

B SURCO Training

presents a series of

ADVANCED LEVEL MANAGEMENT TRAINING WORKSHOPS

for

NEC® CONTRACTS IN HONG KONG

incorporating

NEC3® and NEC4® Contracts

Hong Kong Government Practice Notes



ADVANCED LEVEL TRAINING WORKSHOPS

NEC® CONTRACTS IN HONG KONG

The administration of capital works projects in Hong Kong is changing. Recent government policy initiatives seek to transition the industry away from its traditionally combative and adversarial operational style to more collaborative methods of working, in line with international best-practice.

The use of NEC3 Forms of Contract as the default choice for the procurement of all new public-sector capital works projects from 2015, is one such initiative. Additionally, in October of 2016 HK Government published practice notes and standardized amendments mandatory for all new NEC3 ECC projects which significantly alter the way NEC is implemented for HK Government projects. In 2017 a new set of NEC contracts, the NEC4 contract suite was published.

These new contracts together with proposed amendments by HK Government, require effective training of those responsible for managing project delivery. Training is required both in the contractual provisions of the various NEC contracts, the management and administrative procedures required to be followed, and also in the philosophy of collaboration, co-operation, openness and teamwork - the essence of the spirit of mutual trust and co-operation fundamental to the success of all NEC projects.

BK SURCO has been successfully delivering its NEC training programmes to the Hong Kong construction industry since 2012. More than 5000 delegates have successfully completed our training courses. Our training workshops are designed to deliver the necessary theoretical course content together with available time for group working using worked examples of the various features of the NEC Contracts. From 2017 our training programme was updated to accommodate content related to HK Government standard amendments to NEC contracts, and from 2018 guidance is also provided on the newly published NEC4 contract suite. In addition, special NEC Advanced Level Training Certificates will be provided for those attending 35 Hours of BK SURCO NEC Training during 2020.

SUMMER 2020 TRAINING PROGRAMME

NECPM125 – Provisions of the new NEC4® Contract	3
NECPM130 – Developing Procurement and Contract Strategy Options using ECC	3
NECPM140 – Construction Risk and Programming Management using ECC	4
NECPM150 – Principles of Target Cost Contracting using the ECC	4
NECPM160 – Tendering and Contract Documentation for ECC Projects	5
NECPM170 – Project Administration and Communications using ECC	5
NECPM180 – Administration and Evaluation of ECC Compensation Events	6
NECPM190 – Pre and Post Contract Pricing, Valuation and Final Accounts for ECC	6
Registration Form	9

Due to COVID-19, face-to-face classroom training is suspended.
All training will be conducted in real-time online interactive mode until further notice.

NECPM125 – Provisions of the new NEC4® Contract

Half Day (0900-1230)

1 Sep 2020 (Tue)

Outline

This newly introduced workshop provides details for those who already have a basic understanding of the NEC3 suite of Contracts but who require an update of the recently published NEC4 Contract Suite including the key changes from NEC3 and the likely impact of these on NEC implementation:

- **The NEC4 Collaborative Philosophy**
 - Overview of the impact of NEC4 changes and the benefits of these.
 - Impact on Collaboration
- **General Comparisons between NEC4 and NEC3**
How NEC4 compares with NEC3 in key areas
 - Project Management
 - Options
 - Procedures and Documentation
 - Ease of Use
 - Dispute Resolution
- **New NEC4 Structure**
 - Reviewing the modular approach around the ECC core contract clauses (essential contract terms) with main options (payment methods), secondary option clauses and purpose-drafted Z clauses
- **New NEC4 Provisions and Procedures for Capital Works Projects**
 - Detailed Review and Commentary of NEC3/4 ECC changes
- **New NEC4 Contracts**
 - Review of the range of interlinked contracts, guidance notes, flowcharts and guides comprising the NEC4 suite of contracts
- **HK Government provisions and NEC4**
 - The Impact of Government Practice Notes and Conditions on the default NEC provisions

NECPM130 – Developing Procurement and Contract Strategy Options using ECC

Full Day (0900-1700)

3 Sep 2020 (Thu)

Outline

This full-day workshop focuses on the factors to be taken into account in procuring a project using NEC when selecting an appropriate NEC contract strategy, including timing and cost issues, design responsibility, payment mechanism, risk allocation, project control, phasing and packaging, subcontracting etc. It will include group learning through case studies and covers:

- **Developing a contract strategy**
 - in depth review of the various factors to be taken into account when developing project strategy and how these will influence the choice of the various NEC options in the context of the documentary requirements of NEC projects and the desired risk profile
- **Selecting the main NEC options**
 - detailed review of the main NEC options so that participants are aware of the choice and implications of the various payment mechanisms depending on the procurement and contract strategy adopted
 - How to choose the right option
 - How to justify your choice
- **Incorporating secondary NEC option clauses**
 - comprehensive review of the secondary options so that participants are aware of the extent to which their choice of contract strategy can be refined through the use of optional standard contract provisions
 - How to select the right secondary options for your project
- **Z clauses**
 - Reviewing circumstances where additional purpose-drafted special conditions of contract are appropriate and discussing the nature and extent to which these should be utilized and how.
 - Reviewing current practice directions and standard amendments in Hong Kong
- **Contract Data**
 - How use of the Contract Data can impact upon risk profile and the nature of the contract obligations of the Contractor and Employer

NECPM140 – Construction Risk and Programming Management using ECC

Full Day (0900-1700)

10 Sep 2020 (Thu)

Outline

This workshop focuses firstly, on the identification of construction risks and highlights the approach in the ECC for the management of those risks, and secondly on the fundamentally important role of competent project programming for the successful implementation of an NEC project. The workshop will include group learning through case studies and covers:

- **An introduction to construction risk**
 - raising participants’ awareness to risk and its impact on construction performance
- **Risk Allocation and Management under NEC Contracts**
 - General philosophy of Risk Management under the provisions of the NEC contracts
- **Insured Risks under NEC**
 - Employer’s and Contractor Risks as provided for in NEC Clause 80 and Contract Data
- **The NEC Risk Register**
 - The purpose and role of the NEC Risk register in the Management of Risk
- **Early Warning provisions under NEC**
 - Review of the operation of this unique mandatory risk management mechanism and how it should be implemented to the benefit of all parties to a project
- **Risk Reduction Meetings**
 - The purpose of risk reduction meetings and their contribution to the effective management of risk under an NEC contract
- **The NEC approach to time management**
 - General review and explanation of the time management philosophy and provisions under ECC Clause 3
- **Preparing submitting and revising an ECC Programme**
 - Procedure and examples of how to prepare a programme in compliance with the provisions of NEC Clause 31. Significance of float, time risk allowances, resourcing and method statements and how these are incorporated
- **Time Requirements of Compensation Events**
 - NEC programme procedures for incorporation of compensation events. How and when to prepare a revised programme

NECPM150 – Principles of Target Cost Contracting using the ECC

Full Day (0900-1700)

17 Sep 2020 (Thu)

Outline

This workshop comprises a detailed review of the NEC Target Cost Options C and D. These commonly used options represent a significant departure from traditional lump-sum contracting. Detailed knowledge and understanding of the workings of such contracts is essential for both employers and contractors in order to achieve optimal outcomes from a Target Cost contract. The workshop will include group learning through case studies and covers:

- **What is an NEC Target Cost Contract?**
 - review with participants the nature of this type of contract and the principal features
- **Why use Target Cost Contracts?**
 - review with participants the philosophy and advantages of target cost contracts and where they should be used
- **How to Procure an NEC Target Cost Contract**
 - Option selection and documentation, tendering procedure, early contractor Involvement, Two Stage Tendering
- **Contract Options C and D**
 - Activity Schedules and Bills of Quantities and their use in NEC Target Contracts. Benefits of each approach
- **Agreement of the Target**
 - The importance of the target and the means of incentivizing desired behaviours by establishing a realistic and justifiable project goals
- **Setting the Pain Share/Gain Share**
 - Alignment of commercial goals through intelligent sharing of savings/cost overruns
- **Cost and Fees using NEC Target Cost**
 - The use of Schedules of Cost Components and how to interpret them
- **Payments, Compensation Events and Final Account**
 - Interim payment procedures, How and when to adjust the target, and final payment
- **Cost Control Reporting and Procedures**
 - Forecasting the pain/gain share during the project. Auditing procedures. Open and Closed Book Accounting. Confidentiality
- **Disallowed Costs**
 - Identification and categorization of disallowed costs

NECPM160 – Tendering and Contract Documentation for ECC Projects

Full Day (0900-1700)

22 Sep 2020 (Tue)

Outline

This workshop provides those tasked with the preparation of tender and contract documentation and tendering, a detailed insight into the unique features of NEC and advice on how to utilize the NEC contract structure to optimize contract documentation. The workshop will include group learning through case studies and covers:

- **Pre tender procedures**
 - The importance of pre-contract activities, such as planning, risk assessment etc
- **NEC Tender documentation**
 - The purpose and function of the various categories of documents to be included in invitations to tender for each of the various NEC contract formats
- **Contract Data**
 - details to be supplied by the Employer in Part one and details to be supplied by Tenderers in Part two and their significance
- **Incorporating Z Clauses**
 - Purpose drafted special contract clauses. Current practice in HK Government contracts
- **Activity Schedule**
 - the format, nature and extent of the information to be given in the activity schedule and contrasting this with bills of quantities
- **Bills of quantities**
 - advantages and disadvantages of bill of quantities and the importance of its careful preparation
- **Works and Site Information**
 - Reviewing the general content and highlighting important criteria and careful preparation. Ensuring quality and safety compliance
- **Inviting and preparing tenders**
 - taking participants through the various methods and highlighting areas of potential risk
- **Other contract control documents**
 - additional documents required to effectively manage an NEC contract
- **Assessment of tenders**
 - Effective management of the tender selection process, assessing contractor submissions and the various key selection criteria

NECPM170 – Project Administration and Communications using ECC

Full Day (0900-1700)

24 Sep 2020 (Thu)

Outline

This workshop gives an in-depth review of each of the following Core clauses together with the relevant supplementary NEC3/4 Option clauses which involve administrative/communicative responsibilities. The workshop will include group learning through case studies and covers:

- **Section 1 - General Clauses**
 - Clause 10: Mutual trust and co-operation
 - Clause 13: Communications
 - Clause 14: Project Manager; Supervisor
 - Clause 16: Early warning procedures
 - Clause 17: Ambiguities and inconsistencies
 - Clause 19: Prevention
- **Section 2 - Contractor's main Responsibilities**
 - Clause 20: Providing the Works
 - Clause 21: Contractor's Design
 - Clause 24: People
 - Clause 26: Subcontracting
- **Section 3 – Time**
 - Clause 30: Starting, Completion, Key Dates
 - Clause 31: Preparation and Acceptance of Programme
- **Section 4: Testing and defects**
 - A general description of the Testing and defects regime under the NEC contract and the various relevant provisions
- **Section 5: Payment**
 - A summary-level briefing of the various payment provisions
- **Section 6 Compensation Events**
 - An overview of the types of compensation events and contract provisions relating to notifying, quoting and assessing Compensation events
- **Section 7: Title**
 - A summary of the contract provisions
- **Section 8: risks and insurances**
 - A summary of the contract provisions and related administrative procedures
- **Section 9: Termination**
 - Termination provisions and related administrative procedures

NECPM180 – Administration and Evaluation of ECC Compensation Events

Full Day (0900-1700)

29 Sep 2020 (Tue)

Outline

This workshop provides an in-depth analysis and review of the provisions for the management of contract changes under ECC3 contracts through the compensation event procedure. The workshop will include group learning through case studies and covers:

- **Contract Scope Definition**
 - The scope of an NEC project, and the identification of changes to the baseline
- **Types of compensation events**
 - Reviewing with participants the list of qualifying compensation events under ECC Clause 60 including those listed in Main Options
- **Identification/Notification of compensation events**
 - Review of the notification procedure provided under Clause 61. Format, timescales and information to be provided.
- **Preparing quotations for compensation events**
 - Review of preparation procedure provided under Clause 62. Composition and level of detail required. Programming information. Allowances. Assumptions.
- **How to Assess compensation events**
 - Detailed analysis of review and analysis procedure set out in Clause 63. Impact on Time and Cost.
- **Project Manger’s assessments**
 - Analysis of the circumstances where the PM should assess compensation events and the effects as set out in Clause 63
- **Implementation of compensation events**
 - How compensation events are implemented and paid for.
- **Revisions to compensation events**
 - Circumstances under which a compensation event assessment can be altered
- **Assessment Disagreement**
 - How to resolve disagreements over the assessment of Compensation Events

NECPM190 – Pre and Post Contract Pricing, Valuation and Final Accounts for ECC

Full Day (0900-1700)

6 Oct 2020 (Tue)

Outline

This workshop provides an in-depth analysis of the pricing and valuation aspects of the various NEC3/4 contract forms. The workshop will include group learning through case studies and covers:

- **NEC Philosophy**
 - Alignment of team objectives, recognition of profit motivation and entitlement, openness, proactive decision-making and prospective evaluation
- **Review of Invitations to Tender**
 - Analysis and understanding of contract risks. Key provisions of the contract documents which impact on the balance of contract risk and inclusion of appropriate time and price allowances
- **Calculating the Fee**
 - Relevance and importance of the Fee and the Schedules of Cost Components and how to calculate
- **Understanding and Completing Contract Data**
 - How the CD impacts on pricing, Tips on preparing the various pricing documents including bills of quantities and activity schedules, target cost pricing, retention,
- **Interim Valuations and Payment**
 - Timing and the various methods of preparing and assessing interim valuations
- **Evaluation of Compensation Events**
 - Definition and Pricing of reimbursable changes to NEC Contract. Compensation event process. Prospective valuation. Incorporating and pricing risk.
- **Auditing of Cost Reimbursement Contracts**
 - Common methods of presenting and validating prime cost for interim and final accounts. Auditing procedures. Open and closed book accounting.
- **Cost Control and Reporting Procedures**
 - How to calculate outturn cost, final account and profitability and common reporting procedures
- **Final Accounts**
 - Timing and methodology. Final payment.

