

Appendix 1 (Works)

National Grid: Standard Terms for the Supply of Deliverables (March 2025)

- | | |
|--|--|
| <p>1. Definitions</p> <p>1.1 For the purposes of this Appendix the following definitions shall apply:</p> <p>"CDM Regulations" means the Construction (Design and Management) Regulations 2015.</p> <p>"CIS Regime" means Chapter 3, Part 3 of Finance Act 2004 and any regulations made under Section 74 of the Finance Act; the CIS Regulations, the Income Tax (Construction Industry Scheme) (Amendment) Regulations 2007 (CIS 2007/672) and any other statute or subordinate legislation relating to the construction industry scheme as modified from time to time or replaced whether before or after the date of the Contract.</p> <p>"CIS Regulations" means the Income Tax (Construction Industry Scheme) Regulations 2005 (CIS 2005/2045) as amended from time to time.</p> <p>"Defects Liability Period" has the meaning as set out in Clause 3.5 of this Appendix.</p> <p>"Event of Force Majeure" has the meaning given in the Standard Terms, provided always that the following shall not be treated as Events of Force Majeure:</p> <ul style="list-style-type: none"> (i) a strike by or lockout or other industrial dispute or trade dispute involving any sub-contractor, supplier or any employees of the Supplier; or (ii) non-supply of materials, goods, equipment or machinery for the Works by any supplier to the Supplier; or (iii) the Supplier's failure to hire suitably qualified personnel or labour; or (iv) mechanical or electrical breakdown or failure of equipment, machinery, or plant owned by or provided to the Supplier. <p>"Notified Sum" has the meaning as set out in Clause 8.7 of this Appendix.</p> <p>"Pay Less Notice" has the meaning as set out in Clause 8.8 of this Appendix.</p> <p>"Practical Completion Date" has the meaning as set out in Clause 5.9 of this Appendix.</p> <p>"Site" means the lands and other places on, under, in or through which the Works are to be constructed as set out in each Purchase Order and any other lands or places provided by the Client for the purposes of the Contract, together with such other places as may be designated in the Purchase Order or subsequently agreed by the Client as forming part of the Site.</p> <p>"Standard Terms" means the National Grid: Standard Terms for the Supply of Deliverables.</p> <p>"Statutory Requirements" means all general or local Acts of Parliament and the regulations and bye-laws of any local or other statutory authority which may be applicable to the Works and the rules and regulations of all public bodies, companies, local or statutory authorities whose property or rights are or may be affected in any way by the Works.</p> <p>"Works Commencement Date" means the date specified in a Purchase Order for the commencement of any Works, as such date may be varied in accordance with Clause 5.1 of this Appendix.</p> <p>"Works Completion Date" means the date specified in a Purchase Order when Works must be completed, as such date may be varied in accordance with the Contract.</p> | <p>2. Appointment</p> <p>2.1 Any Purchase Order issued by the Client shall detail the agreed particulars of the Works to be carried out including:</p> <ul style="list-style-type: none"> (a) the Works Commencement Date; (b) the Works Completion Date; (c) the price; (d) Site access details; and (e) any priority or special requirements and any other matters that the Client considers relevant. <p>2.2 The Supplier shall be deemed to have inspected and examined the Site and its surroundings and all information available in connection therewith and to have fully acquainted and satisfied itself so far as is practicable, before commencing the Works as to:</p> <ul style="list-style-type: none"> (a) the form and nature thereof including the ground, subsoil and hydrological conditions; (b) the extent and nature of work and materials necessary for carrying out and completing the Works; (c) the means of communication with and the access to the Site and the accommodation it may require; (d) the Site conditions, <p>and generally to have obtained for itself all necessary information as to risks, contingencies and all other circumstances which may influence or affect the Works and/or the price and shall make no claim for additional loss, expense and/or time to complete the Works founded on its failure to do so as required by this Clause 2.2. The Supplier shall be responsible for the interpretation of all such information (including information provided by the Client) for the purposes of carrying out the Works and for any design which is the Supplier's responsibility under the Contract.</p> <p>2.3 The Client shall have power to vary the Works and such variations may include additions and/or omissions and may be ordered at any time up to the end of the Defects Liability Period for the Works. All such variations shall be ordered in writing and any oral instruction for a variation will not be regarded as a variation until the Supplier receives written confirmation of the variation from the Client. No variation ordered under this Clause shall in any way vitiate or invalidate the Contract. The valuation of variations ordered by the Client in accordance with this Clause 2.3 shall be ascertained and agreed by the Client and the Supplier in writing (signed by the Client and the Supplier) and added to the price.</p> <p>3. Supplier Obligations</p> <p>3.1 The Supplier shall keep detailed records of all acts and things done by it in relation to the provision of the Works including (without limitation) the date(s) the Works are carried out, equipment used and Supplier's personnel involved. At the Client's request the Supplier shall make the records available for inspection and/or provide copies to the Client.</p> <p>3.2 The Supplier shall, at all times when carrying out Works:</p> <ul style="list-style-type: none"> (a) obey all lawful and reasonable directions of the Client; (b) comply with all Applicable Law in relation to the Works; (c) be responsible for making appropriate PAYE deductions for tax and national insurance contributions from the remuneration which it pays to its personnel and the Supplier agrees to indemnify the Client in respect of |
|--|--|

