



Guidance on using NEC4  
contracts with the FAC-1  
Framework Alliance Contract

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# Preface

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The FAC-1 Framework Alliance Contract (FAC-1) provides a multi-party contract that creates and implements collaborative framework and alliance arrangements. It is recommended by the UK Government and can be used with any form of project contract or consultancy agreement.

NEC (NEC4) is a suite of contracts, which have also been recommended by the UK Government as well as the Hong Kong Government, aimed at stimulating good management of relationships which links the projects, people and processes together to create the environment for successful project delivery.

FAC-1 has been used successfully in conjunction with NEC contracts and it can create relationships that support the enterprise approach promoted by 'Project 13'.

For these reasons, the authors and publishers of NEC4 and FAC-1 have collaborated in creating and promoting guidance for users on how to implement NEC4 contracts under the FAC-1 framework.

Further guidance can be found on FAC-1 and NEC4 at the following locations.

[www.allianceforms.co.uk/fac-1/](http://www.allianceforms.co.uk/fac-1/)  
[www.neccontract.com](http://www.neccontract.com)



# Acknowledgements

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The NEC4 Contract Board is:

P. Higgins, BSc (Hons), CEng, FICE (Chair)  
I. Heaphy, BSc (Hons), FRICS, FCI Arb, FCI InstCES, MACostE  
S. Jackson, LLB, LLM, MSc, FCI Arb, FCI InstCES  
M. Garratt, BSc (Hons), MRICS, FCI Arb  
D. Evans, BSc, FICE, CEng, MBA  
E. J Houghton, BA (Hons), MRICS, FICE

The Drafting Team is:

Professor D Mosey, CBE, LLB (Hons), PHD  
Assad Maqbool, MA (Oxon)  
Peter Higgins, BSc (Hons), CEng, FICE  
Ian Heaphy, BSc (Hons), FRICS, FCI Arb, FCI InstCES, MACostE

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# Introduction

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## Why should FAC-1 be used with NEC4?

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The FAC-1 Framework Alliance Contract is a contractual integrator which can be applied alongside NEC4 contracts to establish practical multi-party collaboration across a number of projects or across the different parts of a complex project.

FAC-1 governs multi-party relationships and systems at the framework level. It describes activities that can govern the award of NEC4 contracts, can integrate NEC4 contracts and can enhance the implementation of NEC4 contracts.

FAC-1 features which fit with NEC4 contracts include:

- Procedures for award of contracts for any types of works, services and supplies;
- Framework- level early supply chain involvement;
- Framework-level performance measurement and incentives;
- Option to create a digital information management integrator;
- Framework-level early warning and risk management.

## Why should NEC4 be used with FAC-1?

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NEC4 is a suite of contracts that governs the appointment of consultants, contractors, suppliers and supply chain members engaged in any types of works, services and supplies.

NEC4 contracts encourage cooperation, they can complement FAC-1 and they can enhance the implementation of the FAC-1 relationships and systems.

NEC4 features which fit with FAC-1 include:

- Consistent contracts for any types of works, services and supplies;
- Project-level early supply chain involvement;
- Project-level performance measurement and incentives;
- Option to use digital information management;
- Project-level early warning and risk management.

## Collaboration and cooperation

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FAC-1 and NEC4 contracts both require the parties to the contracts to work in a collaborative and cooperative way.

FAC-1 states

*"The Alliance Members shall work together and individually in the spirit of mutual trust, fairness and collaboration ....."*

NEC4 states

*"The Parties, the Project Manager and the Supervisor act in a spirit of mutual trust and co-operation."*

# Purpose of this document

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The purpose of this Guidance is to assist users in combining the FAC-1 Framework Alliance Contract with NEC4 contracts.

It identifies the links between the provisions in FAC-1 and NEC and it sets out how clauses in NEC contracts can be used to support the objectives of FAC-1 and how provisions in FAC-1 can support the use of the NEC contracts. It provides guidance on material that needs to be incorporated in preparing the FAC-1 for use with an NEC contract. It identifies where material in the FAC-1 contract can influence the preparation of an NEC contract and its management after award.

