



framework contract

Flow charts



June 2017

Expiry 6/8/26



FLOW CHARTS FOR THE Framework Contract

An NEC document
June 2017

The Government Construction Board, Cabinet Office UK

The Government Construction Board (formerly Construction Clients' Board) recommends that public sector organisations use the NEC contracts and in particular the NEC4 contracts where appropriate, when procuring construction. Standardising use of this comprehensive suite of contracts should help to deliver efficiencies across the public sector and promote behaviours in line with the principles of the Government Construction Strategy.

The Development Bureau, HKSAR Government

The Development Bureau recommends the progressive transition from NEC3 to NEC4 in public works projects in Hong Kong. With suitable amendments to adapt to the Hong Kong local environment, NEC4 is expected to further enhance collaborative partnering, unlock innovations and achieve better cost management and value for money in public works projects.

NEC is a division of Thomas Telford Ltd, which is a wholly owned subsidiary of the Institution of Civil Engineers (ICE), the owner and developer of the NEC.

The NEC is a suite of standard contracts, each of which has these characteristics:

- Its use stimulates good management of the relationship between the two parties to the contract and, hence, of the work included in the contract.
- It can be used in a wide variety of commercial situations, for a wide variety of types of work and in any location.
- It is a clear and simple document – using language and a structure which are straightforward and easily understood.

These are the Flow Charts for the NEC4 Framework Contract.

ISBN (complete box set) 978-0-7277-6303-7

ISBN (this document) 978-0-7277-6278-8 (e-only)

ISBN (Framework Contract) 978-0-7277-6221-1

ISBN (Establishing a Procurement and Contract Strategy) 978-0-7277-6223-8

ISBN (Selecting a Supplier) 978-0-7277-6234-4

ISBN (Preparing and Managing a Framework Contract) 978-0-7277-6246-7

First edition 2005, Reprinted with amendments 2013

Second edition June 2017

British Library Cataloguing in Publication Data for this publication is available from the British Library.

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Typeset by Manila Typesetting Company

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Foreword

Continuous improvement in project delivery is required to build confidence in the UK construction sector so that we can attract more investment. The Infrastructure and Projects Authority (IPA) is the government's centre of expertise for infrastructure and major projects. We sit at the heart of government, reporting to the Cabinet Office and HM Treasury.

The application of the right contract is central to the success of the overall project delivery system. The NEC suite of contracts has been in existence for over the 20 years and has linked the projects, people and processes together to create the correct environment for successful delivery.

This new and updated NEC4 contract embraces the digital changes that are happening in the construction industry, especially around BIM, which I believe will be central to creating a step change in performance. Whilst looking forward it also builds on the fundamentals required for an effective contract.

The use of NEC4 on public sector projects will help to deliver the Government Construction Strategy as we seek to improve central government's capability as a construction client to deliver further savings in the order of £1.7bn across the Government estate. The IPA looks forward to collaborating with industry to make the delivery of projects more efficient and effective.

Tony Meggs, Chief Executive, Infrastructure and Projects Authority



Infrastructure
and Projects
Authority

Reporting to Cabinet Office
and HM Treasury

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Preface

NEC was first published as a new and innovative way of managing construction contracts in 1993 – some 24 years ago. It was designed to facilitate and encourage good management of risks and uncertainties, using clear and simple language.

The NEC approach to managing contracts was endorsed in “Constructing the team – The Latham Report”, which was a government/industry review of procurement and contractual arrangements in the UK construction industry. This led to a second edition in 1995 incorporating the further recommendations of that review. This contract was used increasingly in the UK and overseas, and a major revision was made with the third edition in 2005.

NEC has played a part in helping the industry do things differently and better. It has done so by introducing effective project management procedures into the contract itself. These require pro-active management of risk and change, and the day-to-day use of an up-to-date programme. The range of pricing options has given Clients flexibility in the allocation of risk and the ability to share risk and manage it, collaboratively.

