added** to the existing NEC 3 ECC clause; and

Red text denotes guidance for Client Advisers/Project Managers (CA/PM) and Employers.

Red on grey highlighted text denotes a choice of wording within the body text of a Z clause. The choice generally depends of which contract form, the ECC or the ECSC, is to be used. The correct wording should be chosen and the alternative deleted. For the ECC the responsibility for choosing the appropriate wording will rest with the CA/PM. However, the PM is not identified or defined in the ECSC which contemplates only an Employer and Contractor. Therefore, when the ECSC is used the responsibility for choosing the appropriate wording will rest with the Employer.

2). When adding or deleting text to the contract through the application of the following Z clauses, Client Advisers/Project Managers/Employers must ensure that in the final contract conditions:

- Any red strike through text is deleted;
- Any red text denoting guidance for CA/PM/Employer is deleted;
- Any green text is changed to black text; and
- Any red on grey highlighted text is change to black text and the grey highlighting removed (after choosing the correct option and deleting the alternative).

CORE CLAUSES

Z Clause Number and Title	Status
Z1: Option Z – Additional conditions of contract	Core
<p>Purpose: The inclusion of this clause is essential to enable the following Z clauses to take effect within the contract.</p> <p>Restrictions in Use: none</p>	
<p>For the ECC: include Option Z in the Contract and the chosen list of Z clauses in the Contract Data Part 1 For the ECSC: add chosen list of Z clauses into the Contract Data (see model contract form ECSC page 3).</p> <p>Additional conditions of contract</p> <p>Z1.</p> <p>Z1.1 The additional conditions of contract stated in the Contract Data are part of this contract.</p>	

Z Clause Number and Title		Status
Z2: Identified and defined terms		Core
<p>Purpose: Adds new defined terms for option Z clauses.</p> <p>Restrictions in Use: none</p>		
<p>Add New Defined Terms:</p> <p>From Z5: 11.2(120) The Certificate of Unsatisfactory Performance is a certificate issued to the <i>Contractor</i> if it has performed unsatisfactorily and has not improved performance within a specified time set by the Contracting Authority. The issue of a Certificate of Unsatisfactory Performance will result in the <i>Contractor</i> being excluded from all procurement competitions being undertaken by Centres of Procurement Expertise on behalf of bodies covered by the Northern Ireland Procurement Policy for a period of twelve months from the date of issue of the certificate. Further details on the process associated with the issue of The Certificate of Unsatisfactory Performance can be found in Procurement Guidance Note 01/12: Contract Management Procedures and Principals.</p> <p>11.2(121) A Contracting Authority is a contracting authority as defined in The Public Contracts Regulations 2015, or relevant succeeding rules. Contracting Authorities include Departments of the Northern Ireland Civil Service.</p> <p>11.2(122) A Department is a body subject to Northern Ireland Public Procurement Policy including Northern Ireland Civil Service Departments, their Agencies, Non-Departmental Public Bodies and Public Corporations.</p> <p>From Z3 11.2(123) An Unqualified Person is as defined in Article 62(2) of the Fair Employment and Treatment (Northern Ireland) Order 1998.</p> <p>From Z10 11.2(124) FOIA is the Freedom of Information Act 2000.</p> <p>From Z11 11.2(125) Fraud is any offence under Laws creating offences in respect of fraudulent acts or at common law in respect of fraudulent acts in relation to the contract or defrauding or attempting to defraud or conspiring to defraud the Crown.</p> <p>11.2(126) Staff are all persons employed by the <i>Contractor</i> to perform its obligations under the contract together with the <i>Contractor's</i> servants, agents, suppliers and Subcontractors used in the performance of its obligations under the contract.</p> <p>11.2(127) Good Industry Practice is standards, practices, methods and procedures conforming to the Law and the degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person or body engaged in a similar type of undertaking under the same or similar circumstances.</p>		

Z Clause Number and Title		Status
Z2: Identified and defined terms		Core
From Z1	<p>11.2(128) An Occasion of Tax Non-Compliance is:</p> <ul style="list-style-type: none"> any tax return of the <i>Contractor</i>, submitted to a Relevant Tax Authority on or after 1 October 2012, found on or after 1 April 2013 to be incorrect as a result of: a Relevant Tax Authority successfully challenging the <i>Contractor</i> under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle; the failure of an avoidance scheme which the <i>Contractor</i> was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime. any tax return of the <i>Contractor</i> submitted to a Relevant Tax Authority on or after 1 October 2012 giving rise, on or after 1 April 2013, to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Effective Date or to a civil penalty for fraud or evasion. <p>11.2(129) DOTAS is the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HM Revenue & Customs of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and 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 made under s.132A Social Security Administration Act 1992.</p> <p>11.2(130) General Anti-Abuse Rule is the legislation in Part 5 of the Finance Act 2013 and any future legislation introduced into parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions.</p> <p>11.2(131) Halifax Abuse Principle is the principle explained in the CJEU Case C-255/02 Halifax and others.</p> <p>11.2(132) Relevant Tax Authority is HM Revenue & Customs or, if applicable, a tax authority in the jurisdiction in which the <i>Contractor</i> is established.</p>	
From Z22	<p>11.2(133) A Leaseholder is a person having or acquiring a leasehold interest in the <i>works</i> or any part of them.</p> <p>11.2(134) A Freeholder is a person having or acquiring a freehold interest in the <i>works</i> or any part of them.</p> <p>11.2(135) A Funder is a person providing finance for the <i>works</i> or any part of them.</p> <p>11.2(136) A Person is any firm and any entity having legal capacity.</p>	
From Z 23	<p>11.2(137) Intellectual Property Rights are all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, rights in confidential information (including know-how and trade secrets) and any</p>	

Z Clause Number and Title		Status
Z2: Identified and defined terms		Core
	other Intellectual Property Rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.	
From Z27	11.2(138) The Construction Notice is the notice given by the Project Manager (ECC)/Employer (ECSC) to the <i>Contractor</i> notifying of the <i>Employer's</i> decision to cause the Construction Period to commence.	
	11.2(139) The Pre-Construction Period is the period from the Contract Date to the date of the Construction Notice.	
	11.2(140) The Construction Period is the period commencing on the date of the Construction Notice.	
	11.2(141) The Pre-Construction Period Services are the services specified in the Works Information to be provided during the Pre-Construction Period.	
	11.2(142) The <i>condition date</i> is the date specified in the Contract Data Part 1 after which either of the Parties may terminate, provided that such termination may not be effected, after the commencement of the Construction Period.	
	11.2(143) The Construction Period Services are the services specified in the Works Information to be provided during the Construction Period.	
	11.2(144) The Pre-Construction Fee is the fee due to the <i>Contractor</i> for providing the Pre-Construction Period Services. It is set out in the Contract Data with instalments linked to dates or the achievement of milestones.	
	11.2(145) The Construction Period Services Fee is the fee due to the <i>Contractor</i> for providing the Construction Period Services.	
From Z28	11.2(146) Documents are the Works Information, drawings, details, photographs, reports, surveys, specifications and calculations and all other documents which have been or are prepared by the <i>Contractor</i> relating to the works and the designs contained in them for any purpose connected with the works.	
From Z10	11.2(147) Confidential Information is designated as such by the <i>Employer</i> . It shall include all material non-public information, written or oral, disclosed directly or indirectly, through any means of communication or observation by the <i>Employer</i> or any of its affiliates or representatives to or for the benefit of the <i>Employer</i> .	
From Z17	11.2(148) The <i>Contractor's</i> Quality Submission is all information provided by the <i>Contractor</i> at Invitation to Tender stage in response to quality questions and quality award criteria which has been requested by the <i>Employer</i> .	

Z Clause Number and Title	Status
Z2: Identified and defined terms	Core
From Z10 11.2(149) <i>The Information Sharing Agreement is an agreement that sets out the basis for the use and sharing of Confidential Information as designated by the Employer.</i>	
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers should note that in the NEC conditions of contract, terms identified in the Contract Data are in italics and defined terms have capital initials.</p> <p>Depending on the type of contract used (that is, ECC or ECSC), the correct wording must be chosen and the alternative deleted. For example the term Project Manager should be chosen for the ECC and the term Employer should be used for the ECSC.</p> <p>In the numbering of the ECC standard form, identified and defined terms for the core clauses start at 11.2(1) and finish at 11.2(19). The numbering for identified and defined terms then proceeds depending on which Main Option is used; that is, Option A through to Option F. The additional identified and defined terms in Clause Z2 begin at 11.2(120). Therefore, for the ECC, the Client Adviser/Project Manager should ensure that a statement is added to the contract data that identified and defined terms between 11.2(XX) to 11.2(119) inclusive are not used. Client Adviser/Project Managers should note that the number inserted to replace (XX) depends on the Main Option used.</p> <p>The same principles apply to the ECSC, wherein identified and defined terms start at 11.2(1) and finish at 11.2(13). Therefore, the Employer should ensure that a statement is added to the contract data that identified and defined terms between 11.2(14) to 11.2(119) inclusive are not used.</p>	

Z Clause Number and Title		Status
Z3: Subcontracting		Core
Purpose:	<p>Z 3.1 Introduces the concept of the <i>Key Subcontractor</i> that is a Subcontractor who the <i>Contractor</i> has named during the procurement process at PQQ and/or ITT stages and has been assessed by the Contracting Authority as part of the <i>Contractor's</i> team.</p> <p>Post award, the <i>Contractor</i> may only replace a <i>Key Subcontractor</i> if there are compelling reasons to do so and the <i>Project Manager (ECC)/Employer (ECSC)</i> accepts these; for example, a compelling reason may be that the <i>Key Subcontractor</i> has become insolvent or an Unqualified Person.</p> <p>The <i>Contractor</i> cannot replace a Subcontractor without acceptance by the <i>Project Manager (ECC)/Employer (ECSC)</i>.</p> <p>The <i>Project Manager (ECC)/Employer (ECSC)</i> may instruct the <i>Contractor</i> to replace a Subcontractor in certain circumstances.</p> <p>Z3.2 Expands the reasons that the <i>Project Manager (ECC)/Employer (ECSC)</i> has for not accepting proposed subcontract conditions.</p>	
Restrictions in Use: none		
Z3.1:	<p>For the ECC: Delete the text in clause 26.2 and replace with the text below:</p> <p>For the ECSC: Add the text below as a new clause 21.4</p> <p>The <i>Contractor</i> appoints each <i>Key Subcontractor</i> named in the Contract Data for the relevant key subcontract stated in the Contract Data.</p> <p>The <i>Contractor</i> submits the name of each proposed <i>Project Manager (ECC)/Employer (ECSC)</i> for acceptance. A reason for not accepting the Subcontractor is that -</p> <ul style="list-style-type: none"> his appointment will not allow the <i>Contractor</i> to Provide the Works, he is not the <i>Key Subcontractor</i> for the key subcontract named in the Contract Data, or he is an Unqualified Person. <p>The <i>Contractor</i> does not appoint a proposed Subcontractor until the <i>Project Manager (ECC)/Employer (ECSC)</i> has accepted him. The <i>Contractor</i> may submit the name of a replacement <i>Key Subcontractor</i> for acceptance by the <i>Project Manager (ECC)/Employer (ECSC)</i>. The <i>Contractor</i> submits the reason for the replacement and details of the capacity, technical and professional ability and experience of a proposed replacement <i>Key Subcontractor</i> to the <i>Project Manager (ECC)/Employer (ECSC)</i> for acceptance. A reason for not accepting the replacement is that</p>	

