



The MM Little Book of

NEC

Contracts

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Introduction

Mott MacDonald has produced this document to provide a quick informative overview of the fundamentals of the NEC suite of contracts. It covers:

- what is NEC?
- key principles of NEC
- key differences between NEC and 'traditional' forms of contract
- key impacts of using NEC in your organisation

In June 2017, NEC launched NEC4. NEC4 is the result of 12 years of experience with NEC3. It is evolution, not revolution and the main messages in this document apply to both NEC3 and NEC4.^{1,2}

A new NEC user should use NEC4. The only reason for an NEC3 user to not change to NEC4 is the cost of small changes that may be required to any standard additional conditions of contract and contract management forms and the limited training required.³

1 See 'NEC3 to NEC4 – evolution, not revolution; some fixes and some good ideas!', Richard Patterson, ICE's Management Procurement and Law, December 2017 and on NEC website from 26 Feb 2018, <https://www.neccontract.com/About-NEC/News-Media/NEC3-to-NEC4-evolution-not-revolution-some-fix>

2 Mott MacDonald's Richard Patterson was part of the drafting team for NEC4.

3 Three years on it is time for clients to switch from NEC3 to NEC4' Richard Patterson, Mott MacDonald, NEC Newsletter, Sept 2020, <https://www.neccontract.com/About-NEC/News-and-Media/Three-years-on-it-is-time-clients-switched-to-NEC>

What is NEC?

The NEC started life as the New Engineering Contract. However:

- It is no longer new (a consultative first edition was published in 1991).
- It can be and is used for much more than 'just' engineering.
- It is a method for managing projects and services - much more than just a 'contract'.

As a result, 'NEC' is now a brand name for a family of standard forms of contract forms.⁴

NEC contracts stimulate good management, can be used for a variety of work in a variety of commercial situations and are written as clear and simple documents. The NEC family of contracts currently comprises:

PROJECTS

- Engineering and Construction Contract (ECC)
- Engineering and Construction Subcontract (ECS)
- Engineering and Construction Short Contract (ECSC)

- Engineering and Construction Short Subcontract (ECSS)

SERVICES

- Professional Service⁵ Contract (PSC)
- Professional Service Subcontract (PSS) (new to NEC4)
- Professional Service Short Contract (PSSC)⁶
- Term Service Contract (TSC)
- Term Service Subcontract (TSS) (new to NEC4)
- Term Service Short Contract (TSSC)

SUPPLY

- Supply Contract (SC)
- Supply Short Contract (SSC)

OTHER

- Framework Contract (FC)
- Dispute Resolution Services Contract (This replaced the Adjudicators Contract in NEC3)

NEW TO NEC4

- The Design Build Operate Contract (DBOC)
- The Alliance Contract (AC)⁷
- The Facilities Management Contract (FMC)⁸

⁴ June 2017 (with amendments October 2020).

⁵ NEC3 included the Professional Services Contract; in NEC4 it is renamed the Professional Service Contract.

⁶ Launched April 2013.

⁷ The NEC4 Alliance Contract was published after consultation in June 2018.

⁸ Launched April 2013.

Key Principles of NEC

3.1 INTRODUCTION

NEC is fundamentally the same as other contracts in that it provides a legal framework but is also radically different because it establishes a detailed set of project management procedures.

All NEC forms of contract are designed and drafted with three key principles in mind:

- clarity
- flexibility
- stimulus to good management.

The stimulus to good management is by far the most important of these three principles.

These three fundamental elements are explained in the sections following.

3.2 CLARITY

NEC contracts are easier to read and understand than many other standard forms because they:

- are written in plain and readable English
- use very little legal terminology
- are set out in a highly organised, orderly and modular structure
- are free from references to specific laws.

In addition, each member of the NEC family has similar structure, concepts and language.

The principle of clarity in NEC is further applied to provide clear roles for all those involved and clear processes setting out exactly what those people have to do and within what time periods.

3.3 FLEXIBILITY

The NEC family provides a contract for any project, service or supply:

- anywhere in the world (i.e. global applicability)
- in any legal jurisdiction
- in any sector
- with any level of complexity
- with any level of design responsibility by the supplier
- under any procurement strategy
- with different levels of risk allocation between contract parties
- with different payment options.

The flexibility in application of NEC3 is illustrated in Figure 1.

NEC4 adds the Design Build and Operate Contract and the Alliance Contract to the options.

