

NEC4 - The Next Generation



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NEC3 contracts have become the public sector contract of choice in the UK, being used for nearly all projects procured by national and local government bodies and agencies.

This June, the NEC4 suite of contracts is due to be published. The NEC state;

“the NEC4 Suite of Contracts builds upon the success of the NEC3 Contracts. The proven and unique processes for collaboration, fair dealing and good project management that are inherent in the NEC philosophy remain in this evolved edition.”

As part of the “evolution”, the ECC will now include a secondary option clause for early contractor involvement (ECI). ECI isn’t new to the NEC or Northern Ireland. The NEC published a separate ECI document back in January 2016. This separate document was designed to be included as an additional Z clause in the ECC. Large public sector bodies, such as, the now Department of Infrastructure, has been implementing ECI for a number of years. CPD have also developed a Z clause for two stage contracting.

ECI at its most basic level consists of 2 stages. Stage 1 involves the design development and construction planning, which is aimed at meeting the client’s objective’s and agreement of a target price. Stage 2 covers the period of detailed design and construction.

It is difficult to argue that ECI cannot be beneficial but most clients draw no distinction between design and construction when occupying the completed project, and is interested only in obtaining the benefit of a project completed efficiently without claims or disputes.

Appointing a contractor to participate in design development, risk management and construction phase programming is unlikely to be based on a fixed price. The client will need to consider this in its overall budget forecast.

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While ECI is not new the inclusion of it as a secondary option may help promote its use in more NI public sector projects. To what extent will clients have appetite and use for a secondary option ECI clause? At this stage, it is too early to tell. We will just have to wait and see...

Further, as a result of the new suite of contracts, we assume CPD will also be updating its "Standardisation of Z clauses" document which is currently based on NEC3.



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