

**NEC TRAINING MODULES**

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**COURSE DETAILS**

# NEC TRAINING MODULES

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# The New Engineering Contract (NEC)

## INTRODUCTION

This document provides a summary of the content and format of the Courses, Workshops, and Training Modules we can provide along with the duration of each and brief résumé of our NEC specialist based in Northern Ireland.

The Courses and Workshops are designed for an optimum number of delegates of between 15 and 20; the Training Modules work better if they are tailored to suit a specific project and its team.

The Executive Summary Seminar is targeted toward Senior Management within large organisations that are responsible for a number of projects or a programme of projects and is better suited to a smaller audience.

The Advanced Surgery can be on a one to one basis between a Commercial Manager or Project Manager and Steve Brown.

A schedule of our course fees is provided at the end of this booklet.

The Course Briefs included in this pack are:

- The Engineering and Construction Contract
- The Engineering and Construction Subcontract
- The Professional Services Contract
- The Term Services Contract and Framework Contract
- The Short Contract and Short Subcontract
- Executive Summary Seminar for Senior Managers
- Advanced Surgery for NEC Users
- Specialist Training Modules

Steve Brown has been at the forefront of the use of the **New Engineering Contracts** from their introduction in 1993 through to the latest 3<sup>rd</sup> edition and has gained experience procuring and administrating all six main options of the **Engineering & Construction Contract & Subcontract (ECC)**, all 4 main options of the **Professional Services Contract (PSC)**, the **Short Contract and Subcontract**, the **Term Services Contract** and the **Framework Contract** and he is also still advising Clients and procuring contracts using the 2<sup>nd</sup> Edition of the NEC suite.

# NEC TRAINING MODULES

SBA facilitate courses and workshops on the NEC suite of contracts with specific half day or full day courses for all of the contracts in the suite. The courses, workshops, and training modules are compiled and based on our practical experiences gained since 1993 together with the most up to date information from the NEC User Group and other forums.

Steve Brown is the Managing Director of Steve Brown & Associates a company based in Northern Ireland but working throughout the UK. Steve has considerable experience of the NEC having worked with it since 1993; he has also written a number of articles for the NEC User Group which have been published in their Newsletter and has given training seminars to a number of major Clients around the UK including;

- London Underground Ltd,
- Tube Lines Ltd,
- Metronet Ltd,
- UKAEA,
- The National Grid,
- The Strategic Investment Board of Northern Ireland,
- The Northern Ireland Civil Service,
- Northern Ireland Water,
- Thames Water,
- City of London College,
- Alstom,
- EC Harris,
- White Young Green

A précis of Steve's résumé is also provided at the end of this document.

# The New Engineering Contract (NEC)

## Background Information

The NEC is under constant review and presents new challenges to all those using it for the first time and there is much to be gained by learning from those who have already used it for some time.

Our courses and workshops contain:

- **practical guides** on the procurement and administration of all the contracts in the NEC suite
- **helpful hints** along with **sample pro-forma templates** for the various contractual notices required under each of the contracts
- help with the **preparation and audit of Actual/Defined Cost**

Our full day workshop can include delegate participation in a two-hour assimilation of the administration of a project, including;

- **programming issues,**
- **issuing and dealing with early warnings**
- **issuing compensation event notifications and quotations,**
- **preparing and checking payment assessments**

Our courses and workshops can be tailored to suit the needs and specific contract terms and conditions of the Client's contract and to any one of the contracts contained in the NEC suite or any one particular option of an individual contract or to suit a specific project. All of our courses and workshops are accompanied by hand-outs including a copy of the presentation and any examples used.

The courses are aligned to the **NEC3** however for Clients using the **NEC2** the courses are easily adapted to suit.

Finally we find that our courses and workshops can often provide excellent team building opportunities for a Project Team and can help plant the seed of mutual trust and co-operation, especially if the Contractor is involved and if given before project commences or at an early stage shortly after commencement.

## Courses

### 1. The Engineering and Construction Contract (ECC)

#### ½ Day Course (3 – 4 hours) – Introduction

This half-day course aims to provide the delegate with background information to the development of the NEC suite of contracts, its aims, and objectives and helps understand the ethos behind its development.

