



# How NEC has helped shape Heathrow's contracting journey

*David Ferroussat, Development Procurement Director, Heathrow*

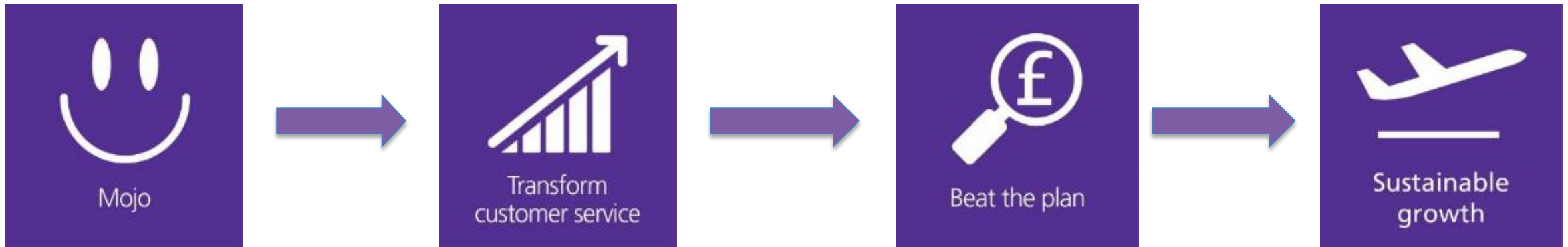


# Heathrow; Our Vision, Purpose & Priorities



Giving passengers the best airport service in the world

Making every journey better



Happy passengers



Travelling with their bags



On time

# Heathrow: Key Facts and Figures

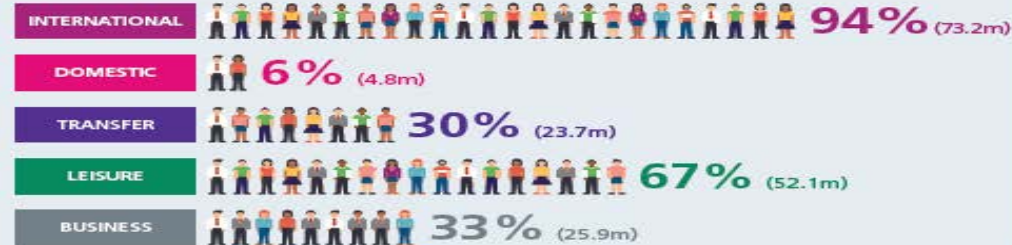


## HEATHROW: KEY FACTS AND FIGURES 2017

### NUMBER OF PASSENGERS ARRIVING AND DEPARTING:



### PERCENTAGE OF PASSENGERS:



### BUSIEST DAY EVER RECORDED:



### BUSIEST YEAR EVER RECORDED:



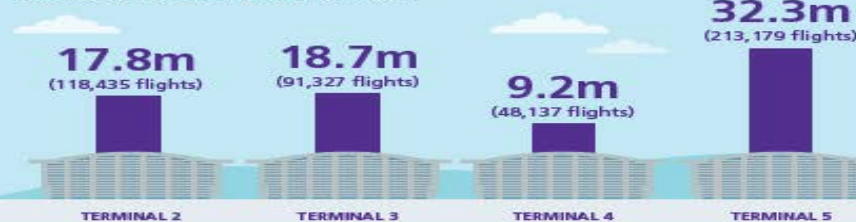
PEOPLE EMPLOYED ACROSS HEATHROW: **76,500**



SHOPS AND LOUNGES AT HEATHROW:

**300+**

### PASSENGER VOLUME BY TERMINAL:



### CARGO VOLUME:



### DESTINATIONS AND AIRLINES

Number of airlines:



Destinations served:



Most popular destinations:



### FLIGHTS



Number of flights:



### AIRCRAFT STANDS

**133** The number of aircraft stands served by an airbridge

**64** Number of remote stands

**15** Number of cargo stands



### SIZE

Total size of Heathrow Airport:



Number of runways:



Length of runways:



# Evolution of the Heathrow Client Model



# The Capable Owner

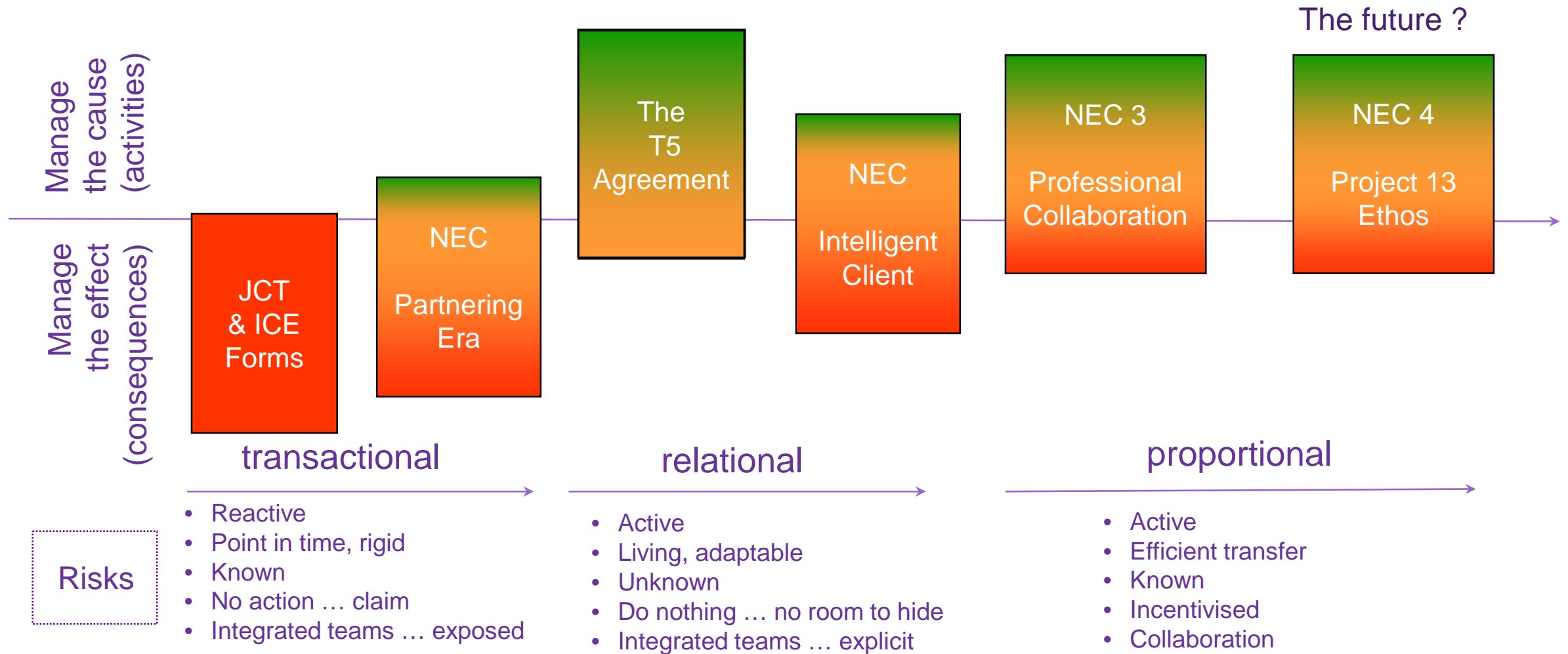


The role of the infrastructure owner is critical to ensure that the right infrastructure is created, operated and maintained by:

- Articulating the voice of the customer
- Value-driven mindset
- Articulating the voice of operations
- Relating to the ecosystem (supply chain)
- Creating and maintaining complex systems
- Recruiting, building and maintaining talent



