

Starting your NEC journey

November 2016



Tim Knee-Robinson
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
 - Can be used throughout the supply chain including the provision of professional services
 - Appropriate for almost any type of works or services
 - Embodies and supports the key features of collaborative working
 - Clear division of function and responsibility
 - Encourages communication and dialogue



- 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)

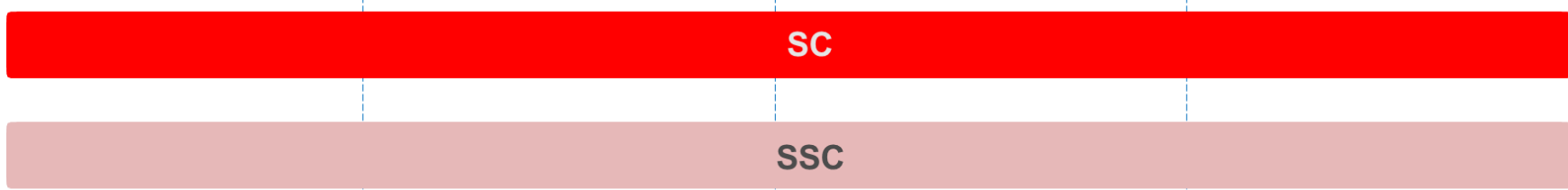


When & Where to use NEC3



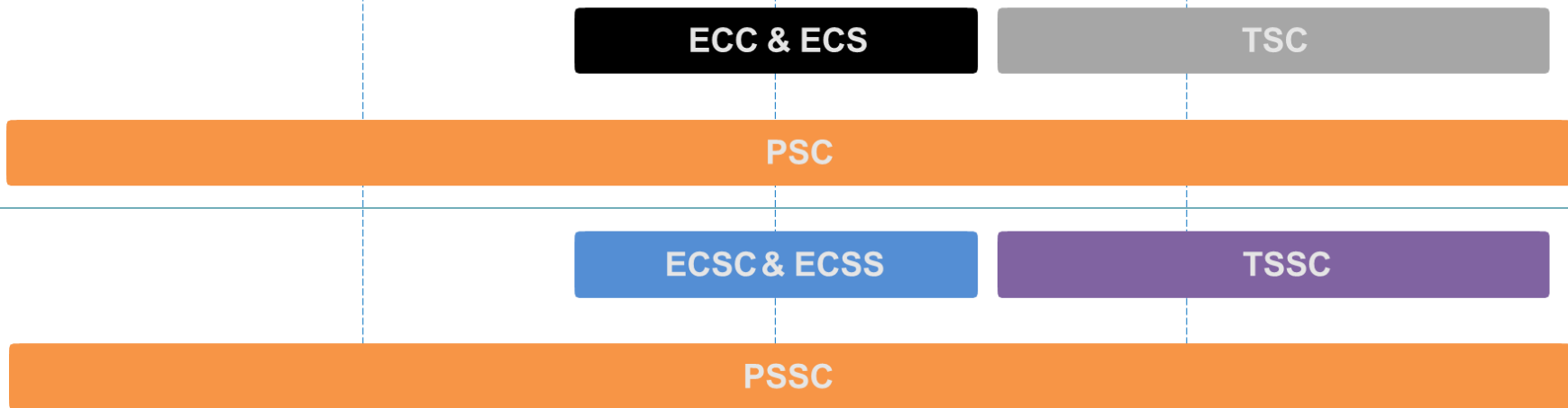