The NEC suite has evolved over three decades, embedding consultation responses and user feedback, and reflecting industry development, including new procurement approaches and management techniques such as alliances, management of information (BIM) and supply chain engagement. This feedback and the new procurement approaches formed the driver for the development of the next generation contracts and the launch of NEC4.

There were three key objectives in drafting NEC4:

- provide greater stimulus to good management
- support new approaches to procurement which improve contract management and
- inspire increased use of NEC in new markets and sectors.

It was to be evolution, not revolution.

Some features of NEC4 include:

- a new design build and operate contract to allow flexibility between construction and operational requirements in timing and extent
- a new multi-party alliance contract based upon an integrated risk and reward model
- new forms of subcontract to improve integration of the supply chain.

Further enhancements include:

- finalising cost elements during the contract
- incorporating a party-led dispute avoidance process into the adjudication process
- increasing standardisation between contracts and
- providing enhanced guidance to give greater practical advice to users.

NEC has always been known for its innovative approach to contract management, and this revision continues that approach. No other contract suite has had such a transformative effect on the built environment industry as NEC. It has put the collaborative sharing of risk and reward at the heart of modern procurement. It is also unique in providing a complete, back-to-back procurement solution for all works, services and supplies in any sector and any country.

NEC4 continues to set the benchmark for best practice procurement worldwide.

Peter Higgins BSc (Hons), CEng, FICE
Chair of NEC4 Contract Board

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Acknowledgements

The original NEC was designed and drafted by Dr Martin Barnes then of Coopers and Lybrand with the assistance of Professor J. G. Perry then of the University of Birmingham, T. W. Weddell then of Travers Morgan Management, T. H. Nicholson, Consultant to the Institution of Civil Engineers, A. Norman then of the University of Manchester Institute of Science and Technology and P. A. Baird, then Corporate Contracts Consultant, Eskom, South Africa.

This fourth edition of the NEC suite was produced by the Institution of Civil Engineers through its NEC4 Contract Board.

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The Institution of Civil Engineers acknowledges the help in preparing the fourth edition given by the NEC4 Contract Board and NEC4 drafting team and the support of the following organisations in releasing their staff:

Anthony Collins Solicitors LLP
Berwin Leighton Paisner LLP
CEMAR
Costain plc
Mott MacDonald Ltd

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Abbreviations used in the flow chart boxes