Training from Experts – Tutors

John Battersby is a Registered Professional Quantity Surveyor (Hong Kong) and Chartered Construction Manager having worked in the construction industry for 53 years, 37 years of which have been spent working on projects in Hong Kong, China and South East Asia. He is a Fellow of the Chartered Institution of Civil Engineering Surveyors, Chartered Institute of Building, Hong Kong Institute of Construction Managers, Chartered Institute of Arbitrators and Hong Kong Institute of Arbitrators and a Member of the Royal Institution of Chartered Surveyors and Hong Kong Institute of Surveyors. John has acted as an expert witness several times, both in arbitration and litigation, in respect of additional cost/loss and expense/damages claims, measurement issues, adjustment of rates, valuation of variations and causes and effects of delays to construction works. He has acted both as party appointed expert and “single joint expert” (or “tribunal expert”). He is a Practising Member of the Academy of Experts and accredited by the Academy as an Expert. He has also been appointed as Arbitrator, Assessor, Mediator and Dispute Resolution Advisor several times. John has delivered many NEC training seminars in Hong Kong and has also conducted collaborative contracting workshops for Hong Kong’s Mass Transit Railway Corporation’s Target Cost Contracts. He is a keen advocate of NEC and in sharing his insight and knowledge on how NEC can overcome many of the problems which arise from traditional contracting through collaborative working relationships, proper contract administration and sound project management, emphasizing prospective versus retrospective resolution of problems.



Dr. Brenda Yip has contributed to the construction industry and academia for 29 years. She is a Member of the Chartered Institution of Civil Engineering Surveyors, the Royal Institution of Chartered Surveyors, the Chartered Institute of Building, the Hong Kong Institute of Construction Managers, the Hong Kong Institution of Engineers and the Australian Institute of Building. Brenda has gained substantial professional experience in building engineering and project management for numerous successful large scale public and private property developments. Brenda has held a Professoriate post at the Department of Real Estate and Construction at the University of Hong Kong. Her teaching experience includes diversified areas in construction management at both undergraduate and postgraduate levels. She is also actively involved in research and knowledge transfer with comprehensive publication record in construction management and related fields. Brenda has delivered a series of NEC training in public seminars and been invited as a speaker for professional associations.



Robert Pegg has 40 years of international construction and engineering experience in commercial management, procurement management, project management, quantum and delay analysis, contract administration, delay analysis, claims management, facilities management, quantity surveying and dispute resolution experience in Arbitration and Mediation. Robert's experience ranges from cost planning at project inception, procurement strategy, preparing bills of quantities and tender documents, the management of design and construction, drafting contracts, valuing and certifying interim and final accounts, the management, negotiation and settlement of claims and the preparation and presentation of expert reports on quantum and time issues, dispute resolution including mediation and arbitration. Robert has worked in Hong Kong, Mainland China, Macau, Singapore, Thailand, Vietnam, the Middle East and Europe. Robert has been based in South East Asia since 1996 and has worked at Director Level since 1998. Robert is a member of the Royal Institution of Chartered Surveyors, The Hong Kong Institute of Surveyors, the Association for Project Management and the Chartered Institute of Arbitrators. Robert was the founding Secretary of the NEC Asia Pacific Users Group and is also currently a member of the CIC Taskforce on the NEC forms of contract founded on the concept of ‘Collaborative Contracting’. He also acted as Project Manager for the first private NEC3 Contract in Hong Kong. Robert is also a CEDR Accredited Mediator and a Government Dispute Resolution Advisor (DARA).