	any claims or demands which may be made by the relevant authorities against the Client in respect of income tax relating to the provision of the Works by the Supplier;		materials and charge the reasonable costs of doing so to the Supplier.
	(d) comply with any instructions, rules or Client Policy Requirements issued by the Client from time to time; and	3.5	Where the Client informs the Supplier of any defects, excessive shrinkages or other faults to the Works which appear during the term of the Contract or within 24 months from the Practical Completion Date (or within 36 months from the Practical Completion Date where the Works involve excavations greater than 1.5 metres in depth) (the " Defects Liability Period ") and which are due to materials or workmanship not being in accordance with the terms of the Contract, the Supplier shall, at the Client's option, either:
	(e) comply with the CDM Regulations and discharge the role of Principal Contractor, Principal Designer, Designer or Sub-Contractor (as applicable and as specified in each Purchase Order) to the extent that the CDM Regulations apply to the Works (having regard at all times to Client Policy Requirements).		(a) remedy such defect at its own cost forthwith (in which case the Supplier shall also be liable to the Client for any costs arising out of any damage caused by the Supplier in remedying such defects); or
3.3	The Supplier shall:		(b) pay to the Client the costs incurred by the Client in having such defect remedied.
	(a) perform and complete the Works and make good any defects in the Works in a good and workmanlike manner so as to meet all requirements of the Contract and shall (subject to any provision in the Contract) provide all supervision, labour, materials, plant, transport and temporary works which may be necessary therefor;	3.6	In addition to its rights under Clause 3.5, the Client reserves the right to withhold any sums which may be due to the Supplier under the Contract that are necessary for the remedying of any defect or breach.
	(b) perform and complete the Works in accordance with Good Industry Practice and in compliance with the Client's instructions, rules and Client Policy Requirements issued from time to time;	3.7	The Client shall notify the Supplier when in the Client's opinion the Supplier's obligations under this Clause 3 have been discharged.
	(c) not cause or exacerbate any harm to the environment and comply with environmental law and the Client environmental policy documents;	3.8	Unless otherwise agreed in writing, copyright in the Works and all and/or any documents or materials produced by the Supplier in connection with the Works shall remain vested in the Supplier but the Client shall have an unconditional, irrevocable, royalty free, non-exclusive licence to use or reproduce any item of the Works, documents or materials provided by the Supplier for any purpose in relation to the Works. Such licence shall carry the right to grant sub-licences and shall be transferable without the consent of the Supplier.
	(d) comply at all times with the applicable Client Policy Requirements in respect of the removal, treatment, storage and/or disposal of any waste material produced by the Supplier in carrying out the Works;	3.9	All fossils, coins, articles of value or antiquity and structures or other remains or things of geological or archaeological interest discovered on a Site shall as between the Client and the Supplier be deemed to be the absolute property of the Client, and the Supplier shall take reasonable precautions to prevent its workmen or any other persons from removing or damaging any such article or thing and shall immediately upon discovery thereof and before removal acquaint the Client of such discovery and carry out at the expense of the Client, the Client's orders as to the disposal of the same.
	(e) not use or permit to be used any materials generally known at the time of specification or use to be deleterious to health or safety or to the integrity of buildings and/or by their nature or application contravene any British Standards or codes of practice or as relevant European equivalent, current at the date of specification or use;		
	(f) ensure that both it and the Supplier's personnel have the skill and expertise required to carry out the provision of the Works to the standards required in the Contract; and	3.10	In the event that the Supplier encounters dangerous substances or causes harm to the environment in carrying out the Works it shall immediately notify the Client and follow the protocol set out in the Client's environmental policy documents.
	(g) ensure at its cost that the Works are carried out so as to cause minimum disturbance and to minimise as far as practicable any nuisance and inconvenience to occupants of properties adjacent to the Site and the general public. The Supplier shall comply with all Applicable Law and the Client Policy Requirements with regards to noise and pollution and keep noise and pollution to a minimum and shall use the best methods that are reasonably practicable to suppress noise on vehicles, compressors, road breakers and other similar equipment.	3.11	To the extent that the Contractor has to dispose of any materials, the Client free-issue material and/or the Client plant, the Contractor shall undertake such disposal in full compliance with all Statutory Requirements and the Client's environmental policy documents.
3.4	The Supplier shall:		The Contractor shall identify the assets that are being disposed of and provide the Client all available information on: the nature of the asset; the asset's re-sale or scrap value; and any other relevant information for the purposes of disposal and recycling.
	(a) keep the Site in a clean and tidy state during the Works;		For the avoidance of doubt, responsibility for any materials, the Client free-issue material and/or the Client plant that are redundant/scrap remains with the Contractor until they have been disposed of in accordance with this sub-clause.
	(b) on completion of the Works, ensure that the Site is (as far as reasonably practical) restored to the condition it was in prior to the Works being carried out; and		The Contractor shall indemnify the Client from and against all claims, proceedings, damages, costs and expenses suffered or incurred by the Client by reason of the Contractor breaching this sub-clause.
	(c) remove rubbish or surplus materials from the Site. If the Supplier fails to do so within three days of such request then the Client may remove the rubbish and surplus	4.	Safety and Training
		4.1	The Supplier shall, at its own expense and at all times:
			(a) comply and procure that the Supplier's personnel comply with all Applicable Law