# Contract History

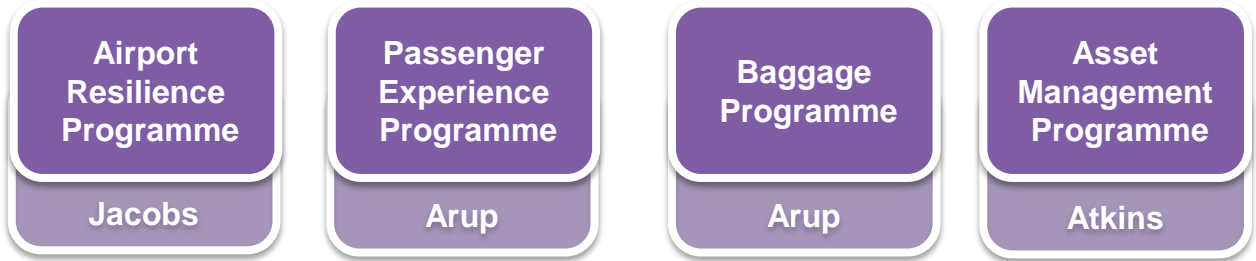


# Our Construction Team



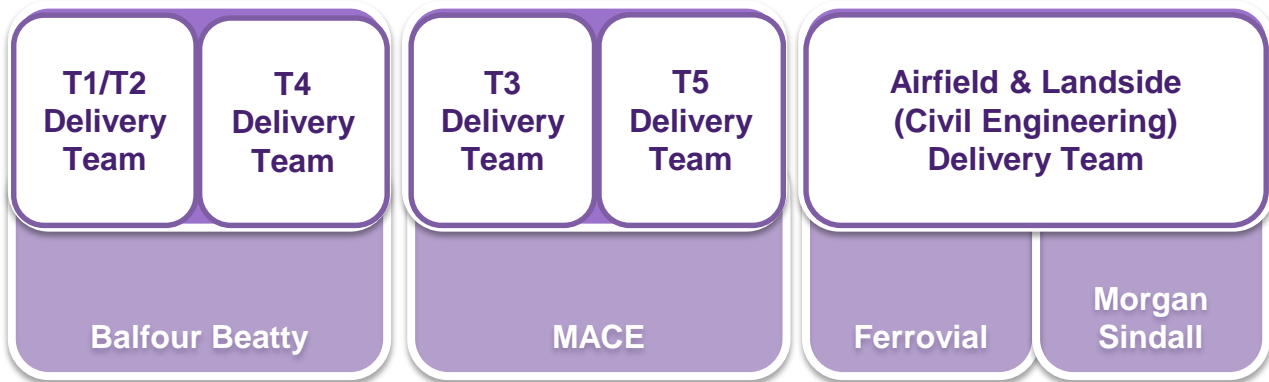
Delivering  
c£600m of  
Projects a  
Year

## Portfolio Team



'creative, beat the plan'

'investment business case & benefits, cross functional solutions stakeholder engagement & consultation' - NEC PSC



'contract & supplier management, efficient delivery aligned to operations, year on year improvement VFM' - NEC3

## PMO



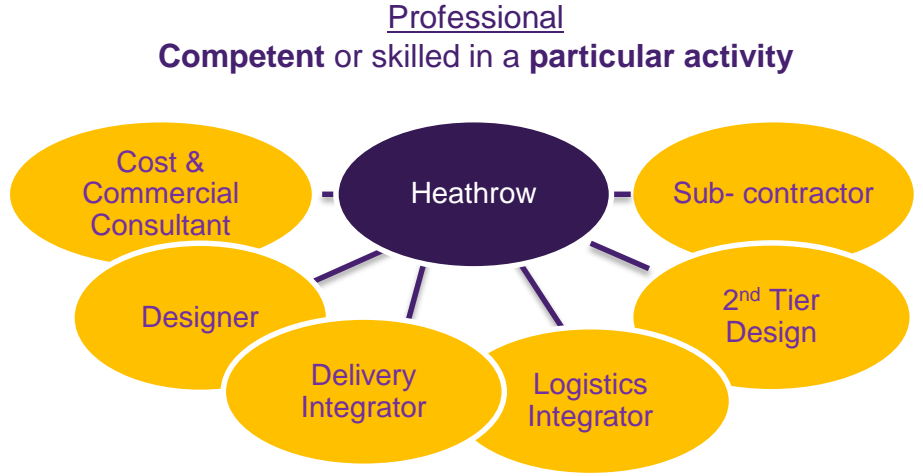
'assurance, control, processes, support and facilitation'

# A model based on Professional Collaboration

**Keeping Everyone Safe** Uncompromising commitment by all parties to Health and Safety

**Working Together** Work collaboratively and keep all relevant parties involved and informed

**Treating Everyone with Respect**  
Encourage everyone to put their views forward constructively, listen to each other and respond respectfully



