

## **Management under NEC3 Linked In Conference 26<sup>th</sup> June 2012**

**08.45**      **Registration, coffee and bacon rolls**

**09.15**      **Introduction – Glenn Hide (GMH Planning Ltd)**

An overview to the day and summary of activity within the group over the past year.

**09.30**      **Use of NEC3 to deliver London Underground's Major Upgrades – Miles Ashley, (Programme Director, LU Crossrail and Stations)**

London Underground is going through one of the biggest programmes of change and development ever undertaken to ensure that it is fit to deliver its part of London's future transport requirements. Focussing on how it uses the NEC3 as a platform for building capability, developing supplier relationships and promoting innovation all within the spotlight of Infrastructure UK this session explains how LUL is responding to the pace of change and rising to the challenge.

**10.10**      **Z Clauses: Friend or Foe? – Inga Hall (K&L Gates)**

This session looks at the pros and cons of amending NEC3 and the approach taken by the market in this regard. It examines the rationale behind a number of the key amendments which are commonly made, and sets out the practical consequences of making such amendments.

**10.50**      **Practical problems in assessment of Defined Cost/disallowed Cost – Ian Heaphy (Navigant)**

This session will consider the use of Defined Cost across all the ECC options, and focusing on it being the method for reimbursing the Contractor under Options C, D & E of ECC3 and the practical problems that can be faced in its use. It will also review the grounds for Disallowed Cost and how such costs are assessed.

**11.30**      **Tea/coffee break**

**11.50**      **Completion – what does it really mean? – John Rayner (Redray Consulting)**

The NEC treats completion differently from other forms of contract. This complex area of the contract involves managing Defects and determining when the status of Completion has been reached. The presentation takes the audience through the Completion process and identifies the issues surrounding defects management and the influence of the Works Information in this respect. Common issues are contemplated and some typical amendments to the NEC explored to give a thorough review of how this essential area of the NEC works.

**12.30**      **Planning on the Olympics in a Project Controls Environment – Lee McDonagh (CLM/Mace)**

An overview of how the Olympic Park in Stratford was planned and controlled using the NEC and Project Controls, in particular the interface with "earned value" in reporting for ODA and Government to demonstrate the programme was on time and on budget. It will consider how the immovable end date affected the planning and control of the work and its impact on contract administration in terms of programme acceptance, compensation events and subcontracted work.

**13.10**      **Lunch**

#### **14.00 Administration of the Contract – “the State of the Industry” – Glenn Hide (GMH Planning)**

A review of some of the key results from the survey undertaken by all attendees and members of the group. The results will be a unique insight from a large number of senior people within the industry as to the extent of knowledge, use and understanding of the contract and where as an industry we may need to focus upon in order to benefit all the parties working on a project.

#### **14.40 Masterclass break out sessions:**

##### **Group 1: The Perfect Programme - Jenni MacGregor / Glenn Hide**

This class as a group will consider what the various parties would want to see in a programme to strive towards “the perfect programme”, with a view of generating a guidance paper as to how this might be obtained to suit all parties’ objectives. We will also look at reasons for non-acceptance and look to provide guidance as to when the programme should/should not be accepted.

##### **Group 2: How to set up an NEC3 project – John Rayner / Matthew Smith**

NEC3 contracts can be demanding administratively and setting them up effectively in the first place goes a long way to facilitating effective contract management. Drawing on peoples’ experiences this group will consider those things that are essential and desirable in order to establish the proper administration of an NEC3 contract. The aim of this workshop is to generate a best practice note and ‘action list’ of all the things that should be considered when mobilising an NEC3 contract.

##### **Group 3: To incentivise or not? That is the question – Jon Broome**

Most contracts have negative incentives in them, i.e. damages, yet research from America indicates that, if anything, they stimulate negative performance as the parties devote their efforts to blaming each other for the poor performance. On the other hand, positive incentives i.e. bonuses, have been found to have a strong positive correlation with improved project performance. This workshop will seek to ‘flesh out’ a process for developing effective incentive plans, including creating a sub-group on how the NEC3 needs to be developed to put these into effect.

#### **15.30 Coffee break**

#### **15.45 Feedback from Masterclasses: Jenni McGregor/John Rayner/Jon Broome**

A brief review of the main output from each of the sessions and an outline as to the future output from each of the subject matters.

#### **16.00 Managing NEC3 on the £6.25bn M25 DBFO Contract – Chris Richardson (Connect Plus)**

Connect Plus (consortium of Balfour Beatty, Skanska, Atkins and Egis Road Operation UK has been appointed to design, build, finance and operate (DBFO) the M25 network. This session will review some of the issues they have faced so far over the first 3 years of this 30 year contract, giving examples of significant improvements that have been made to the way they work and the way they have managed the various forms of NEC contracts in use on this scheme.

#### **16.30 When it all goes wrong: a spirit of mutual mistrust and non-cooperation? Matthew Smith (K&L Gates) and Ian Gunton (CNS Planning)**

This session looks at typical failings in administering the NEC that often contribute to disputes and the pitfalls and dangers when parties fail to work together collaboratively. The areas considered include interpretation of the meaning of disallowed cost, the position of the project manager, the nature and effect of the risk register, the accepted programme and the approach to assessing the time and money effects of compensation events.

#### **17.05 Close – Glenn Hide (GMH Planning)**

#### **17.15 Drinks reception for all attendees**