Z Clause Number and Title	Status
Z3: Subcontracting	Core
<ul style="list-style-type: none"> • there is not a compelling reason for the replacement. • the relevant experience, financial standing, technical capacity and technical and professional ability of the replacement are not equivalent or as good as that of the <i>Key Subcontractor</i> who is being replaced. <p>The <i>Project Manager (ECC)/Employer (ECSC)</i> may instruct the <i>Contractor</i> to replace a <i>Subcontractor (ECC)/subcontractor (ECSC)</i> if:</p> <ul style="list-style-type: none"> • the <i>Subcontractor (ECC)/subcontractor (ECSC)</i> becomes an Unqualified Person, • the <i>Subcontractor (ECC)/subcontractor (ECSC)</i> fails to enter into a collateral warranty agreement with the <i>Employer</i>, to be delivered by the <i>Contractor</i>, in the form and by the date required in the Contract Data. <p>An instruction by the <i>Project Manager (ECC)/Employer (ECSC)</i> to replace a <i>Subcontractor (ECC)/subcontractor (ECSC)</i> is not a compensation event.</p> <p>The <i>Contractor</i> does not replace a <i>Subcontractor (ECC)/subcontractor (ECSC)</i> unless accepted by the <i>Project Manager (ECC)/Employer (ECSC)</i>. A reason for not accepting the replacement <i>Subcontractor (ECC)/subcontractor (ECSC)</i> is that:</p> <ul style="list-style-type: none"> • He is a <i>Key Subcontractor</i> and there is no compelling reason for replacement. • The reason for replacement is not in accordance with the subcontract terms and conditions. <p>Z3.2: For the ECC: Delete the text in clause 26.3 and replace with the text below: For the ECSC: Add the text below as a new clause 21.5</p> <p>The <i>Contractor</i> submits the proposed conditions of contract for each subcontract to the <i>Project Manager (ECC)/Employer (ECSC)</i> for acceptance unless</p> <ul style="list-style-type: none"> • an NEC contract is proposed or • the <i>Project Manager (ECC)/Employer (ECSC)</i> has agreed that no submission is required. <p>The <i>Contractor</i> does not appoint a <i>Subcontractor (ECC)/subcontractor (ECSC)</i> on the proposed subcontract conditions submitted until the</p>	

Z Clause Number and Title	Status
Z3: Subcontracting	Core
<p><i>Project Manager (ECC)/Employer (ECSC)</i> has accepted them. A reason for not accepting them is that</p> <ul style="list-style-type: none"> • they will not allow the <i>Contractor</i> to Provide the Works or, • they do not include a statement that the parties to the subcontract shall act in a spirit of mutual trust and co-operation, • they are not consistent with these conditions of contract, amongst other things, with regard to payment (including the Fair Payment Charter), liability, risk and insurance cover. <p><i>[Note: CA/PM or Employer to consider if the following bullet points are required]</i></p> <p>if the <i>Subcontractor (ECC)/subcontractor (ECSC)</i> is a <i>Key Subcontractor</i> they</p> <ul style="list-style-type: none"> • do not include a condition for the <i>Subcontractor (ECC)/subcontractor (ECSC)</i> to enter into a collateral warranty agreement with the <i>Employer</i> in the form and by the date specified in the Contract Data, <p>Or (CA/PM or Employer to decide)</p> <ul style="list-style-type: none"> • do not include a term that a person or organisation who is not one of the Parties to the proposed subcontract may enforce a term under the Contracts (Rights of Third Parties Act 1999) if the term and the person or organisation are stated in the Contract Data, <p>if the <i>Subcontractor (ECC)/subcontractor (ECSC)</i> is to provide a professional service necessary to Provide the Works, the proposed subcontract conditions</p> <ul style="list-style-type: none"> • are not the NEC3 Professional Service Contract with amendments in keeping with this contract, • are not to be executed in the form of a deed of appointment or • do not include a term that the <i>Subcontractor (ECC)/subcontractor (ECSC)</i> maintains professional indemnity insurance (in accordance with clause Z18) <p>The <i>Contractor</i> provides the <i>Employer</i> with a certified copy of the <i>Subcontractor (ECC)/subcontractor (ECSC)</i> deed of appointment within 7 days of appointing the <i>Subcontractor (ECC)/subcontractor (ECSC)</i>.</p> <p>The <i>Contractor</i> ensures that each Key Subcontractor executes and delivers a deed of warranty in favour of the <i>Employer</i> in the form and by the date stated in the</p>	

Z Clause Number and Title	Status
Z3: Subcontracting	Core
Contract Data.	
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers must ensure that details of <i>Key Subcontractors</i>, provided at Prequalification and/or Invitation To Tender stages, are inserted into the contract as part of the Contract Data Parts 1 and 2.</p> <p>Depending on the type of contract used (that is, ECC or ECSC), the correct wording must be chosen and the alternative deleted. For example, the term Project Manager should be chosen for the ECC and the term Employer should be used for the ECSC.</p>	

Z Clause Number and Title	Status
Z4: Payment	Core
<p>Purpose: Amends Payment clause 51 to take account of the public sector accounting procedures where a VAT invoice must be provided before payment can be finalised.</p> <p>Z4.1 Introduces two options:</p> <ul style="list-style-type: none"> Option 1: This can be used by Contracting Authorities where the Project Manager's/Employer's payment certificate is required by the accounting procedure and the payment certificate is not issued until an invoice is received. Option 2: This can be used by Contracting Authorities where the Project Manager's/Employer's payment certificate is required by the accounting procedure and the Payment certificate can be issued before an invoice is received. <p>Restrictions in Use: Z4.1 Z clause option 1 or 2 can be used</p>	
<p>Z4.1 For the ECC: Delete the text in clause 51.1 and replace with. Chose from either Option 1 or Option 2 below: For the ECSC: Add new clause 51.3. Choose from either Option 1 or Option 2 below:</p> <p>Option 1</p> <p>The Project Manager certifies a payment within one week of each assessment date. The Contractor submits information to assist the Project Manager (ECC)/Employer (ECSC) to assess the amount due not less than three days before the assessment date (ECC)/day (ECSC). The Project Manager (ECC)/Employer (ECSC) notifies the Contractor of the amount due within 7 days of the assessment date (ECC)/day (ECSC). The Contractor submits a VAT invoice for the amount due notified by the Project Manager (ECC)/Employer (ECSC) within 7 days of the Project Manager (ECC)/Employer (ECSC) notice. If the Contractor fails to submit an invoice within 7 days then the final date for payment is postponed by the same number of days as time taken to submit the invoice exceeds 7 days.</p> <p>The first payment is the amount due. Other payments are the change in the amount due since the last payment certificate. A payment is made by the Contractor to the Employer if the change reduces the amount due. Other payments are made by the Employer to the Contractor. Payments are in the currency of this contract unless otherwise stated in this contract</p> <p>or Option 2</p> <p>The Contractor submits information to assist the Project Manager (ECC)/Employer (ECSC) to assess the amount due not less than three days before the date (ECC)/day (ECSC). The Project Manager (ECC)/Employer (ECSC) certifies a payment within one week of each assessment date (ECC)/day (ECSC). Within 7 days the Contractor submits a VAT invoice for the amount payable certified by the Project Manager (ECC)/Employer (ECSC). If the Contractor fails to submit an invoice within 7 days then the final date for payment is postponed by the same number of days as the time taken to submit the invoice exceeds 7 days.</p>	

Z Clause Number and Title	Status
Z4: Payment	Core
<p>The first payment is the amount due. Other payments are the change in the amount due since the last payment certificate. A payment is made by the <i>Contractor</i> to the <i>Employer</i> if the change reduces the amount due. Other payments are made by the <i>Employer</i> to the <i>Contractor</i>. Payments are in the currency of this contract unless otherwise stated in this contract.</p>	
<p>Notes to Client Advisers / Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers to insert either Option 1 or Option 2 and then delete the unused Option.</p> <p>In the ECC, use the word 'date', and in the ECSC, use the word 'day'; delete the unused alternative in each case.</p> <p>Depending on the type of contract used (that is, ECC or ECSC), the correct wording must be chosen and the alternative deleted. For example, the term Project Manager should be chosen for the ECC and the term Employer should be used for the ECSC.</p>	

Z Clause Number and Title	Status
Z5: Termination	Core
<p>Purpose: Amends termination clauses to include additional reasons for termination in relation to:</p> <ul style="list-style-type: none"> • Unqualified persons • the receipt of an Certificate of Unsatisfactory Performance <p>Enables the <i>Employer</i> to recover any direct loss and/or damage caused to the <i>Employer</i> as a result of the termination in certain circumstances</p> <p>Restrictions in Use: none</p>	
<p>For the ECC:</p> <p>Z5.1: DELETE 'R1 – R21' in line 7 of clause 90.2 and replace with 'R1 – R23'.</p> <p>Z5.2: INSERT 'or R22 or R23' after 'R1 – R15 or R18' in line 8 of clause 90.2.</p> <p>Z5.3: ADD the following after 'weeks of termination' in line 1 of clause 90.4: 'or, where the <i>Employer</i> has terminated for a reason within R1 to R15 or R18 or R22 or R23, within 4 weeks of the <i>Employer</i> completing the whole of the works (if applicable),'</p> <p>Z5.4: Add clause 91.8: '91.8 The <i>Employer</i> may terminate if the <i>Contractor</i> becomes an Unqualified Person. The <i>Employer</i> may terminate if a Subcontractor becomes an Unqualified Person unless, within six weeks of the date of the Subcontractor becoming an Unqualified Person, the <i>Contractor</i> appoints a replacement Subcontractor accepted by the Project Manager (R22)</p> <p>Z5.5: Add clause 91.9: '91.9 The <i>Employer</i> may terminate if the <i>Contractor</i> has been issued with a Certificate of Unsatisfactory Performance (R23).'</p> <p>Z5.6: DELETE A3 in clause 93.2 and substitute: 'A3: A deduction of the forecast of additional cost to the <i>Employer</i> of completing the whole of the works (if applicable) and any direct loss and/or damage caused to the <i>Employer</i> as a result of the termination'.</p> <p>For the ECSC:</p> <p>Z5.1 Delete clause 90.3 and replace with the text below: 90.3 The <i>Employer</i> may terminate if the <i>Employer</i> has notified the <i>Contractor</i> that the <i>Contractor</i> has defaulted in one of the following ways and the <i>Contractor</i> has not stopped defaulting within two weeks of the notification.</p>	