**Giving Excellent Service**  
Provide the basics of delivery brilliantly, constructively challenge, bring the best market innovation to us

Professional  
**Competent** or skilled in a **particular activity**

Collaboration  
Business relationships formed by **committed** organisations to **maximise performance** for the achievement of **aligned objectives** and creation of **additional value**

**Doing the Right Thing**  
Focus on the right things that make the biggest difference

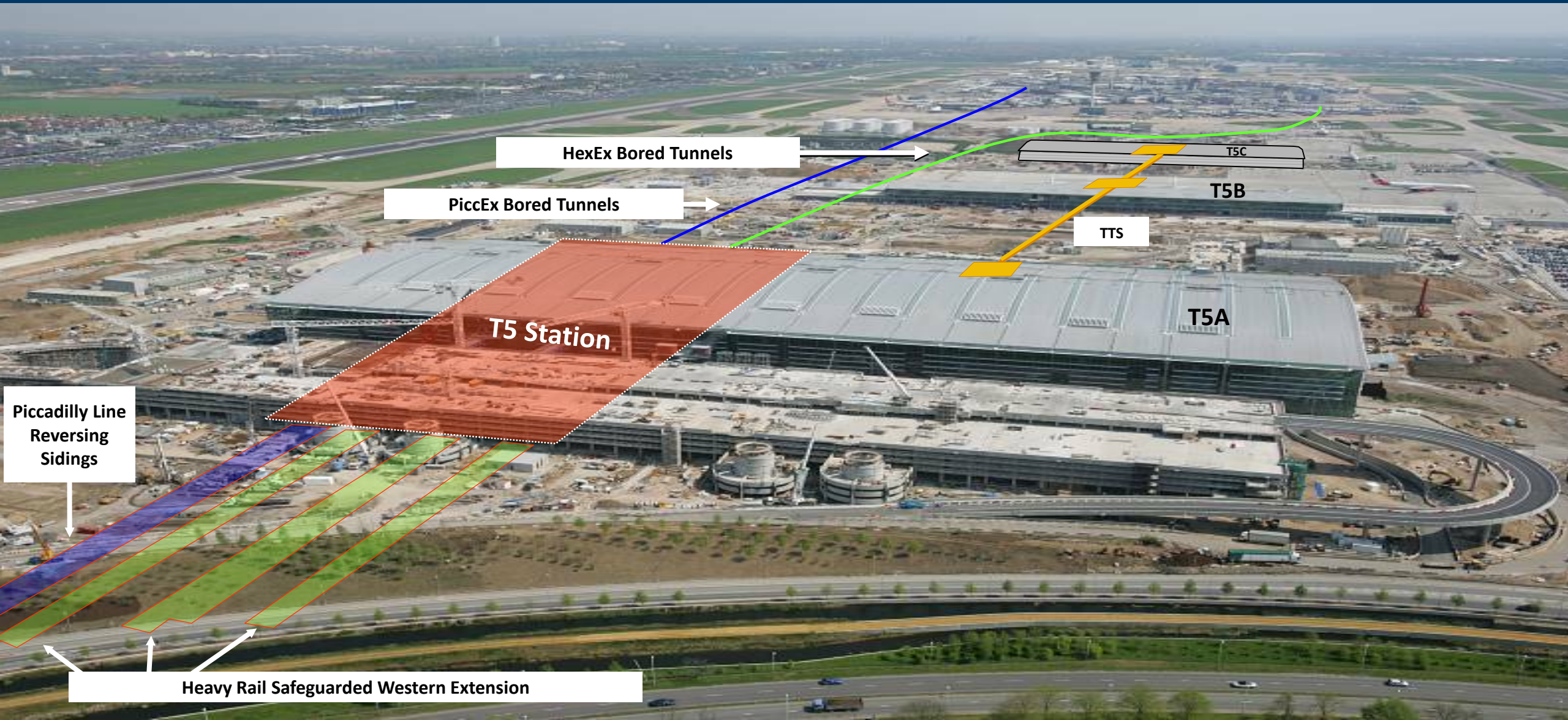
**Improving Every Day**  
Continually improving what you deliver and how you deliver it