About BK SURCO Training

BK SURCO Training is an incorporated joint venture between BKAsiaPacific (Hong Kong) Limited (“BK”), the Hong Kong based Consultancy, providing Commercial and Contract Management; Dispute Resolution; Project Management; Planning, Programming & Scheduling and Quantity Surveying Services to the Hong Kong and International Construction Industries, and SURCO Ltd, the information business of the Chartered Institution of Civil Engineering Surveyors (“ICES”). **BK SURCO Training** was founded as the International Training Company of ICES to provide commercial training resources, advice and help for employers of construction personnel, especially those working in civil engineering, and for individuals engaged in commercial activities within the construction industry. **BK SURCO Training** combines the experience of SURCO Training’s experience of providing training advice and structured training programmes for many leading construction companies and employers of engineering services and public seminars in the United Kingdom over many years and the experience of BK in providing commercial and contract management training in Hong Kong and internationally in China, France, India, Japan, Malaysia, Philippines, Singapore, Thailand and Vietnam. **BK SURCO Training** also provides an advisory and mentoring service to all Affiliate Members of ICES, advising on training needs and work experience required, helping them through the professional training courses, advising on any necessary further work experience to implement the knowledge gained through the training modules and assisting them with their preparation of membership application documents and endorsing same.



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Workshop Venue

BK SURCO Training Centre

Suite 1908, 19th Floor, Hopewell Centre
183 Queen’s Road East
Wan Chai
Hong Kong

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E: bksurcotraining@bkasiapacific.com

Registration Form

Due to COVID-19, face-to-face classroom training is suspended. All training will be conducted in real-time online interactive mode until further notice.

I hereby register for the NEC Advanced Level Management Training Workshop(s) listed below to be held at BK SURCO Training Centre at Suite 1908, 19th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and agree to the terms set out by, BK SURCO Ltd:

Mr / Mrs / Ms / Dr Surname: _____ First name: _____

Company: _____

Position: _____ Email: _____

Tel: _____ Fax: _____ Mobile: _____

Address: _____

Contact Person Name: _____ Tel: _____ Email: _____

Workshop Fees and Details (Please select and tick the appropriate boxes)

Course	Date (Day)	Time	Fee
<input type="checkbox"/> NECPM125 – Provisions of the new NEC4® Contract	1 Sep 2020 (Tue)	0900-1230	HK\$1,600.00
<input type="checkbox"/> NECPM130 – Developing Procurement and Strategy Options using ECC	3 Sep 2020 (Thu)	0900-1700	HK\$2,900.00
<input type="checkbox"/> NECPM140 – Construction Risk and Programming Management using ECC	10 Sep 2020 (Thu)	0900-1700	HK\$2,900.00
<input type="checkbox"/> NECPM150 – Principles of Target Cost Contracting using the ECC	17 Sep 2020 (Thu)	0900-1700	HK\$2,900.00
<input type="checkbox"/> NECPM160 – Tendering and Contract Documentation for ECC Projects	22 Sep 2020 (Tue)	0900-1700	HK\$2,900.00
<input type="checkbox"/> NECPM170 – Project Administration and Communications using ECC	24 Sep 2020 (Thu)	0900-1700	HK\$2,900.00
<input type="checkbox"/> NECPM180 – Administration and Evaluation of ECC Compensation Events	29 Sep 2020 (Tue)	0900-1700	HK\$2,900.00
<input type="checkbox"/> NECPM190 – Pre and Post Contract Pricing, Valuation and Final Accounts for ECC	6 Oct 2020 (Tue)	0900-1700	HK\$2,900.00

- Fees include workshop materials and CPD certificates.
- 10% Fee discount for 3 or more full-day courses per delegate.
- Approved NEC Training Certificate provided following 35 Hours BK SURCO NEC Training in 12 months.

Total Fee:
HK\$ _____

Signature: _____ Date: _____

Payment and Enrolment Methods

- By **cheque** made payable to: "BK SURCO Limited".
- By **Bank Transfer**:
Bank Name: HSBC
Address: 1 Queen's Road Central, Hong Kong
Account Name: BK SURCO Limited
Account Number: 004-747-102739-001
Bank charges to be borne by the payee. Please ensure that BK SURCO Limited receives the full registration fees.

Please return the registration form with the payment (cheque or a copy of bank transfer to **BK SURCO Limited** by:

Email: bksurcotraining@bkasiapacific.com

Fax: +852 2687 2252

Post: BK SURCO Limited,
Suite 1901-2, 19th Floor, Hopewell Centre,
183 Queen's Road East, Wan Chai, Hong Kong

For further enquiries, please contact Ms. Phoebe Lai on +852 2687 2267.

Terms and Conditions

- 1 Registration will be confirmed upon receipt of payment.
- 2 The course programme is subject to change at any time without liability.
- 3 A replacement is welcome with prior notice to the organizer at no extra charge should the registered delegate be unable to attend.
- 4 Refund (less 20% administration charge) will be made for all cancellations received in writing not later than 10 working days prior to the date of the course.
- 5 The course will be cancelled if a No. 8 typhoon signal is hoisted or the Black storm warning is raised two hours prior to start of the course.