Z Clause Number and Title	Status
Z5: Termination	Core
<ul style="list-style-type: none"> • Substantially failed to comply with this contract (Reason 2). • Substantially hindered the Employer (Reason 3). • Substantially broken a health or safety regulation (Reason 4). • If the <i>Contractor</i> becomes an Unqualified Person. The Employer may terminate if a Subcontractor becomes an Unqualified Person unless, within six weeks of the date of the Subcontractor becoming an Unqualified Person, the <i>Contractor</i> appoints a replacement Subcontractor accepted by the Employer (Reason 9). • If the <i>Contractor</i> has been issued with a Certificate of Unsatisfactory Performance (Reason 10). <p>The <i>Employer</i> may terminate for any other reason (Reason 5).</p> <p>Z5.2 Delete the text in clause 92.2 and replace with the text below:</p> <p>92.2 If the <i>Employer</i> terminates for Reason 1, 2, 3, 4, 9, or 10 the amount due on termination also includes a deduction of the forecast additional cost to the <i>Employer</i> of completing the works and any direct loss and/or damage caused to the <i>Employer</i> as a result of the termination’.</p> <p>Defined Terms from Z2</p> <p>The following Defined Terms are used within this Z clause. They are provided below for the Project Manager’s/Employer’s ease of reference. This text and that below should not be included when inserting Z5 into the contract. A full list of the Defined Terms can be found at Z2.</p> <p>‘11.2(120) The Certificate of Unsatisfactory Performance is a certificate issued to the <i>Contractor</i> if it has performed unsatisfactorily and has not improved performance within a specified time set by the Contracting Authority. The issue of a Certificate of Unsatisfactory Performance will result in the <i>Contractor</i> being excluded from all procurement competitions being undertaken by Centres of Procurement Expertise on behalf of bodies covered by the Northern Ireland Procurement Policy for a period of twelve months from the date of issue of the certificate. Further details on the process associated with the issue of The Certificate of Unsatisfactory Performance can be found in Procurement Guidance Note 01/12 – Contract Management Procedures and Principals.’</p> <p>‘11.2(121) The Northern Ireland Contracting Authority is a contracting authority as defined in The Public Contracts Regulations 2015, or relevant succeeding rules. Contracting Authorities include Departments of the Northern Ireland Civil Service.’</p> <p>‘11.2(122) A Department is a body subject to Northern Ireland Public Procurement Policy including Northern Ireland Civil Service Departments, their Agencies, Non-Departmental Public Bodies and Public Corporations.’</p> <p>‘11.2(123) An Unqualified Person is as defined in Article 62(2) of the Fair Employment and Treatment (Northern Ireland) Order 1998.’</p>	

Z Clause Number and Title	Status
Z5: Termination	Core
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers to select the text which applies to the form of contract used (that is, ECC or ECSC). The text belonging to the alternative form of contract, which is not relevant, should then be deleted.</p> <p>When using termination clauses Client Advisers/Project Managers should also refer to DAO (DFP) 04 15 – Early Termination of Contracts. It details considerations that should be taken prior to the inclusion of '<i>termination for convenience</i>' clauses. Such clauses provide for compensation to be paid to suppliers in the event of termination by the Employer, through no fault of the supplier.</p>	

Z Clause Number and Title	Status
Z6: Option W2	Core
<p>Purpose: To refer to the relevant Northern Ireland legislation - The Construction Contracts (Northern Ireland) Order 1997 as amended by the Construction Contracts (Amendment) Act (Northern Ireland) 2011.</p> <p>Restrictions in Use: none</p>	
<p>Z9.1: DELETE the words '(used in the United Kingdom when the Housing Grants, Construction and Regeneration Act 1996 applies) from the heading in Option W2 and replace with: '(used when the Construction Contracts (Northern Ireland) Order 1997 as amended by the Construction Contracts (Amendment) Act (Northern Ireland) 2011 applies)'.</p>	
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Option W2 which covers dispute resolution in the United Kingdom is not available in the ECSC. However, the ECSC covers adjudication in clauses 1.5 to 1.8 on Page CC 12 of 12.</p>	

Z Clause Number and Title	Status
Z7: Option Y(UK)2	Core
<p>Purpose: Amends Option Y(UK)2 to:</p> <ul style="list-style-type: none"> • Refer to the relevant Northern Ireland) legalisation - The Construction Contracts (Northern Ireland) Order 1997 as amended by the Construction Contracts (Amendment) Act (Northern Ireland) 2011. • Establish the Project Manager's/Employer's notification as the notice of payment (see also Z4: Payment). <p>Restrictions in Use: none</p>	
<p>For the ECC:</p> <p>Z7.1: Delete the words 'The Housing Grants, Construction and Regeneration Act 1996' from the heading in Y(UK)2 and replace with. 'The Construction Contracts (Northern Ireland) Order 1997 amended by the Construction Contracts (Amendment) Act (Northern Ireland) 2011'.</p> <p>Z7.2: Delete clause Y2.1(1) and replace with 'Y2.1(1) The Order is The Construction Contracts (Northern Ireland) Order 1997 as amended by the Construction Contracts (Amendment) Act (Northern Ireland) 2011.'</p> <p>Z7.3: Delete the words 'Section 116 of the Act' in line 2 of clause Y2.1(2) and replace with 'Section 39 of the Interpretation Act (Northern Ireland) 1954'.</p> <p>Z7.4: Delete the word 'Act' in line 1 of clause Y2.4 and replace with 'Order'.</p> <p>Z7.5: Delete the word 'certificate' in line 5 of Y2.2 and replace with 'notification'.</p> <p>For the ECSC:</p> <p>Z7.1: Delete the words 'the United Kingdom Housing Grants, Construction and Regeneration Act 1996 as amended by the Local Democracy, Economic Development and Construction Act 2009 (the Act)' from the heading in page CC 12 of 12 and replace with. 'The Construction Contracts (Northern Ireland) Order 1997 amended by the Construction Contracts (Amendment) Act (Northern Ireland) 2011'.</p> <p>Z7.2: Delete the word 'Act' in line 1 of clause 1.4 Page CC 12 of 12 and replace with 'Order'.</p>	
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers to select the text which applies to the form of contract used (that is, ECC or ECSC). The text belonging to the alternative form of contract, which is not relevant, should then be deleted.</p> <p>Client Advisers/Project Managers or Employers to include Z7.5 only if Z4 Option 1 is used.</p>	

Z Clause Number and Title	Status
Z8: Assignment and novation	Core
<p>Purpose: Enables the <i>Employer</i> or <i>Contractor</i> to assign or novate their rights and obligations under the contract to Others.</p> <p>Restrictions in Use: none</p>	
<p>Add new clause Z 8</p> <p>Z8.1: The <i>Employer</i> may assign, novate or otherwise dispose of its entire rights and obligations under this contract or any part thereof without the consent of the <i>Contractor</i> to:</p> <ul style="list-style-type: none"> • any Contracting Authority, or • any other body (including any private sector body) which substantially performs any of the functions that previously had been performed by the <i>Employer</i> <p>provided always that where such assignment, novation or other disposal increases the burden of the <i>Contractor's</i> obligations under this contract, the <i>Contractor</i> is entitled to such additional payment as may be reasonable to compensate for such additional burden. References to the <i>Employer</i> shall include its permitted assignees.</p> <p>Z8.2: The <i>Contractor</i> shall not without the written consent of the <i>Employer</i> assign, novate or in any way dispose of the benefit and/or the burden of the contract or any part of the contract. The <i>Employer</i> may, in the granting of such consent, provide for additional terms and conditions relating to such assignment, novation or disposal. The <i>Contractor</i> shall be responsible for the acts and omissions of its Subcontractors as though those acts and omissions were its own.</p>	

Z Clause Number and Title	Status
Z9: Recovery of sums	Core
<p>Purpose: Enables the <i>Employer</i> to offset sums owed by the <i>Contractor</i> against sums due to the <i>Contractor</i> on different contracts with the <i>Employer</i> or other Contracting Authorities.</p> <p>Restrictions in Use: none</p>	
<p>Add new clause Z9</p> <p>Z9.1: The <i>Employer</i> is permitted to deduct and withhold from any sums otherwise due to the <i>Contractor</i> under this contract any sum of money due from the <i>Contractor</i> to the other parties under</p> <ul style="list-style-type: none"> • this contract, • any other agreement between the <i>Contractor</i> and the <i>Employer</i> or • any other agreement between the <i>Contractor</i> and any Contracting Authority <p>provided that the terms of such other agreement provide for sums of money due from the <i>Contractor</i> under that agreement to be recovered by way of a deduction from sums of money due to the <i>Contractor</i> under this contract or any other contracts.</p>	

Z Clause Number and Title	Status
Z10: Information and data	Core
<p>Purpose: Introduces requirements in respect of:</p> <ul style="list-style-type: none"> • Confidentiality, transparency and publicity; • Freedom of Information; • Protection of Personal Data and Security of Data; and • Information Sharing Agreements. <p>Restrictions on use: None; these are standard United Kingdom Government requirements mandated for all Works, Supplies and Services contract documentation.</p>	
<p>Add new clause Z10</p> <p>Confidentiality, Transparency and Publicity</p> <p>Z10.1: Subject to clause Z10.2, each Party shall:</p> <ul style="list-style-type: none"> • treat all Confidential Information it receives as confidential, safeguard it accordingly and not disclose it to any other person without the prior written permission of the disclosing Party; and • not use or exploit the disclosing Party's Confidential Information in any way except for the purposes anticipated under the contract. <p>Z10.2 Notwithstanding clause Z10.1, a Party may disclose Confidential Information which it receives from the other Party:</p> <ul style="list-style-type: none"> • where disclosure is required by applicable law or by a court of competent jurisdiction; • to its auditors or for the purposes of regulatory requirements; • on a confidential basis, to its professional advisers; • to the Serious Fraud Office where the Party has reasonable grounds to believe that the other Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010; • where the receiving Party is the <i>Contractor</i>, to the Staff on a need to know basis to enable performance of the <i>Contractor's</i> obligations under the contract provided that the <i>Contractor</i> shall procure that any Staff to whom it discloses Confidential Information pursuant to this clause shall observe the <i>Contractor's</i> confidentiality obligations under the contract; and 	

