

## AMENDMENTS JUNE 2006

The following amendments have been made to the June 2005 edition.

Page	Clause	Line
10	32.1	4 deleted: 'and of notified early warning matters'
59	Contract Data Part one, 1.	3 added, '(with amendments June 2006)'
62	Contract Data Part one, 1.	23 deleted: 'If there are additional compensation events' and following 4 lines

## AMENDMENTS APRIL 2013

The following amendments have been made to the June 2005 edition. Full details of all amendments are available on [www.neccontract.com](http://www.neccontract.com).

Page	Clause	Line
11	40.1	1 replace: 'The subclauses in this clause only apply' with 'This clause only applies'
16	61.1	<b>1</b> text replaced with: 'For compensation events which arise from the <i>Contractor</i> giving an instruction, issuing a certificate, changing an earlier decision or correcting an assumption, the <i>Contractor</i> notifies the <i>Subcontractor</i> of the compensation event at the time of that communication. He also instructs the <i>Subcontractor</i> to submit quotations, unless the event arises from a fault of the <i>Subcontractor</i> or quotations have already been submitted. The <i>Subcontractor</i> puts the instruction or changed decision into effect.'
17	61.3	<b>1</b> text replaced with: 'The <i>Subcontractor</i> notifies the <i>Contractor</i> of an event which has happened or which he expects to happen as a compensation event if <ul style="list-style-type: none"> <li>• the <i>Subcontractor</i> believes that the event is a compensation event and</li> <li>• the <i>Contractor</i> has not notified the event to the <i>Subcontractor</i>.</li> </ul> If the <i>Subcontractor</i> does not notify a compensation event within seven weeks of becoming aware of the event, he is not entitled to a change in the Prices, the Subcontract Completion Date or a Key Date unless the event arises from the <i>Contractor</i> giving an instruction, issuing a certificate, changing an earlier decision or correcting an assumption.'
	61.4	<b>1</b> text replaced with: 'If the <i>Contractor</i> decides that an event notified by the <i>Subcontractor</i> <ul style="list-style-type: none"> <li>• arises from a fault of the <i>Subcontractor</i>,</li> <li>• has not happened and is not expected to happen,</li> <li>• has no effect upon Defined Cost, Completion or meeting a Key Date or</li> <li>• is not one of the compensation events stated in this subcontract</li> </ul> he notifies the <i>Subcontractor</i> of his decision that the Prices, the Subcontract Completion Date and the Key

		<p>Dates are not to be changed. If the <i>Contractor</i> decides otherwise, he notifies the <i>Subcontractor</i> accordingly and instructs him to submit quotations.</p> <p>The <i>Contractor</i> notifies his decision to the <i>Subcontractor</i> and, if his decision is that the Prices, the Subcontract Completion Date or the Key Dates are to be changed, instructs him to submit quotations before the end of either</p> <ul style="list-style-type: none"> <li>• two weeks after the <i>Subcontractor</i>'s notification or</li> <li>• a longer period to which the <i>Subcontractor</i> has agreed.</li> </ul> <p>If the <i>Contractor</i> does not notify his decision, the <i>Subcontractor</i> may notify the <i>Contractor</i> of his failure. A failure by the <i>Contractor</i> to reply within three weeks of this notification is treated as acceptance by the <i>Contractor</i> that the event is a compensation event and an instruction to submit quotations.'</p>
18	62.6 63.1	<p>2 'to this effect' replaced with 'of his failure'</p> <p>1 replace final paragraph with: 'If the compensation event arose from the <i>Contractor</i> giving an instruction, issuing a certificate, changing an earlier decision or correcting an assumption, the date which divides the work already done from the work not yet done is the date of that communication. In all other cases, the date is the date of the notification of the compensation event.'</p>
19	64.4	2 'to this effect' replaced with 'of his failure'
25	91.4	1 text replaced with 'The <i>Subcontractor</i> may terminate if the <i>Contractor</i> has not paid an amount due under the contract within eleven weeks of the date that it should have been paid (R16).'
28	63.14	2 deleted: 'instead of Defined Cost'
30	63.13	15 deleted: 'instead of Defined Cost'
33		1 insert new clause 'If the <i>Contractor</i> and the <i>Subcontractor</i> agree, rates and lump sums may be used to assess a compensation event.'
37	63.13	15 deleted: 'instead of Defined Cost'
39		1 insert new clause 'If the <i>Contractor</i> and the <i>Subcontractor</i> agree, rates and lump sums may be used to assess a compensation event.'
44	W2.3(7)  W2.3(8)	<p>1 text replaced with: 'If the <i>Adjudicator</i>'s decision includes assessment of additional cost or delay caused to the <i>Subcontractor</i>, he makes his assessment in the same way as a compensation event is assessed. If the <i>Adjudicator</i>'s decision changes an amount notified as due, payment of the sum decided by the <i>Adjudicator</i> is due not later than seven days from the date of the decision or the final date for payment of the notified amount, whichever is the later.'</p> <p>added at end: new sentence 'The <i>Adjudicator</i> may in his</p>

