

The logo for REAAA (Road Engineering Association of Asia & Australasia) is located in the top left corner. It features the acronym 'REAAA' in white on a dark blue background, with the tagline 'Driving Progress' below it. A yellow graphic element resembling a stylized road or arrow is positioned to the right of the text. Below the blue area is a yellow horizontal bar containing the full name of the organization.

REAAA
Driving Progress

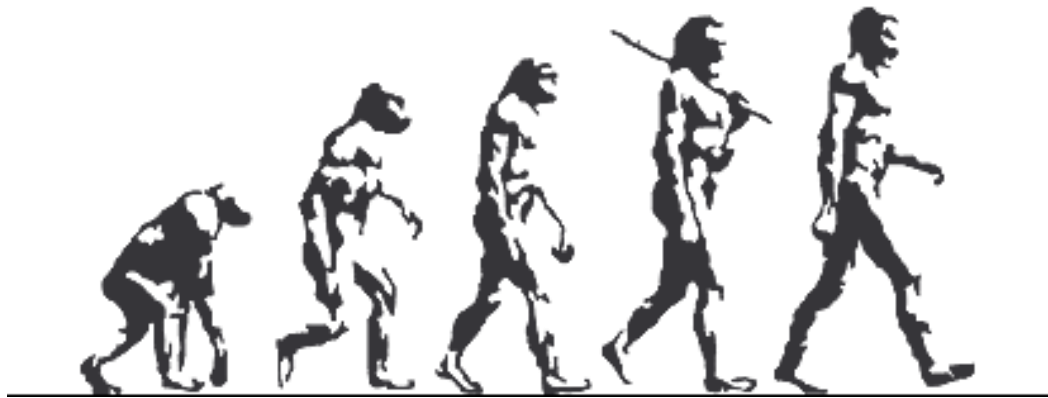
ROAD ENGINEERING ASSOCIATION OF ASIA & AUSTRALASIA (NZ)

New Plymouth District Council's NEC4 Collaborative Contract

RUI LEITAO | NEW PLYMOUTH DISTRICT COUNCIL

EVOLUTION

Like humans...



Contracts have evolved!

- NZS623 and PW64 since 1940's
- NZS623P:1984
- NZS3910:1987 NEC1 (1993)
- NZS3910:2003 NEC2 (1995)
- NZS2915:2005 NEC3 (2005)
- NZS3910:2013 NEC4 (2017)
- NZS3916:2013
- NZS3917:2013

NZS vs NEC

NZS

- Legal document written by **lawyers**
- Intended for **conflict** resolution
- Expectation of **conflict**
- **Complex** document in legal language

NEC4

- Legal document written by **project managers**
- Focus on the **Parties** roles
- Spirit of mutual **trust and co-operation**
- **Simple** and well sectioned document in project management language

NEC4 and NPDC's approach

- Acknowledge that in traditional maintenance contracts contractors must cover all risks including managing direct costs, profit margins, and overheads. As these costs are loaded into all rates and managed traditionally through combative negotiations. All thoughts by the Parties are about output at least cost or least pain.
- New Plymouth DC's NEC4 collaborative Term Services Contract acknowledge that businesses require a margin of profit and overheads. That these can be quantified and tensioned. Risk is shared between the Parties for the best long-term VfM outcomes...
- ...but New Plymouth DC's approach has an evolutionary step to it...

NPDC's Purpose-Oriented approach

- Created KRAs that not only tensioned the traditional asset management outcomes, but also purposely orientated to address areas that can contribute to the New Plymouth community, but also the New Zealand.
- A Purpose-Oriented approach targets greater social benefits than simply the traditional output.
(referred to in Mariana Mazzucato's *Mission Economy – A Moonshot Guide to Changing Capitalism*)
- A Workplace Development KRA designed as a catalyst for investment, innovation and collaboration, based on long-term supply chain partnership, where the trickle-down effects can then enrich the community and NZ.
 - The aim is increasing intake of people to the industry, keeping people in the industry, and growing our industry.
 - It's about co-investment in the community so that in turn it can will help us all.

...and the Evolution continues!

LOW
VOLUME
ROADS
WORKSHOP
2022



Thank you for listening

Questions?