It provides a guide to the structure and conditions of the contract and highlights the main core clauses likely to be encountered during its administration.

Also guidance is provided on the selection of the appropriate main Options and the procurement of Contractors and/or Subcontractors.

The course prompts open discussion and interaction between the presenter and the delegates and is easily adaptable to look at particular issues raised by the audience.

# The New Engineering Contract (NEC)

## 2. The Engineering and Construction Contract (ECC)

### ½ Day Course (5 hours) - Intermediate

This course is for those who have already used or are using the ECC. It develops the initial guidance given in the Introduction course and concentrates on the implementation of the core clauses of the contract we believe are crucial to the successful administration of the contract, in particular Core Clauses 1,2,3,5 & 6. If the course has been requested for a specific project then where appropriate the impact of changes made by bespoke Z clauses can be incorporated.

This course takes an in-depth look at the importance of the programme in an ECC contract; providing worked examples of what should be contained in the Accepted Programme and how it should be revised. Again based on our practical experience the course identifies those areas, which have proved difficult to administer in past contracts and provide guidance on ways to help achieve the contract requirements.

The other main area looked at during this course is the administration and effect of compensation events. Here guidance is given on practical ways of providing a sensible approach to managing change, dealing with a large number of compensation events and complying with the provisions of the contract can be difficult but there are ways in which a practical level of administration can be achieved.

The course can be tailored to suit specific project requirements and contract conditions.

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## 3. The Engineering and Construction Contract (ECC)

### Full Day Course/Workshop - Intermediate

This course is an extension of the ½ day course with the added benefit of more time to be able to study the issues and discuss personal experiences of the delegates.

The afternoon session includes a practical simulation of an ECC project using a pre-prepared model contract, an Accepted Programme, and a pricing document. The assimilation lasts approximately two hours, each week of the contract is based on five-minute intervals, the delegates are divided into two teams representing the Employer and the Contractor, and both have to administer the contract over the period of two hours.

The assimilation includes dealing with everyday problems, the facilitator monitors how the teams deal with these in accordance with the provisions of the contract. It can also be used to gauge the delegates understanding of the issues and topics raised in the first part of the Workshop.

There is a planned break half way through the assimilation when the facilitator will review the progress and highlight any major areas of concern or failings. The assimilation is then resumed but the teams are intermixed and encouraged to work together in the spirit of the contract to resolve any problems through collaboration.

The course ends with an open forum for discussion and review of performance during the assimilation. To-date this has highlighted many areas on which project teams may need to concentrate on; in particular document control and communication, early warnings and compensation event procedures and the Accepted Programme have been major areas that teams have taken away as areas needing further development by them.

This course can be adapted to suit particular projects and their contracts and can include members of the *Employer* and *Contractor's* teams; it can even include *Subcontractors* who can also be involved in the practical session. This can be of great assistance to team building especially if done at the beginning of a project.

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## 4. The Engineering and Construction Subcontract (ECS)

Duration and Fees are as per the ECC Main Contract

The Engineering and Construction Subcontract has been designed align with the ECC, with the exception of the time-scales, the Parties and having only five main options rather than six, in all other respects it mirrors the ECC.

The courses available for the ECS mirror the layout and structure of the ECC and are also in available in an Introduction and Intermediate format comprising a half day and full day course respectively.

With the vast majority of conditions being the same as the ECC this course is designed for Subcontractors rather than Employer organisations. Both the ECC Introduction and Intermediate courses explain how the ECC deals with Subcontracts and both refer to the ECS and its make-up.

## 5. The Professional Services Contract (PSC) and Professional Services Short Contract (PSSC)

½ Day Course (4 - 5 Hours) - Intermediate

The PSC like all the contracts in the NEC suite is based on most of the same principles and procedures of the ECC, therefore this course assumes that most delegates have a working knowledge of these principles and procedures and therefore concentrates on the core clauses rather than background and history.

It also provides guidance on procuring consultants and contractors using the PSC and discusses the Options available to the Employer. Advice on the completion of both parts of the Contract Data as well as evaluating tenders is also given.