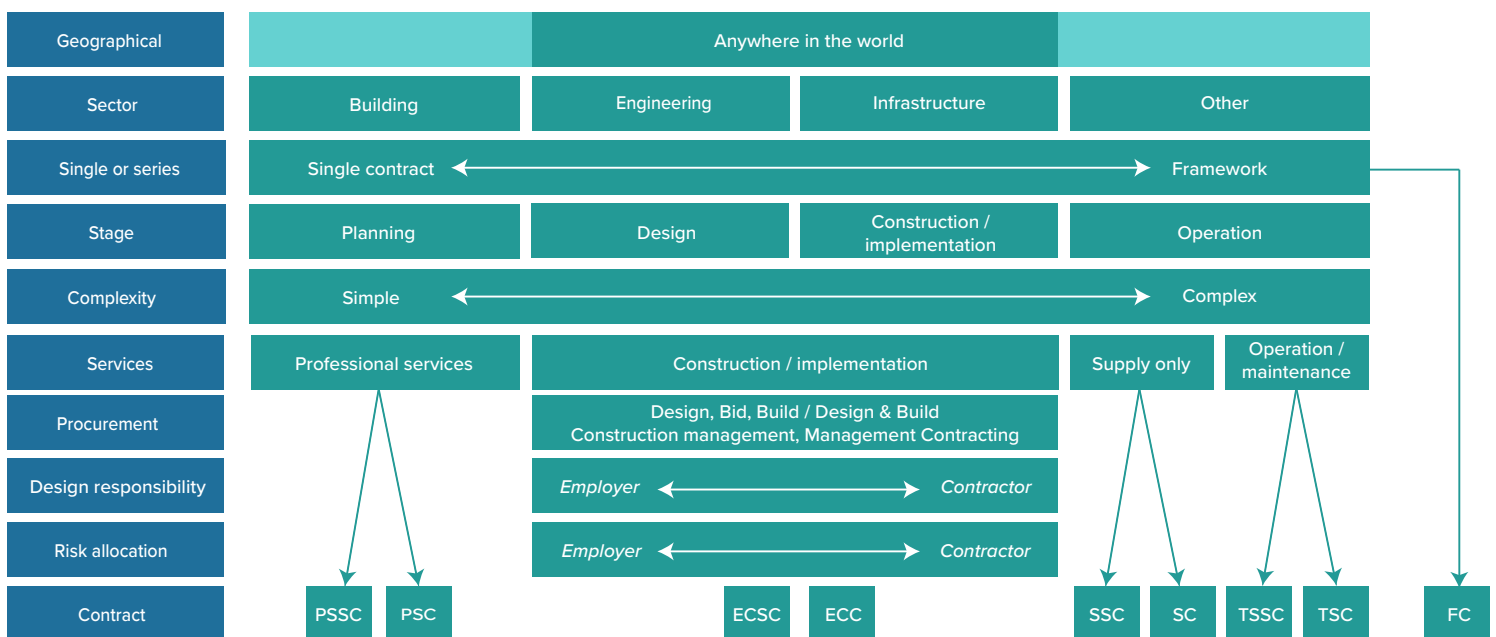


Figure 1. NEC contracts are available for almost anything.

The flexibility in application of NEC once the appropriate contract is chosen is further illustrated by the modular structure of the NEC Engineering and Construction Contract (ECC). The PSC and TSC have a very similar structure. An NEC ECC contract is built up from:

- the nine core clauses (common to all main payment options)
- one of six main ‘payment’ options including lump sum, re-measurement, target cost and cost reimbursable
- one dispute resolution option
- a choice of secondary options⁹ for use to suit the specific requirements of the contract
- a choice of jurisdiction-specific secondary options which are designed for particular local legal issues¹⁰
- any additional conditions of contract (i.e. ‘Z’ clauses). The flexible nature of the options means that – ideally – there should be little need for additional conditions of contract.

9 The secondary options, some of which are built into the body of traditional contracts are
 X1: Price adjustment for inflation (used only with Options A, B C and D)
 X2: Changes in the law
 X3: Multiple currencies (used only with Options A and B)
 X4: Parent company guarantee (Ultimate holding company guarantee in ECC4)
 X5: Section completion
 X6: Bonus for early Completion
 X7: Delay damages
 X8: Undertakings to the Client or Others (new in ECC4)
 X9: Transfer of rights (new in ECC4)
 X10: Information modelling (new in ECC4)
 X11: Termination by the Client (new in ECC4)
 X12: Multiparty collaboration (This a better name for the ‘Partnering’ option included in ECC3)
 X13: Performance bond
 X14: Advanced payment to Contractor
 X15: The Contractor’s design (This extends ‘Limitation of Contractor’s liability for design to reasonable skill and care’ as included I ECC3)
 X16: Retention (not used with Option F)
 X17: Low performance damages
 X18: Limitation of liability
 (X19 is used in other NEC contracts but not the ECC)
 X20: Key Performance Indicators (not used with Option X12)
 X21: Whole life cost (new in ECC4)
 X22: Early Contractor involvement (used only with Options C and E) (new in ECC4)
 X29: Climate change (published in July 2019). See ‘Using procurement to drive climate change action’ Richard Patterson, and Priyesh Depala, Mott MacDonald.
<https://www.mottmac.com/views/using-procurement-to-drive-climate-change-action>