Terminal 5 - £4.3bn



# Terminal 5



# Key Features of the T5 Agreement



## Unique Legal Contract

- Manages the cause and not the effect
- It ensures success in an uncertain environment
- Focuses on managing risk rather than avoiding litigation

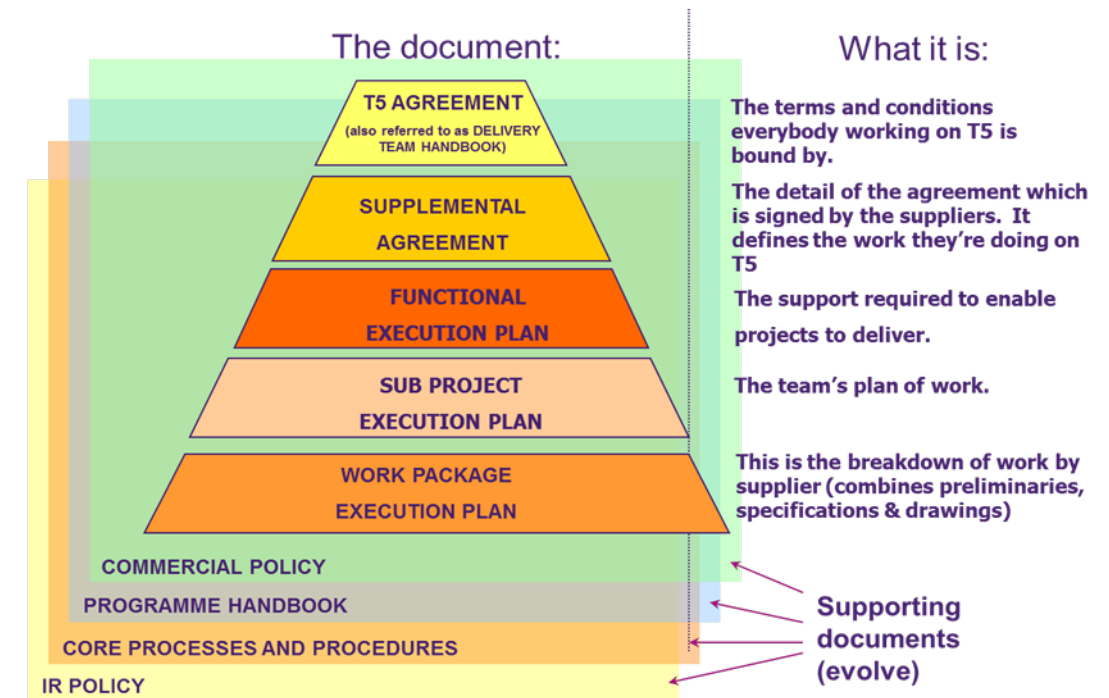
## Incentive Fund

- Replaces Risk payments
- Funds shortfalls
- Provides opportunity to improve profits

## Insurance

- It insures loss or damage to property, injury, death and Professional Indemnity, e.g. Heathrow insure the project not the supplier

