

THE NEC PARTNERING OPTION X12

The NEC Partnering Option X12 was published in June 2001 and was primarily derived from the “Guide To Project Team Partnering” published by the Construction Industry Council.

Option X12 is not a separate agreement but has been drafted as a secondary option for incorporation into the existing NEC family of contracts. It is not a freestanding contract but must be used as part of the NEC family of contracts in order to be effective and binding.

Option X12 is intended for multi party partnering where the project can consist of single or multi projects in the domestic or international fields. All parties who are intended to make up the project’s partnering team will require the inclusion Option X12 in their contracts respectively.

Option X12 acts as a framework for the parties to detail their agreed partnering provisions. The main aim of the partnering agreement is to achieve the Client’s objectives, which will be stated in the contracts and the objectives set by the Partners, as detailed within the Schedule of Partners.

Key features of Option X12 which should be considered by a party before entering into the Partnering Team, include:

The Partnering Information and Objectives

This will include the Schedule of Partners and Client’s objectives and will form the basis and aim of the partnering agreement.

Parties to the contract

All parties with Option X12 in their contract, which may include for example the Client, Contractor, Sub-Contractors, Project Manager and Consultants, are part of the partnering team. The team may alter from time to time.

The Core Group

A Core Group is made up from the Partners (not necessary all of them). The Core Group’s role is to set up meetings, timetable events, advise the Partners and to decide upon matters that are stated in the Partnering Information. These effectively steer and guide the project.

Responsibility

The parties to Option X12 must recognize that by entering into the contract, they are undertaking responsibilities in addition to those detailed within the basic NEC contract. Responsibility is still retained for all the sub-contractors in the chain below.

KPIs (Key Performance Indicators)

These generally are a financial incentive and are optional to the form.

Incentives

Where one party misses a particular target, due to poor performance, thereby letting the other members down, all parties may lose their bonus for that target.

Remedies

Option X12 does not include direct remedies between non-contracting Partners to recover losses suffered. Remedies (if any) are a matter between the parties under their individual contracts. This will apply to all levels of the chain who are part of the partnering team.

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