10 There are three of these for the UK, Y(UK)1, Y(UK)2 and Y(UK)3. Y clauses are also available for Ireland and Australia, and there is a published option Y(NZ)2 for New Zealand law.

The TSC and PSC are similarly structured. The structure of the ECC4 is illustrated below.

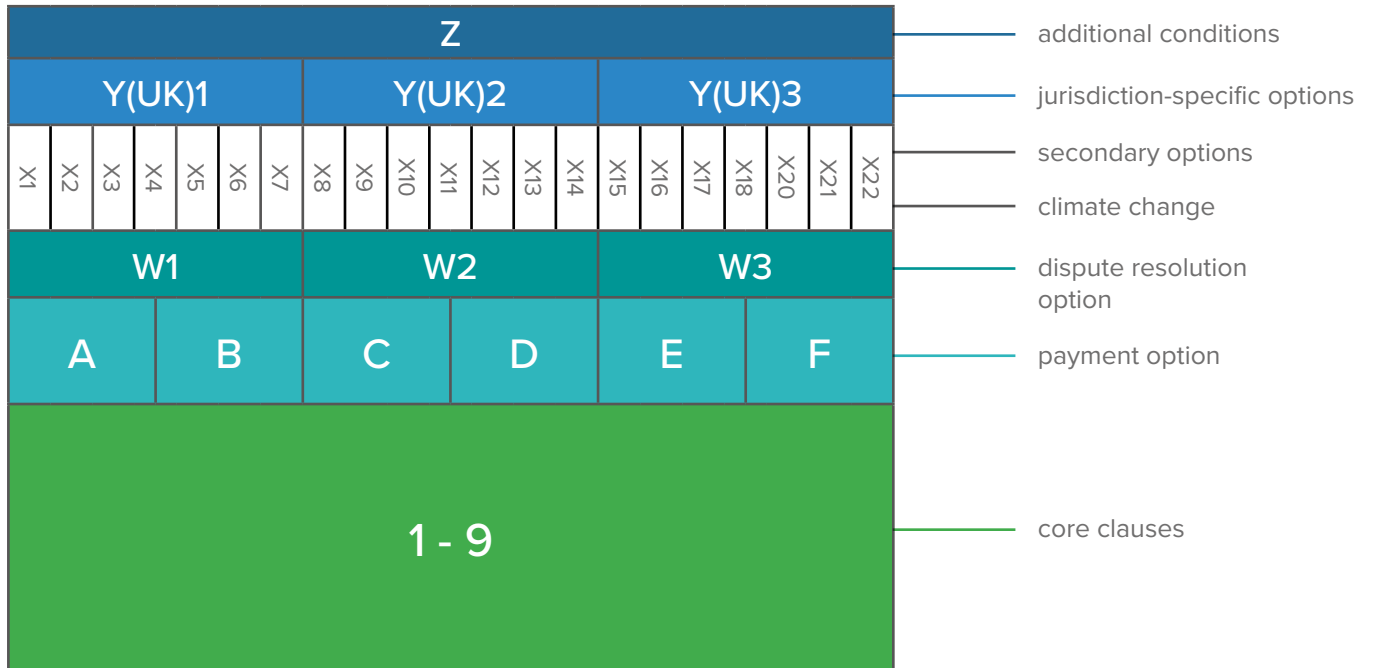


Figure 2. The modular structure of the ECC4 conditions of contract.



The ECC can be used for any level of design by the Contractor. The works can be fully designed by the Client¹¹ or fully designed by the Contractor or somewhere in between as set out in the Scope.

¹¹ NEC4 uses the term 'Client' for the buyer. In NEC3 the buyer is the 'Employer'.

3.4 STIMULUS TO GOOD PROJECT MANAGEMENT

NEC is designed as a set of project management processes and, if used properly, it certainly encourages good management. As compared with other standard forms, it does require (and encourage) the following key elements:

- Collaborative mindset: a more collaborative mindset with joint management
- Accepted Programme: one real, visible, regularly updated Accepted Programme
- Timescales: meeting the defined timescale for every action
- Risk Management: a 'no surprise' culture: obligation and direct financial incentivisation (on the *Contractor*) to raise and address issues as (or before) they occur – 'early warning': collaborative risk management
- Pre-assessment of change: Management of change by forecasting and agreeing in advance the effects of a change or any event which was a 'compensation event' in the contract.

