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NEC Forum 6 - 2026

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FREE

Tuesday, 14th July
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Topic: NEC4 Framework Contract FC4

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CONTRACTS | MANAGEMENT | SMART

Framework Contracts in South Africa

Public and private-sector application of the NEC4 Framework Contract

ICE-SA Jam Session

Prepared by ECS Associates | July 2026
Acknowledgement: Richard Patterson NEC4 Framework Contract webinar

**Capacity first.
Orders later.
Controls always.**

Acknowledgement and positioning

Acknowledgement

Richard Patterson was originally intended to present this topic.
Inspiration and structure have been drawn from his NEC4 Framework Contract webinar.
Special thanks to Mile Sofijanic and Alain Jacquet.

South African application

This deck applies the NEC4 Framework Contract to both public procurement environments and private-sector infrastructure delivery.

Video link: https://www.youtube.com/watch?v=I7eRQdplJxs

Positioning statement

Framework contracting is not procurement without control. It is a way of designing competition, governance and contract administration before individual needs arise.

Today's route map

1. **Why speed?**
   The bottleneck and the delivery need
2. **Procurement vehicles**
   Panels, rosters, term service and framework
3. **Public + private**
   Two governance environments
4. **NEC4 FC**
   Two-level contract structure
5. **Selection + quotation**
   How work is allocated and priced
6. **Implementation**
   Controls, traps and close-out

The goal: framework contracts that are faster without becoming uncontrolled.

The operational reality: the need for speed and agility

Immediate response

Emergency repairs, routine maintenance, urgent technical advice and specialist investigations. Requires rapid mobilisation.

Long-term programmes

Capital programmes, network expansion, refurbishment, asset renewal and multi-site delivery. Requires predictability.

The bottleneck

Treating every requirement as a unique procurement event creates delay, duplicated effort and fragmented supplier relationships.

Need → Procure → Deliver

When the procurement cycle is longer than the work itself, the system is too slow for responsive infrastructure delivery.

The administrative burden of traditional procurement

Strategy ▶ Bid spec ▶ Advertise 21 days ▶ Evaluate ▶ Adjudicate ▶ Award ▶ Objections ▶ Contract signature