Z Clause Number and Title	Status
Z10: Information and data	Core
<ul style="list-style-type: none"> • where the receiving Party is the <i>Employer</i>; • on a confidential basis to the employees, agents, consultants and <i>Contractors</i> of the <i>Employer</i>; • on a confidential basis to any other Central Government Body, any successor body to a Central Government Body or any company to which the <i>Employer</i> transfers or proposes to transfer all or any part of its business; • to the extent that the <i>Employer</i> (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions; or • in accordance with clause Z10.5, <p>and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the <i>Employer</i> under clauses Z10.2 and Z10.3.</p> <p>Z10.3: The Parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA, the content of the contract is not Confidential Information and the <i>Contractor</i> hereby gives its consent for the <i>Employer</i> to publish this contract in its entirety to the general public (but with any information that is exempt from disclosure in accordance with the FOIA redacted) including any changes to the contract agreed from time to time. The <i>Employer</i> may consult with the <i>Contractor</i> to inform its decision regarding any redactions, but shall have the final decision in its absolute discretion whether any of the content of the contract is exempt from disclosure in accordance with the provisions of the FOIA.</p> <p>Z10.4: The <i>Contractor</i> shall not, and shall take reasonable steps to ensure that the Staff shall not, make any press announcement or publicise the contract or any part of the contract in any way, except with the prior written consent of the <i>Employer</i>.</p> <p>Freedom of Information</p> <p>Z10.5: The <i>Contractor</i> acknowledges that the <i>Employer</i> is subject to the requirements of the FOIA and the Environmental Information Regulations 2004 and shall:</p> <ul style="list-style-type: none"> • provide all necessary assistance and cooperation as reasonably requested by the <i>Employer</i> to enable the <i>Employer</i> to comply with its obligations under the FOIA and the Environmental Information Regulations 2004; • transfer to the <i>Employer</i> all Requests for Information relating to this Agreement that it receives as soon as practicable and in any event within 2 Working Days of receipt; 	

Z Clause Number and Title	Status
Z10: Information and data	Core
<ul style="list-style-type: none"> • provide the <i>Employer</i> with a copy of all Information belonging to the <i>Employer</i> requested in the Request for Information which is in its possession or control in the form that the <i>Employer</i> requires within 5 Working Days (or such other period as the <i>Employer</i> may reasonably specify) of the <i>Employer's</i> request for such Information; and • not respond directly to a Request for Information unless authorised in writing to do so by the <i>Employer</i>. <p>Z10.6: The <i>Contractor</i> acknowledges that the <i>Employer</i> may be required under the FOIA and the Environmental Information Regulations 2004 to disclose Information concerning the <i>Contractor</i> or the Services (including commercially sensitive information) without consulting or obtaining consent from the <i>Contractor</i>. In these circumstances the <i>Employer</i> shall, in accordance with any relevant guidance issued under the FOIA, take reasonable steps, where appropriate, to give the <i>Contractor</i> advance notice, or failing that, to draw the disclosure to the <i>Contractor's</i> attention after any such disclosure.</p> <p>Z10.7: Notwithstanding any other provision in the Agreement, the <i>Employer</i> shall be responsible for determining in its absolute discretion whether any Information relating to the <i>Contractor</i> or the Services is exempt from disclosure in accordance with the FOIA and/or the Environmental Information Regulations 2004.</p>	
Protection of Personal Data and Security of Data	
<p>Z10.8: The <i>Contractor</i> shall, and shall procure that all Staff shall, comply with any notification requirements under the DPA and both Parties shall duly observe all their obligations under the DPA which arise in connection with the Agreement.</p>	
<p>Z10.9: Notwithstanding the general obligation in clause Z10.8, where the <i>Contractor</i> is processing Personal Data for the Employer as a data processor (as defined by the DPA), the <i>Contractor</i> shall:</p> <ul style="list-style-type: none"> • ensure that it has in place appropriate technical and organisational measures to ensure the security of the Personal Data (and to guard against unauthorised or unlawful processing of the Personal Data and against accidental loss or destruction of, or damage to, the Personal Data), as required under the Seventh Data Protection Principle in Schedule 1 to the DPA; • provide the <i>Employer</i> with such information as the <i>Employer</i> may reasonably request to satisfy itself that the <i>Contractor</i> is complying with its obligations under the DPA; • promptly notify the <i>Employer</i> of: <ul style="list-style-type: none"> a. any breach of the security requirements of the <i>Employer</i> as referred to in clause Z10.10; and b. any request for personal data; and 	

Z Clause Number and Title	Status
Z10: Information and data	Core
<p>and ensure that it does not knowingly or negligently do or omit to do anything which places the <i>Employer</i> in breach of the <i>Employer's</i> obligations under the DPA.</p> <p>Z10.10: When handling <i>Employer</i> data (whether or not Personal Data), the <i>Contractor</i> shall ensure the security of the data is maintained in line with the security requirements of the <i>Employer</i> as notified to the <i>Contractor</i> from time to time.</p> <p>Information Sharing Agreements</p> <p>Z10.11: Where information is to be exchanged or shared between the <i>Contractor</i> and the <i>Employer</i>, an Information Sharing Agreement will be required. The Agreement will clearly define what Information is to be shared and by whom, including which party owns/controls the information and which party processes that information.</p> <p>Z10.12: When necessary, the Information Sharing Agreement will stipulate the levels of control, access, procedures, and IT systems required to process or transfer the information securely. At all times sensitive information must be protected against inappropriate use or disclosure. This may involve defining the levels of security required for transfer of information between the <i>Contractor</i> and the <i>Employer</i>. This will include electronic and internet security controls. The level of security will be proportionate to the type of information being exchanged. It must take into account the damage that could result from a breach of it.</p>	
<p>Defined terms from Z2:</p> <p>The following Defined Terms are used within this Z clause. They are provided below for the Project Manager's/Employer's ease of reference. This text and that below should not be included when inserting Z10 into the contract. A full list of the Defined Terms can be found at Z2.</p> <p>11.2(129): FOIA is the Freedom of Information Act 2000</p> <p>11.2(147): Confidential Information is designated as such by the <i>Employer</i>. It shall include all material non-public information, written or oral, disclosed directly or indirectly, through any means of communication or observation by the <i>Employer</i> or any of its affiliates or representatives to or for the benefit of the <i>Employer</i>.</p> <p>11.2(149): The Information Sharing Agreement is an agreement that sets out the basis for the use and sharing of Confidential Information as designated by the <i>Employer</i>.</p>	

Z Clause Number and Title	Status
Z11: Prevention of fraud	Core
<p>Purpose: Seeks to prevent fraud by creating an obligation for the <i>Contractor</i> and introduces a reason for termination if the <i>Contractor</i> commits Fraud in relation to any public sector contract.</p> <p>Restrictions on use: None; these are standard United Kingdom Government requirements mandated for all Works, Supplies and Services contract documentation.</p>	
<p>Add new clause Z11</p> <p>Z11.1: The <i>Contractor</i> shall take all reasonable steps, in accordance with Good Industry Practice, to prevent Fraud by Staff and the <i>Contractor</i> (including its shareholders, members, directors) in connection with the receipt of monies from the <i>Employer</i>.</p> <p>Z11.2: The <i>Contractor</i> shall notify the <i>Employer</i> immediately if it has reason to suspect that any Fraud has occurred or is occurring or is likely to occur.</p> <p>Z11.3: If the <i>Contractor</i> or its Staff commits Fraud in relation to this or any other contract with any Contracting Authority (including the <i>Employer</i>), the <i>Employer</i> may:</p> <ul style="list-style-type: none"> • terminate the <i>Contractor's</i> obligation to Provide the Works, in accordance with clause 90 reason R11 (ECC)/clause 90.3 Reason 2 (ECSC), and recover from the <i>Contractor</i> the amount of any loss suffered by the <i>Employer</i> resulting from the termination, including the cost reasonably incurred by the <i>Employer</i> of making other arrangements for the completion of the whole of the works and any additional expenditure incurred by the <i>Employer</i> throughout the remainder of the contract period; or • recover in full from the <i>Contractor</i> any other loss sustained by the <i>Employer</i> in consequence of any breach of this clause. 	
<p>Defined terms from Z2:</p> <p>The following Defined Terms are used within this Z clause. They are provided below for the Project Manager's/<i>Employer's</i> ease of reference. This text and that below should not be included when inserting Z11 into the contract. A full list of the Defined Terms can be found at Z2.</p> <p>11.2(130): 'Fraud' means any offence under Laws creating offences in respect of fraudulent acts or at common law in respect of fraudulent acts in relation to the contract or defrauding or attempting to defraud or conspiring to defraud the Crown.</p> <p>11.2(131): 'Staff' means all persons employed by the <i>Contractor</i> to perform its obligations under the contract together with the <i>Contractor's</i> servants, agents, <i>Contractors</i></p>	

Z Clause Number and Title	Status
Z11: Prevention of fraud	Core
<p>and Subcontractors used in the performance of its obligations under the contract.</p> <p>11.2(132): 'Good Industry Practice' means standards, practices, methods and procedures conforming to the Law and the degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person or body engaged in a similar type of undertaking under the same or similar circumstances.</p>	
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers to select the text which applies to the form of contract used (that is, ECC or ECSC). The text belonging to the alternative form of contract, which is not relevant, should then be deleted.</p>	

Z Clause Number and Title	Status
Z12: Bribery Act 2010	Core
<p>Purpose: Seeks to prevent bribery by creating an obligation for the <i>Contractor</i> and introduces a reason for termination if the <i>Contractor</i> breaches the obligation in relation to any public sector contract.</p> <p>Restrictions on use: None; these are standard United Kingdom Government requirements mandated for all Works, Supplies and Services contract documentation.</p>	
<p>Add new Clause Z12</p> <p>Z12.1: The <i>Contractor</i> is to:</p> <ul style="list-style-type: none"> • have and maintain in place throughout the contract period policies and procedures to ensure compliance with all applicable Law relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 and will ensure that all such policies and procedures are enforced; • comply with all applicable Law relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 and with their own anti-bribery and anti-corruption policies (including any relevant industry code on anti-bribery and anti-corruption), in each case as may be updated from time to time; and • not engage in any activity, practice or conduct which constitutes an offence under the Bribery Act 2010 (or which would constitute such an offence if the offending activity, practice or conduct had been carried out in the United Kingdom). <p>Z12.2: The <i>Employer</i> may terminate the <i>Contractor's</i> obligation to Provide the Works in accordance with clause 90 reason R11 (ECC)/clause 90.3 Reason 2 (ECSC) if the <i>Contractor</i> or its Staff breaches clause Z12.1. If the breach is due to a Subcontractor, the <i>Employer</i> may not terminate providing the <i>Contractor</i> replaces the Subcontractor within 30 days.</p> <p>Z12.3: The <i>Employer</i> may terminate the <i>Contractor's</i> obligation to Provide the Works in accordance with clause 90 reason R11 (ECC)/clause 90.3 Reason 2 (ECSC) if the <i>Contractor</i> fails to replace within 30 days a Subcontractor who has breached clause Z12.1.</p>	

