

## Collaborating with multiple suppliers under NEC

The NEC family of contracts can be used to create a wide range of procurement models which promote cooperation and stimulate good management of the relationship between the parties.

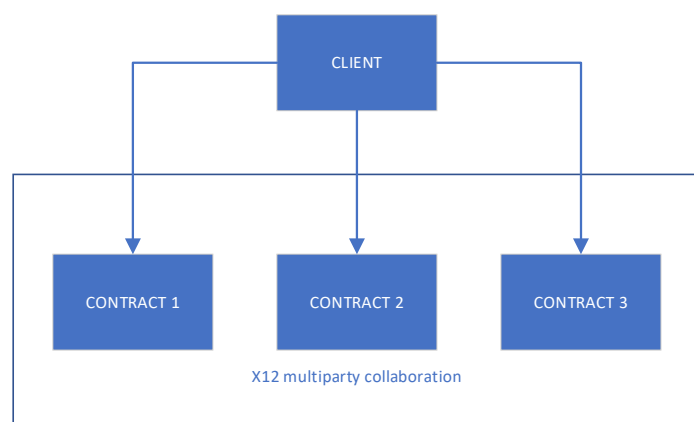
Following the introduction of guidance on the use of FAC-1 with NEC4 contracts, this note is provided to give additional guidance on a range of different contract options for the appointment by the *Client* of several contractors/consultants/suppliers in a collaborative arrangement.

The following options are available to suit different circumstances.

### Individual NEC4 contracts, each incorporating option X12.

The *Client* either has a number of projects to be carried out or wishes to let different contracts for the delivery of one project and creates a two-party contract with each contractor/consultant/supplier that it appoints. The contracts include option X12, providing for collaboration between all organisations in helping to achieve the *Client's* objective and the objectives of every other party.

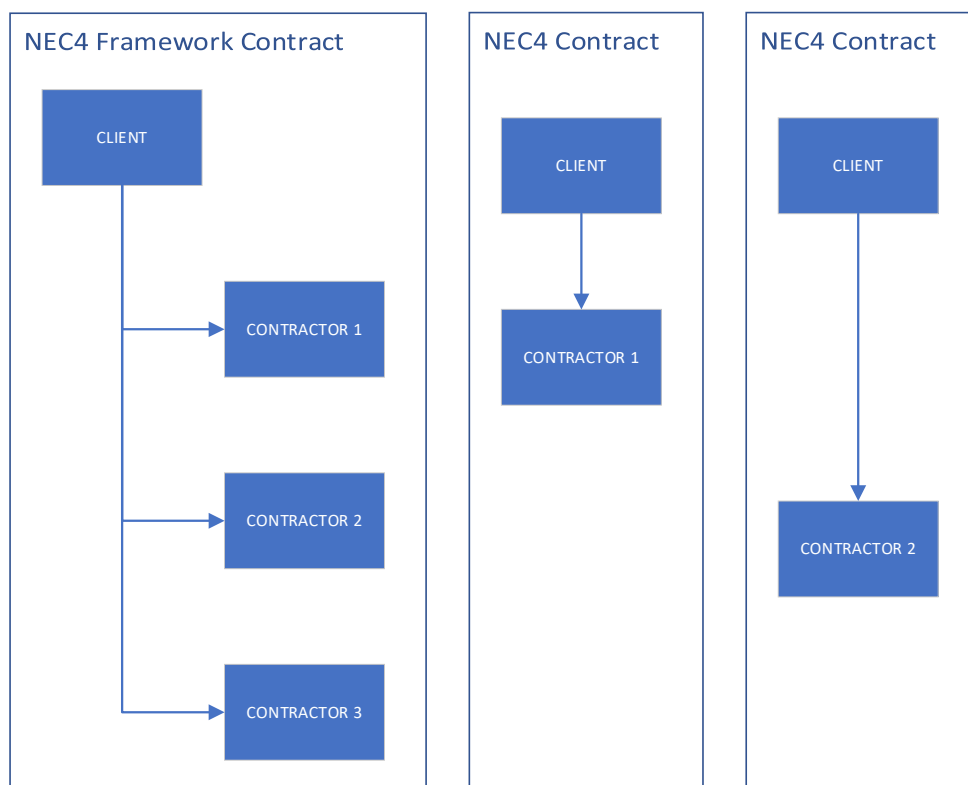
This approach is appropriate when the *Client* intends to award individual contracts which are being carried out at the same time, or where the times have significant overlap, and wishes to stimulate improved collaboration between the organisations involved. Each contract is awarded after separate tendering procedures.



## NEC4 framework contract.

The *Client* awards an individual NEC4 framework contract to one or more contractors/ consultants/ suppliers. The *Client* prepares framework information to set out how the *Client* and the organisations are to work together, including any requirements for collaboration between the separate organisations. Any work required under the framework is carried out under an appropriate NEC4 contract following a selection procedure. The contract can be to provide advice and assistance on proposed work, or to carry out a project. If collaboration at contract level is intended, the NEC contracts can include option X12.