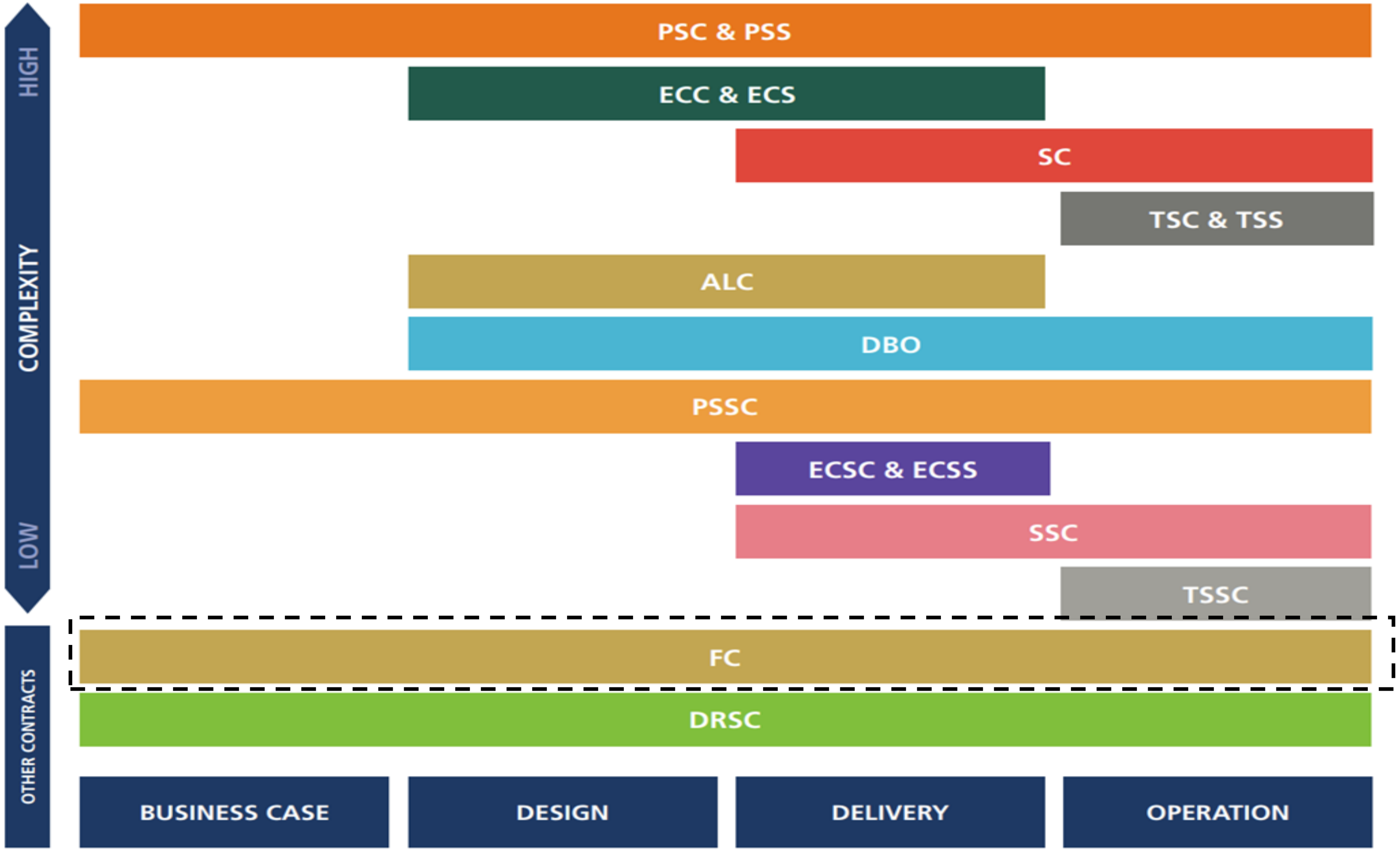
Procurement lag > execution time

Repeated for every individual project, task or appointment, regardless of size or urgency.

Framework shift

A framework does not remove approvals. It moves the competition, contractual rules and selection procedure upstream so that later Work Orders can be placed more efficiently.

Contracting Options: NEC4 Family



Acronym	Definition
PSC	Professional Service Contract
PSS	Professional Service Subcontract
ECC	Engineering and Construction Contract
ECS	Engineering and Construction Subcontract
SC	Supply Contract
TSC	Term Service Contract
TSS	Term Service Subcontract
ALC	Alliance Contract
DBO	Design, Build and Operate Contract
PSSC	Professional Service Short Contract
ECSC	Engineering and Construction Short Contract
ECSS	Engineering and Construction Short Subcontract
SSC	Supply Short Contract
TSSC	Term Service Short Contract
FC	Framework Contract
DRSC	Dispute Resolution Service Contract

The landscape of procurement vehicles

Transactional

Relational/Strategic

One-off Contract

Unique, high-value projects.
Defined start/end.
Specific Scope.

Term Service Contract (TSC)

Continuous service for a duration.
E.g., Cleaning, Vegetation Management.

Panel / Roster

List of pre-qualified suppliers. Often rotational.
No guarantee of work.
Operationally rigid.

Framework Contract (FC)

Agreement to execute FUTURE works on instruction.
Flexible scope.
The focus of today.

Frameworks are most useful where future needs are likely, but their timing, quantity or precise location is uncertain.

A FRAMEWORK PROCURES CAPACITY BEFORE SPECIFIC ORDERS ARE KNOWN

The central idea

Framework contracting = capacity first, orders later.

- **Framework Contract:** an agreement between a *Client* and one or more *Contractors*, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged (ISO 10845:2020)
- **A Time Charge Order:** is an instruction to provide advice on a proposed Work Order on a time charge basis.
- **Work Order:** is a contract to carry out work within the *framework scope*.

It is
- A long-term arrangement
- A way to pre-establish key terms
- A mechanism for repeat work
- A programme-level supplier strategy

It is not
- A guarantee of work
- A blank cheque
- An open-ended appointment
- A substitute for proper scope definition

National Treasury Definition: "An agreement between an organ of state and one or more contractors… governing orders to be awarded during a given period."

One mechanism, two governance environments

Public-sector Client

- Constitutional procurement principles
- PFMA/MFMA and SCM policies
- Treasury and CIDB requirements
- Public accountability and audit trail

Same NEC4 logic
Different approval environment

Private-sector Client

- Corporate procurement policy
- Delegated authority and budgets
- Negotiation and strategic sourcing
- Commercial confidentiality and speed

The contract form may be the same. The procurement, approval and audit environment around it is not.