This Guidance shows how FAC-1 and NEC4 complement each other. It explains their combined strengths and includes case studies showing how strategic FAC-1 collaboration in conjunction with NEC contracts can lead to better programme and project outcomes.

This Guidance should be read alongside FAC-1 guidance in 'The FAC-1 Framework Alliance Contract: A Handbook' (LPP, 2023 [www.londonpublishingpartnershipco.uk/fac-1-a-handbook](http://www.londonpublishingpartnershipco.uk/fac-1-a-handbook)) and the NEC4 user guides.

# Structure of a Framework Alliance Contract using NEC4 contracts

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FAC-1 is a multi-party framework alliance contract which provides for various activities being carried out in relation to a *Framework Programme*, in advance of and in parallel with the performance of multiple *Project Contracts*. When a *Project* is required, it is carried out under a separate *Project Contract*. Each NEC *Project Contract* is an agreement solely between 2 parties - the *Client* and one of the parties to the framework alliance - to carry out the *Project*. The *Project* could be implementing construction *works*, providing design or other consultancy *services* or supplying *goods* and *services*.

Any of the NEC4 full or short contract forms could be used for a *Project Contract*.

NEC4 subcontracts can be used to engage the wider *Supply Chain* helping to drive improved *Supply Chain* working practices through FAC-1 *Supply Chain Collaboration*.

# Terminology

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FAC-1 and NEC4 contracts use specific terminology that refers to identified and defined terms. FAC-1 only uses defined terms which are both capitalised and italicised. In NEC4 the terms identified in the Contract Data are in italics and the defined terms have capital letters but are not italicised.

Identified and defined terms used in FAC-1 and NEC4 contracts have been used in this Guidance where appropriate.

Appendix 1 contains a summary of similar terminology used in FAC-1 and NEC4.

# Preparing the Project Contract documents

## 1. TEMPLATE PROJECT DOCUMENTS

The FAC-1 *Template Project Documents* specify the conditions of contract for *Project Contracts* and all other standard provisions which are to be used for *Projects*. Templates will be needed for each form of contract which can be used for FAC-1 *Project Contracts*. The template will include standard NEC4 Contract Data entries, including options which will apply to all work, and standard provisions in the Scope. Guidance on preparing templates is included in Schedule 5 to FAC-1.

The NEC main and secondary Option clauses should be carefully selected to align with the FAC-1 *Objectives* and *Success Measures*. For example, the use of key performance indicators in NEC Option X 20 or X 22, if used, should be linked to achieving these requirements.

The NEC4 contracts and the main and secondary Options will commonly be identified as part of the tender process used to select the *Alliance Members* for FAC-1. Common entries in the Contract Data may also be prepopulated, for example the name of the *Client* (if there is a single *Client* and not any FAC-1 *Additional Clients*), *Project Manager* or *Supervisor*. In addition, entries such as the *period for reply*, *defects date* and *defects correction period* may be specified in advance and applied to all FAC-1 *Project Contracts* or alternatively a list of options may be included that the *Client* can select from.

There may also be Z clauses that will apply to the FAC-1 *Project Contracts*, and this again may be agreed at the FAC-1 framework alliance level and either incorporated into each *Project Contract* or used to create a list of Z clauses that the *Alliance Members* can select from when putting together *Project Contracts*.

## 2. PROJECT BRIEF

When an FAC-1 *Client* or *Additional Client* wishes to award a *Project Contract*, it firstly needs to prepare the *Project Brief*.

The FAC-1 *Project Brief* includes all the documents necessary to define the contract for the *Project*. These will be identified in the NEC4 Contract Data which is applicable to the *Project Contract* to be used for that *Project*. It must be based on the FAC-1 *Template Project Documents*, but each *Project* would have its specific requirements included in the Contract Data and Scope.

## 3. PRE-CONTRACT ACTIVITIES AND ALLIANCE ACTIVITIES

Where early engagement of an FAC-1 *Alliance Member* is required, in advance of the award of a *Project Contract*, there are several options as to how they can be engaged and paid for their input.