## How the Various T5 Documents fitted together



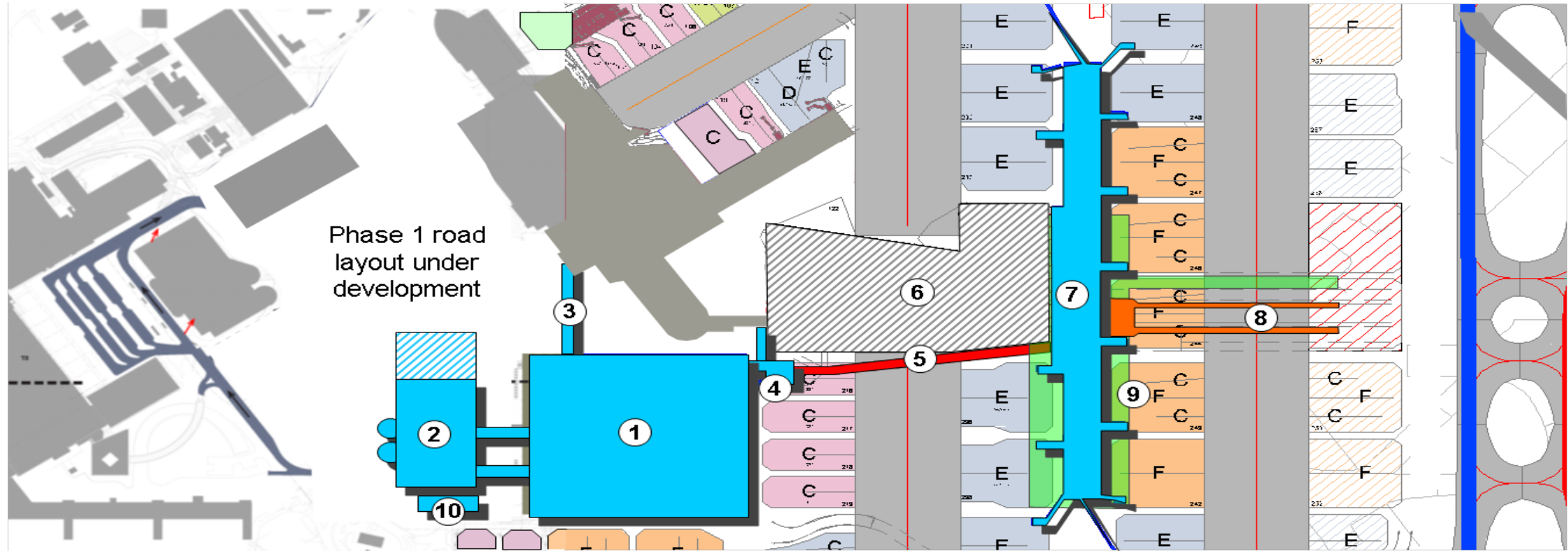
# What the T5 Agreement meant to key audiences



Terminal 2 - £2.5bn



# Terminal 2 Scope



- 1 Terminal 2A phase 1 complete
- 2 Car Park East operational
- 3 Baggage link to Terminal 1

- 4 VCC connection to tunnel complete
- 5 Passenger tunnel to T2B complete
- 6 Preparation for Europier demolition
- 7 Terminal 2B pier Phase 2 open

- 8 Potential for station box for TTS to be built and Lima taxiway TTS tunnels to be safeguarded
- 9 Baggage basement built and tunnel safeguarded across Lima taxiway
- 10 Cooling station