The core clauses reviewed are 1,2,3,5 & 6; changes made by bespoke Z clauses can also reviewed if required.

The new Professional Services Short Contract was published in April 2013 and like all NEC3 Short contracts it provides a simpler alternative to the full version. This can be covered in this seminar or separately if required.

# The New Engineering Contract (NEC)

## 6. The Term Service Contract (TSC) and the Framework Contract

½ Day Course (4 - 5 Hours) - Intermediate

The **Term Service Contract** is a contract between the Employer and a Contractor for providing a service or services over a period of time, either continuously or on a Task by Task call off basis.

As with the PSC the TSC is based on the principles and procedures used through out the NEC suite of contracts, this course explains how the TSC works and details the differences between it and the ECC and PSC.

The course identifies the uses for the TSC and explains the three main options and secondary options. Core clause 1, 2, 3, 4, 5, 6, and 7 are reviewed together with the preparation and completion of the Price List and Contract Data part one and two.

The **Framework Contract** consists of two pages of conditions and a set of Contract Data, this course provides a review of the whole contract and its intended use as well as providing examples of the Framework Information, quotation information, and procedure. It describes a Work Package, a Package Order, and a Time Charge Order.

## 7. The Short Contract and Short Subcontract

½ Day Course (4 - 5 Hours) - Intermediate

The Short Contract like all the contracts in the NEC suite is based on most of the same principles and procedures of the ECC but in a shortened version. This course can be structured on the basis that the delegates have no previous knowledge of the NEC by including extracts from the Introduction course or that most delegates have a working knowledge of the principles and procedures of the ECC and include the practical assimilation referred to in the ECC Intermediate.

It also provides guidance on procuring contractors using the Price List and discusses the Options available to the Employer. Advice on the completion of the Contract Data, the Contractors Offer and the Employers Acceptance as well as evaluating tenders is given.

The core clauses reviewed are 1,2,3,5 & 6. Also the changes made by Z clauses are also reviewed.

# The New Engineering Contract (NEC)

## 8. Executive Summary Seminar for Senior Managers

**Duration 2 Hours**

This seminar is designed for Senior Managers responsible for a number of NEC projects within their portfolio who require an overview of the NEC suite of contracts and a high level understanding of the basic principles and procedures on which it is based.

The seminar will outline some of the basic problems which have arisen on previous projects such as; a reluctance by Project Managers to accept or reject the clause 31 programme; failing to monitor and administer early warnings and compensation events and first principle issues such as deciding which main Option to select at the procurement stage.

The seminar will provide the delegates with useful information for high level reviews of NEC projects, critically examining the administration through a series of simple questions and answers.

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## 9. Advanced Surgery for NEC Users

Duration approximately 2 Hours

This can be a series of ad-hoc meetings to discuss and review real time issues relating to live NEC projects. It is open to all dealing with day to day administration of the contract and will allow them to bring problems or issues to a forum where they can be discussed and reviewed openly with others or confidentially on a one to one basis with Steve Brown.

The idea is that current issues and/or problems would be collated in advance and issued to Steve detailing specific items for consideration during these sessions. The sessions could be arranged fortnightly, monthly, or bi-monthly depending upon the number of issues to be reviewed.

Typical issues can range from administration of communications to assessing payments, raising early warnings to assessing compensation events, accepting the Contractor design to accepting the Contractors programme.

It is recommended that some form of feedback to the Project Managers, Senior Project Managers, and Procurement Managers should be devised so that any issues and problems can subsequently be monitored.

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## 10. Procurement Strategies and Tendering Procedures

Duration 2 Hours

This seminar is designed primarily for Employer organisations and in particular those responsible for Procurement using the NEC suite of contracts.

The seminar provides the delegate with a high level understanding of the basic principles and procedures upon which the contracts are based and then look at the factors that influence the procurement strategy, such as preparedness of the design (Works Information), the apportionment of risk and the appetite of the organisation to accept and manage risk and the various pricing documents.

The seminar will outline some of the basic problems which have arisen on previous projects and provide tips on drafting the ITT and what information to request and ensure is submitted with the tenders such as; fully compliant Contract Data part two, pricing documents and a programme fully compliant with clause 31.2.