The FAC-1 *Framework Alliance Agreement* contains provisions to allow for *Orders* to be issued for *Pre-Contract Activities*. These are governed by FAC-1 unless and until they are then subsumed in an NEC *Project Contract* when awarded.

Alternatively, where the work or service required is more complex and greater contractual control is required, an early *Project Contract* could be awarded using an NEC4 professional services contract or short construction contract under which pre-construction services could be delivered including site investigation or enabling works.

A third alternative is to award an NEC4 *Project Contract* and to use secondary Option X22 early *Contractor* involvement, which provides for the appointment of the *Alliance Member* on a two-stage basis to carry out initial work before final commitment to construct is issued. This would remove the need for a second competition by not having a second NEC *Project Contract*.

Where FAC-1 *Pre-Contract Activities* are delivered under an *Order*, the default position is that this work will form part of a subsequent *Project Contract* and be governed by the *Project Contract Conditions*. In respect of *Pre-Contract Activities* such as design, these will then be captured in a *Project Contract* as part of the Scope provided by the *Contractor* (or *Consultant*) in Contract Data part two.

FAC-1 distinguishes between *Pre-Contract Activities* which are performed by an *Alliance Member* in advance of a *Project Contract* and *Alliance Activities* which are performed jointly by *Alliance Members* outside the scope of their individual *Project Contracts* in order to achieve *Improved Value* consistent with the agreed *Objectives*.

#### 4. MAPPING FAC-1 AND NEC4 CONTRACT PROCESSES

There are several similar processes in FAC-1 and NEC4 contracts and the relationship between these will need to be considered both when putting the FAC-1 framework alliance in place and when awarding *Project Contracts* under it. Appendix B contains a table that compares the processes under the FAC-1 with those in the NEC4 Engineering and Construction Contract. Similar processes are included in other NEC contracts.

#### 5. Z CLAUSES

NEC4 contracts allow for the inclusion of secondary Option Z *additional conditions of contract*. Using this secondary Option the published clauses in NEC4 contracts can be added to or altered. A *Client* may wish to include Z clauses in an FAC-1 *Project Contract*, and these should be included in the *Template Contract Documents* in Schedule 5 to FAC-1.

As with any amendments to a standard form of contract, the use of Z clauses needs careful consideration to ensure that they do not detract from the intent of the FAC-1 or NEC contract or introduce ambiguity or inconsistencies. Guidance on drafting Z clauses is provided in the NEC user guides. When considering the use of Z clauses in a *Project Contract* these should also take into account the *Objectives* and *Success Measures* of FAC-1, ensuring that they do not detract from or conflict with them.

#### 6. PROJECT BANK ACCOUNTS Y(UK)1

A project bank account may be required under the *Framework Alliance Contract* with payments made under the *Framework Alliance Contract* or a *Project Contract* paid into this account. In order to enable this to happen under *Project Contracts* secondary Option Y(UK)1 should be selected with the entries related to this in the Contract Data compliant with the project bank account requirements in the *Framework Alliance Contract*. Alternatively, project bank accounts could be included only in *Project Contracts* with separate accounts per *Project Contract*, or through the use of consistent Contract Data entries, a single account used for all applicable *Project Contracts*.

#### 7. SECURITY OF PAYMENT LEGISLATION Y(UK)2

Where the activities required under the *Framework Programme* are carried out in the UK and fall within the definition of construction activities in the Housing Grants, Construction and Regeneration Act 1996 (the Construction Act), secondary Option Y(UK)2 will need to be included each *Project Contract*. There is no requirement for additional provisions to be included in the *Framework Alliance Contract*.

## 8. THIRD PARTY RIGHTS

Each NEC *Project Contract* is a separate legal agreement that only involves two members of the FAC-1 alliance, namely the *Client* (or an *Additional Client*) and another *Alliance Member*. If there is a requirement for another *Alliance Member* to have an obligation under a *Project Contract*, secondary Option X8 Undertakings to the *Client* or Others could be selected. In addition, a right may be created in the UK under the Contracts (Rights of Third Parties Act) 1999 unless this has been excluded by the selection of secondary Option Y(UK)3, subject to any specific *beneficiaries* identified as having a right under that Option.