	and relevant Client Policy Requirements and the Contract in performing the Works; and		the carrying out of the Works within 24 hours of the incident occurring, marking any email as urgent.
	(b) provide the Supplier's personnel with all necessary safety equipment to enable them to perform the Works safely, including (but not limited to) barriers and hazard warnings at the Site as are required to ensure the safety of all persons in the vicinity of the Site.	4.8	If so requested by the Client the Supplier must, at its own expense, recommence the Works as soon as reasonably practicable.
		5.	Timing of the Works
4.2	The Supplier and the Supplier's personnel may, in order to comply with this Clause 3.11, be required, at their expense, to attend training courses. The Supplier and the Supplier's personnel may either attend the Client run courses or other courses that the Client has agreed to in writing. The number of the Supplier's personnel who attend these courses is at the discretion of the Supplier. The Supplier shall ensure that the numbers that do attend shall be sufficient for undertaking the Works.	5.1	The Supplier shall commence the Works specified in the Purchase Order on the Works Commencement Date, which may be varied following a meeting on Site, provided such later date is confirmed in writing by the Client.
4.3	The Supplier shall ensure that sufficient numbers of the Supplier's personnel are trained and authorised by the Client to receive safety documents as required by the Client's safety rules.	5.2	The Supplier shall complete the Works by the Works Completion Date. The Works Completion Date may be extended by the Client in accordance with Clause 5.3. The Client shall inform the Supplier in writing of any revised Works Completion Date.
4.4	The Supplier shall throughout the progress of the Works have full regard for the safety of all persons entitled to be on the Site and shall keep the Site (so far as the same is under its control) and Works (so far as the same is not completed or occupied by the Client) in an orderly state appropriate to the avoidance of danger to persons. The Supplier shall provide and maintain at its own cost all lights, guards, fences, warning signs and watching when and where necessary or as required by the Client or by any statutory or competent authority for protection of the Works or the safety of the public or others.	5.3	If the progress of the Works or any part thereof is delayed for any of the following reasons:
4.5	The Supplier will provide the following information to the Client to the satisfaction of the Client before the Works Commencement Date:	(a)	an instruction given by the Client (including any suspension instructed under Clause 5.8 where such suspension has not been caused or contributed to by any act or omission of the Supplier in breach of the Contract);
	(a) the names, training and qualifications of the Supplier's personnel;	(b)	delay in receipt by the Supplier of necessary instructions, drawings or other information;
	(b) proof that the Supplier's personnel have valid authorisations to carry out the Works;	(c)	failure by the Client to give access to the Site or possession of land required to perform the Works;
	(c) the risk assessment carried out by the Supplier or the risk assessment carried out jointly by the Supplier and the Client in accordance with the Client's health and safety policy documents;	(d)	delay in receipt by the Supplier of materials to be provided by the Client under the Contract;
	(d) the method statement detailing how the Works will be carried out in accordance with the Client's health and safety policy documents; and	(e)	any delay impediment prevention or default by the Client; and
	(e) a health & safety statement in accordance with the Client's health and safety policy documents.	(f)	the occurrence of an Event of Force Majeure,
4.6	If there is a breach of this Clause 3.11 or in the Client's reasonable opinion the Supplier's personnel are in default or breach of the Contract or in default or breach of any statutory duty without prejudice to its rights elsewhere under the Contract, the Client may instruct that:		then subject to the following provisions of this Clause 5.3 and 5.7, the Supplier may claim an extension to the period for completion of the Works. To claim an extension to the period for completion it is a condition precedent that:
	(a) the Works are suspended;	(i)	the Supplier notifies the Client in writing as soon as reasonably practicable and in any event within 5 Business Days of the commencement of the occurrence causing the delay; and
	(b) any or all of the Supplier's personnel leave the Site; and/or	(ii)	the Supplier has taken all reasonable steps to avoid or minimise the delay.
	(c) the Supplier's and any sub-contractor's equipment be removed.		The Supplier's notice shall include all relevant information which the Client may reasonably require, including: (i) which of the reasons in Clause 5.3(a) – (f) apply; (ii) the impact the delay has on the Supplier's ability to progress the Works; and (iii) the Supplier's estimate of the likely delay to completion of the Works caused by the occurrence.
4.7	The Supplier shall:	5.4	Following receipt of the Supplier's notice, pursuant to Clause 5.3(f)(i) above the Client shall by notice in writing grant such extension of the period for completion of the whole or part of the Works as may in its opinion be reasonable.
	(a) have in place an accident reporting procedure in compliance with the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013;	5.5	Notwithstanding any other provision of the Contract the Supplier shall not be entitled to any extension to the period for completion of the Works on account of any circumstances arising by reason of any error, omission, negligence or default of the Supplier or any of its employees or agents or any sub-contractor or supplier.
	(b) make the Client aware of any accidents which occur due to or arising from the carrying out of the Works as soon as reasonably practicable; and	5.6	Should the Supplier fail to complete the Works by the Works Completion Date, the Client (without prejudice to any other right or remedy which it may have) may:
	(c) inform your current Client contact of any accidents which occur due to or arising from		