FC 20

Flow chart for clause 20

C
S*Client*
Supplier

CD

Contract Data

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Legend

CHART START

HEADINGS

Headings in caps provide guidance

STATEMENTS

If a clause is referenced, text is from the NEC

LOGIC LINKS

Links go to right and/or downward unless shown

QUESTION

Answer question to determine the route to follow

SUBROUTINE

Include another flow chart here

CONTINUATION

Link to matching point(s) on other chart sheets

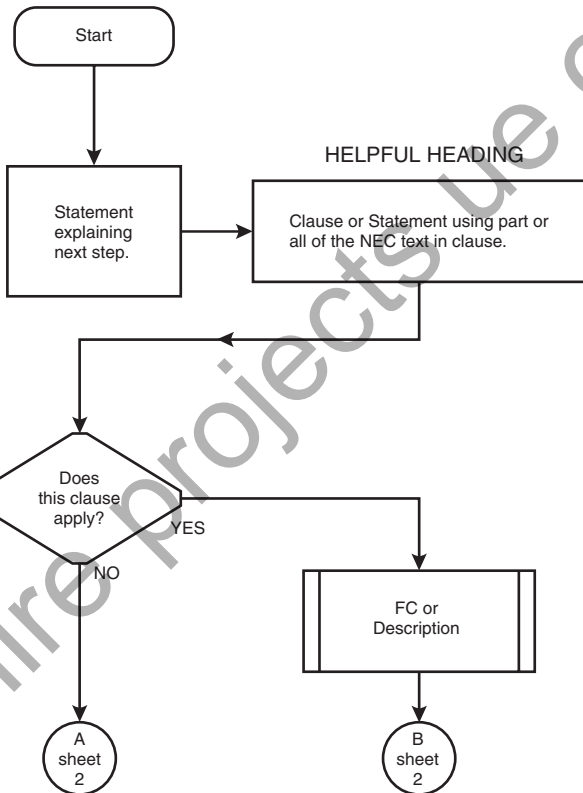
CHART TITLE

Chart number, title and sheet

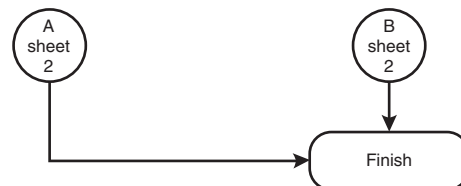
CONTINUATION

CHART FINISH

CHART TITLE