		decision allocate his fees and expenses between the Parties.'
45	W2.3 (12)	text replaced with: 'The <i>Adjudicator</i> may, within five days of giving his decision to the Parties, correct the decision to remove a clerical or typographical error arising by accident or omission.'
53	Y(UK)1	1 insert new clause: 'Project Bank Account'
		<p><b>Y1.1 Definitions</b></p> <p>(1) The Authorisation is a document authorising the <i>project bank</i> to make payments to the <i>Contractor</i>, the <i>Subcontractor</i> and Subcontract Named Suppliers.</p> <p>(2) Subcontract Named Suppliers are <i>named suppliers</i> and other Suppliers who have signed the Joining Deed.</p> <p>(3) Project Bank Account is the account established by the <i>Contractor</i> and used to make payments to the <i>Subcontractor</i> and Subcontract Named Suppliers.</p> <p>(4) A Supplier is a person or organisation who has a contract to</p> <ul style="list-style-type: none"> <li>• construct or install part of the <i>subcontract works</i>,</li> <li>• provide a service necessary to Provide the Subcontract Works or</li> <li>• supply Plant and Materials for the <i>subcontract works</i>.</li> </ul> <p>(5) Trust Deed is an agreement in the form set out in the contract which contains provisions for administering the Project Bank Account.</p> <p>(6) Joining Deed is an agreement in the form set out in the contract under which the Supplier joins the Trust Deed.</p>
		<p><b>Y1.2 Named Suppliers</b></p> <p>The <i>Subcontractor</i> includes in his contracts with Subcontract Named Suppliers the arrangements in this contract for the operation of the Project Bank Account and Trust Deed. The <i>Subcontractor</i> notifies the Subcontract Named Suppliers of the details of the Project Bank Account and the arrangements for payment of amounts due under their contracts.</p> <p><b>Y1.3</b></p> <p>The <i>Subcontractor</i> submits proposals for adding a Supplier to the Subcontract Named Suppliers to the <i>Contractor</i> for acceptance. A reason for not accepting is that the addition of the Supplier does not comply with the Subcontract Works Information. The <i>Contractor</i>, the <i>Employer</i>, the <i>Subcontractor</i> and the Supplier sign the Joining Deed after acceptance.</p>
		<p><b>Y1.4 Payments</b></p> <p>On or before each assessment date, the <i>Subcontractor</i> submits to the <i>Contractor</i> an application for payment, and shows in the application the amounts due to Subcontract Named Suppliers in accordance with their contracts.</p> <p><b>Y1.5</b></p> <p>The <i>Contractor</i> prepares the Authorisation, setting out the sums due to Subcontract Named Suppliers as assessed</p>

		<p>by the <i>Subcontractor</i> and to the <i>Subcontractor</i> for the balance of the payment due under the contract. The <i>Contractor</i> notifies the <i>Subcontractor</i> of the sums due to the <i>Subcontractor</i> and Subcontract Named Suppliers stated in the Authorisation.</p> <p><b>Y1.6</b> The <i>Employer</i> and the <i>Contractor</i> make payment into the <i>project bank</i> of the amount stated in the Authorisation.</p> <p><b>Y1.10</b> The <i>Subcontractor</i> and Subcontract Named Suppliers receive payment from the Project Bank Account of the sums set out in the Authorisation as soon as practicable after the Project Bank Account receives payment.</p> <p><b>Y1.11</b> A payment which is due from the <i>Subcontractor</i> to the <i>Contractor</i> is not made through the Project Bank Account.</p>
		<p><b>Y1.19 Effect of payment</b></p> <p>Payments made from the Project Bank Account are treated as payments from the <i>Contractor</i> to the <i>Subcontractor</i> in accordance with this contract or from the <i>Subcontractor</i> or Subsubcontractor to Subcontract Named Suppliers in accordance with their contracts as applicable. A delay in payment due to a failure of the <i>Subcontractor</i> to comply with the requirements of this clause is not treated as late payment under this contract.</p>
		<p>If the <i>Subcontractor</i> is identified as a Named Supplier in the Contract Data for the <i>Contractor's</i> contract with the <i>Employer</i></p> <p><b>Y1.10 Trust Deed</b></p> <p>The <i>Employer</i>, the <i>Contractor</i>, the <i>Subcontractor</i> and <i>named suppliers</i> sign the Trust Deed before the first assessment date in the contract between the <i>Contractor</i> and the <i>Employer</i>.</p> <p>If the <i>Subcontractor</i> is added as a Named Supplier after the Contract Date in the <i>Contractor's</i> contract with the <i>Employer</i></p> <p><b>Y1.10 Trust Deed</b></p> <p>The <i>Employer</i>, the <i>Contractor</i>, the <i>Subcontractor</i> and the Named Supplier sign the Joining Deed before the first assessment date.</p>
		<p><b>Y1.11 Termination</b></p> <p>If the <i>Contractor</i> issues a termination certificate, no further payment is made into the Project Bank Account.</p>
55	Y(UK)1	1 insert new: 'Trust Deed'
		<p><b>Trust Deed</b></p> <p>This agreement is made between the <i>Employer</i>, the <i>Contractor</i> and the Named Suppliers. Terms in this deed have the meanings given to them in</p>