The need for third party rights to be considered in a *Project Contract* will be tempered by the multi-party structure of FAC-1 which allows for framework-wide requirements and initiatives to be dealt with as part of the *Framework Alliance Contract*. FAC-1 may grant framework-level third party rights at clause 10.6.

## 9. RESOLVING AND AVOIDING DISPUTES

Whilst the intent of FAC-1 and NEC4 contracts is to avoid or reduce the potential for disputes, disagreement between the parties may still arise. In addition, if the *Projects* that comprise the *Framework Programme* fall within the Construction Act, dispute resolution via adjudication in accordance with Construction Act will need to be included in the *Project Contracts*. When using NEC4 contracts the dispute resolution Option W2 will need to be selected.

In addition to the formal dispute processes required by the Construction Act, both FAC-1 and NEC4 contain procedures to seek to avoid or resolve disputes prior to referral to adjudication. These processes need to be considered together and, as they are optional, the parties can choose which of these to follow. If the dispute relates to an issue under a *Project Contract* that does not have a wider impact on the *Framework Programme*, on other *Alliance Members* or on FAC-1, then it can be dealt with under the *Senior Representatives* process in the relevant NEC4 contract. If, however, it does impact on any of these, then it may well be better to deal with the matter under the problem-solving and dispute resolution process in clause 15 of FAC-1.

## 10. ASSESSMENT OF COST

The FAC-1 *Framework Documents* will include *Framework Prices* for each relevant *Alliance Member*. These prices should be structured in line with the financial information required for NEC4 contracts and in particular the data required for Contract Data part two, for example providing cost data for the Schedules of Cost Components and the *fee percentage*. The FAC-1 *Framework Prices* should also describe how they will be used in generating the total of the *Agreed Prices* for each *Project Contract*. These will form the Prices under the NEC contract.

# Managing the Project Contract and the interfaces with the FAC-1

## 1. ACHIEVING MULTIPARTY COLLABORATION

NEC Option X12 – Multiparty Collaboration - should not need to be used under an FAC-1 Framework Alliance Contract as collaboration is addressed in FAC-1, for example through the requirement for a *Core Group* to be created to manage interfaces under the *Alliance*.

## 2. ACHIEVING SUPPLY CHAIN COLLABORATION

FAC-1 provides important opportunities for *Supply Chain Collaboration* processes, and clause 6.3 describes how a *Client* (and any *Additional Clients*) can work with one or more consultants and contractors to review, improve and integrate the appointments of the Subcontractors who are tier 2 *Supply Chain* members. Such *Supply Chain Collaboration* processes may create outputs that need to be recognised in the relevant NEC4 contract Scope, creating an obligation to engage Subcontractors who demonstrate best value through the joint FAC-1 process, with a failure to do so being a reason to not accept another proposed Subcontractor under the NEC4 contract.

## 3. SUSTAINABILITY, CLIMATE CHANGE, WHOLE LIFE COST & BIM

One of the key benefits of FAC-1 is the ability to have consistent processes incorporated into each *Project Contract*. This allows issues related to *Sustainability*, climate change, whole life cost and *BIM* to be addressed, measured and incentivised at the framework level, with these requirements then flowed down into each relevant *Project Contract*.

In order to ensure this happens successfully the correct secondary Options need to be included in the NEC *Project Contracts* and the requirements in relation to them need to be consistent with the overall *Objectives* and *Success Measures and Targets* in FAC-1.

Relevant secondary Options in NEC4 contracts are as follows.

- X10 information modelling
- X21 whole life cost
- X29 climate change.

In relation to BIM specifically, a consistent information protocol can be included in the *Project Template Documents* and applied to each *Project Contract*. FAC-1 enables the efficient integration of *BIM* contributions consistent with the agreed *Objectives* and *Success Measures*, supported by mutual direct protections and licences in respect of *Intellectual Property Rights*. NEC4 contracts support the use of a consistent information protocol via secondary Option X10 Information Modelling and the use of consistent Information Model Requirements in the Scope.

