

Construction contract law

Law



Comparison of NEC 3 and JCT NEC, short for New Engineering Contract, refers to a family of contracts that enhances the construction process. The contract has guidelines to how project management should be handled and how legal relationships should be handled. Other than the guidelines, this engineering contract assists construction engineers in procuring projects and the supply of materials to the project sites (Cartlidge 2009, p. 3). The NEC contracts are quickly gaining popularity both on a national and international level. This is due to the time-efficiency, quality and cost efficiency promoted by the NEC contracts.

Joint Contracts Tribunal (J. C. T), on the other hand, refers to another family of contracts custom-built for complex and large construction projects. This contract legally binds all the stakeholders working on the project from the employer to all the contracted individuals in the project (Rowlinson 2011, p. 4). Construction engineers are often at a crossroads when picking either of the two families of contracts. The differences are quite clear starting with the administrator or project manager of the project. In this essay will compare the two families of contracts to determine which is superior.

The two contractual families, despite achieving similar results, have different approaches in handling a project's stakeholders. The first major difference is how both contracts handle a project's programme. The NEC contract, for instance, follows the last accepted programme in timing compensation (Eggleston & Eggleston 2006, p. 9). This Accepted Programme refers to the programme identified by the contract or the programme approved by the project manager. Once the project manager approves the latest programme, this programme will supersede all previous programmes.

In the JCT 2011 contract, the master programme refers to the critical paths
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that the project must undergo during the course of the programme. In contrast to the NEC programme, the JCT 2011 programme is amendable during the course of the project (Chappell 2012, p. 62). The amendment period usually spans 14 days and the contractor is the one tasked with making the appropriate amendments.

The second difference between the two contracts is the handling of time extension. The JCT contract, according to clause 2. 27, states that delays that might occur during the Works the contractor is tasked with giving notice to the contract administrator (Chappell 2012, p. 38). The contractor is required to state the material circumstances that led to the causation of the delay. If an event, in the project's Programme, the contract states that the Contract administrator should give an extension of time that takes into consideration the project's completion date.

The NEC contracts state that time extensions during the course of the project shall be decided by both the Project Manager and the Contractor. Both must agree to an extension before the Project Manager agrees to one (Eggleston & Eggleston 2006, p. 19). The Manager later communicates the extension to the Contractor. For an extension to be granted, the contractor must submit appropriate quotations for alternative compensation events. The Project Manager has to agree with the quotations in order to approve a time extension.

In terms of loss and expenses, the JCT 2011 states that the Project's Quantity Surveyor shall ascertain the figures in a period of three months (Lupton 2011, p. 46). The surveyor prepares a statement for all the project's adjustments done to the initial Contract Sum. The NEC contract, on the other hand, handles disputes regarding expenses through an Adjudicator who

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assess expenses and losses resulting from unnecessary delays. The assessment follows the similar to that of a compensation event. The assessment takes roughly 28 days during which the Adjudicator decides on compensating for the expenses.

Contract administration is another stark difference between the two contractual families. The NEC contract administrator conducts the Works following the guidelines set by the Works Information (Eggleston & Eggleston 2006, p. 3). The project manager has to accept the designs specified by the contractor in order for the Works to proceed as required. In short, the NEC appoints the Project Manager as the de facto executor of the contract. The JCT, on the other hand, states that the employer is the executor of the contractor. In case the employer is absent, the contract administrator acts on his behalf.

Bibliography

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