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NEC4 ECC Option X22 early contractor involvement (ECI)

By John Sherry Senior NEC Tutor



X22 Early Contractor Involvement (ECI)

Introduction and housekeeping

- ❖ Who am I?
- ❖ Who are you?
- ❖ What are your objectives ?



Agenda

- 1-Early Contractor Involvement (ECI)
- 2-Why use ECI?
- 3-Typical stages of NEC ECI
- 4-How can ECI be used?
- 5-NEC ECI Development
- 6-X22 Jan 2023 Improvements /Amendments
- 7-X22 overview
- 8-X22 Detailed review
- 9-Conclusions and open forum

1-Early Contractor Involvement (ECI)

Early contractor involvement (ECI) is a construction contracting method that involves a contractor in the early stages of a project.

The contractor's involvement can include input on design, developing plans, and identifying and mitigating risks.

ECI is different from the design-bid-build model, where the contractor is only brought in at the end of the design phase.

ECI can help improve team working, innovation, and planning, and can deliver value for money.

1-Early Contractor Involvement (ECI)

Early contractor involvement (ECI) might be enabled by a two-stage tender process as contained in X22.

Stage1 Used to procure contractor involvement in the design process and carry out enabling works.

Stage2 to procure construction of the works.

Other procurement routes, such as design and build, or management contracting might also allow early Contractor involvement during in the design stage of a project.

2-Why use ECI?

Potential Advantages of ECI

Contractor contributes to the early design process.

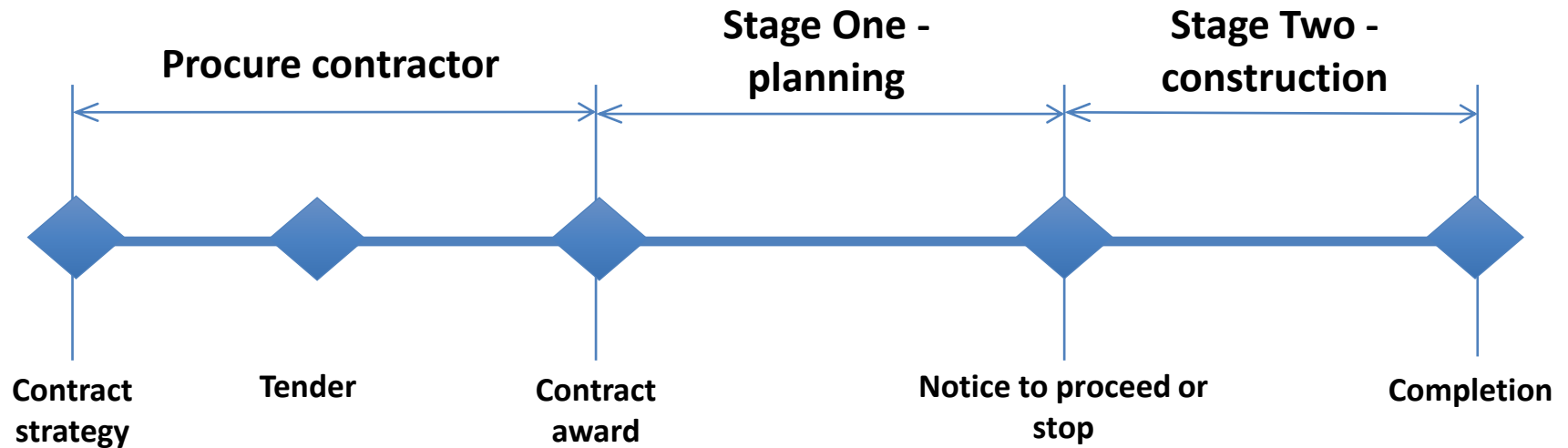
Development of a one team working ethic.

Introduction of innovation.

Provides advise on buildability, sequencing, and reduction of construction risk.

The one team spend more time developing a construction strategy, recruiting staff, identifying specialist suppliers.

3-Typical stages of NEC ECI ?



Key activities			
<p>Establish contract strategy including objectives. Prepare tenders including selection criteria and issue tender. Establish Budget.</p>	<p>Assess tender returns and select <i>Contractor</i>. Award contract.</p>	<p>Complete the Stage One deliverables in accordance with the Scope including design / design input and proposals for Stage Two. Forecasts of Stage One costs and Project Costs. Changes to Budget. Notice to proceed to Stage Two. Scope development critical</p>	<p>Provide the Works in accordance with the Scope (now including proposals for Stage Two) including any outstanding design. Changes to Budget and Project Cost. Incentive payment – Project Cost < Budget</p>

4-How can ECI be used?