# Terminal 2 - Contract Strategy



NEC3 Option C (Preferred) with interface milestone agreements

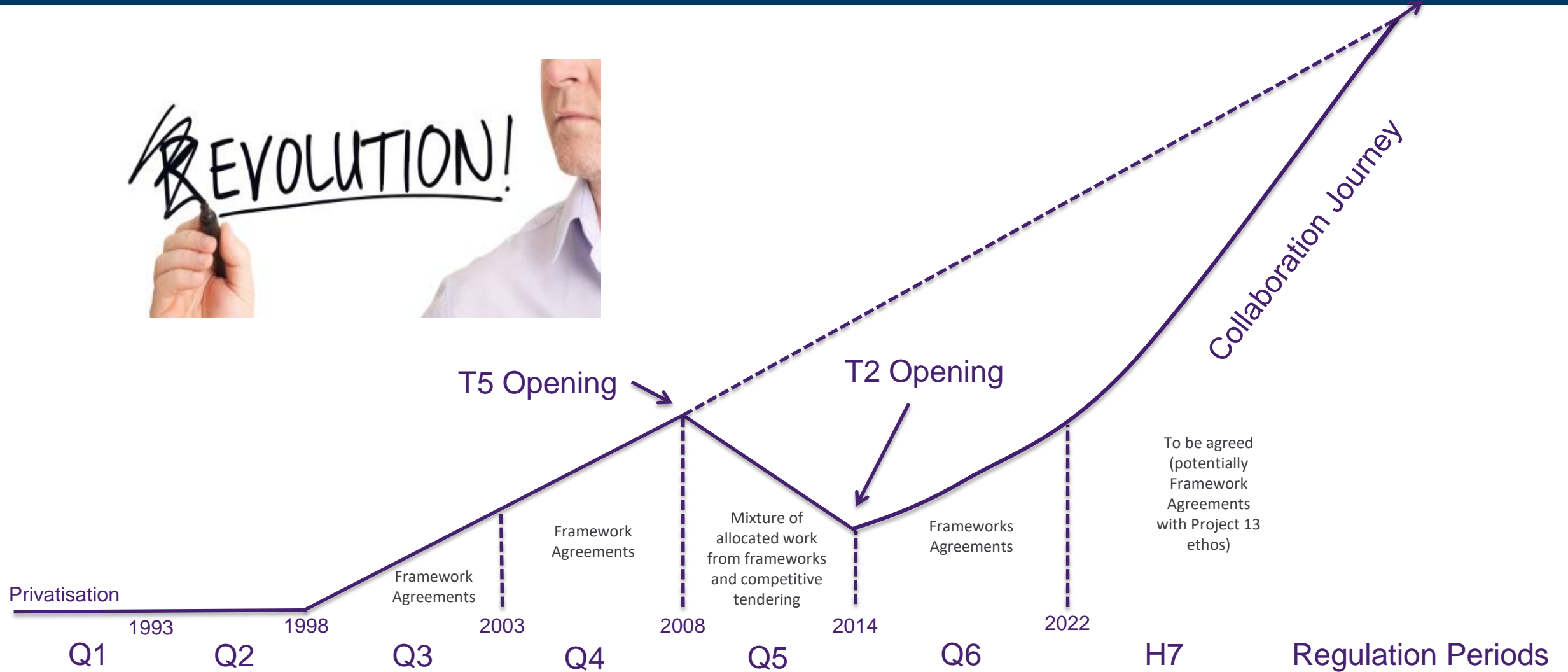
“Immediate” rewards for performance

- Not promise of future work

Award Fee Pool and Semi-Annual Awards

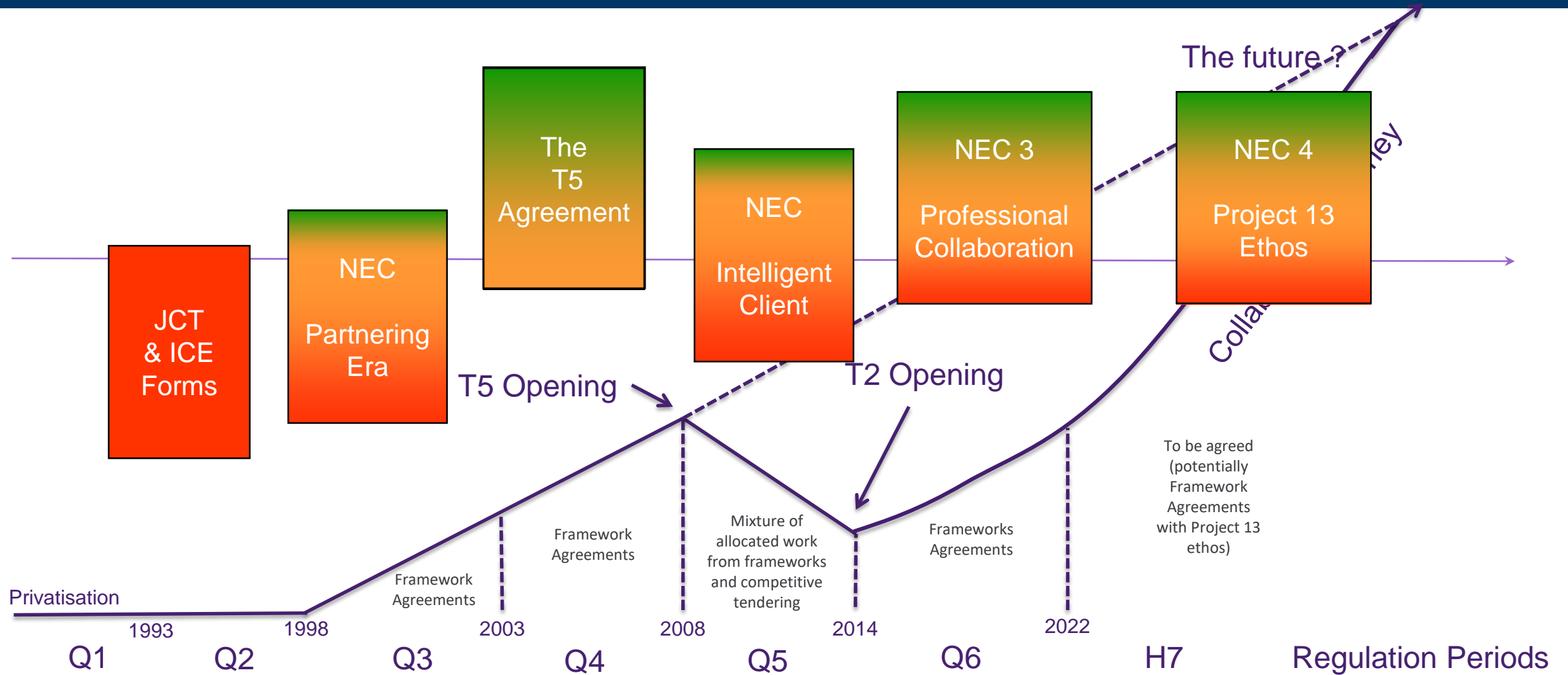
- Objective and subjective factors
  - eg. Schedule, Safety, Quality
  - eg. Responsiveness, Cooperativeness, Innovation
- Unappealable discretionary award
- Ring Fenced Award Fee Pool