## 4. PROGRAMME

There is a requirement in FAC-1 for a *Timetable* to be included to drive the achievement of deadlines, milestones and gateways in the *Framework Programme*, the achievement of *Objectives* and the timescales for *Alliance Activities*.



In NEC4 main contracts there is requirement for a detailed Accepted Programme to be put in place to achieve delivery of the works in the *Project Contract* to time and to deal with any failure to do so. As *Project Contracts* will involve delivery of elements of the *Framework Programme* there is a need for the timescales in FAC-1 and the NEC *Project Contracts* to align and drive consistent objectives. There will commonly be a need for Accepted Programmes and the *Timetable* to feed into each other. In addition, issues identified in respect of delivery of timeframes in the *Timetable* and / or the Accepted Programme could lead to the requirement to notify early warning under each contract.

## 5. IMPROVED VALUE

FAC-1 & NEC4 contracts both include provisions to drive improved value. Under FAC-1 clauses 2.2 and 6.1, the *Alliance Members* are required to propose and to undertake the *Alliance Activities* with the aim of achieving *Improved Value* consistent with the *Objectives*, *Success Measure* and *Targets*. The FAC-1 definition of *Improved Value* includes improved cost and /or time certainty, cost and /or time savings, improved 'Operation', improved staff and other resources, improved health and safety and other working procedures, improved 'Sustainability', improved efficiency and improved profitability.

NEC4 contracts contain provisions to drive reduced cost to the *Client* in respect of the cost of the work itself, under core clause 16, as well as a secondary Option X21 to drive savings in whole life cost. In addition, secondary Option X29 can be used to drive improvements in relation to climate change related matters.

These processes, whilst operating independently of each other, need to be coordinated to ensure that they contribute consistently to the achievement of the objectives set at a *Project Contract* and *Framework Alliance Contract* level.

# Case studies

These case studies illustrate how FAC-1 and NEC contracts, when used together, can achieve *Improved Value*. They comprise extracts from 'The FAC-1 Framework Alliance Contract: A Handbook' and are reproduced by permission of London Publishing Partnership ([www.londonpublishingpartnershipco.uk/fac-1-a-handbook](http://www.londonpublishingpartnershipco.uk/fac-1-a-handbook))

## 1. IMPROVED VALUE ON A STRATEGIC PROGRAMME OF WORKS

Department of Work and Pensions (DWP) worked through the Crown Commercial Service (CCS) FAC-1 framework alliance, with *Project Contracts* based on the NEC4 Term Services Contract, to deliver engagement with the market that supported social value initiatives including increased employment opportunities for high-risk groups such as prison leavers, carbon reduction by more efficient heating systems and other improved sustainability.

## 2. IMPROVING MODERN METHODS OF CONSTRUCTION (MMC), SUPPLY CHAIN COLLABORATION AND BIM

Under the Crown Commercial Service FAC-1 construction framework alliance, the Ministry of Justice created an FAC-1 'Sub-Alliance' using *Project Contracts* based on the NEC4 engineering and construction contract to procure the four prisons comprising their £1.2 billion New Prisons Programme. The Sub-Alliance supports their use of *BIM* and MMC to agree optimum designs and strategic relationships with key tier 2 *Supply Chain* members. This model has been replicated on other Ministry of Justice programmes of work and by other clients such as Defence Infrastructure Organisation.

## 3. IMPROVED VALUE ON CONSULTANT SERVICES

An example of an action plan under an FAC-1 'transitional' *Framework Alliance Contract* is provided by Crown Commercial Service who report how they led and managed a multi-party FAC-1 transitional framework alliance, in conjunction with *Project Contracts* based on NEC3 professional service contracts, that supplemented and integrated the previous separate consultant frameworks to deliver improved value for framework clients by:

- Sharing and monitoring best practice intelligence
- Sharing and monitoring learning between projects and programmes of work
- Establishing, agreeing and monitoring consistent and more efficient working practices
- Agreeing and monitoring techniques for better team integration
- Agreeing and monitoring improved procurement and delivery systems on projects and programmes of work.