THE FRAMEWORK IS THE PLATFORM; EACH ORDER IS A SEPARATE CONTRACT

How NEC4 FC works: two levels

Level 1: NEC4 Framework Contract

NEC Framework Contract (FC)
Sets the 'Rules of the Game' (Contract Data Part 1 & 2)
Client + Suppliers | Client's Representative | Framework scope | Selection procedure | Quotation procedure | Framework Information

Time Charge Order
Advice, investigations, scoping, early input before a later Work Order. Usually time-based.

- **NEC PSC** (Professional Services Contract)
- **NEC PSSC** (Professional Services Short Contract)

Work Order
Separate contract to carry out work. Must be within framework scope and use order-specific documents.

- **NEC ECC** (Engineering & Construction)
- **NEC ECSC** (Engineering & Construction Short Contract)

The FC is the coat hanger; the orders are the contracts hanging from it.

Correct NEC4 terminology

C

Client

The party establishing the framework and issuing orders.

S

Supplier

A party appointed to the framework and eligible for orders.

C

Client's Representative

The person performing the NEC4 contractual administration functions.

S

Framework scope

Boundary of what may be ordered under the framework.

C

Time Charge Order

Advice or assistance concerning a proposed Work Order.

S

Work Order

A separate contract to carry out work within the framework.

The NEC4 core clauses: FC compared to ECC and PSC

Aspects	NEC4 ECC	NEC4 PSC	NEC4 FC
Parties	Client / Contractor	Client / Consultant	Client / Supplier(s)
Agent / administrator	Project Manager and Supervisor	Service Manager	Client's Representative
1. General	Actions, communications, roles, early warning, etc.	Actions, communications, roles, early warning, etc.	Actions, communications, Client's Representative, corrupt acts
2. Main responsibilities	Contractor's main responsibilities	Consultant's main responsibilities	Parties' obligations; Supplier selection; Time Charge Order; Work Order quotation
3. Time / completion	Starting, programme, completion	Starting, programme, completion	Completion of the framework obligations
4-8	Quality, payment, compensation events, title, liabilities and insurance	Quality, payment, compensation events, rights to material, liabilities and insurance	**Not used in the FC - dealt with in the individual order contract where applicable**
9. Termination	Termination under the ECC	Termination under the PSC	Termination of the Framework Contract
Secondary options	Used where selected in Contract Data	Used where selected in Contract Data	**Generally not used in FC; relevant options are selected in the order contract**

The FC sets the framework machinery. ECC and PSC contain the detailed project/service administration machinery.

NEC4 Framework Contract Data format

Part One - Data provided by the Client
The Client is
The Client's Representative is
The Framework Information is in
The framework scope is in
The selection procedure is in
The quotation procedure is in
The quotation information is in
The End Date is
Data applying to all Time Charge Orders
Data applying to all Work Orders

Part Two - Data provided by the Supplier
The Supplier is
The quotation information from the Supplier is in
Supplier rates and people data
Supplier proposals and resources
Insurance and commercial information
Any order-level data provided by Supplier

Good practice: keep order templates ready from day one - Contract Data, Scope, pricing document, Site Information and approval form.