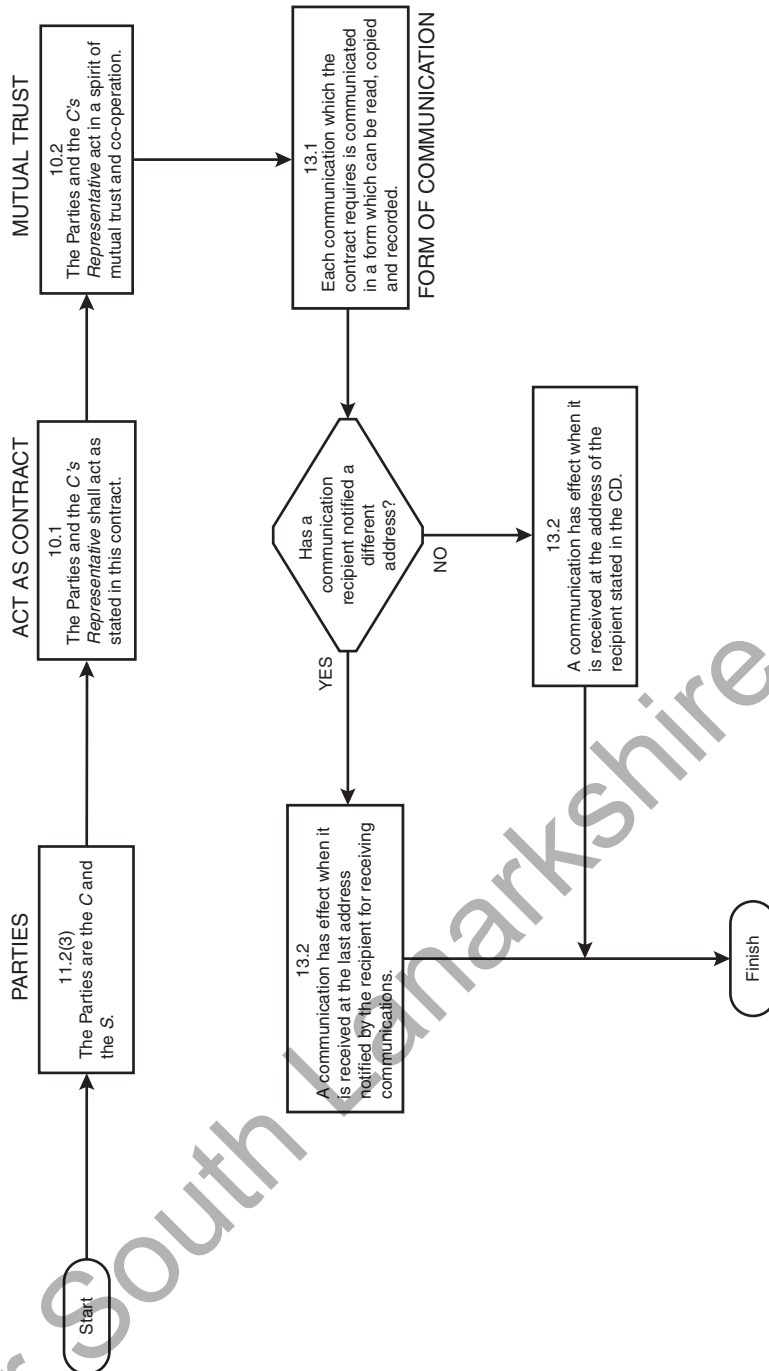


**Flow chart or Sheet 1 of 2
Description**

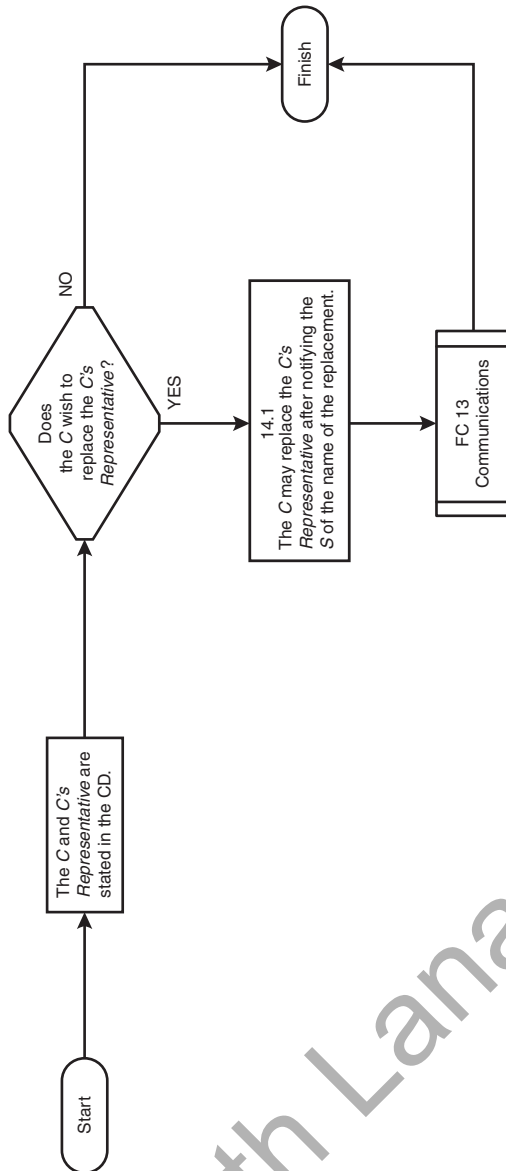


**Flow chart or Sheet 2 of 2
Description**

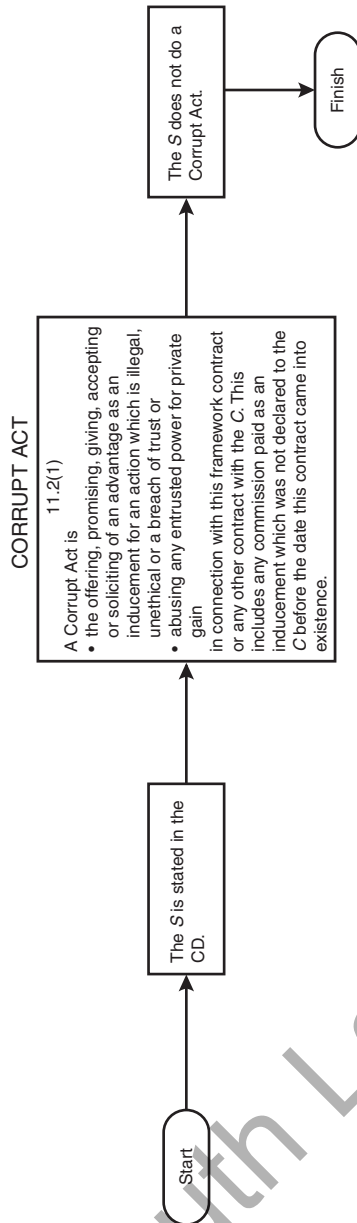
FLOW CHART 13: COMMUNICATIONS



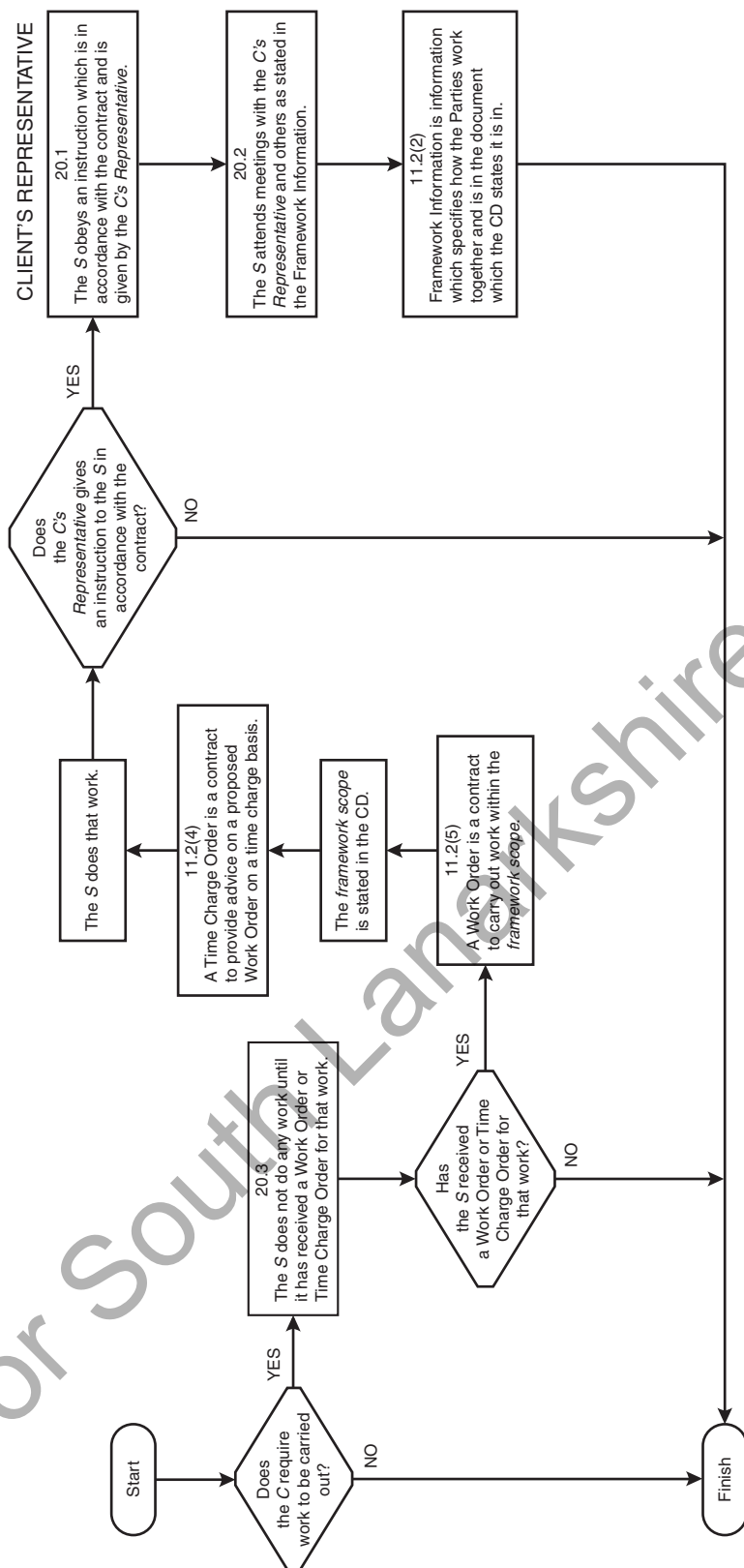
FLOW CHART 14: THE *CLIENT'S REPRESENTATIVE*