Z Clause Number and Title	Status
Z13: Contract monitoring	Core
<p>Purpose: Enables the <i>Employer</i> to appoint a Construction Contract Monitor (CCM) as one way of satisfying itself that a <i>Contractor's</i> systems and procedures are robust in terms of governance and accountability.</p> <p>Restrictions on use: A Department should state in all its construction contracts that it reserves the right to appoint a CCM.</p>	
<p>Add new clause Z13</p> <p>Z13.1: Construction Contract Monitor</p> <ul style="list-style-type: none"> • The <i>Employer</i> may appoint a Construction Contract Monitor (CCM) from a list of persons or organisations held by the <i>Employer</i>. The objectives of the appointment of the CCM, the role of the CCM and the obligations of the <i>Contractor</i> in respect of the CCM are stated in the Works Information. • The <i>Contractor</i> co-operates with the CCM as stated in the Works Information. • The CCM acts as stated in this contract and in a spirit of mutual trust and co-operation. • The <i>Employer</i> does not appoint as the CCM any person or organisation that provides or has provided within 5 years of the starting date any accountancy, audit or legal services to the <i>Contractor</i> or to the <i>Contractor's</i> ultimate parent company or to a company with the same ultimate parent company as the <i>Contractor</i>. • The Employer may replace the CCM at any time after he has notified the <i>Contractor</i> of the name of the replacement. <p>Z13.2: Other Matters</p> <ul style="list-style-type: none"> • The following are additional compensation events. • If the <i>Contractor</i> is required to pay fees to external accountants, auditors or solicitors in relation to any requests from or requirements of the CCM, but excluding any fees incurred in challenging or disputing a decision of the CCM. • Complying with any specific requirements of the CCM as to security, to the extent that such requirements are greater than an experienced contractor would have deemed reasonable to have allowed for them taking into account: <ul style="list-style-type: none"> • his knowledge of the area in which the works are being carried out, • any information provided by the <i>Employer</i> in this contract, • any information available from a visual inspection of the area in which the works are being carried out and 	

Z Clause Number and Title	Status
Z13: Contract monitoring	Core
<ul style="list-style-type: none"> any other information which an experienced contractor could reasonably be expected to have or to obtain. <p>Only the difference between the security required by the CCM and that which it would have been reasonable to have allowed is taken into account in assessing a compensation event.</p> <ul style="list-style-type: none"> Any information provided in accordance with this clause to the <i>Employer</i>, <i>the Project Manager</i> or the CCM may be used by any Governmental Department or Agency for statistical or information publications. Where such information is used it will not identify any individuals or organisations, except to the extent set out in the notification table in the Works Information. 	
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers to note that when using the ECSC form of contract, the term Project Manager, highlighted under sentence one of Clause Z13.2(2) should be deleted.</p>	

Z Clause Number and Title	Status
Z14: Tax compliance	Core
<p>Purpose: To comply with the procurement policy to promote tax compliance.</p> <p>Restrictions on use: Use only on contracts which have a value in excess of £5M.</p>	
<p>Add new clause Z14</p> <p>Z14.1: The <i>Contractor</i> represents and warrants that as at the Contract Date, it has notified the Authority in writing of any Occasions of Tax Non-Compliance or any litigation that it is involved in that is in connection with any Occasions of Tax Non-Compliance;</p> <p>Z14.2: If, at any point during the contract, an Occasion of Tax Non-Compliance occurs, the <i>Contractor</i> shall:</p> <ul style="list-style-type: none"> • notify the <i>Employer</i> in writing of such fact within 5 Working Days of its occurrence; and • promptly provide to the <i>Employer</i>: • details of the steps which the <i>Contractor</i> is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and • such other information in relation to the Occasion of Tax Non-Compliance as the <i>Employer</i> may reasonably require. <p>Z 14.3: In the event that:</p> <ul style="list-style-type: none"> • the warranty given by the <i>Contractor</i> pursuant to Clause Z14.1 is materially untrue; or the <i>Contractor</i> commits a material breach of its obligation to notify the <i>Employer</i> of any Occasion of Tax Non-Compliance as required by Z14.2; or • the supplier fails to provide details of proposed mitigating factors which in the reasonable opinion of the <i>Employer</i>, are acceptable the <i>Employer</i> shall be entitled to terminate <i>Contractor's</i> obligation to Provide the Works in accordance with clause 90 reason R11 (ECC)/clause 90.3 Reason 2 (ECSC). 	
<p>Defined terms from Z2:</p> <p>The following Defined Terms are used within this Z clause. They are provided below for the Project Manager's/<i>Employer's</i> ease of reference. This text and that below should not be included when inserting Z14 into the contract. A full list of the Defined Terms can be found at Z2.</p> <p>11.2(128): An Occasion of Tax Non-Compliance is:</p> <ul style="list-style-type: none"> • any tax return of the <i>Contractor</i>, submitted to a Relevant Tax Authority on or after 1 October 2012, found on or after 1 April 2013 to be 	

Z Clause Number and Title	Status
Z14: Tax compliance	Core
<p>incorrect as a result of:</p> <ul style="list-style-type: none"> • a Relevant Tax Authority successfully challenging the <i>Contractor</i> under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle; • the failure of an avoidance scheme which the <i>Contractor</i> was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime. • any tax return of the <i>Contractor</i> submitted to a Relevant Tax Authority on or after 1 October 2012 giving rise, on or after 1 April 2013, to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Effective Date or to a civil penalty for fraud or evasion. <p>11.2(129): DOTAS is the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HM Revenue & Customs of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and 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 made under s.132A Social Security Administration Act 1992.</p> <p>11.2(130): General Anti-Abuse Rule is the legislation in Part 5 of the Finance Act 2013 and any future legislation introduced into parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions.</p> <p>11.2(131): Halifax Abuse Principle is the principle explained in the CJEU Case C-255/02 Halifax and others.</p> <p>11.2(132): Relevant Tax Authority is HM Revenue & Customs, or, if applicable, a tax authority in the jurisdiction in which the <i>Contractor</i> is established.</p>	
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers to select the text which applies to the form of contract used (that is, ECC or ECSC). The text belonging to the alternative form of contract, which is not relevant, should then be deleted.</p>	

Z Clause Number and Title	Status
Z15: Application to Northern Ireland	Core
<p>Purpose: To correct discrepancies in the contract where Northern Ireland legislation is in force but United Kingdom legalisation is referenced incorrectly.</p> <p>Restrictions in Use: none</p>	
<p>Add new clause Z15</p> <p>Z15.1: Where this contract refers to an Act of Parliament and/or a regulation which does not extend to Northern Ireland, the clause is amended to refer to the relevant Northern Ireland legislation and/or regulation.</p>	

DISCRETIONARY CLAUSES

Z Clause Number and Title	Status
Z16: The Contractor's share	Discretionary
<p>Purpose: Enables the <i>Employer</i> to retain, from the amount due, the share the <i>Contractor</i> has to pay if the forecast final Price for Work Done to Date is more than the forecast final total of the Prices.</p> <p>Restrictions on use: Use in main Options C and D. Not used in the ECSC.</p>	
<p>Z16.1: After clause 53.3, add new clause 53.3A</p> <p>53.3A</p>	<p>The <i>Project Manager</i> makes a preliminary assessment of the <i>Contractor's</i> share at any assessment date. If the forecast final Price for Work Done to Date is less than the final total of the Prices, this share is included in the amount due following Completion of the whole of the <i>works</i>. If the forecast final Price for Work Done to Date is more than the forecast final total of the Prices, this share is retained from the amount due.</p>

Z Clause Number and Title	Status
Z17: Compensation events	Discretionary
<p>Purpose: Enables certain reasons for compensation events in clause 60.1 to be removed and adds an exception.</p> <p>Restrictions on use: Z17.1 Reasons for 60.1(12), 60.2 and 60.3 may be omitted are where a robust survey/geotechnical report is provided and it would be considered reasonable to pass the (manageable) risk to the <i>Contractor</i>. In such circumstances the <i>Employer</i> is expected to assume liability for the accuracy of the information provided in the survey/geotechnical report that is provided to the <i>Contractor</i>.</p> <p>Z17.2 None.</p>	
<p>For the ECC:</p> <p>Z17.1: Delete clause 60.1(12), clause 60.2 and clause 60.3 (physical conditions)</p> <p>Z17.2: At Clause 60.1(1) add a third bullet point:</p> <ul style="list-style-type: none"> • a change to the Works Information contained in the <i>Contractor's</i> Quality Submission which is made either at his request or to comply with other Works Information provided by the <i>Employer</i>. <p>For the ECSC:</p> <p>Z17.1: Delete clause 60.1(9) and clause 60.2</p> <p>Z17.2: At Clause 60.1(1) delete full stop in second line and add:</p> <p style="padding-left: 40px;">'or a change to the Works Information contained in the <i>Contractor's</i> Quality Submission which is made either at his request or to comply with other Works Information provided by the <i>Employer</i>.'</p> <p>Defined terms from Z2:</p> <p>The following Defined Terms are used within this Z clause. They are provided below for the Project Manager's/<i>Employer's</i> ease of reference. This text and that below should not be included when inserting Z14 into the contract. A full list of the Defined Terms can be found at Z2.</p> <p>11.2(148): The <i>Contractor's</i> Quality Submission is all information provided by the <i>Contractor</i> at Invitation to Tender stage in response to quality questions and quality award criteria which has been requested by the <i>Employer</i>.</p>	

Z Clause Number and Title	Status
Z17: Compensation events	Discretionary
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers to select the text which applies to the form of contract used (that is, ECC or ECSC). The text belonging to the alternative form of contract, which is not relevant, should then be deleted.</p>	