	(a)	cancel that part of the Works which have not been completed by the Works Completion Date; and/or		(b)	where relevant, be accompanied by as-laid drawings in respect of the Works to which the invoice relates;
	(b)	charge to the Supplier any additional costs, losses or expenses that the Client may incur, including the extra costs of employing a replacement contractor to complete the Works, due to the Supplier's failure to complete the Works by the Works Completion Date.		(c)	be accompanied by a copy of the relevant Purchase Order; and
				(d)	be dated the date that it is issued.
5.7		In addition to any other right that the Client may have under the Contract it shall be entitled to suspend the Works at any time.	8.4		Payment shall become due 5 days after receipt by the Client of the relevant invoice and any supporting documents in accordance with Clause 8.3
5.8		Practical completion of the Works shall occur when the Works reach a state when, notwithstanding any defect or outstanding items therein, they are taken or are fit to be taken into use or possession by the Client and (if relevant) the Supplier has delivered operation and maintenance manuals to the Client.	8.5		Not later than 5 days after payment has become due in accordance with Clause 8.4, the Client shall notify the Supplier of the sum that the Client considers to have been due at the payment due date in respect of the Supplier's invoice and the basis on which that amount is calculated.
5.9		When the Client is satisfied that the Works are completed, the Client shall issue a certificate of practical completion as soon as reasonably practicable certifying the date on which the Works achieved practical completion (the " Practical Completion Date ").	8.6		The final date of payment by the Client to the Supplier of sums due shall be 57 days after the date on which payment becomes due.
6.		Inspection	8.7		Unless the Client has served a notice under Clause 8.8, the Client shall, subject to Clause 8.9, pay the Supplier the sum referred to in the Client's notice under Clause 8.5 (or, if the Client has not served notice under Clause 8.5, the sum contained in the Supplier's invoice referred to in Clause 8.2 and supported by all relevant supporting documentation as required by Clause 8.3 (in this Clause 8, the " Notified Sum ") on or before the final date for payment of each invoice.
6.1		The Client shall have the right to inspect the Works at any time. Irrespective of whether the right of inspection under the Contract is exercised the Client shall have the right to request that the Supplier remedies any defects during or after completion of the Works.	8.8		If the Client intends to pay less than the Notified Sum the Client shall give notice (" Pay Less Notice ") to the Supplier at least one day before the relevant final date for payment that it intends to pay less than the Notified Sum. The Pay Less Notice shall state the amount that the Client considers to be due on the date of the notice and the basis on which the sum is calculated. Providing that such notice has been given and subject to Clause 8.9, the Client shall be obliged to pay the reduced sum so notified.
6.2		The Supplier shall, upon request, provide the Client with copies of all test reports and all data arising from the testing of any materials or equipment used in the Works.	8.9		Payment under this Clause 8 shall be subject to receipt by the Client of an invoice from the Supplier for the Notified Sum, or where a Pay Less Notice has been issued, for the reduced amount stated in the Pay Less Notice, together with the Value Added Tax that the Client is required to pay to comply with Clause Error! Reference source not found. of the Standard Terms.
7.		Obligations of the Client	8.10		All consideration under the Contract shall be exclusive of VAT (if any). Where one party (the " supplier ") makes or is deemed to make a supply to another party (the " recipient ") for the purposes of VAT:
7.1		The Client shall provide the Supplier with such access to the Site as the Supplier may reasonably require to carry out the Works provided always that the Client shall be obliged to afford such access only during normal business hours.		(a)	the recipient shall pay VAT in addition to the consideration,
8.		Payment		(b)	provided that the supplier shall first have issued to the recipient a valid VAT invoice.
8.1		The Client shall pay the Supplier the price (plus VAT) for the Works.	8.11		The Client hereby confirms that it is an end user for the purposes of Article 8(1)(b) of the Value Added Tax (Section 55A) (Specified Services and Excepted Supplies) Order 2019 (the " Order ") and accordingly the parties agree that the reverse charge in respect of the goods and services specified in Article 4 of the Order (the " Reverse Charge ") will not apply to such goods or services supplied to the Client under this Contract. As such, when issuing VAT invoices in accordance with this Contract, the Contractor shall issue the Client with a normal VAT invoice, with VAT charged at the appropriate rate.
8.2		The Supplier shall be entitled to payment on completion of the Works. The Supplier shall within 7 days of the Practical Completion Date issue a VAT invoice to the Client for the price.	8.12		If any VAT is found to have been overpaid the supplier shall repay such VAT and issue to the recipient a VAT credit note (where by law it is required to do so).
8.3		Each invoice submitted by the Supplier must:	9.		CIS Scheme
	(a)	contain all the following information:	9.1		The Client is a "contractor" for the purposes of the CIS Regime. The Supplier warrants that it is registered as a sub-contractor for the purposes of the CIS Regime. The Supplier shall within 7 days of the Purchase Order, (and in any event prior to the Works Commencement Date) supply the Client with such details as the Client may reasonably require (including confirmation of its national
	(i)	the Site where the Works have been carried out;			
	(ii)	the period to which the invoice relates;			
	(iii)	the Supplier's details for payment;			
	(iv)	the date of completion of the Works;			
	(v)	the name of the Client's representative responsible for the Works;			
	(vi)	the sum which the Supplier considers will become due on the payment due date in respect of the Works, together with a list of any goods or materials delivered to the Site and their value;			
	(vii)	the corresponding purchase order number; and			
	(viii)	any other information that the Client may reasonably request;			