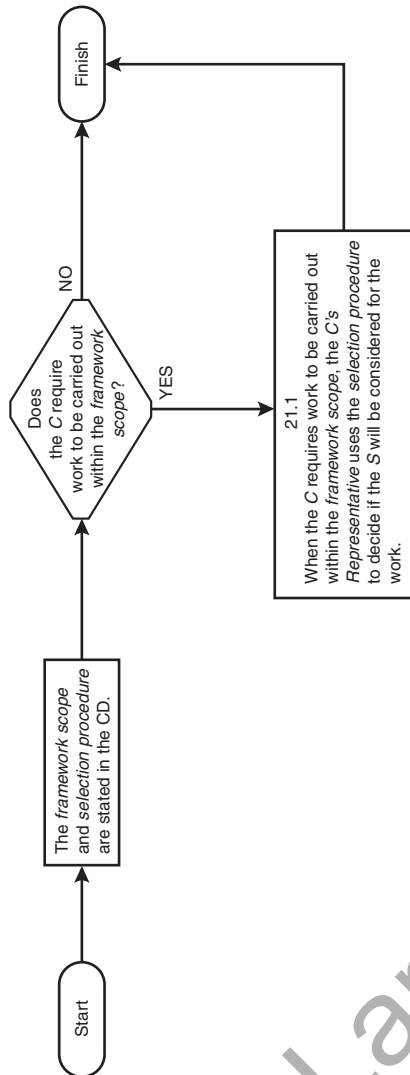
FLOW CHART 15: CORRUPT ACTS



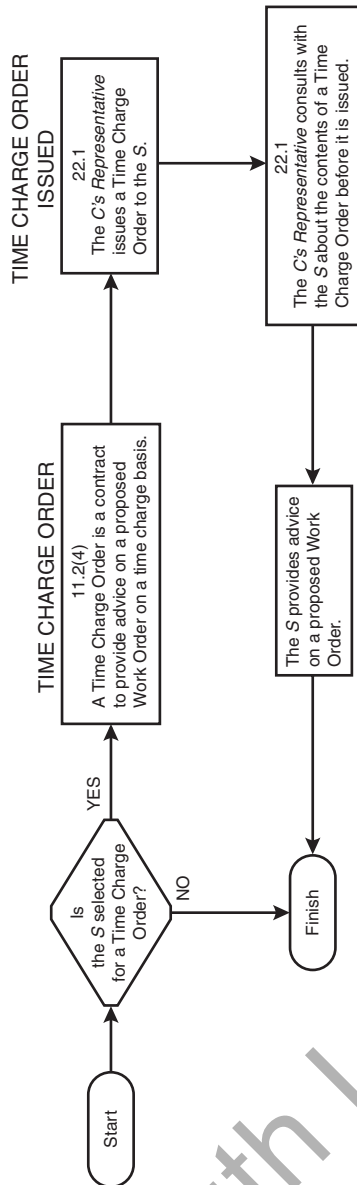
FLOW CHART 20: THE PARTIES' OBLIGATIONS



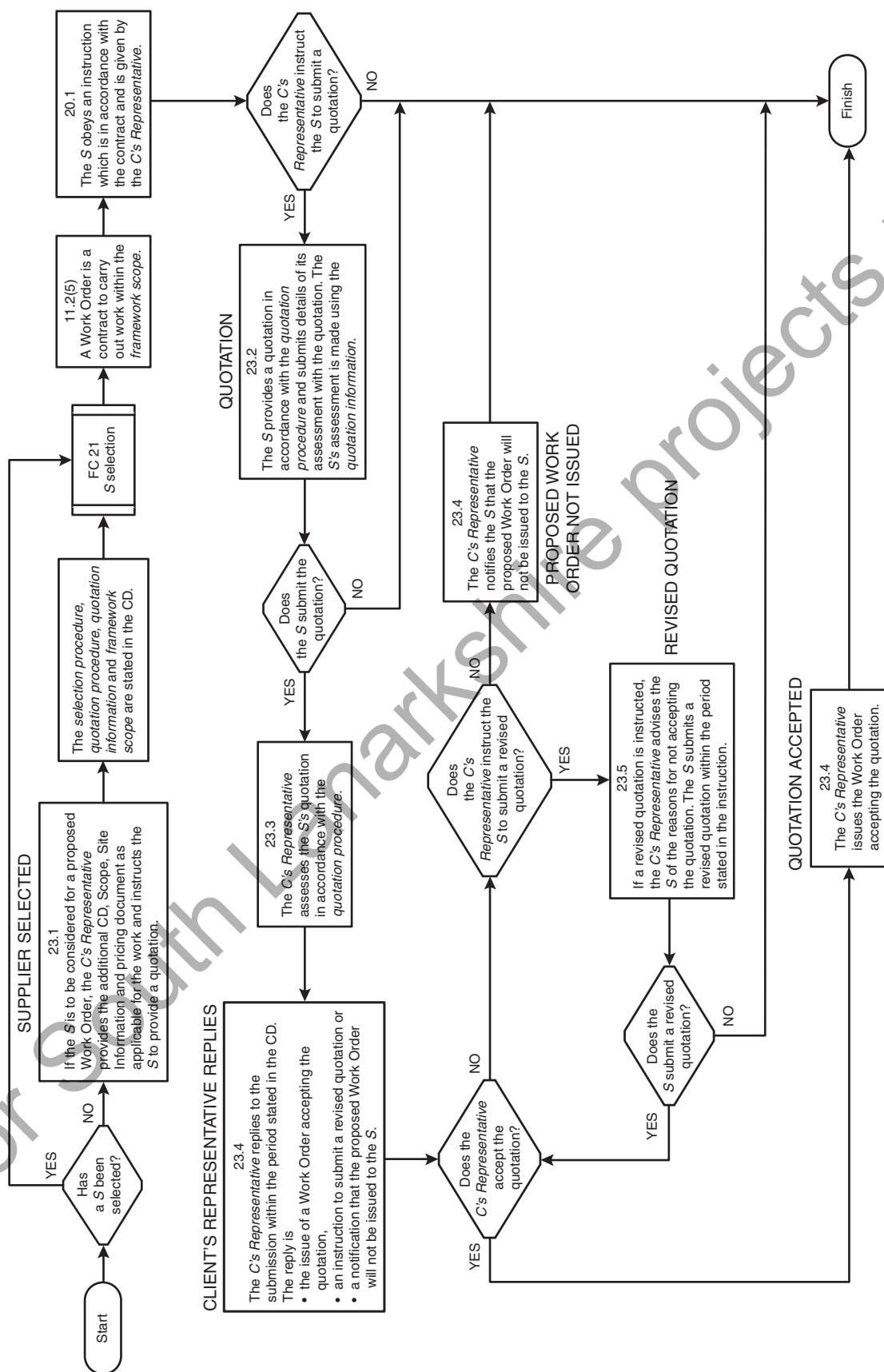
