

DATASHEET

The architecture, engineering and construction (AEC) industry employs numerous contracts (including JCT, NEC/EEC, PPC2000, BE Collaborative, etc), to manage companies' roles and responsibilities in delivering complex projects. All impose significant responsibilities on project managers and key project participants, and generate large volumes of time-consuming paperwork. Drawing on its deep experience in developing web-based applications to manage information flows within project teams, BIW: Contract Administration supports key processes electronically, cutting paperwork, reducing administration and improving efficiency and control.

The contract challenge

Across the UK architecture, engineering and construction (AEC) industry, a wide variety of standard and bespoke versions of contracts are used to manage companies' roles and

responsibilities in the delivery of complex projects. Some contracts - such as the Joint Contracts Tribunal (JCT) forms - have evolved through many years of use; others - such as the New Engineering Contract (NEC), PPC2000 and the BE Collaborative Contract (now the JCT/ Constructing Excellence Contract) - have been developed more recently to meet new procurement challenges.



Whatever their origin, AEC contracts will tend to prescribe certain processes to be followed to manage changes. And, for each of these processes, many clients, contractors, consultants and other supply chain partners have developed paper-based forms and associated procedures to ensure that contractual relationships, roles and responsibilities are correctly updated to reflect the impacts of changes. Unfortunately, in many instances, these processes tend to be paper-based, and the large volume of paperwork generated can consume considerable management time in its administration.

Even where projects are being procured using more collaborative forms of contract, and where they may be employing some kind of web-based collaborative technology platform, there is still a risk that the team will need to manage change through exchange of a substantial volume of contractual correspondence and associated paperwork. Wouldn't it be better if such contractual processes could be managed online?

BIW: the NEC case study

For example, since the mid-1990s, partly stimulated by the drive towards more collaborative approaches to working following the 1994 Latham Report, the New Engineering Contract (NEC) has been widely



employed on UK construction projects. It appeals particularly to clients and their project teams wanting to adopt a non-confrontational approach, with heavy emphasis on ongoing and effective management of change, to avoid claims and disputes.

The contract has been recommended by the National Audit Office and endorsed by the Office of Government Commerce. Many contracts for major projects and programmes are now therefore procured using the NEC. For example, NHS Procure21 projects must use the NEC, and, following London's successful bid to host the 2012 Olympic Games, the Olympic Delivery Authority has announced that it will be using the NEC 3rd edition for all design and construction works.

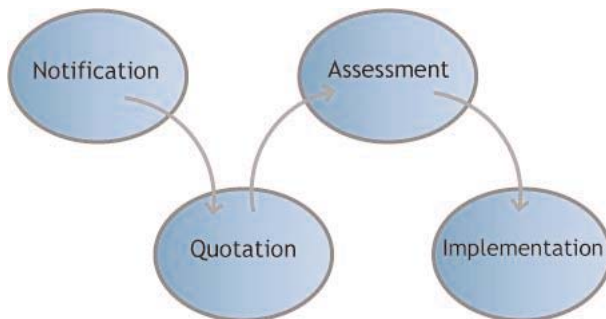
The NEC imposes high levels of management discipline on the client, project managers, designers and contractors. For example, on compensation events (covering what other contracts define as claims for loss and expense, and extensions of time), contractors are subject to time constraints governing when they must issue notifications to the client, while responses are also subject to specific time limits.

Such change management processes, if employed on projects using conventional paper-based communications, can generate large volumes of paperwork and absorb considerable amounts of management time - particularly if it is difficult to associate processes (eg: an early warning notice) with particular items of works information (eg: drawings).

BIW Contract Administration: the solution

As the leading provider of web-based technologies to project teams working in the UK construction, engineering and property sectors, BIW can draw on experiences of working with hundreds of project teams divided across thousands of organisations, working for scores of clients.

Having developed a collaborative process management (CPM) toolset, BIW capabilities extend across a wide range of contract-related project, programme and enterprise processes. For example, BIW consultants have applied their industry experience and expertise to build a detailed understanding of, for example, the NEC, mapping out its key processes and creating a series of generic 'NEC workflows' that, when applied in a logical sequence, help teams to follow the correct process procedures and make use of the NEC easier.



Since mid-2005, these NEC workflows have been implemented by BIW consultants on several projects, primarily those using NEC3, helping clients and their contractors and consultants to manage change using forms, terminology and timescales that they all found consistent, efficient, flexible and familiar. The many processes available include:

- Early Warning Notice
- Contractor- or Project Manager-generated Notification of Compensation Events
- Compensation Event Quotations
- Project Manager's Assessments
- Project Manager's Instructions
- Non-conformance reports
- Corrective Action Request

And it is not a "one-size-fits-all" solution: For instance, BIW can offer different variations of the NEC contract, including the NEC engineering and construction contract (ECC), the engineering and construction short contract (ECSC), the term service contract (TSC), the framework contract (FC) and bespoke versions of the contract specific to particular organisations or programmes.

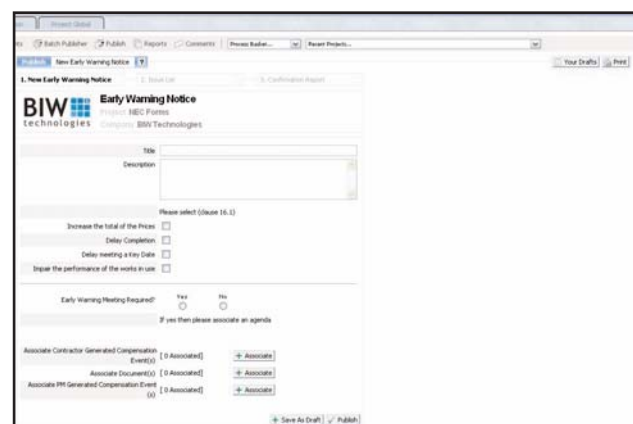
The BIW system also provides a powerful tool to manage the quality of information. For instance, the initial quality of 'works information' is a strong determinant of the number of early warning notices needed. Seamless integration between the BIW collaboration platform and the NEC workflows allows a user to raise an early warning notice from within the works information - saving time and putting the notice exactly into context.

As well as integration between contract change processes and the information management platform, BIW also enables real-time management of the cost impacts of changes, through its BIW Financial Control solution, and defects management processes can also be controlled using BIW Quality Manager.

BIW Contract Administration - the benefits

The contract toolset can be used to exactly replicate the way a team wants to operate contractually, delivering real benefits, including:

- **reduced paperwork** - leading to significant management time savings
- **a more consistent interface**
- **easier referencing to the contract**
- **more complete information** is provided when using the contract
- **better control** over information flows
- **improved integration** of processes and project data
- **greater transparency and visibility** to process participants
- **more complete reporting and performance data**
- **a single source of reference** for all NEC data
- **full audit trail** of all contract-related communications
- **better real-time management** - analyse the actual and potential consequences of variations on project finances and forecasts
- **faster assessment of financial implications of change** (when used in conjunction with BIW Financial Control)
- **easier management of defects** (when used in conjunction with BIW Quality Manager)



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