

NEC Professional Services Short Contract (PSSC) webinar

Presented by Richard Patterson on 20 July 2022

Question Asked	Question Answered
If any party wanted out for any reason what are termination mechanisms?	Clause 90 has the list of clear reasons for termination. Of these '90.6 The <i>Client</i> may terminate for any other reason (Reason 8).' 91 is the procedures on termination. 92 deals with payment on termination
If we want the Consultant to reduce emissions, use electric vehicles when visiting site etc should this be in scope or should we start looking at X29? Is X29, to complex for the short contract?	Great question. I have been part of the NEC team developing X29, 'Climate change'. It is soon to be published and I believe there will be a variant for the PSSC.
What kind of project would you use PSSC for?	PSC and PSSC can both be used for any type of 'professional' service. The PSSC is intended for relative simple and low risk contracts.
As the consultant, If the end contractual date is re-aligned due to denied site access, can you be charged preliminary costs for keeping the project open from the subcontractors?	Under the PSSC the Consultant will only get additional time and/or money if one of the listed 'compensation events' happens. 'Lack of access' is not one of the standard compensation events. But you might be able to use '60.2 (2) 'The <i>Client</i> does not provide something which it is to provide by the date stated in the contract.' if the provision of access by the <i>Client</i> was clear in the contract. Hence at the bid stage the <i>Consultant</i> needs to price in the risk of anything that is not a compensation happening and/or try to negotiate additional compensation events in to the contract. In most cases the assessment of the additional money to the Consultant will be based on the additional 'Defined Cost' caused to the Consultant by the compensation event.

<p>Back to the same issue re band and unapproved promotion, would it be advisable to define the battery limits within each time charge band, by qualification and years of experience post qualification. Would it then introduce other complication whether the experience in within industry or relevant discipline. How do we overcome all of these esp on mega project where such rampant promotions run into millions more in fees.?</p>	<p>The PSSC has 'People Rates' for stated 'Categories of person' in the Contract Data part two. These are used for assessment of some compensation events (63.2) and for payment for work 'on a time change basis'. The 'Categories of people' could include detail on the definitions of those 'categories'. And there is no provision for inflation. Of course, if an individual is promoted from one 'category' to a 'higher' category they will get the higher rate from the date of promotion.</p>
<p>Does the consultant have to use the agreed prices in the price list if there is a quotation given as part of a CE</p>	<p>Clause 63.1 'For a compensation event which only affects the quantities of work shown in the Price List, the change to the Prices is assessed by multiplying the changed quantities of work by the appropriate rates in the Price List.' If the event does not <u>only</u> affects the quantities of work shown in the Price List' then the compensation event is assessed instead on Defined Cost - 63.2.</p>