

BI NEC People Conference: Tuesday 19th June 2018

NEC4 and beyond

08.00-09.00 **Registration, coffee and bacon rolls**

09.00 **Introduction to Conference and to NEC4 – Glenn Hide**

An introduction to the day's proceedings and a summary of the activity that has happened within the group over the past year.

09.15 **NEC4: Changes from a practical/commercial/legal point of view (Glenn Hide, John Rayner, Nicola Ellis, Sarah Drinkwater)**

More and more clients will start to be moving over to NEC4 in the coming months. This session will introduce the main changes that NEC brings from three broad aspects which will then conclude with a collective question time session on NEC4:

- Operational changes - communications, early warnings, Contractor proposals, programme and high-level PSC/TSC changes
- Commercial changes – SCC changes, paid for outside working area, contract data 2 percentages, final assessment, progressive Defined Cost assessments, subcontractor pricing under option A, cost preparing CE quotes
- Legal issues/implications – secondary option changes, insurance liabilities, no application no payment, W2 and W3 amendments

10.50 **Musical thought for the day (Sarah Schütte)**

A unique NEC contract “thought for the day” - put to music

11.00 **Tea/coffee break**

11.20 **NERC/British Antarctic Survey Construction Partnership**

(NERC/BAS/RAMBOLL/BAM: - Nigel Bird/David Seaton/Bruce Wulff/Graham Hopper)

Commissioned by the Natural Environmental Research Council (NERC) the long term UK partnership will last between 7-10 years and is worth an estimated £100m. The partnership will undertake a modernisation programme of UK Antarctic and other research facilities, accommodate the introduction of the new Polar Research Vessel the RRS Sir David Attenborough and enable British scientists to continue delivering world class research into some of the most important issues facing our planet. The presentation will discuss the philosophy of utilising the NEC3 to facilitate a collaborative partnership to manage risk and successfully deliver the scope of the works in a challenging remote and environmentally sensitive area.

12.00 **ECl and Project Incentivisation (Dr Jon Broome)**

It is slowly dawning on the industry that negative incentives i.e. damages, don't really work in terms of stimulating improved performance and good results. This presentation will consider the three available strategies for Early Contractor Involvement, the setting of the pain / gain formula in option C, positive versus negative incentives and the use of the X options. This will be related back Connect Plus as a case study of incentivisation in action.

12.35 **The evolution of the NEC contract on Smart Motorways and impact on performance (Shaun Pidcock)**

The presentation will introduce how NEC contracts are being used on the Smart Motorways projects for Highways England and how they have enhanced performance to date. The session will also introduce Highways England plans for how NEC4 contracts will be used going forward.



13.10 Lunch**14.05 Introduction: Matthew Smith (K&L Gates)**

Matthew will welcome the audience on behalf of K&L Gates as host of this event and introduce the afternoon breakout sessions

14.10 Break Out Sessions:

Group 1. Programme – the beating heart, or heart failure? (Niall Faris, Hezron Ricketts) The programme plays a pivotal role in the NEC contracts – so what are the essential ingredients to ensuring it is a success? This breakout session will look at the key challenges that are commonly faced for both operating the programme and other project controls mechanisms and focus on what is believed to be the essential components to success.

Group 2. Getting to grips with NEC4's commercial tweaks (John Rayner, Sarah Schütte) This session will consider some of the key commercial changes such as one main fee percentage, deletion of other percentages, Defined Cost assessments and PSC Defined Cost for consultants. The group will be asked to consider the merits of each of these elements with the intent to generate a good practice guide for the industry on these elements.

Group 3. Resolving disputes – how to practically manage them on a project (Neil Earnshaw, Damian Wilkinson)

Adjudication as a formal dispute resolution is seldom used and normally viewed as failure by one party or the other. This working group will discuss the pro's and con's of adjudication (including new W3 in NEC4) and consider alternative methods to settle a dispute before it gets that far. The group will look at assessing compensation events during the life of the project (the most common dispute) and collaborative use of Adjudication as originally intended. The findings of the group will be issued as a guidance paper on dispute resolution and how it can work better within the industry.

15.25 Coffee break**15.40 Mock Adjudication:**

Back by popular demand, this final session will consider the cultural and behavioural issues that can exist on projects and explores the contractual/practical answer to a series of issues that might occur on a project. After hearing a (brief) defence from both Employer and Contractor, the audience gets to vote on the result of a series of mini-adjudications. The Adjudicator will then make a judgement – which will obviously be very straight forward and agree with the audience's decision!!

**16.25 Awards and Question Time Panel:
Jon Broome, Neil Earnshaw, John Rayner, Nicola Ellis.**

Your chance to ask questions of the panel of experts about any aspect of NEC3&4 contracts that you wish to see discussed.

17.10 Close – Glenn Hide**17.15 Drinks reception for all attendees**