Two order mechanisms

Time Charge Order

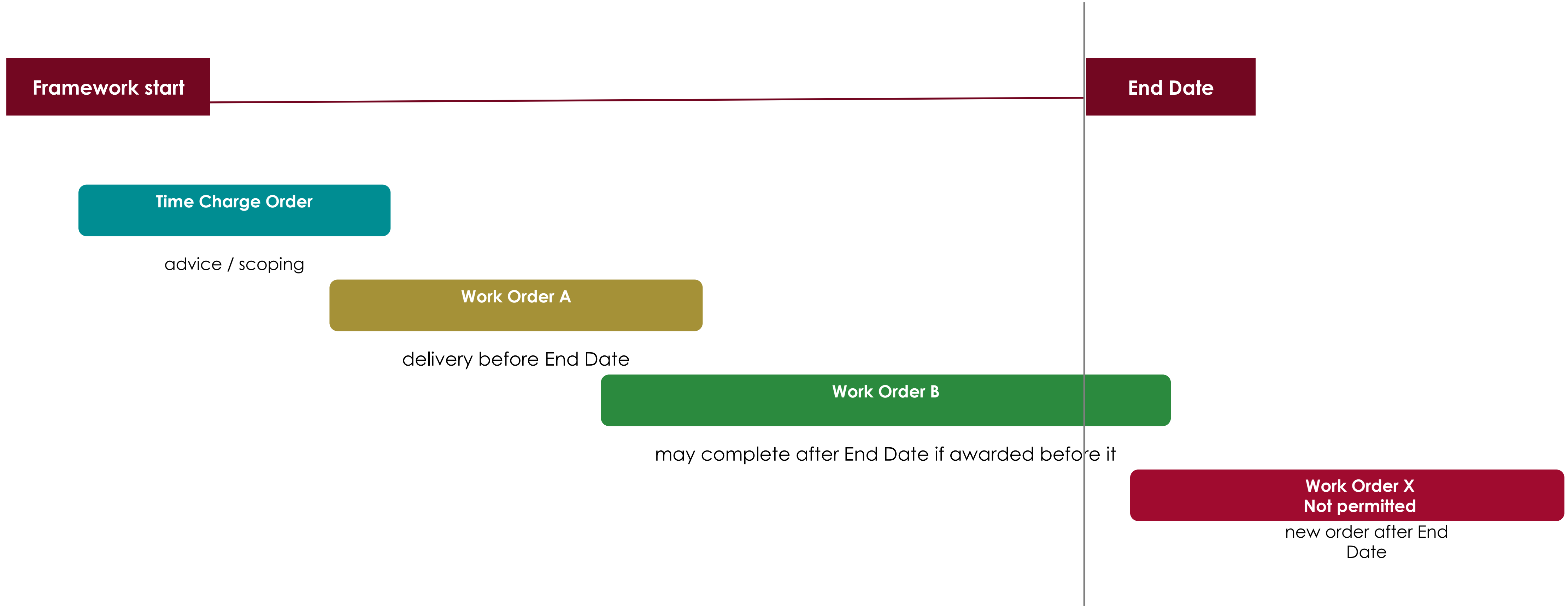
Advice, investigations, scoping, feasibility, design input, value engineering and early contractor input. Usually paid on agreed time-charge rates. Useful before a Work Order is mature enough to price.

Work Order

Separate contract to carry out work, services or an agreed deliverable. Must be within framework scope, use appropriate NEC4 form, include order-specific data and be subject to the selection and quotation procedures.

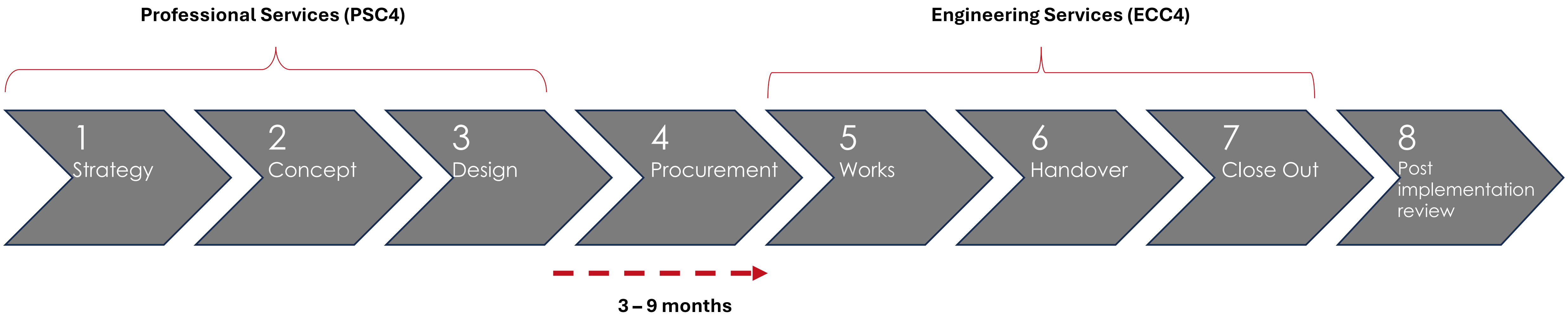
Time Charge Orders help define the problem. Work Orders deliver the solution.

Framework timing: End Date, Time Charge Orders and Work Orders



Rule of thumb: do not award a new order after the framework End Date. An order properly placed before the End Date may have its own later Completion Date if the framework and governance documents allow it.