The above elements represent the key differences of the NEC compared with more traditional forms of contract.

Key Difference from 'Traditional' Contracts

4.1 INTRODUCTION

NEC is radically different from other traditional forms of contract because of its focus on the stimulus to good management. Using NEC as a rigorous project management tool is an investment in keeping control of quality, time and budget, which requires active 'real time' management by the *Client* (and their *Project Manager*) – significantly more so than most than other forms of contract.

The objective and benefits of this approach for Parties involved in a contract is:

“Greater certainty of outcome”.

The key differences and management processes are described under the following headings:

- Collaborative mindset
- Communication between contract parties
- Contract administration roles and responsibilities
- Accepted Programme
- Timescale for every action
- Early warning and collaborative risk management
- Compensation event management (including the use of 'forward pricing and time forecast' approach).

4.2 COLLABORATIVE MINDSET

The first key difference is the collaborative mindset which each of the contract parties should have in order to establish 'one' project team to jointly manage the contract in a partnering approach. This is expressed in the first line of every NEC the contract. Core Clause 10.1 in the ECC is:

*“The **Client**, the **Contractor**, the **Project Manager** and the **Supervisor** shall act as stated in this contract and in a spirit of mutual trust and co-operation.”*

However, the most important part of Clause 10.1 is that those involved 'shall act as stated in this contract'. This emphasises the active nature of the contract and gives effect to the rest of the clauses which, uniquely for a contract, are written in the present tense. In the UK the word 'contractual' has been 'stolen' by some to mean 'adversarial'.

Acting as stated in the contract is not ‘adversarial’ – it is just acting contractually and professionally and as required by clause 10.1. It is critical to get both ‘sides’ to understand this at the start of the contract. Acting in a spirit of mutual trust and collaboration has attracted much attention from lawyers. At a practical level just ‘talk and listen to each other’ (‘TALTEO’) before ‘doing what it says in the contract’.

The NEC provides clear procedures and timescales to encourage more effective, better and earlier communication in all aspects of the management of the contract including the assessment of change, regularly updated programmes, early warning of risks. The objective is to reduce the number of disputes, enable a speedy close out of the contract and to provide greater certainty of outcome for all those involved through the life of the contract.

Communication in the NEC is about reinforcing the best behaviours of good project management practice in which the parties actively and openly communicate.



4.3 COMMUNICATION BETWEEN CONTRACT PARTIES

The drafters of the NEC recognised that one of the major failings in traditional contracts is the lack of emphasis, clarity and timeliness in communication between the Parties. The lack of communication creates uncertainty. Uncertainty drives and breeds undesirable behaviours and are the seedbed for dispute and disagreement.



4.4 CONTRACT ADMINISTRATION ROLES AND RESPONSIBILITIES

A key NEC principle is that a contract should have a clear division of function and responsibility between those involved.

NEC ECC provides for two discrete administrative roles, the *Project Manager* and the *Supervisor*.

The *Supervisor* looks after compliance and testing and Defects (with a minor role relating to title). The testing and Defects role is covered by the one and a half pages of Core Clause 4 and is the same irrespective of the payment option. The *Supervisor* often audits the records of testing carried out by the *Contractor* as required by the contract. The *Supervisor* and the *Contractor* manage the notification and management of Defects throughout construction.

In contrast, the *Project Manager* carries out all the other roles one might recognise as ‘contract administration’. The key routine processes, listed with the core clause in which they appear include:

- changes to the Scope¹²
- early warning and updating the Risk Register (Early Warning Register in ECC4)
- design acceptance
- Subcontractor acceptance
- programme update and acceptance
- payment assessment
- change and compensation event management, including agreeing cost and time effects.

With these key roles it should be clear that the *Project Manager* has both 'technical' and 'financial' roles. The *Project Manager* will therefore need technical and financial experience and/or support. From experience, the most important issue relating to the *Project Manager* is the ability and authority of the *Project Manager* to issue necessary changes to the Scope and to deal with and accept or assess quotations for compensation events.

The *Project Manager* carries out all the actions set out for the *Project Manager* in the contract and with no formal requirement for approval from the *Client*. These are all the normal requirements for project management including changing requirements and accepting quotations¹³.