This option is appropriate for creating a “call off” arrangement allowing a simplified procedure for awarding a contract to one of a fixed list of organisations, or to a combination of organisations if an integrated team approach is to be adopted. It could be used for a single supplier framework.

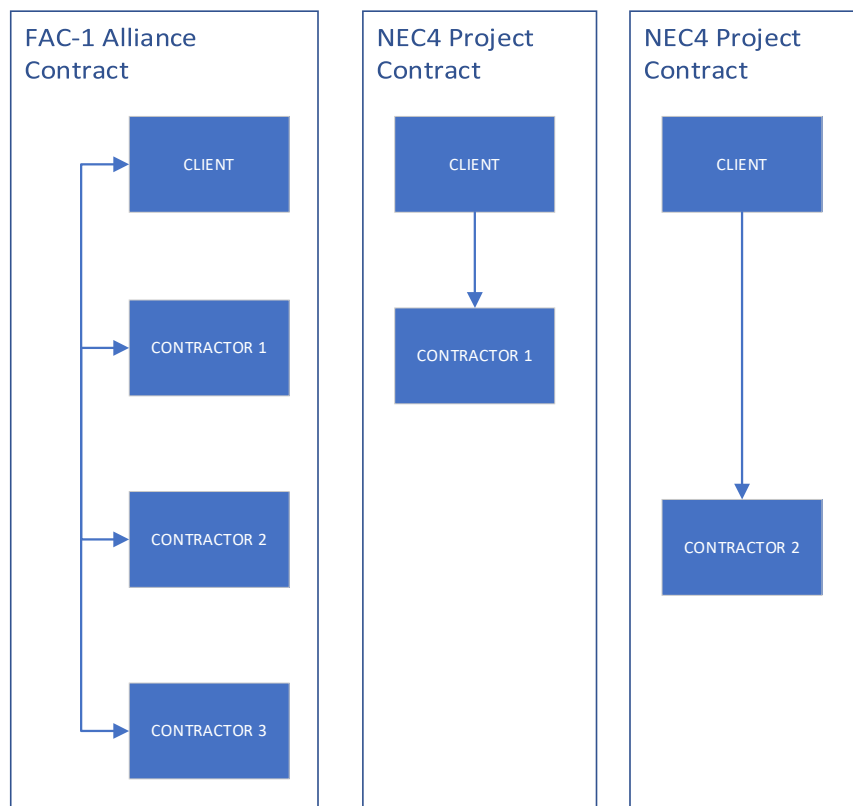


## FAC-1 with NEC4 contracts.

The *Client* creates a single multi-party contract using the FAC-1 collaborative framework and appoints to the framework several contractors/consultants/suppliers for a programme of work. The framework allows for adding other clients and organisations. The framework includes detailed provisions for collaborating, principally on selection of the supply chain

and in seeking improved value. Orders can be issued under the framework for activities which alliance members are to carry out, or for advance works before awarded a project contract. The *Client* makes payment for these orders under the terms of the framework contract. Following a selection and award procedure, a NEC4 contract is awarded to a single organisation for each project contract.

This option is appropriate when a high level of collaboration is required between multiple organisations before the award of contracts, but where separate two-party contracts are to be awarded for each project.

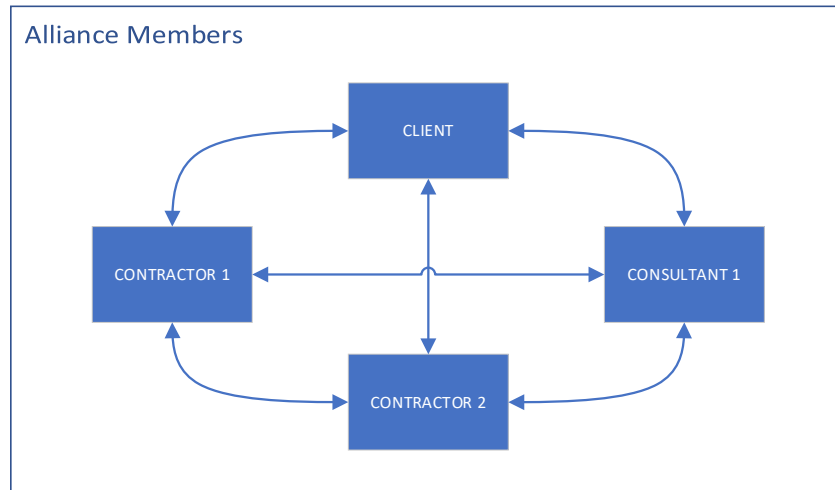


### NEC4 alliance contract.

The *Client* appoints a number of contractors/consultants/suppliers to the alliance under a single multi-party contract for delivery of a large and complex project or programme of work. The organisations work together in developing the design and in establishing a team to deliver it. The team combines members from the different organisations involved in the project on a “best for project” basis. The *Client* pays the cost of the organisations involved in the work, and all parties share the benefits of achieving specified performance outcomes.

This option is appropriate when the *Client* intends to work collaboratively with several organisations to identify the best way of carrying out a project or a programme of work and

is prepared to substantially carry the financial risk of successful delivery, with the alliance members motivated by incentives based upon performance outcomes.



## Acknowledgements

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