

June 2026

The NEC4 Project Alliance Contract: FAQ

- **Why create the NEC4 Project Alliance Contract?**

The NEC4 Project Alliance Contract (PAC) was created by the NEC4 Contract Board in collaboration with the Alliance Steering Group to bring together the most successful features of the following contracts:

- the [Project Partnering Contract](#) (PPC2000);
- the [NEC4 Alliance Contract](#) (ALC); and
- the [NEC Framework Alliance Contract](#) (FAC, aka FAC-1).

into a single, comprehensive, 'best practice' contract.

- **What is the NEC4 PAC?**

A multi-party contract for the appointment of a number of suppliers to create an alliance with the client to design and build an asset in a collaborative two-stage environment.

- **How is the NEC4 PAC structured?**

- Standard NEC format, core clauses, optional clauses, Contract Data etc and incorporating NEC principles of clarity, simplicity, and a stimulus to good contract management.
- Multi-party structure appointing all Alliance Members under the same contract.
- Alliance Manager manages day-to-day contract activities.
- Key decisions made by unanimous agreement of the Core Group, with each Alliance Member having a Core Group member.
- Standard NEC features including early warnings, construction programme, compensation events and performance incentives.
- Additional features including pre-construction phase Alliance activities that are fundamental, not an option, a pre-construction phase timetable, early supply chain engagement, and a process for driving improved value.
- Duty of care combining multi-party structure with individual Alliance Members' responsibilities. Option of 'no blame / no claim'.

- **What types of projects is the NEC4 PAC intended to be used for?**

Design and construction of any type of construction project anywhere in the world (building, infrastructure, power, renewables, oil & gas, etc) that requires multiple parties to work together, supported by sophisticated management processes.

Whilst an element of maintenance and operation could be included in the contract, it is drafted for the creation of an asset as opposed to its ongoing operation and maintenance.

- **Has the NEC4 PAC been designed for international application?**

The PAC, as with all NEC4 contracts, is designed for international use with the inclusion of Y clauses to address specific requirements of different legal jurisdictions.

- **Will it replace the NEC4 ALC?**

The PAC is the successor to the ALC, and it will replace it in the NEC4 suite of contracts when this is updated. Until then, the PAC will be available as part of a stand-alone set together with guidance (see further below). However, the ALC and its guidance will continue to be published by NEC and made available for users until they move across to the new contract.

- **Will it replace the PPC2000?**

The intent is that the PAC will replace the PPC2000, although existing users will continue to be supported.

- **How does it compare to the NEC FAC?**

The FAC is a standard form framework alliance contract as opposed to a project alliance contract. The FAC integrates the procurement and delivery of multiple projects or a single complex project, and it connects the multiple contracts awarded to each party. The FAC will continue to be the go-to contract for framework alliance arrangements.

- **When will the NEC4 PAC be published?**

The intention is to publish the PAC in the last quarter of 2026.

- **Will there be a subcontract or short contract versions of the NEC4 PAC?**

As with the ALC, there is no current intention to produce subcontracts or short versions of the PAC. Existing NEC contracts can be used to engage supply chain members under the PAC. As the PAC is designed for complex multi-party alliance arrangements, a short form would not be appropriate.

- **Will the NEC4 PAC have accompanying User Guides and Flowcharts?**

As with all NEC4 main contracts, it will be supported by contract-specific User Guides, ie Volume 2 'Preparing a Project Alliance Contract' and Volume 4 'Managing a Project Alliance Contract', as well as flow charts. The PAC will also be included in User Guides Volume 1 'Establishing a procurement and contract strategy' and Volume 3 'Selecting a Supplier' when these are next republished.