The *Project Manager's* role is one of active 'joint management' with the *Contractor* rather than more passive 'contract administration'. This is particularly the case when target cost or reimbursable options are used and the *Contractor* is effectively spending the *Client's* money.

¹² The term 'Scope' in ECC4 replaces what was the 'Works Information' in ECC3. NEC4 uses the term 'Scope' consistently across the family of contracts).

¹³ The *Client's* role is limited to payment, terminating, disputes and changing the *Project Manager* or Supervisor.



4.5 ACCEPTED PROGRAMME

Another key difference in the NEC regime from traditional standard forms of contract relates to programme (this is called the ‘schedule’ in North America).



Under many traditional standard forms of contract the administrator has no contractual obligation to accept or approve any programme submitted by a contractor. They might acknowledge the contractor’s programme but no approval would be given as that might be construed as relieving the contractor of some of their responsibilities or duties under the contract.

However, this is not the case with NEC contracts. The programme, more specifically the ‘Accepted Programme’ is key to the successful administration of the contract.

The ECC recognises the importance of the programme in construction and therefore puts it at the heart of the contract. There is an extensive list of requirements for each programme that promote ‘best practice’ project programming. The programme has to be updated on a regular basis (normally at least monthly) and must reflect the actual status of the project including the effect of compensation events. The Accepted Programme is a real tool for all those involved and forms the basis of the assessment of the effect of all compensation events. The

Project Manager is required to accept the programme and there are clear reasons for not doing so stated in the contract. Importantly though, the acceptance of a programme does not change the *Contractor’s* responsibilities under the Contract (See Core Clause 14.1). Also, each ‘Accepted Programme’ completely replaces all previous programmes. Should any Accepted Programme not, for any reason, be in place, this gives rise to one of the situations in which the *Project Manager* is required to assess any compensation event (See Core Clause 64.1).

4.6 TIMESCALE FOR EVERY ACTION

In traditional forms of contract, the contractor and/or contract administrator are often required to act or give information and/or decisions within a ‘reasonable time’. ‘Reasonable’ of course, is not defined. NEC is different. It provides a clear timescale for every action that the *Contractor*, *Project Manager* and *Supervisor* are required to take: there is no ‘reasonable time’. The parties can agree to extend the time but there should always be a clear timeframe for every communication required under the contract.

4.7 EARLY WARNING AND COLLABORATIVE RISK MANAGEMENT

Early warning is fundamental to NEC contracts, to relationships on site and to the success of a project. The entire principle of early warning under NEC is one of proactive risk management. If either the *Contractor* or *Project Manager* becomes aware of any matter which could affect time, cost or quality, that party must notify it to the other party as an ‘early warning’ as soon as they become aware. This triggers an ‘early warning meeting’ to discuss how best to mitigate the risk.

All early warnings are added to the Early Warning Register which acts as the agenda and the minutes for each early warning meeting. During the early warning meetings, the *Project Manager* and *Contractor* should openly share possible solutions to the problems encountered. This requires a good level of mutual trust and collaboration amongst the contract parties. The early warning process is recognised as one of the best enablers of effective project management.

For projects procured via more traditional forms of contract where adversarial relationships between the contract parties are often in place, people can have a hidden agenda and to cover up problems with delaying tactics deliberately deployed to protect their own interest.

In NEC ECC the *Contractor* is commercially incentivised to give early warning notifications to the *Project Manager*. If the *Contractor* fails to do so then ECC3 Clause 63.5 (ECC4 63.7) allows the assessment of any subsequent compensation event to allow for what mitigating actions could have been taken if the *Contractor* had provided the early warning notification.



4.8 COMPENSATION EVENT MANAGEMENT

The only events under an NEC contract that entitle the *Contractor* to a possible increase in the 'Prices' and/or a delay to the 'Completion Date' or 'Key Date' are called 'compensation events'. The terminology is more positive than that used in traditional contracts. The *Contractor* is compensated for risks that it was not intended to price – the term '*claim*' does not appear in the NEC. The events are simply listed mainly in Clause 60.1 (with some other events in secondary options). Additional compensation events can be added easily in the Contract Data where for the particular contract the Client wishes to retain a particular risk. Project management is mostly about managing change. NEC, as a contract to support project management, is therefore heavily focused on change management. Exactly the same processes for managing compensation events apply to all compensation events. Five of the 17 pages of the core clauses relate to Core Clause 6, compensation events. These provide the processes, options and rules for dealing with these events.

NEC's processes for notifying, assessing and implementing compensation events are clear. Used well, they encourage prompt decision making and ensure that both parties are clear at any time on the contractual outturn value of the Prices and the contractually required Completion Date.