insurance number/company registration number and unique tax reference number) in order to allow the Client to verify the Supplier's identity with HMRC in accordance with the CIS Regime and to determine whether the Supplier is registered for gross payment or payment under deduction for the purposes of section 69 of the Finance Act 2004 and Regulation 6 of the CIS Regulations.

- 9.2 Where the Supplier is not registered for gross payment under section 63(2) of the Finance Act 2004 or where the Supplier fails to provide the details required pursuant to Clause 9.1 to enable the Client verify the Supplier's identity in accordance with the CIS Regulations, then not later than 7 days before the final date for payment of any sum due, the Supplier shall give the Client details of the direct cost of materials included in the payment and the Client shall be entitled to make such deduction from that part of the payment which is not in respect of the direct

cost of materials at the relevant percentage rate in force at the time of payment as required by the CIS Regime. Where the Client has failed to deduct the correct amount of taxation in respect of any such payment, the Client may correct the error by making deductions from subsequent payments due to the Supplier.

- 9.3 Where the Supplier is verified as a sub-contractor entitled to receive gross payments under the CIS Regulations then the Client shall pay any amount due without making the statutory deduction.
- 9.4 The Supplier agrees that it shall comply in full with all of its obligations under the CIS Regime.
- 9.5 In the event of a dispute or difference between the Client and the Supplier as to the operation of this Appendix, then the provisions of Clause 18 (Disputes) of the Standard Terms shall apply.