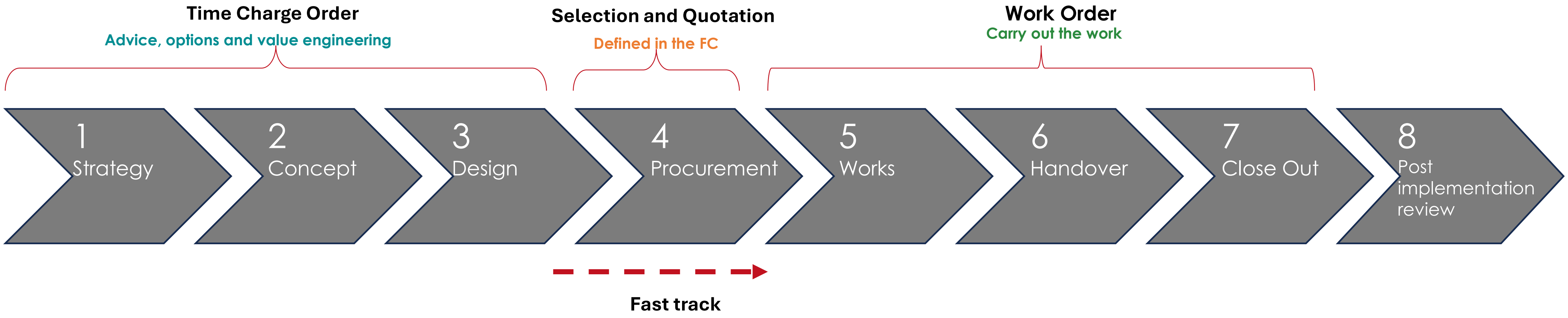
Project lifecycle: typical scenario



Common challenge

The design team and contractor are often procured separately. This can delay mobilisation, weaken buildability input and create scope, programme and compensation event disputes later.

Project lifecycle: framework contracts



Frameworks support Early Contractor Involvement and value engineering without waiting for a full project-by-project procurement process.

When a framework is suitable

Suitable

Recurring category of work
Uncertain quantities, timing or locations
Need for rapid mobilisation
Programme or portfolio delivery
Scope can be defined by category
Supplier capacity must be secured

Less suitable

Unique mega-project with complete scope
Requirement outside advertised framework scope
No clear selection procedure
No delegated authority or budget
Supplier capability uncertain
Used merely to avoid competition

Decision test: can the Client describe the category, selection rules and commercial basis now, even if the exact order is unknown?

Selection procedure: how a Supplier is chosen for an order

1. **Mini-competition**
   Framework Suppliers submit quotes for the specific order. Good for price-sensitive or varied work.

2. **Direct award**
   Predefined objective basis, such as ranked supplier, continuity, specialist capability or urgency.

3. **Rotation**
   Opportunities allocated by sequence, subject to capacity, performance and suitability.

4. **Geographic lots**
   Supplier selected by region, site, operating area or network area.

5. **Capacity-based**
   Supplier selected according to availability, workload and ability to mobilise.

6. **Emergency route**
   Predefined urgent-work procedure with approval and audit trail.

Public sector: disclose and follow the rule. Private sector: authorise and document the rule.

Quotation procedure: how the selected Supplier prices the order (example)

1 → 2 → 3 → 4 → 5

1 Order brief

Scope, site data, completion requirements and pricing basis are issued.

2 Supplier quote

Supplier submits price, programme, assumptions, exclusions and proposed resources.

3 Assessment

Client evaluates price, risk, compliance and value for money.

4 Clarify / revise

Client may request a revised quotation if the quote is incomplete or misaligned.

5 Award Work Order

Accepted quote becomes part of the separate order contract.