SUPPLY

LOW
HIGH

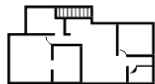


PROJECT COMPLEXITY
HIGH
LOW

HIGH
LOW



BUSINESS
CASE



DESIGN



CONSTRUCTION



OPERATION

Fundamental NEC Objectives



Can be
used across
all sectors

Can be
used in
different
project
stages

Stimulates
good
management

“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

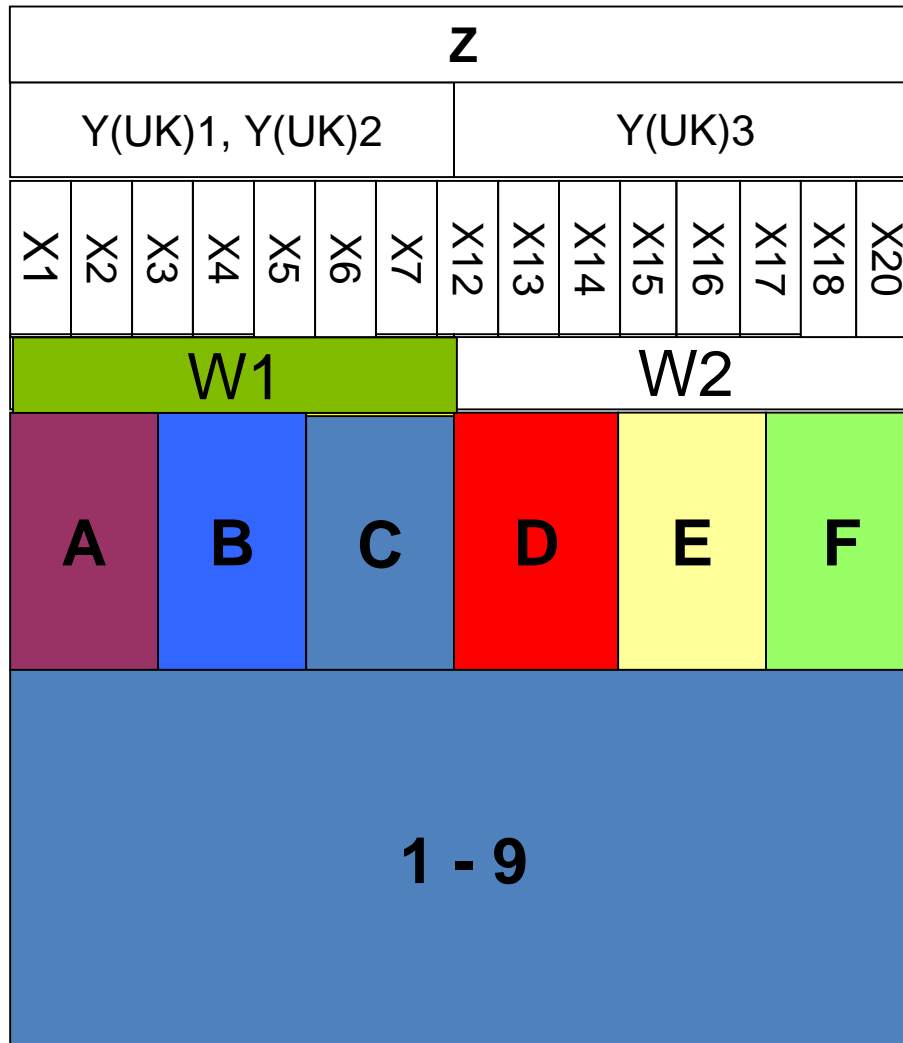
- Multi-disciplinary
- Allocation of design responsibility
- Choice of pricing mechanisms
- Range of 'bolt-on' secondary Options
- Risk allocation clear..... and flexible
- International application



