Starting your NEC journey

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NEC Consultant
What is NEC?

- A modern day family of contracts
- Facilitates implementation of sound project management principles and practices
- Defines legal relationships
What is NEC?

• Flexible family of contracts and options to implement any procurement strategy for works or services
  o Can be used throughout the supply chain including the provision of professional services
  o Appropriate for almost any type of works or services
  o Embodies and supports the key features of collaborative working
  o Clear division of function and responsibility
  o Encourages communication and dialogue
Endorsements

- The Construction Client’s Board
- Crown Commercial Service
- Facilities Management Board of the Cabinet Office
- The Association for Project Management (APM)
- British Institute of Facilities Management (BIFM)
- International Organisation for Standardisation (ISO)
When & Where to use NEC3

- **SC** (Supply Chain) when supply is high.
- **SSC** (Supply Chain Low) when supply is low.
- **ECC & ECS** (Engineering, Construction, & Consulting) when project complexity is high.
- **PSC** (Project Specific Complex) when project complexity is high.
- **ECSC & ECSS** (Engineering, Construction, Service, & Supply) when project complexity is high.
- **TSC** (Technical Supply Chain) when project complexity is low.
- **TSSC** (Technical Supply Chain Specific) when project complexity is low.
- **PSSC** (Project Specific Supply Chain) when project complexity is low.
- **Framework Contract** when supply is high.
- **Adjudicator’s Contract** when supply is low.

**Categories:**
- **Business Case**
- **Design**
- **Construction**
- **Operation**
“The flexibility, clarity and stimulus to good management at the heart of NEC3 contracts, together with the fact they can and have been used successfully across the world, means they are ideal as the basis for a consistent set of contracts to be used by a global and diverse organisation such as Shell. We will be seeking to communicate their benefits to our colleagues across the group.”

David Reinke, Project Manager, SHELL
Flexibility

- Multi-disciplinary
- Allocation of design responsibility
- Choice of pricing mechanisms
- Range of ‘bolt-on’ secondary Options
- Risk allocation clear..... and flexible
- International application

Artist impression of Antarctic Research Station: Halley VI
### Flexibility

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**Additional Conditions**

- secondary Options
- dispute resolution Option
- main (payment) Option
- core clauses

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Clarity and simplicity

- Plain language
- Present tense
- Minimises subjective judgements
- Legal jargon out... as far as possible
- Structure
- Flow charts
- Guidance notes
Stimulus to good management

• NOT a contract ‘for the bottom drawer’!
• Each procedure designed to contribute
• Clear division of roles
• Up-to-date programme
• Early warning – common sense risk management
• Compensation events
Stimulus to good management

Management procedure

Risk allocation tool

Definition of rights and obligations

better with and supporting

Collaborative working
NEC in Building

- Hospitals - NHS
  - England - ProCure21, P21+
- Heathrow Terminal 5
- Building Schools for the Future
- 2012 London Olympics (including infrastructure)
- Glaxo Smith Kline
- Social Housing
  - Circle Anglia, Arena Housing, Hull Council, Birmingham Council
- Others
  - University of Cambridge, Bristol Airport, Barclays Bank, Cardiff Millennium Stadium, Sainsbury’s supermarkets, Boots, British Telecommunications (Telereal)
Procure 21+

LOCATION: England
VALUE: £4 billion
CONTRACTS USED: ECC option C
START-FINISH: 2010 - 2016
EMPLOYER: NHS Trusts in England
CONTRACTOR: Department of Health
PROJECT MANAGER:
Balfour Beatty, Healthcare Partnership Solutions, Integrated Health Projects, Interserve, Kier and W
NEC in Infrastructure

• Utilities
  o Most water companies
  o National Grid

• Power
  o British Nuclear Group
  o British Energy

• Oil majors
  o Shell

• Transport
  o Highways Agency and many local authorities
  o Transport for London
  o Channel Tunnel Rail Link
  o Crossrail

• Communications
  o Vodafone
  o National Grid Transco Wireless
Crossrail

LOCATION: London
VALUE: £14.5 billion
CONTRACTS USED: ECC, PSC, FC
START-FINISH: 2009-2018
EMPLOYER: Crossrail Limited
CONTRACTOR: various
PROJECT MANAGER: Bechtel
NEC in Facilities Management

- Ministry of Justice
- Defence Estates
- Nottingham Hospital Trust
  - M&E maintenance in secure hospital
- Colchester City Council
  - Housing maintenance
- Worcester City Council
  - Street lighting
- Portsmouth City Council
  - Housing repairs
Slope maintenance

LOCATION: Hong Kong
VALUE: HK$400 million (£33 million)
CONTRACT USED: TSC
START-FINISH: 2012-2016
EMPLOYER: Architectural Services Department (ArchSD), Special Administrative Region
CONTRACTOR: China Road and Bridge Corporation
PROJECT MANAGER: ArchSD
Burntwood School, London
Crossrail
Hammersmith Flyover Phase 2 Strengthening
Landslip prevention and mitigation programme
Al Raha, Abu Dhabi
Magnox nuclear power station decommissioning, UK
Cleveland ironstone mine water remediation, UK
Halley VI
Managed Motorways Framework
The Harbour mental health hospital
Lincolnshire Highways Alliance
Hammersmith Flyover Phase 2 Strengthening

LOCATION: London

VALUE: £100 million

CONTRACT USED: PSC, ECC, ECS

START-FINISH: 2012-2015

EMPLOYER: TFL

CONTRACTOR: Costain

PROJECT MANAGER: Graham Carter, Transport for London
• Hunua 4 Water Main, New Zealand
• Waitaki hydropower station refurbishment, New Zealand
• Wits University, South Africa
• Magnox nuclear power station decommissioning, UK
• Magnox intermediate level nuclear waste containers, UK
• St. Peter Port Harbour cranes, Guernsey
St. Peter Port Harbour cranes, Guernsey

LOCATION: Guernsey, Channel Islands

VALUE: £3.8 million

CONTRACT USED: SC, ECC

START-FINISH: 2012-2013

EMPLOYER: Public Services Department, States of Guernsey

CONTRACTOR: Terex Port Solutions

PROJECT MANAGER: States Property Services, States of Guernsey
NEC Support

- Contracts & books
- Licensing/digital
- Training
- Users’ Group
- Newsletters
- Project support services
- Seminars & roadshows
Questions
Contact us

Email: info@necccontract.com

Necccontract.com

NEC Contracts official LinkedIn Group

NEC Contracts, Official Group - developers and publishers of NEC3 suite of Contracts
2,454 members
Thank you

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