



NEC4 on the horizon - finally!

May 2017

The brand NEC4 Suite of Contracts will be made available at the NEC Users' Group Annual Seminar on 22 June 2017. This is a long-awaited update and development to the 12-year old NEC3 suite of contracts that are extensively used in construction projects, both locally and internationally.

The update from NEC3 to NEC4 is due to feedback received from the construction industry, state-owned companies and government entities, and from the legal industry.

Rekha Thawrani, NEC Contracts General Manager, commented: “The UK built environment sector stands on the precipice of a truly digital and collaboration revolution. An evolution built on the collaboration, feedback and endorsement of you, our users, NEC4 embraces the outstanding collective working practices already transforming industry, to make them accessible, practical and affordable for all. As part of our commitment to all our customers, we continue to constantly review ways to enhance and update our products. We believe NEC4’s diverse range of definitive end-to-end project management contracts will empower users to deliver projects on time, on budget and to the highest standards now and in the future to the benefit of both industry and society.”

The NEC4 revises the full suite of NEC3 contracts and introduces two new contracts: NEC4 Design, Build and Operate Contract and the consultative NEC4 Alliance Contract.

The Design, Build and Operate Contract will combine responsibility for design, construction, operation and maintenance to support operational requirements from a single source in order to allow clients to procure an integrated start-to-finish delivery solution.

The Alliance Contract, which is incentive based, will target multi-party integrated teams to achieve the client’s objectives by sharing in both risks and benefits.

Some new features in the NEC4 include:

- The term “Employer” is replaced with "Client"; "Works Information" becomes "Goods Information", and "Risk Register" becomes "Early Warning Register".
- A new mandatory Dispute Resolution Services Contract will replace the NEC3 Adjudicator's Contract, to allow for improved resolution of disputes allowing senior representatives of either party to reach an amicable resolution.
- A new Option W3, replaces adjudication proceedings and introduces a Dispute Avoidance Board (DAB), similar to a Dispute Adjudication Board under the FIDIC suite of contracts. The DAB's decisions are not binding and only if dissatisfied with the DAB's finding, can the dissatisfied party refer the dispute to the arbitration tribunal.

Keep a watchful eye for our next update on NEC4.

Contacts



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