Z Clause Number and Title	Status
Z18: Risks and insurance	Discretionary
<p>Purpose: Removes loss or damage to the works Plant and Materials as an <i>Employer's</i> risk when that loss or damage can be claimed for under any scheme for the compensation of criminal damage to property in Northern Ireland.</p> <p>Restrictions on use: None.</p>	
<p>For the ECC:</p> <p>Z18.1: Add after the words 'Plant and Materials' in line 12 of clause 80.1:</p> <p style="padding-left: 40px;">'other than loss of or damage which gives rise to a claim for compensation under the Criminal Damage (Compensation) (Northern Ireland) Order 1977 (as the same may be amended from time to time) or any scheme for the time being in force for the compensation of criminal damage to property in Northern Ireland'</p> <p>Z18.2: Delete text from clause 84.1 (do not delete the Insurance Table) and replace with:</p> <p style="padding-left: 40px;">84.1: The <i>Contractor</i> provides the insurances stated in the Insurance Table except any insurance, which the <i>Employer</i> is to provide as stated in the Contract data. The <i>Contractor</i> provides and ensures the Subcontractors provide additional insurances as stated in the Contract Data.</p> <p>Z18.3: Delete clause 84.2 (do not delete the Insurance Table) and replace with:</p> <p style="padding-left: 40px;">84.2: The insurances are in the joint names of the Parties and provide cover for events which are at the <i>Contractor's</i> risk</p> <ul style="list-style-type: none"> • For the insurances stated in the Insurance Table from the <i>starting date</i> until the Defects Certificate or a termination certificate has been issued • For additional insurances stated in the Contract Data from the Contract Date until the end of the periods stated in the Contract Data. <p>Z 18.4 Delete clause 85.1 and replace with:</p> <p style="padding-left: 40px;">85.1: Before the starting date and on each renewal on the insurance policy until the defects date, the The <i>Contractor</i> submits, for acceptance certificates which state that the insurance required by this contract is in force,</p> <p style="padding-left: 80px;">To the Project Manager</p> <ul style="list-style-type: none"> • for the insurances stated in the Insurance Table, before the starting date and on each renewal of the insurance policy until the defects date 	

Z Clause Number and Title	Status
Z18: Risks and insurance	Discretionary
<ul style="list-style-type: none"> • for the additional insurances stated in the Contract Data, on or before the Contract Date and on each renewal of the insurance policy, until the <i>defects date</i> <p>To the <i>Employer</i></p> <ul style="list-style-type: none"> • for the additional insurances stated in the Contract Data, after the Defects Certificate or a termination certificate has been issued and on each renewal of the insurance policy, until the end of the period stated in the Contract Data <p>The certificates are signed by the <i>Contractor's</i> insurer or insurance broker. A reason for not accepting the certificates is that they do not comply with this contract.</p> <p>For the ECSC:</p> <p>Z18.1: After the full stop on the fourth sentence of Clause 82.1 add the following: ‘The <i>Contractor</i> provides and ensures the Subcontractors provide additional insurances as stated in the Contract Data.’</p> <p>Z18.2: Add new clause 82.2</p> <p>82.2: The insurances provide cover for events which are at the <i>Contractor's</i> risk</p> <ul style="list-style-type: none"> • For the insurances stated in the Insurance Table from the <i>starting date</i> until the Defects Certificate or a termination certificate has been issued • For additional insurances stated in the Contract Data from the Contract Date until the end of the periods stated in the Contract Data. <p>Z 18.3: Add new clause 82.3</p> <p>82.3: The <i>Contractor</i> submits, for acceptance certificates which state that the insurance required by this contract is in force, To the <i>Employer</i></p> <ul style="list-style-type: none"> • for the insurances stated in the Insurance Table, before the <i>starting date</i> and on each renewal of the insurance policy until the <i>defects date</i> • for the additional insurances stated in the Contract Data, on or before the Contract Date and on each renewal of the insurance policy, until the <i>defects date</i> 	

Z Clause Number and Title	Status
Z18: Risks and insurance	Discretionary
<p>To the <i>Employer</i></p> <ul style="list-style-type: none"> for the additional insurances stated in the Contract Data, after the Defects Certificate or a termination certificate has been issued and on each renewal of the insurance policy, until the end of the period stated in the Contract Data <p>The certificates are signed by the <i>Contractor's</i> insurer or insurance broker. A reason for not accepting the certificates is that they do not comply with this contract.</p>	
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers to select the text which applies to the form of contract used (that is, ECC or ECSC). The text belonging to the alternative form of contract, which is not relevant, should then be deleted.</p> <p>Client Advisers/Project Managers or Employers must ensure that details of additional insurances required are included within the contract under Contract Data.</p>	

Z Clause Number and Title	Status
Z19: Option Y(UK)1: Project Bank Accounts	Discretionary
<p>Purpose: Amends Option Y(UK)1 in respect of Project Bank Accounts (PBA) to comply with the proposed procedure to implement PBAs in Northern Ireland. The authorisation process is amended so that:</p> <ul style="list-style-type: none"> • The PBA is to be set up by the Contracting Authority (for example, through the Northern Ireland Government Banking Service Provider) instead of by the <i>Contractor</i>, and • Only the <i>Employer</i> can pay into the PBA. <p>Restrictions on use: In accordance with procurement guidance on Project Bank Accounts (PGN 03/14). Not to be used in the ECSC</p>	
<p>Add new clause Z19</p> <p>Z19.1: Delete the words ‘and the <i>Contractor</i>’ in clause Y1.1(3), line 2.</p> <p>Z19.2: Delete word ‘<i>Contractor</i>’ and insert word ‘<i>Employer</i>’ in clause Y1.2, line 1.</p> <p>Z19.3: Delete the word ‘<i>Contractor</i>’ and insert word ‘<i>Employer</i>’ in clause Y1.3, line 1.</p> <p>Z19.4: Delete clause Y1.4.</p> <p>Z19.5: In Y1.8, delete last word “and” of the first bullet point and all of the second bullet point.</p>	

Z Clause Number and Title	Status
Z20: Option Y(UK)3: The Contracts (Rights of Third Parties) Act 1999	Discretionary
<p>Purpose: To clarify that the contract does not create any rights for a Third Party under Contracts (Rights of Third Parties) Act 1999.</p> <p>Restrictions on use: ECC - Use if collateral warranties are to be used. Not to be used if Y(UK) 3 is used. Not to be used in the ECSC.</p>	
<p>Z20.1: Delete clause Y3.1 and replace with:</p> <p style="padding-left: 40px;">Y3.1: 'Subject to the express rights of any person under any <i>collateral warranty arrangement</i> granted under the provisions of this contract, this contract does not create any right under the Contracts (Rights of Third Parties) Act 1999 enforceable by any person who is not a party to it.'</p>	
<p>Notes to Client Advisers/Project Managers</p> <p>Client Advisers and Project Managers must note that Northern Ireland public sector Contracting Authorities should generally seek to enforce a term of the contract under the Contracts (Rights of Third Parties) Act 1999 by using Y(UK)3 without amendment. However, if for example, in a grant funding situation the <i>Employer</i> may insist that collateral warranties are required and that Y(UK)3 is not to be used, then Z20.1 can be used.</p>	

Z Clause Number and Title	Status
Z21: Shorter schedule of cost components	Discretionary
<p>Purpose: Replaces clauses 21-27 in the Shorter Schedule of Cost Components Equipment 2 with the Equipment 2 clauses 21-28 in the Schedule of Cost components.</p> <p>Restrictions on use: ECC: None. Not to be used in the ECSC.</p>	
<p>Z21 Delete clauses 21-27 in the Shorter Schedule of Cost Components Equipment 2 and replace with:</p> <p>21. Payments for the hire or rent of Equipment not owned by</p> <ul style="list-style-type: none"> • The <i>Contractor</i>, • His parent company or • By a company with the same parent company <p>At the hire or rental rate multiplied by the time for which the Equipment is required.</p> <p>22. Payments for Equipment which is not listed in the Contract Data but is</p> <ul style="list-style-type: none"> • Owned by the <i>Contractor</i>, • Purchased by the <i>Contractor</i> under a hire purchase or lease agreement, or • Hired by the <i>Contractor</i> from the <i>Contractor's</i> parent company or form a company with the same parent company <p>At open market rates, multiplied by the time for which the Equipment is required.</p> <p>23. Payments for Equipment purchased for work included in this contract listed with a time-related on cost charge, in the Contract Data, of</p> <ul style="list-style-type: none"> • The change in value over the period for which the Equipment is required and • The time-related on cost charge stated in the Contract Data for the period for which the Equipment is required. <p>The change in value is the difference between the purchase price and either the sale price or the open market sale price at the end of the period for which the Equipment is required. Interim payments of the change in value are made at each assessment date. A final payment is made in the next assessment after the change in value has been determined. If the <i>Project Manager</i> agrees, an additional item of Equipment may be assessed as if it had been listed in the Contract Data.</p>	

Z Clause Number and Title	Status
Z21: Shorter schedule of cost components	Discretionary
<p>24. Payment for special Equipment listed in the Contract Data. These amounts are the rates stated in the Contract Data multiplied by the time for which the Equipment is required. If the <i>Project Manager</i> agrees, an additional item of special Equipment may be assessed as if it had been listed in the Contract Data.</p> <p>25. Payment for the purchase price of Equipment which is consumed.</p> <p>26. Unless included in the hire or rental rates, payments for</p> <ul style="list-style-type: none"> • Transporting Equipment to and from the Working Areas other than for repair and maintenance. • Erecting and dismantling Equipment and • Constructing, fabricating or modifying Equipment as a result of a compensation event. <p>27. Payments for purchase of material used to construct or fabricate Equipment.</p> <p>28. Unless included in the hire rates, the cost of operatives is included in the cost of people.</p>	

Z Clause Number and Title	Status
Z22: Contractor's Warranty	Discretionary
<p>Purpose: Creates an obligation on the <i>Contractor</i> to enter into Collateral Warranties as stated in the Contract Data. Enables the Employer to withhold 25% of the amount due if the <i>Contractor</i> fails to provide any collateral warranties, a parent company guarantee or a performance bond as required by the contract.</p> <p>Restrictions on use: None; however, see notes to Client Advisers and Project Managers below. Not to be used in the ECSC.</p>	
<p>Add new clause Z 15</p> <p>Z 22.1: The <i>Contractor</i> enters into <i>collateral warranty agreements</i> with any Contracting Authority, Funder, Freeholder, Leaseholder or Person in the form and by the date set out in the Contract Data.</p> <p>Z22.2: If the <i>Contractor</i> fails to by the date stated in the either the Contract Data or Works Information, ,</p> <ul style="list-style-type: none"> • enter into collateral warranty agreements, or • give a parent company guarantee (CA/PM to include if Option X4 is used) • give the Employer a performance bond (CA/PM to include if Option X13 is used) <p>one quarter of the Price for Work Done to Date is retained in assessments of the amount due until the <i>Contractor</i> has complied with the <i>Employer's</i> request.</p>	
<p>Defined terms from Z2:</p> <p>The following Defined Terms are used within this Z clause. They are provided below for the Project Manager's ease of reference. This text and that below should not be included when inserting Z22 into the contract. A full list of the Defined Terms can be found at Z2.</p> <p>'11.2(133) A Leaseholder is a person having or acquiring a leasehold interest in the <i>works</i> or any part of them.'</p> <p>'11.2(134) A Freeholder is a person having or acquiring a freehold interest in the <i>works</i> or any part of them.'</p> <p>'11.2(135) A Funder is a person providing finance for the <i>works</i> or any part of them.'</p> <p>'11.2(136) A Person is any firm and any entity having legal capacity.'</p>	
<p>Notes to Client Advisers/Project Managers</p> <p>Client Advisers/Project Managers or Employers must note that the amount the Employer can withhold in respect of this clause is not to exceed 25% of the Price for Work Done to Date.</p> <p>In relation to <i>collateral warranty agreements</i>, Client Advisers and Project Managers should note that modifications will be required to the Contract Data to include these.</p>	