The NEC requires the *forecast* effect of a compensation event on time and cost resulting to be assessed at the same time as the event arises (unless the *Project Manager* chooses to get a quotation before a proposed instruction). This word 'forecast' is a key differentiator from other forms of contract. The assessment of cost is NOT based on tendered rates or prices or on the actual cost but on the forecast effect of the event on the *Contractor's* 'real' cost¹⁴ and programme.

The compensation event management procedures use a 'sort it out now' approach and so enable the *Contractor* and *Project Manager* parties to manage change and risk more effectively. This gives the *Client* more flexibility and better control over changes whilst maintaining 'incremental certainty' of outturn price and time.

NEC in this way promotes better project management during the course of the contract. Rather than agree a forecast now, the norm under traditional contracts (and a badly managed NEC contract) is to 'keep records' and hope to 'sort it out later'. As a result there is often no clarity at any stage on the forecast outturn cost to the *Client* or the contractually required Completion Date.

¹⁴ The ECC's 'model' of 'real' cost is 'Defined Cost + 'Fee'. For details see 'Understanding defined cost in NEC3 ECC and its simplification in NEC4 ECC', Richard Patterson, Mott MacDonald, NEC Newsletter, Nov 2021, <https://www.neccontract.com/About-NEC/News-and-Media/Understanding-defined-cost-in-NEC3-ECC-and-its-simplification-in-NEC4-ECC>

Key Impacts of Using NEC

5.1 INTRODUCTION

NEC contracts, properly implemented by well trained staff with appropriate systems are likely to lead to:

- better communication and collaborative working between the contract parties for a joint project management
- better project management
- better incremental certainty of outturn price and completion dates of the project
- minimisation and ideally even avoidance of disputes.

Such outcomes should be weighed against the real cost of the investment required in people and systems to use the NEC properly.

NEC encourages and requires:

- better preparation of documentation
- more active contract management.

It is essential that these cultural differences and challenges are addressed at the outset of the contract. *Clients* (and *Contractors*) using NEC must:

- develop their staff (through training and development programmes)
- put in place procedures and systems for the management and implementation of NEC
- provide joint training for *Project Manager*, *Supervisor* and *Contractor* on NEC and the systems proposed to manage it.

It is key to work with business leaders and senior managers to ensure that:

- the business objectives of using NEC are clearly understood by the *Client's* organisation and its supply chain
- NEC is tailored and well used to deliver those business objectives.

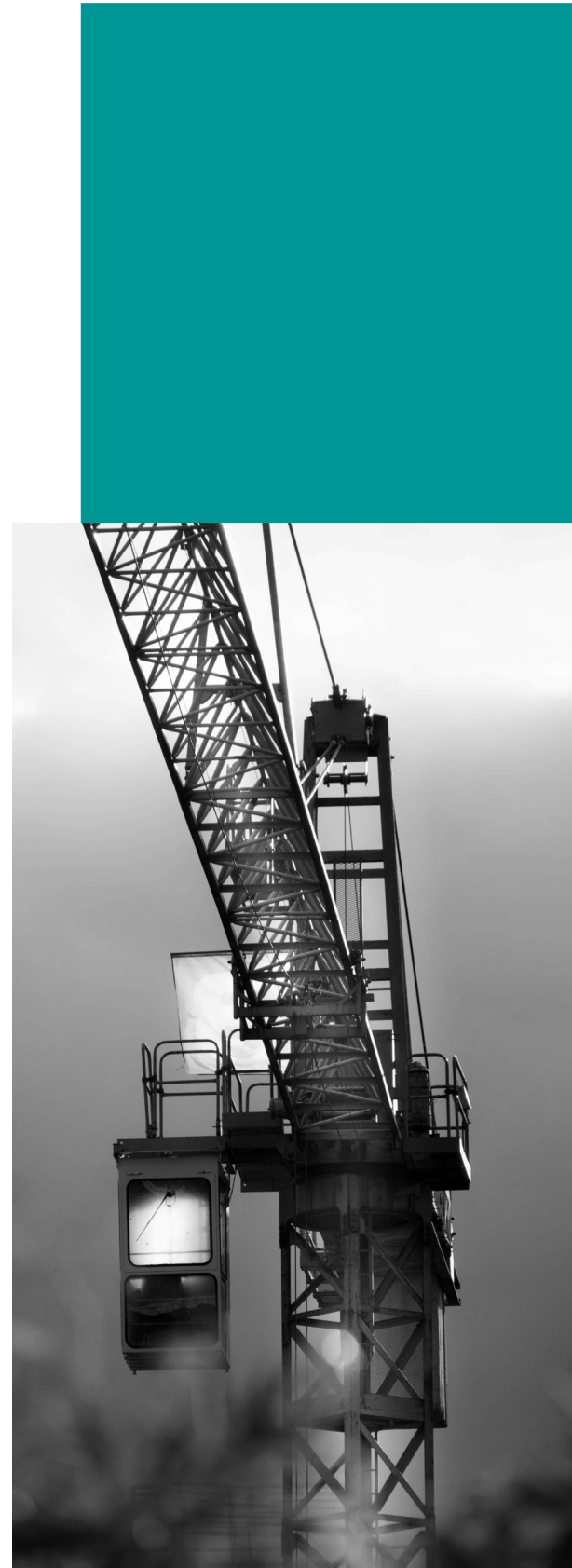
An important element of this is often working with the *Client's* legal department and any external legal advisors.

