



**NEC Compliance Management
Innovation – Use of NEC Contracts and Supporting
Systems for MAP Projects**

▪ James Woods

- James is the NEC procurement specialist for Meridian Energy and head the MaP procurement and contractor relations – he led the team in the implementation of Conject to Support NEC

▪ Jon Marshall

- Jon is the regional general manager for Conject Pacific. The company is a subsidiary of UK based Conject which is one of the largest supplier of compliance management software to construction projects in the world

▪ Conject

- Conject Project Compliance (c-PC) – full suite of compliance modules - contract/cost are key
- Conject Facilities Management (c-FM) – complete management of FM supply chain
- Conject Project Management (c-PM) – pure document collaboration

Overview – NEC and Meridian

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- Meridian has been using the NEC suite of contracts to deliver major refurbishment projects since the early 2000s.
- Markets and Production (MaP) is the business unit of Meridian responsible for electricity generation, plant maintenance and wholesale electricity market sales.
- Meridian is also using NEC contracts for the construction of both the Mt Mercer (AU\$200M+ - Victoria) and Mill Creek (NZ\$169M - Wellington) wind farms.



Mt. Mercer wind farm (currently under construction)

AU\$200M+ (2 NEC contracts)

▪ Why Meridian choose NEC3?

- Suite of aligned contracts – we use the entire suite for integrated project delivery
- Collaborative contract – both parties working together for defined project outcomes
- Pro-active risk management – early warning of potential issues
- Effective process for dealing with change – structured process to follow with clear responsibilities and timeframes

Promotes good practice management

Manapouri powerhouse ventilation upgrade
(currently underway) NZ\$10M+
(3 NEC contracts)



Pre System the Before

■ Contract Management before a system

- Number of spreadsheets to manage communications
- Contractual communications created in MS Word and e-mailed to contractors
- Inconsistent approach to contractual management
- Challenge to monitor timeframes
- Lack of document tracking and association

Waitaki Refurbishment (currently underway)

(NZ\$45M – 40+ separate NEC contracts)



Overview – Compliance Functions

▪ **Contract Control**

- Managing all contractual communications across the supply chain
- Managing NEC – SC, PSC , ECC , ECS
- Application of formal Communications Process
- Reporting
- Document Compliance – design approval process and construction drawings

▪ **Compliance Key Principles**

- Manage the large amounts of data created during the project – avoid dependence on PDF and email
- Drive Accountability/Prioritisation – all project members know their next step and when they have to take it
- Drive visibility – ensure client/consultants/contractors have visibility across the supply chain of what is or what is not happening
- Drive Auditability – ensure drill down through the change decision process and provide a complete “as-built” of project change communications in a central repository
- Drive Reporting – data forms allow a lot of in project and cross project programme level reports to be created

Post System the After

- Management System:
 - Reduced the time spent manually managing document control
 - One place for contract documentation
 - Tracks workflow and timeframes and displays this on dashboard
 - Visibility and association of documents through the NEC3 process
 - Varying rights of access depending on role and company

- Lessons for systemising NEC compliance
 - Understand the contract environment
 - Document the scope – ensure all parties understand the process for design and approval during the document design phase
 - IT – get all IT parties involved early at both Meridian and Consultants as IT firewalls have created performance issues (SaaS versus Local installs)
 - Partners – we didn't do a good job of engaging partners or explaining what we wanted to achieve
 - Train up Super users – investment for the future
 - Client investment in training its Supply Chain Partners

▪ Reduce Cost

- Reduce disputes and analysis of change on the project
- Reduce inaccuracy of drawings and contractual communications through visibility and auditability
- Reduce misunderstood, lost communications through accountability
- Reduce delay through prioritisation and early notice of potential change/risk

▪ Improve Outcomes and Analysis

- Eliminate attaching documents to email so ensuring all change communications are accessible and reportable
- Ensure cost data is readily available and monitored including expected and agreed cost changes
- Reduce or eliminate disputes

Questions

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