Artist impression of Antarctic Research Station: Halley VI



Flexibility



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

Clarity and simplicity



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



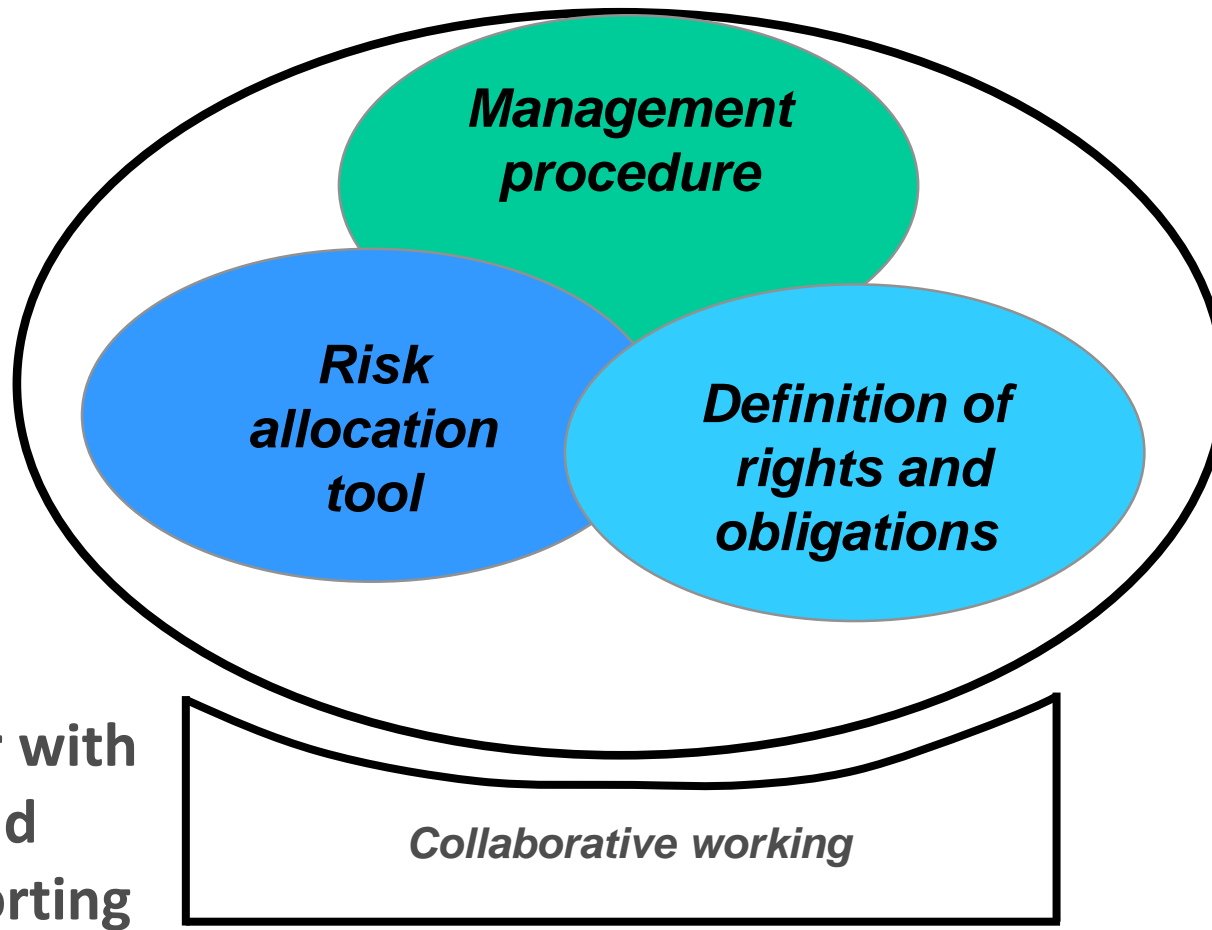
Stimulus to good management



- 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



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

- Utilities
 - Most water companies
 - National Grid
- Power
 - British Nuclear Group
 - British Energy
- Oil majors
 - Shell
- Transport
 - Highways Agency and many local authorities
 - Transport for London
 - Channel Tunnel Rail Link
 - Crossrail
- Communications
 - Vodafone
 - 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

- 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



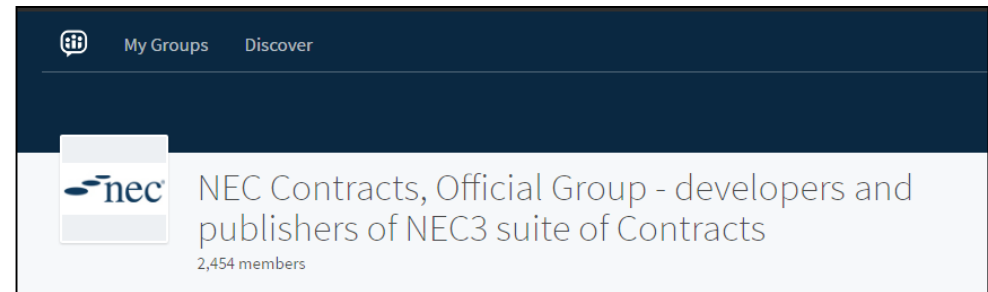
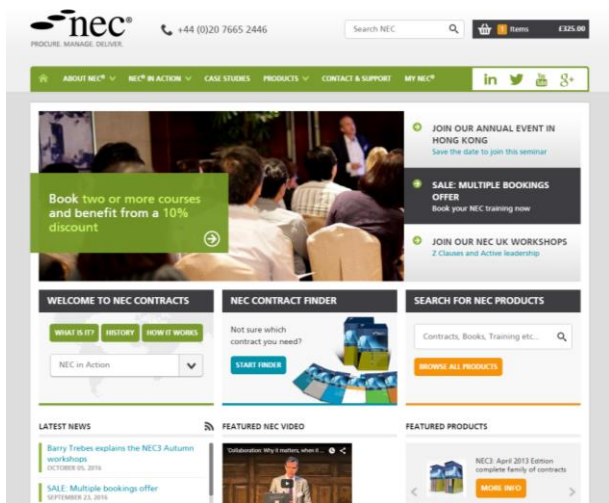
Contact us



✉ info@necontract.com

necontract.com

NEC Contracts official LinkedIn Group



Thank you

**Tim Knee-Robinson BEng (Hons) CEng MICE MAPM MCIHT
NEC Consultant**