Normally before an organisation adopts NEC in its project procurement, it should consider:

- the need for any modifications of additional clauses to comply with the local law¹⁵
- the need for quality documents
- the adequacy (or otherwise) of staff resources for better project management
- the compatibility with organisational procedures and authority limits
- the need for training for staff improvement and cultural or behavioural change
- the need for the establishment of appropriate systems for contract management.

These issues are discussed in the following sections.

¹⁵ See 'Using NEC Outside the UK: an update', Richard Patterson, Mott MacDonald and Peter Higgins, pdConsult, NEC Newsletter, March 2021 <https://www.neccontract.com/About-NEC/News-and-Media/Using-NEC-outside-of-the-UK-an-update>
Webinar at: <https://www.youtube.com/watch?v=sOBvZVcyZwY>





5.2 THE NEED FOR QUALITY DOCUMENTS

NEC acts like a searchlight: it tends to highlight good and not so good documents. The *Contractor* has to “Provide the Works in accordance with the Scope (See Core Clause 20.1). This document sets out the requirements for the works and the constraints on providing those works. Any change to the requirements and constraints set out in the Scope is a compensation event to be managed.

The quality of the contract documents is thus critical. Of course, this is the case for any other form of contract. However, with the ECC, the need for active management of those events at the time tends to highlight any inadequacies in the contract documents. However, NEC does provide the management tools to manage the resulting changes.

A key aspect of developing good contract documents to minimise the amount of post-award change will be the concise, structured description of the requirements in the Scope.

The following should be taken into account in preparing documents:

Documents must be well structured.

Documents should be developed from templates and/or guidance for the use in, for instance, Contract Data and Scope.

There is a need to review all standard tender documentation including conditions of tender, special conditions of contract, specifications, drawings and, as the case may be, method of measurement if bills of quantities are to be used to ensure consistency with the language and the document structure used in the contract. It should be noted that standard specifications may conflict with process requirements in the conditions.

Consider carefully the testing, requirements for Completion and any performance testing required and set this out in the Scope.

The Scope should be reviewed at planned and regular intervals to ensure the agreement of all stakeholders.

Poor quality documentation often results in numerous changes to the Scope resulting in incessant compensation events to manage.

However, if Scope is inappropriate, unclear or incomplete, then much time and effort will be needed to manage changes as compensation events. The 'sort it out now' approach under NEC will help arriving at incremental price and time certainty through timely implementation of compensation events.

5.3 ADEQUACY OF STAFF RESOURCES FOR BETTER PROJECT MANAGEMENT

Compared with other forms of contract, the requirements of the NEC represent additional investment in proper project management including more rigorous updating of the programme and the ongoing management of change.

While the *Client* should value the higher level of certainty of outturn price and completion date throughout the project, they will ask ‘How much extra staff resource is required to cope with the project management under NEC compared with using traditional procurement?’

Normally the level of resources for the *Project Manager* will also depend on how well the documents, especially the Scope, are written and the efforts of the team to minimise the amount of change required to be managed after award of contract. However, it would normally be expected that a *Project Manager* might require support as follows:

Technical

- Any changes to the Scope
- Acceptance of any post-contract design submitted by the *Contractor*
- Acceptance of Subcontractors

Technical/ Financial

- Acceptance of revisions to the Accepted Programme
- Management and updating of the Early Warning Register

Financial

- Payment assessment
- Agreement of the time and cost effect of compensation events.



The level of resources required for the Supervisor role will depend on:

- the amount of testing required by the Scope
- the proportion of that testing required to be directly witnessed by the *Supervisor* (as opposed to reliance on audit of the *Contractor's* quality assurance processes)
- the quality and standard of workmanship of the *Contractor*.