FLOW CHART 21: SUPPLIER SELECTION



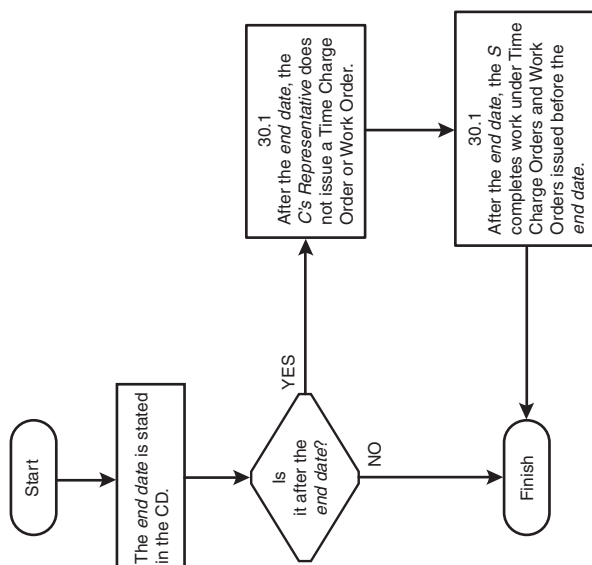
FLOW CHART 22: TIME CHARGE ORDER



FLOW CHART 23: QUOTATION



FLOW CHART 30: COMPLETION



FLOW CHART 90: TERMINATION