ONE CONTRACT

ECC main Option C or E with X22

Stage One – develop design and other deliverables

Notice to proceed or not

Stage Two – complete the design and construct works

TWO CONTRACTS

PSC main Option A, C, or E (pre-construction service agreement)

Stage one – complete design and other deliverables

ECC main Option A, B, C, D or E

Stage two – complete outstanding design and construct works

5-NEC ECI Development

- A first ECI clause for use with NEC3 ECC was published in January 2016 as a Z clause.
- ECI was first introduced as a secondary Option (X22) for use with the NEC4 Engineering and Construction Contract (ECC) in 2017.
- The October 2020 amendments included processes for agreeing changes to access dates, Key Dates and the Completion Date during stage one and amending Scope and Site information for Stage two .

6-X22 Jan 2023 Improvements /Amendments

- NEC4 ECC Option X22 ECI offers clients a two-stage approach to procurement.
- The latest amendments provide greater flexibility to agree changes made during stage one ,before moving on to stage two (the construction phase).
- Successful ECI relies on collaboration and Cl10.1 follow the whole contract.

7-X22 overview : procurement issues

- Identify objectives for using ECI and how the contract will be used to ensure their achieved
- Develop the *Client's* brief and / or design sufficiently to
 - define the **Scope of Works**
 - **define Stage One deliverables**
 - **establish the project Budget** and
 - procure a contractor
- Establish *Contractor* selection criteria.....

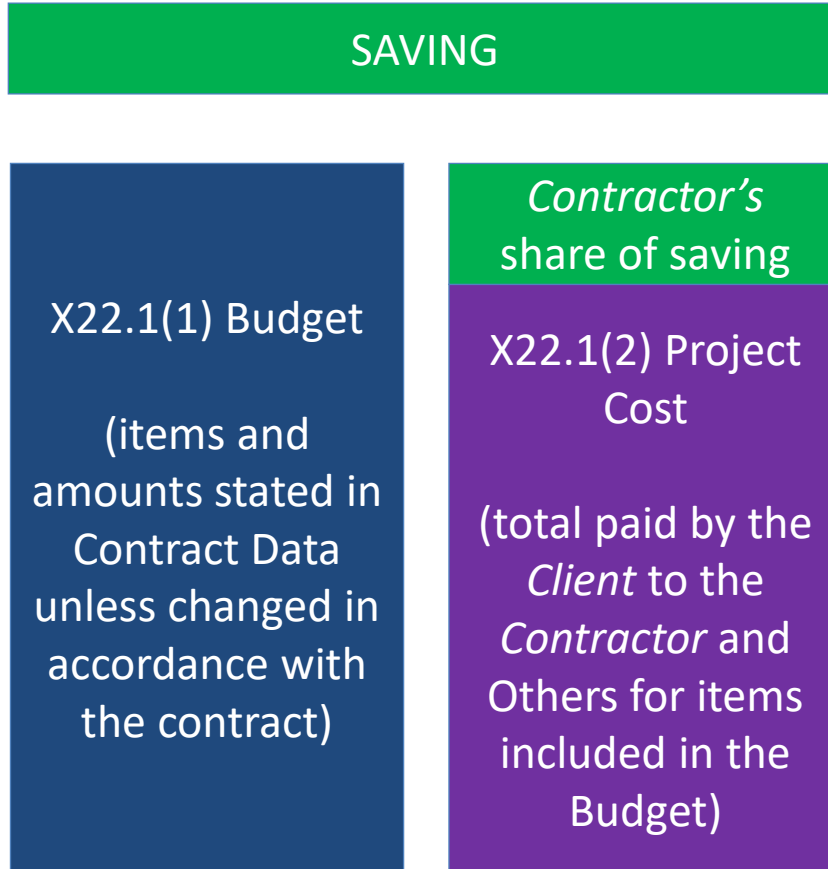
In X22.1(2) the Budget represents the maximum amount of money that the *Client* wishes to spend on the project. It should have been stated by the *Client* within the Contract Data, usually shown with a breakdown between different heads of cost. The details of what is included in the Budget – the *Contractor* costs (total of the Prices), other costs (for example consultants, land purchase, and the *Client* own cost) and the *Client's* risk allowance – should have been set out in the Scope.

7-X22 overview - clauses

- X22.1 Definitions
- X22.2 Forecasts
- X22.3 Proposals for Stage Two
- X22.4 *Key persons*
- X22.5 Notice to proceed to Stage Two
- X22.6 Changes to the Budget
- X22.7 Incentive payment

Good Contracts depend on good quality Scope

8-X22.7 Incentive



- Preliminary assessment of the *Contractor's* share is made at Completion of the whole of the *works*.
- Final assessment of the *Contractor's* share is included in the final amount due (X22.7)
- Two options traditional option C or Budget /ECI

9-Conclusions

- With careful consideration of a *Client's* objectives, ECI can support:
 - improved team working,
 - innovation and planning and
 - deliver value for money collaborative working and transparency
 - Shorten delivery periods

Questions



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Contact us

- 📞 +44 (0)20 7665 2446
- ✉️ info@necontract.com
- 📍 One Great George Street, London SW1P 3AA

necontract.com