## 4. NET ZERO CARBON ACTION PLAN

Oxfordshire County Council and Milestone supplemented their £40 million per annum contract for highways and infrastructure with a net zero carbon action plan using an FAC-1 transitional framework alliance contract linked to an underlying NEC term service contract, through which to capture improved environmental value (together with other commercial, efficiency and social value improvements).

The team identified significant opportunities, including carbon consumption reductions and financial savings including:

- A suite of low carbon design solutions and associated action plans
- Development of a 'Partnership Carbon Reduction Strategy' and associated action plan
- Creation of a 'Whole Life Cost & Carbon' tool
- Focused training on lower carbon alternative materials
- Trials of new lower carbon materials.

Further information relating to these case studies can be found in "Constructing the Gold Standard" and the FAC-1 Handbook.

Constructing the Gold Standard can be found at

<https://www.gov.uk/government/publications/an-independent-review-of-public-sector-construction-frameworks>

## APPENDIX 1

# Terminology

The careful use of FAC-1 defined terms and NEC defined terms helps to identify the interfaces between FAC-1 and an NEC *Project Contract*.

The following table sets out the relationship between the respective terms in FAC-1 and in the NEC4 Engineering and Construction Contract (ECC). There are similar relationships in the Professional Service and Supply Contracts, subcontracts and short contract forms.

FAC-1 TERM	NEC4 ECC TERM	COMMENTS
<i>Additional Client</i>	<i>Client</i>	
<i>Agreed Prices</i>	Prices	The Prices agreed at the ECC Contract Date
<i>BIM</i>	Information Modelling	
<i>Client</i>	<i>Client</i>	
<i>Incentives</i>		Incentives are provided in various ECC clauses, including target share, bonus for early completion, KPIs.
<i>Insolvency Event</i>		ECC clause 91.1 sets out the events that can lead to termination due to insolvency
<i>Profit and Overheads</i>	Parts of Fee	Fee also includes amounts not included in Defined Cost
<i>Project</i>	<i>works (service or goods and services in other contracts)</i>	A description of the Project is given in Contract Data part one
<i>Project Brief</i>	The entries in Contract Data part one	Including the documents identified in Contract Data part one
<i>Project Contract</i>	The final agreed Contract Data parts one and two	Including the documents identified in Contract Data
<i>Project Contract Conditions</i>	The conditions of contract identified in Contract Data part one	Core clauses for chosen main Option together with selected dispute Option and secondary Option clauses
<i>Project Proposals</i>	Contract Data part two	Including the documents identified in Contract Data Part two
<i>Stakeholders</i>	Others	
<i>Success Measures and Targets</i>	Key Performance Indicators	In option X20 or X29
<i>Supply Chain</i>	Subcontractors	
<i>Supply Chain Contract</i>	Subcontract documents	
<i>Sustainability</i>		Whole life cost Option X 21 and climate change Option X 29 support sustainability objectives
<i>Users</i>	Others	

APPENDIX 2

# Mapping NEC and FAC-1 processes

The following table compares the processes under FAC-1 with those in NEC for the Engineering and Construction Contract. Similar processes are included in other NEC contracts.