Z Clause Number and Title	Status
Z23: Intellectual Property Rights and indemnity	Discretionary
<p>Purpose: Enables Intellectual Property Rights (IPR) to be vested:</p> <ul style="list-style-type: none"> • Z23.1, 2 & 3 Option 1 - IPR to vest in both <i>Employer</i> and <i>Contractor</i> with licence for use granted to <i>Employer</i> and <i>Contractor</i>. • Z23.1 & 2 Option 2 - IPR to vest in the <i>Employer</i> and • Z23.3 <i>Contractor's</i> IPR Indemnity <p>Restrictions on use: Option 2, Z 22.1 & 2 not to be used in conjunction with Z27.</p>	
<p>Add new clause Z23</p> <p>Option 1</p> <p>Z23.1: All Intellectual Property Rights in any materials provided by the <i>Employer</i> to the <i>Contractor</i> for the purposes of this contract shall remain the property of the <i>Employer</i> but the <i>Employer</i> hereby grants the <i>Contractor</i> a royalty-free, non-exclusive and non-transferable licence to use such materials as required until termination or expiry of the contract for the sole purpose of enabling the <i>Contractor</i> to perform its obligations under this contract.</p> <p>Z23.2: All Intellectual Property Rights in any materials created or developed by the <i>Contractor</i> pursuant to the contract or arising as a result of Providing the Works shall vest in the <i>Contractor</i>. If, and to the extent, that any Intellectual Property Rights in such materials vest in the <i>Employer</i> by operation of law, the <i>Employer</i> hereby assigns to the <i>Contractor</i> by way of a present assignment of future rights that shall take place immediately on the coming into existence of any such Intellectual Property Rights all its Intellectual Property Rights in such materials (with full title guarantee and free from all third party rights).</p> <p>Z23.3: The <i>Contractor</i> hereby grants the <i>Employer</i>:</p> <ul style="list-style-type: none"> • a perpetual, royalty-free, irrevocable, non-exclusive licence (with a right to sub-license) to use all Intellectual Property Rights in the materials created or developed pursuant to the contract any Intellectual Property Rights arising as a result of Providing the Works; and • a perpetual, royalty-free, irrevocable and non-exclusive licence (with a right to sub-license) to use: • any Intellectual Property Rights vested in or licensed to the <i>Employer</i> on the date of the contract; and • any Intellectual Property Rights created during the contract but which are neither created or developed pursuant to the contract nor arise as 	

Z Clause Number and Title	Status
Z23: Intellectual Property Rights and indemnity	Discretionary
<p>a result of Providing the Works, including any modifications to or derivative versions of any such Intellectual Property Rights, which the Employer reasonably requires in order to exercise its rights and take the benefit of the contract including the works.</p>	
<p>OR Option 2</p>	
<p>Z23.1: All Intellectual Property Rights in any materials:</p>	<ul style="list-style-type: none"> • provided to the <i>Contractor</i> by or on behalf of the <i>Employer</i> for the purposes of this contract shall remain vested in the <i>Employer</i> and its licensors; and • prepared by or for the <i>Contractor</i> solely to Provide the Works under this contract, will vest in the <i>Employer</i>. If, and to the extent, that such materials do not vest automatically in the <i>Employer</i>, the <i>Contractor</i> hereby assigns (with full title guarantee and free from all third party rights) all Intellectual Property Rights in such materials to the <i>Employer</i>.
<p>Z23.3: The <i>Contractor</i> hereby grants to the <i>Employer</i> a royalty-free, irrevocable and non-exclusive licence (with a right to sub-licence) to use any Intellectual Property Rights that the <i>Contractor</i> owns, or has developed, prior to the Contract Date and which the <i>Employer</i> reasonably requires in order to exercise its rights and take the benefit of this contract including the <i>works</i> provided.</p>	
<p>Z23.4: The <i>Contractor</i> will indemnify, and keep indemnified, the <i>Employer</i> in full against all cost, expenses, damages and losses (whether direct or indirect), including any interest, penalties, and reasonable legal and other professional fees awarded against or incurred or paid by the <i>Employer</i> as a result of or in connection with any claim made against the <i>Employer</i> for actual or alleged infringement of a third party's intellectual property arising out of, or in connection with, the provision or use of the works, to the extent that the claim is attributable to the acts or omission of the <i>Contractor</i> or Staff.</p>	
<p>Defined terms from Z2:</p>	
<p>The following Defined Terms are used within this Z clause. They are provided below for the <i>Project Manager's/Employer's</i> ease of reference. This text and that below should not be included when inserting Z23 into the contract. A full list of the Defined Terms can be found at Z2.</p>	
<p>11.2(137): Intellectual Property Rights are all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, rights in confidential information (including know-how and trade secrets) and any other Intellectual Property Rights, in each</p>	

Z Clause Number and Title	Status
Z23: Intellectual Property Rights and indemnity	Discretionary
<p>case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.</p>	
<p>Notes to Client Advisers/Project Managers and Employers Client Advisers/Project Managers or Employers to insert either Option 1 or Option 2 and then delete the unused Option.</p>	

Z Clause Number and Title		Status
Z24: Value engineering		Discretionary
<p>Purpose: Introduces a facility for the <i>Contractor</i> to submit value-engineering proposals and share in any cost savings.</p> <p>Restrictions on use: Use with Main Options A and B.</p>		
Add new clause Z24		
Z24.1	<p>The <i>Contractor</i> may submit to the Project Manager (ECC)/Employer (ECSC) for acceptance written proposals to change the Works Information which if implemented will in the <i>Contractor's</i> opinion</p> <ul style="list-style-type: none"> • 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. 	
Z24.2	<p>The <i>Contractor</i> includes with his proposals</p> <ul style="list-style-type: none"> • the value of any savings that will arise, • the effect if any on the Accepted Programme and • proposed changes to the Prices. 	
Z24.3	<p>If the Project Manager (ECC)/Employer (ECSC) accepts the <i>Contractor's</i> proposal he gives an instruction to the <i>Contractor</i> within 21 days which changes the Works Information. Any consequential effects of implementing the proposals, including time or cost overruns, are borne by the <i>Contractor</i>. Any savings are shared between the <i>Contractor</i> and the <i>Employer</i> as follows</p> <ul style="list-style-type: none"> • the Project Manager (ECC)/Employer (ECSC) assesses the <i>Contractor's</i> share of the savings, • the <i>Contractor's</i> share is the value of the saving multiplied by the <i>Contractor's</i> value engineering share percentage and • Prices are reduced by the value of the savings. 	

Z Clause Number and Title	Status
Z25: Dispute Resolution Procedure (DRP)	Discretionary
<p>Purpose: To include a Dispute Resolution Procedure as a precursor to Adjudication.</p> <p>Restrictions on use: None</p>	
<p>For the ECC: Add new clause Z25.1</p> <p>Z25.1: Notwithstanding clause W2, the Parties may agree in writing to refer a dispute to the Dispute Resolution Procedure (DRP), set out in the Works Information, where this procedure is considered by them to be more appropriate to the relevant dispute. The Parties will endeavour to resolve any failure to agree matters or any disputes by direct negotiations between senior representatives of those Parties employing the DRP.</p> <p>For the ECSC: Add new clause Z25.1</p> <p>Z25.1: Notwithstanding clause 93.3, 93.4 or, if used, 1.5 to 1.8 (page CC12 of 12) the Parties may agree in writing to refer a dispute to the Dispute Resolution Procedure (DRP), set out in the Works Information, where this procedure is considered by them to be more appropriate to the relevant dispute. The Parties will endeavour to resolve any failure to agree matters or any disputes by direct negotiations between senior representatives of those Parties employing the DRP.</p>	
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers to select the text which applies to the form of contract used (that is, ECC or ECSC). The text belonging to the alternative form of contract, which is not relevant, should then be deleted.</p> <p>Client Advisers/Project Managers or Employers must ensure that the value engineering share percentage is stated in the Contract Data.</p>	

Z Clause Number and Title	Status
Z26: Building Information Modelling (BIM)	Discretionary
<p>Purpose: To include specific clauses for the CIC BIM Protocol as additional conditions of contract or Works Information and to provide additional compensation events (clauses taken from NEC 'How to use BIM with NEC3 contracts' April 2013).</p> <p>Restrictions on use: Only used for projects where BIM is to be used.</p>	
<p>Add new Clause Z21</p> <p>Z26.1: In this clause, the Protocol is the CIC Building Information Modelling Protocol, first edition 2013. Terms used in this clause are those defined in the Protocol.</p> <p>Z26.2: Clauses 1, 2, 5, 6, 7 of the Protocol are <i>additional conditions of contract</i>. Clauses 3 and 4 and Appendices 1 and 2 of the Protocol are Works Information.</p> <p>Z26.3: The following are compensation events:</p> <ul style="list-style-type: none"> • The <i>Contractor</i> encounters an event which is outside his reasonable control and which prevents him from carrying out the work specified in clause 4.1.2 of the Protocol. • The <i>Employer</i> revokes a licence granted under clause 6.6 of the Protocol. 	