This seminar like most others can be tailored to suit specific project requirements.

## Specialist Training Modules

*(Typically each module lasts 1 to 2 hours.)*

### **Module 1 – Introduction to the NEC**

This module provides the delegate with background information to the development of the NEC suite of contracts and the aims and objectives of the drafting committee.

It provides a guide to the structure and conditions of the contract and highlights the main Core Clauses likely to be encountered during its administration.

### **Module 2 – Managing Time**

This module concentrates on clause 3 of the ECC which is Time, and develops the delegates understanding of the importance of this clause in the operation and administration of an ECC contract.

### **Module 3 – Early warnings and compensation events**

This module explains the procedures for both early warnings and compensation events. It provides examples of both and details the administration requirements and the importance of adhering to them.

### **Module 4 – General administration and payment**

This module covers the general administration of an ECC contract and provides guidance and examples on doing so, it also include a review of the various payment mechanisms for each main option.

*Each module will include a short multiple choice exam based on the courses content.*

# The New Engineering Contract (NEC)

## Course Fees

The full and half day Course Fees in this schedule are based on an audience size of up to 20 delegates; for additional delegates there will be a charge of £25 per additional delegate.

The Course Fees are based on our presentation as prepared for all Clients, should a Client request an element of tailoring to include specific Z clauses or other bespoke items an additional price will be agreed with the Client based on the amount of additional work required to prepare the course material.

**All prices are exclusive of VAT.**

Full day courses **£1,750.00**

Half day courses **£1,250.00**

Executive Summary **£700.00**

On-site Surgery **£700.00**

Off-site consultation & advice **£70 per hour**

Procurement Strategies and Tendering Procedures

**Duration and fee provided against a specific needs request**

Specialist Training Modules

**Duration and fee provided against a specific needs request**

# NEC TRAINING MODULES

## Speaker Profile – Steve Brown MCIOB

Steve Brown has worked in the construction industry as a quantity surveyor since 1981. He has many years of experience in the administration of NEC projects having worked with the form since its introduction in 1993 and he has worked with the whole suite of New Engineering Contracts in its various forms as well as providing advice and lecturing on the subject.

He has lectured on the NEC since 1996 and has provided feedback to the NEC drafting committee on various subjects including some of the consultative editions of the contracts in the suite. He has provided training for many major organisations in the UK including London Underground Limited, Tube Lines Ltd, Metropolitan Police, National Grid Transco, UKAEA, the Strategic Investment Board (NI), the Northern Ireland Prison Service, Thames Water, EC Harris, White young Green, Grontmij, along with a number of Contractors and their Subcontractors including Balfour Beatty, Laing O'Rourke, and Graham Construction.

Through various companies he has been associated with the NEC User Group since 1995 and has taken part in a number of their workshops.

Steve's experience in contract dispute resolution includes several roles as an expert witness including that of a Single Joint Expert appointed under the Wolf reforms in 1999.

He has attended training courses with the Institute of Arbitrators and the ICE Adjudicators Courses.

His recent achievements have been:

- ❖ **The Titanic Signature Project, Belfast - £90m**

Advising the Client on the use and selection of the most appropriate form of NEC contract to suit stringent funding constraints.

Steve drafted, negotiated and agreeing the NEC contract documents for its construction as well as supervising the contract administration.
- ❖ **Northern Ireland Water - Drafting Alliance Framework Contracts delivering £600m over 5 years utilising the NEC3 Framework Contract and with call off contracts utilising;**

NEC3 Professional Services Contract options C & E

NEC3 Engineering and Construction Contract option C

Bespoke Alliance Agreement with innovative commercial arrangements based on NEC3 encompassing the whole alliance and including performance related pain/gain share mechanism.
- ❖ **The National grid – NEC Contract Advisor**

Reviewing the contract terms of three major projects procured under the NEC2 and providing feedback and advice on various contractual matters.
- ❖ **Antrim Borough Council – NEC Advisor**

Appointed to provide advice and support on a number of NEC projects, including facilitating dispute avoidance, settlement of claims and managing two Adjudications.
- ❖ **NEC Training**

Providing NEC Training to various companies across the UK.

# Contacts

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