FAC-1 PROVISION	NEC CLAUSE (ECC)	COMMENT
<p>1.8 Early Warning</p> <p>Each <i>Alliance Member</i> shall give <i>Early Warning</i> to the other <i>Alliance Members</i> as soon as it is aware of any matter adversely affecting or threatening the <i>Alliance</i> or the <i>Framework Programme</i> or its own performance or the performance of another <i>Alliance Member</i> under the <i>Framework Alliance Contract</i>...</p>	<p>15.1 The <i>Contractor</i> and the <i>Project Manager</i> give an early warning by notifying the other as soon as either becomes aware of any matter which could</p> <ul style="list-style-type: none"> <li>• increase the total of the Prices,</li> <li>• delay Completion,</li> <li>• delay meeting a Key Date or</li> <li>• impair the performance of the <i>works</i> in use.</li> </ul>	<p>If an <i>Alliance Member</i> gives an <i>Early Warning</i> under FAC-1 to the <i>Contractor</i>, the <i>Contractor</i> may well need to issue an equivalent early warning to the <i>Project Manager</i> under the NEC contract. Equally, an early warning given under the NEC contract may also need to be notified under FAC-1.</p>
<p>1.9 Communications</p> <p>Except as otherwise agreed in writing, all communications between <i>Alliance Members</i>...shall use the communication systems stated in the <i>Framework Alliance Agreement</i>.</p>	<p>13.2 If the <i>Scope</i> specifies the use of a communication system, a communication has effect when it is communicated through the communication system specified in the <i>Scope</i>.</p>	<p>It would be sensible to include a communication system in the <i>Scope</i> which is complementary to that in FAC-1.</p>
<p>1.10 Stakeholders</p> <p>The <i>Alliance Members</i> shall engage with the <i>Stakeholders</i> as stated in the <i>Framework Alliance Agreement</i>...</p>	<p>25.1 The <i>Contractor</i> co-operates with Others, including in obtaining and providing information which they need in connection with the <i>works</i>. The <i>Contractor</i> shares the Working Areas with Others as stated in the <i>Scope</i>.</p>	<p>The term Others in NEC includes <i>Stakeholders</i>. Specific <i>Stakeholders</i> and the engagement required with them by the <i>Contractor</i> may need to be identified in the <i>Scope</i>.</p>
<p>2.3 Success Measures and Targets</p> <p>The success of the <i>Alliance</i> and the <i>Framework Programme</i> and the performance of the <i>Alliance Members</i> in achieving the <i>Objectives</i> shall be assessed by reference to the <i>Success Measures</i> and <i>Targets</i> set out in Part 2 of Schedule 1 to the <i>Framework Alliance Agreement</i>.</p>	<p>X20.1 A Key Performance Indicator is an aspect of performance by the <i>Contractor</i> for which a target is stated in the Incentive Schedule.</p>	<p>The Key Performance Indicators set in the NEC contract should recognise the <i>Success Measures</i> and <i>Targets</i> in FAC-1 and help to achieve them and not in any way conflict with them.</p>
<p>2.4 Incentives</p> <p>The <i>Incentives</i> to achieve <i>Objectives</i> and/ or <i>Targets</i> are set out in Part 3 of Schedule 1 to the <i>Framework Alliance Agreement</i>...</p>	<p>X20.4 The <i>Contractor</i> is paid the amount stated in the Incentive Schedule if the target stated for a Key Performance Indicator is improved upon or achieved.</p>	<p>Similarly, the payments in the NEC Incentive Schedule should contribute towards the <i>Incentives</i> in FAC-1 and not in any way conflict with them.</p>
<p>3.4 Employees</p> <p>Each <i>Alliance Member</i> shall ... promptly remove or replace any individual who disrupts or adversely affects the <i>Framework Programme</i> or any <i>Alliance Activities</i> or any <i>Project</i>.</p>	<p>24.2 The <i>Project Manager</i> may, having stated the reasons, instruct the <i>Contractor</i> to remove a person. The <i>Contractor</i> then arranges that, after one day, the person has no further connection with the work included in the contract.</p>	<p>Whilst an individual removed from the FAC-1 <i>Alliance</i> could be retained in the NEC contract, it is likely that the grounds for removal in FAC-1 may be applicable in the NEC contract and potentially removal from the NEC contract may also result in removal from FAC-1.</p>

FAC-1 PROVISION	NEC CLAUSE (ECC)	COMMENT
<p>4.2 Fluctuations</p> <p>...<i>Agreed Prices</i> shall be subject only to any fluctuation provisions stated in the <i>Framework Brief</i> or the <i>Template Project Documents</i> or otherwise agreed...</p>	<p>X1.3 Each amount due includes an amount for price adjustment.</p>	<p>If under FAC-1 the <i>Agreed Prices</i> are to be changed, Option X1 should be incorporated into the NEC contract.</p>