Z Clause Number and Title	Status
Z27: Two stage contract	Discretionary
<p>Purpose: To amend the contract if a two stage develop and build procurement route is required.</p> <p>Restrictions on use: For use in a Two Stage Develop and Build contract.</p>	
<p>Add new clause Z27</p> <p>Pre Construction Period</p> <p>Z27.1: If the Construction Period does not commence, the Pre-Construction Period ends on termination effected under clause Z27.9.</p> <p>Conditional Clauses</p> <p>For the ECC</p> <p>Z27.2: The following clauses take effect on the date of the Construction Notice:</p> <ul style="list-style-type: none"> (a) 20.1 (Providing the Works) (b) 30 (Starting, Completion and Key Dates) (c) 33 (Access and use of the Site) (d) 4 (Testing and Defects) (e) 7 (Title) (f) 93 (Payment on Termination), subject to clause Z27.10(a) <p>For the ECSC</p> <p>Z27.2: The following clauses take effect on the date of the Construction Notice:</p> <ul style="list-style-type: none"> (a) 20.1 (Providing the Works) (b) 30.1, 30.2, 30.2 and 30.4 (Starting and Completion) (c) 15.1 and 22.1 (Access to the site /Access for the <i>Employer</i>) 	

Z Clause Number and Title	Status
Z27: Two stage contract	Discretionary
<p>(d) 4 (Testing and Defects) (e) 7 (Title) (f) 92 (Payment on Termination), subject to clause Z27.10(a)</p> <p>Insurance</p> <p>For the ECC</p> <p>Z27.3: The Parties do not provide insurance for loss or damage to the <i>works</i> or Plant, Materials or Equipment necessary to Provide the Works during the Pre-Construction Period.</p> <p>Z27.4: The reference in clause 81.1 (<i>Contractor's risks</i>) to the <i>starting date</i> shall be construed as a reference to the Contract Date. The reference in clause 85.1 (Insurance Policies) to the <i>starting date</i> shall in relation to any insurance to be maintained during the Pre-Construction Period be construed as a reference to the Contract Date.</p> <p>For the ECSC</p> <p>Z27.3: The Parties do not provide insurance for loss or damage to the <i>works</i> or Plant, Materials or Equipment necessary to Provide the Works during the Pre-Construction Period.</p> <p>Z27.4: The reference in clause 82.1 (<i>Contractor's risks</i>) to the <i>starting date</i> shall be construed as a reference to the Contract Date. The reference in clause Z18.3 (if used) to the <i>starting date</i> shall in relation to any insurance to be maintained during the Pre-Construction Period be construed as a reference to the Contract Date.</p> <p>Pre-Construction Period Services</p> <p>Z27.5: During the Pre-Construction Period the <i>Contractor</i> shall perform the Pre-Construction Period Services.</p> <p>Service of Construction Notice</p> <p>Z27.6: When the <i>Contractor</i> has performed (or sufficiently performed) the Pre-Construction Period Services, the <i>Employer</i> may either:</p> <p style="padding-left: 40px;">(a) give notice to the <i>Contractor</i> and to the Project Manager (ECC)/Employer (ECSC) of its decision to cause the Construction Period to commence (Construction Notice); or</p> <p style="padding-left: 40px;">(b) give notice to the <i>Contractor</i> under clause Z27.9.</p>	

Z Clause Number and Title	Status
Z27: Two stage contract	Discretionary
<p>Z27.7: If the <i>Employer</i> gives notice under clause Z27.6(a), the <i>Contractor</i> and Project Manager (ECC)/Employer (ECSC) shall jointly compile completed Contract Data and Works Information and all other required contractual documentation not forming part of this contract at the Contract Date, as referred to in (or the need for which is to be inferred from) the Contract Data or Works Information and the Parties shall initial or sign the same, whereupon the Project Manager (ECC)/Employer (ECSC) shall issue the Construction Notice, and such signed or initialled data and documents shall thereby become part of this contract. If for any reason the Parties fail to complete this process within 28 days after the <i>Employer's</i> notice under clause Z27.6(a) the <i>Employer</i> may give notice under clause Z27.9.</p>	
<p>Z27.8: If on or before the <i>condition date</i>, the Construction Period has not commenced, either of the Parties may at any time thereafter give notice under clause Z27.9, provided that neither of the Parties may give notice under clause Z27.9 after the Construction Period has commenced.</p>	
<p>Termination for Non-Commencement</p>	
<p>Z27.9: Notice under this clause Z27.9 may be served only as provided in clauses Z27.6(b), Z27.7 or Z27.8. Notice under this clause Z26.9 may be served by the <i>Employer</i> under clause Z27.6(b) or clause Z27.7 or by either Party under clause Z27.8 upon the other Party in writing and such notice shall terminate the <i>Contractor's</i> obligation to Provide the Works and discharge this contract absolutely, subject to clause Z27.11.</p>	
<p>Z27.10: Subject to clause Z27.11, if this contract is terminated under clause Z27.9, neither of the Parties shall have any claim against the other arising out of or in connection with this contract or its termination, however arising.</p> <p>Termination under clause Z27.9 shall not:</p> <ul style="list-style-type: none"> (a) discharge the liability of the <i>Employer</i> to pay any part of the Pre-Construction Fee earned by the <i>Contractor</i> prior to the date of termination; or (b) discharge any liability under clause 83 (Indemnity) (ECC)/clause 81 (Indemnities) (ECSC) which arises prior to the date of termination. 	
<p>Payment of Pre Construction Services and Construction Period Services Fees</p>	
<p>Z27.11: The Pre-Construction Services Fee and the Construction Period Services Fee, as calculated in the Tender Package – Price Submission spreadsheet, shall be included as lump sums. These lump sums shall be subdivided into the activities listed in the Pre-Construction/Construction Period Services Activity Schedule included in Contract Data part two. The amount due to the <i>Contractor</i> for Pre-Construction Services Fees and Construction Period Services Fees shall be the total of the Prices for each completed activity in the Pre-Construction/Construction Period Services Activity Schedule.</p>	
<p>Defined terms from Z2:</p> <p>The following Defined Terms are used within this Z clause. They are provided below for the Project Manager's/Employer's ease of reference. This text and that below should</p>	

Z Clause Number and Title	Status
Z27: Two stage contract	Discretionary
<p>not be included when inserting Z27 into the contract. A full list of the Defined Terms can be found at Z2.</p> <p>11.2(138): The Construction Notice is the notice given by the <i>Project Manager/Employer</i> to the <i>Contractor</i> notifying of the <i>Employer's</i> decision to cause the Construction Period to commence.</p> <p>11.2(139): The Pre-Construction Period is the period from the Contract Date to the date of the Construction Notice</p> <p>11.2(140): The Construction Period is the period commencing on the date of the Construction Notice</p> <p>11.2(141): The Pre-Construction Period Services are the services specified in the Works Information to be provided during the Pre-Construction Period</p> <p>11.2(142): The <i>condition date</i> is the date specified in the Contract Data Part 1; after which either of the Parties may terminate, provided that such termination may not be effected, after the commencement of the Construction Period.</p> <p>11.2(143): The Construction Period Services are the services specified in the Works Information to be provided during the Construction Period.</p> <p>11.2(144): The Pre-Construction Fee is the fee due to the <i>Contractor</i> for providing the Pre-Construction Period Services. It is set out in the Contract Data with instalments linked to dates or the achievement of milestones.</p> <p>11.2(145): The Construction Period Services Fee is the fee due to the <i>Contractor</i> for providing the Construction Period Services.</p>	
<p>Notes to Client Advisers/Project Managers and Employers</p> <p>Client Advisers/Project Managers or Employers to select the text which applies to the form of contract used (that is, ECC or ECSC). The text belonging to the alternative form of contract, which is not relevant, should then be deleted.</p>	

Z Clause Number and Title	Status
Z28: Using the contractor's design	Discretionary
<p>Purpose: Replaces clause 22 requiring the <i>Contractor</i> to grant the <i>Employer</i> licence to use and reproduce the Documents.</p> <p>Restrictions on use: To be used in conjunction with Z27. Not to be used in conjunction with Z23 Option 2.</p>	
<p>For the ECC: Z28 Delete clause 22 and replace with:</p> <p>For the ECSC: Add new clause Z28</p> <p>The <i>Contractor</i> grants to the <i>Employer</i> an irrevocable, non-exclusive, royalty-free licence to use and reproduce any of the Documents for any purpose connected with the works and to grant sub-licences in the terms of this licence but the copyright in the Documents shall remain vested in the <i>Contractor</i>. The <i>Contractor</i> is not liable for any use of the Documents for any purposes other than those for which the same are or were prepared. The <i>Employer</i> shall on written request be entitled to be supplied by the <i>Contractor</i> with copies of the Documents as stated in the Works Information.</p> <p>The <i>Contractor</i> warrants that the use of the Documents for the purposes of the works will not infringe the rights of any third person. The <i>Contractor</i> will indemnify, and keep indemnified, the <i>Employer</i> in full against all cost, expenses, damages and losses (whether direct or indirect), including any interest, penalties, and reasonable legal and other professional fees awarded against or incurred or paid by the <i>Employer</i> as a result of or in connection with any claim made against the <i>Employer</i> for actual or alleged infringement of a third party's copyright arising out of, or in connection with, the construction or use of the works, to the extent that the claim is attributable to the acts or omission of the <i>Contractor</i> or Staff.</p>	
<p>Defined terms from Z2:</p> <p>The following Defined Term is used within this Z clause. It is provided below for the Project Manager's/<i>Employer's</i> ease of reference. This text and that below should not be included when inserting Z28 into the contract. A full list of the Defined Terms can be found at Z2.</p> <p>11.2(146): Documents are the Works Information, drawings, details, photographs, reports, surveys, specifications and calculations and all other documents which have been or are prepared by the <i>Contractor</i> relating to the <i>works</i> and the designs contained in them for any purpose connected with the <i>works</i>.</p>	

ANNEX B: LIST OF NEC3 ECC AND ECSC CLAUSES AND ASSOCIATED Z CLAUSES WHICH IMPACT UPON THEM

Original NEC3 Clause		Z Clause Which Impacts on Original Clause
ECC	ECSC	
Clause 26.2 Clause 26.3	Clause 21	Z3 Subcontracting
Clause 51.1	Clause 51	Z4 Payment
Clause 90.2, Clause 90.4 Clause 91.8 Clause 91.9 Clause 93.2	Clause 90.3 Clause 92.2	Z5 Termination
Clause Option W2	N/A	Z6 Option W2
Clause Y(UK)2 Clause Y2.1(1) Clause Y2.1(2) Clause Y2.2 Clause Y2.4	Clause 1.4	Z7 Option Y(UK)2
Clause 90 Clause 23.1	Clause 90.3	Z12 Bribery Act 2010
Clause 60.1(1) Clause 60.1(12) Clause 60.2 Clause 60.3	Clause 60.1(1) Clause 60.1(9) Clause 60.2	Z17 Compensation Events
Clause 80.1 Clause 84.1 Clause 84.2 Clause 85.1	Clause 82.1	Z18 Risks and Insurance
Clause Y 1.1(3) Clause Y 1.2 Clause Y 1.3 Clause Y 1.4 Clause Y 1.8 Clause Y 1.9		Z19 Y(UK)1 Project Bank Accounts
Clause Y3.1		Z20 The Contracts (Rights of Third Parties) Act 1999
Clauses 21-27		Z21 Shorter Schedule of Cost Components
Clause W2		Z25 Dispute Resolution Procedure
Clause 81.1 Clause 85.1 Clause 83	Clause 82.1	Z27 Two Stage Contract
Clause 22		Z28 Using the Contractor's Design