# Collaboration does not happen overnight

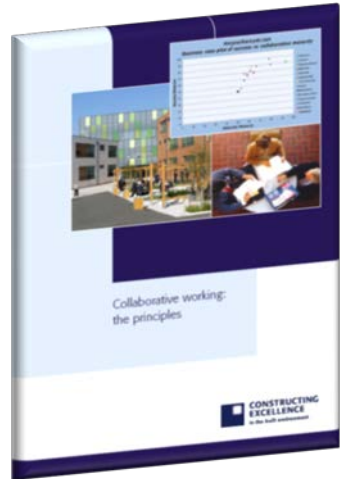




# Contracting & Collaboration Journey



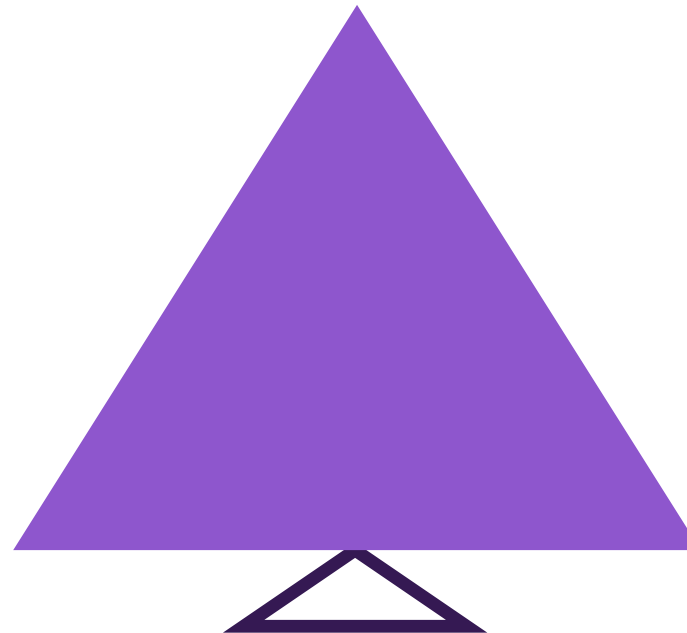
# Enabling Successful Project Delivery



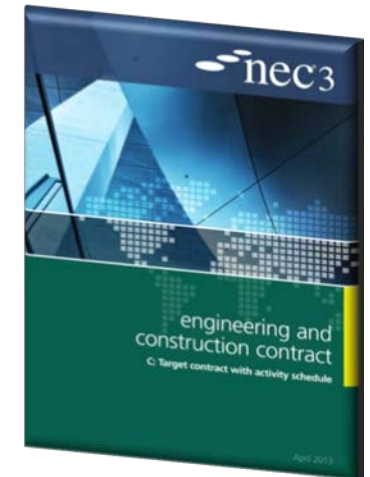
Common vision and leadership

Culture and behaviours

Processes and tools



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People Make Projects



**Heathrow**  
*Making every journey better*