The incremental price and time certainty resulting from the 'sort it out now' compensation event management process often allows the final account be agreed very shortly after Completion. As such, the increase in staffing costs incurred during the construction phase will very likely be offset, at least partially, by the corresponding staff savings due to earlier settlement of final account and a reduction in the number of disputes. However, the *Client* must realise there is a learning process to be gone through.



5.4 COMPATIBILITY WITH ORGANISATIONAL PROCEDURES AND AUTHORITY LIMITS

Under the NEC regime, the *Client's* staff and/or their consultants will be appointed to perform different roles and each of them will need to have different attitudes and behaviours compared to if they are working on a traditional contract. Time and cost is saved by having the right people in place to make the right decisions at the right time based on the right information.

Further changes to the *Client's* internal procedural system/practice may also be required to enable compatibility with the concepts and principles of NEC. A key issue is often the defined and short time available to respond to submissions from the *Contractor* - particularly related to designs and quotations for compensation events.



5.5 NEED FOR TRAINING FOR STAFF IMPROVEMENT AND CULTURAL CHANGE

NEC contracts can and sometimes do go badly wrong simply because the parties to them do not ‘do what it says in the contract’. If this is the case, then neither party will get the benefits of good project management and ‘incremental certainty that can be achieved when NEC is properly used. A key requirement is good training. It is a common view that to successfully implement NEC and benefit from the many best practice principles, both parties require a trained and knowledgeable team of right-minded people ready for and capable of being collaborative.

Training is often overlooked on NEC contracts and yet it is critical to success. A proper ‘training needs assessment’ is required. To ensure effectiveness, training should be provided at the right time to the right people. At the very least a one day team-building project workshop is a valuable investment to help ensure all project team members understand that NEC and how it will be managed.



5.6 NEED FOR SYSTEMS FOR PROJECT/ CONTRACT MANAGEMENT

Another fundamental requirement for proper implementation of NEC is appropriate systems to enable the required project/contract management procedures be operated effectively. The system needs to allow the parties to carry out and record their actions in an efficient way that actively contributes to the management of the project.

NEC contracts are criticised by some as being overly administrative. However, all they do is reflect the need for communication and the need to record the communication as having taken place. Some new to NEC resist the need to 'act as stated in the contract', which is seen by some as 'getting contractual' which has (wrongly) come to mean adversarial. This resistance has to be overcome by training and the joint agreement and provision of the systems required to implement NEC contracts.



For a simple contract or one with little change, simple forms in ‘Word’ and ‘Excel’ will normally suffice. It is paramount for a party using NEC to develop a set of ‘standard’ templates for key communications and registers required to manage the contract but they should recognise that other project partners will often come with their own ways of working. It is vital to develop a common approach from the start. For larger, longer duration and more complex projects it will be worth investing in one of the ‘cloud-based’ propriety systems that has been developed to help manage NEC contracts.

In parallel to the set up and operation of systems, regular audit is required. On partnered long term frameworks, *Clients* often put in place systems for ‘technical audit’ and ‘cost audit’. What often gets missed out is an audit of just how well the underlying contracts are being implemented. Such a planned audit is recommended to highlight potential issues in advance and also to help spread good practice.

However, whatever system is used, it is vital to engender a culture of developing and agreeing quotations and programme revisions ideally face to face and then using the system to formally record the agreement and then move on.

6

Mott MacDonald NEC Advisory Team

Using the NEC suite of contracts is a major business decision. Our NEC Advisory team can provide:

- early advice on procurement options
- a broad perspective on the use of the NEC
- knowledge and experience of the use of NEC
- knowledge and experience in developing, drafting and managing contracts
- well-informed opinions and advice
- experience of the areas of risk in developing model documentation
- audit/peer reviews
- advice and support on contract management systems
- training/education and mentoring.

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7

Clients feedback

OUR CUSTOMERS HAVE TO SAY WHAT IT'S LIKE TO PARTNER WITH US



“Mott MacDonald clearly has the expertise and has delivered more than expected in an appropriate and professional manner. You have developed the NEC courses to meet the needs of our people. We have had only positive feedback from our staff - and lots of it.”

Investment Delivery Team and Training
Coordinator, Northumbrian Water

“Mott MacDonald’s high quality and experienced staff fully understood our needs, were flexible, proactive and always fast in turning around the required documents. We were really satisfied with the professional approach to the process and the outputs.”

Commercial Manager, Bristol Water



East Sussex
County Council



“Your training must have been the best I’ve had because your name always springs to mind when I think of NEC!”

Team Manager, Procurement, East Sussex
County Council

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