		<p>the contract between..... and ..... ..... for ..... (the works).</p> <p><b>Background</b> The <i>Employer</i> and the <i>Contractor</i> have entered into a contract for the <i>works</i>. The Named Suppliers have entered into contracts with the <i>Contractor</i> or a Subcontractor in connection with the <i>works</i>. The <i>Contractor</i> has established a Project Bank Account to make provision for payment to the <i>Contractor</i> and the Named Suppliers.</p> <p><b>Agreement</b> The parties to this deed agree that</p> <ul style="list-style-type: none"><li>• sums due to the <i>Contractor</i> and Named Suppliers and set out in the Authorisation are held in trust in the Project Bank Account by the <i>Contractor</i> for distribution to the <i>Contractor</i> and Named Suppliers in accordance with the banking arrangements applicable to the Project Bank Account,</li><li>• further Named Suppliers may be added as parties to this deed with the agreement of the <i>Employer</i> and <i>Contractor</i>. The agreement of the <i>Employer</i> and <i>Contractor</i> is treated as agreement by the Named Suppliers who are parties to this deed,</li><li>• this deed is subject to the law of the contract for the <i>works</i>,</li><li>• the benefits under this deed may not be assigned.</li></ul> <p>Executed as a deed on ..... by ..... (<i>Employer</i>) ..... (<i>Contractor</i>) ..... ..... ..... (Named Suppliers)</p>
56	Y(UK)1	1 insert new: 'Joining Deed'
		<p><b>Joining Deed</b> This agreement is made between the <i>Employer</i>, the <i>Contractor</i> and ..... (the Additional Supplier). Terms in this deed have the meanings given to them in the contract between..... and ..... ..... for ..... (the works).</p> <p><b>Background</b> The <i>Employer</i> and the <i>Contractor</i> have entered into a contract for the <i>works</i>. The Named Suppliers have entered into contracts with the <i>Contractor</i> or a Subcontractor in connection with the <i>works</i>. The <i>Contractor</i> has established a Project Bank Account to make provision for payment to the <i>Contractor</i> and the Named Suppliers.</p>

		<p>The <i>Employer</i>, the <i>Contractor</i> and the Named Suppliers have entered into a deed as set out in Annex 1 (the Trust Deed), and have agreed that the Additional Supplier may join that deed.</p> <p><b>Agreement</b>  The Parties to this deed agree that</p> <ul style="list-style-type: none"> <li>• the Additional Supplier becomes a party to the Trust Deed from the date set out below,</li> <li>• this deed is subject to the law of the contract for the <i>works</i>,</li> <li>• the benefits under this deed may not be assigned.</li> </ul> <p>Executed as a deed on .....  by  ..... (<i>Employer</i>)  ..... (<i>Contractor</i>)  ..... (<i>Additional Supplier</i>)</p>
57	<p>Y2.1 (1)</p> <p>Y2.2</p> <p>Y2.3</p>	<p><b>1</b> text replaced with 'The Act is the Housing Grants, Construction and Regeneration Act 1996 as amended by the Local Democracy, Economic Development and Construction Act 2009.'</p> <p><b>1</b> paragraph 3, text replaced with 'The <i>Contractor</i>'s certificate is the notice of payment to the <i>Subcontractor</i> specifying the amount due at the payment due date (the notified sum) and stating the basis on which the amount was calculated.'</p> <p>Heading 'withhold payment' replaced with 'pay less'.</p> <p><b>1</b> text replaced with 'If either Party intends to pay less than the notified sum, he notifies the other Party not later than seven days (the prescribed period) before the final date for payment by stating the amount considered to be due and the basis on which that sum is calculated. A Party does not withhold payment of an amount due under this contract unless he has notified his intention to pay less than the notified sum as required by this subcontract.'</p>

Page	Clause	Line
61		1 'only when Option A, B, C, D or E is used' replaced by 'in all Options'
62	41	<b>3rd bullet: text replaced with 'payments for the provision and use of equipment, supplies and services (excluding accommodation) for catering, medical facilities and first aid, recreation, sanitation, security, copying, telephones, telex, fax, radio, CCTV, surveying, setting out, computing and hand tools not powered by compressed air.'</b>
63	Subcontract Data part one, 1.	3 ' <i>contract</i> ' replaced by ' <i>subcontract</i> ' 6 'June 2006' date replaced with 'April 2013'
66	Optional statements	30 '21' replaced by '14'
71	Contract Data part one	New text added before 'If Option Z is used' <b>If Options Y(UK)1 and Y(UK)3 are both used</b> <ul style="list-style-type: none"> <li>• term                                  person or organisation</li> </ul> <b>The provisions of      Subcontract Named Suppliers</b> <b>Option Y(UK)1</b>
73	Contract Data part two	New text added before 'If Option A or B is used' <b>If Option Y(UK)1 is used</b> <ul style="list-style-type: none"> <li>• <i>named suppliers are</i> .....</li> </ul>