Example quotation requirements

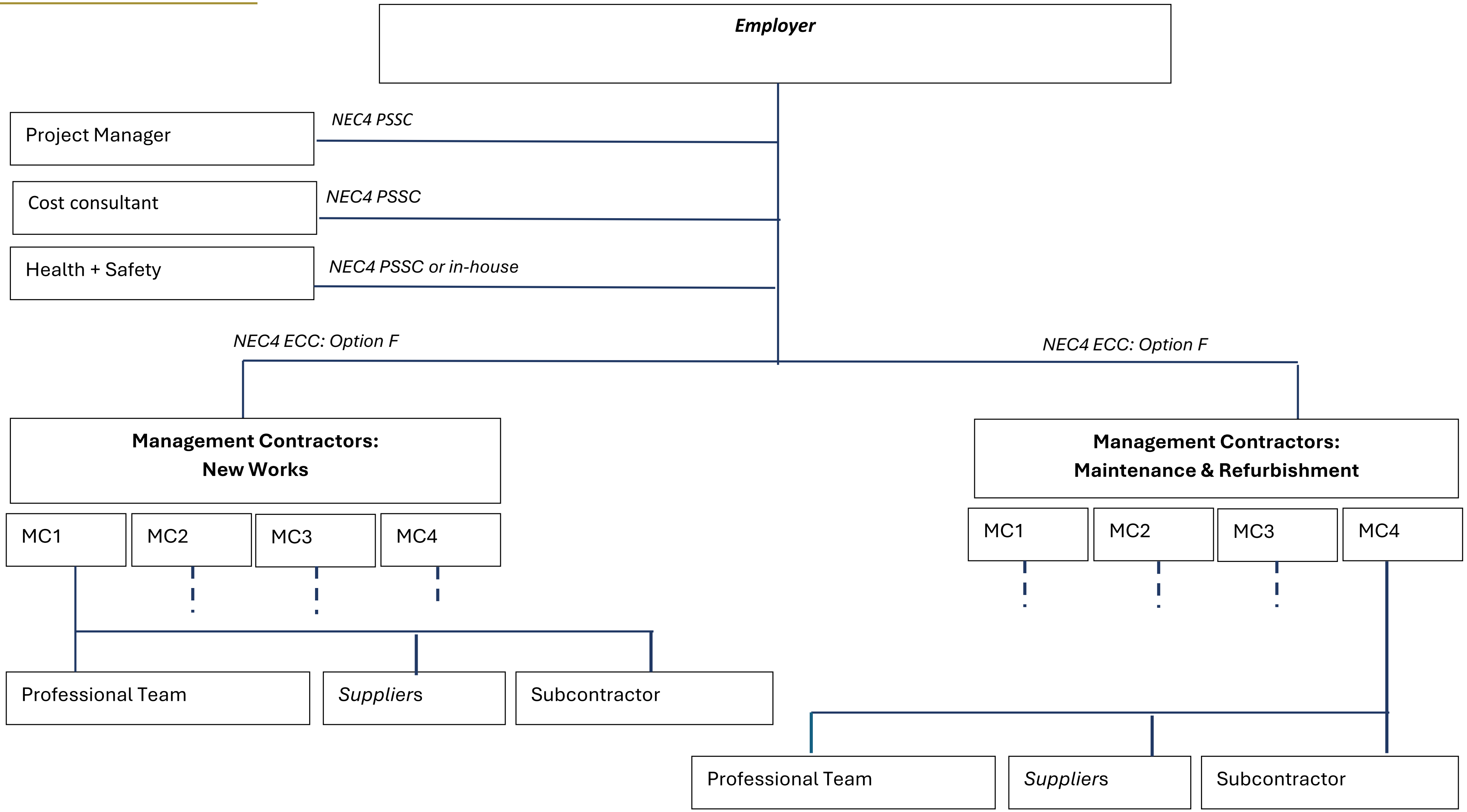
- itemised price or activity schedule
- programme and mobilisation plan
- key people and equipment
- assumptions and exclusions
- risk allowances and compensation-event assumptions
- subcontracting and local participation commitments

Example selection criteria for a Work Order

Criterion	Weight	Example assessment focus
Price / value for money	40%	Competitiveness, completeness, assumptions, value against estimate
Technical capability	25%	Experience, methodology, team, resources and fit to scope
Programme / time	15%	Mobilisation, sequencing, ability to meet completion requirements
Health, safety and environment	10%	Safety system, incident record, environmental controls and method statements
Past performance	5%	Quality, responsiveness, disputes, previous framework performance
Risk and claims management	5%	Risk register, mitigation, realistic assumptions and change control

Important: the framework documents should state whether these criteria are fixed, illustrative, or may be adjusted for each Work Order.

Example procurement strategy using a framework



Legend
ECC Engineering and Construction Contract
PSSC Professional Services Short Contract

Advantages of using framework contracts

1. **Speed**
Faster mobilisation once need is identified.

2. **Consistency**
Standard commercial and contractual rules.

3. **Flexibility**
Different order forms and pricing options.

4. **Competition**
Mini-competition or objective allocation can retain value pressure.

5. **Relationships**
Longer-term learning, collaboration and innovation.

6. **Portfolio control**
Track spend, workload, performance and capacity.

7. **Reduced admin**
Less repeated tendering and negotiation.

8. **Risk management**
Pre-vetted capacity and repeatable documentation.

Frameworks create value by standardising what should be standard and preserving choice where the specific order needs it.

Implementation controls

1. **Framework scope**
   Categories, sites, limits and exclusions.

2. **Participating Clients / users**
   Who may use the framework and under what authority.

3. **Selection procedure**
   Clear rules for mini-competition, rotation or direct award.

4. **Quotation procedure**
   What must be priced, assessed and approved.

5. **Commercial rules**
   Rates, fees, inflation, pricing options and assumptions.

6. **Budget controls**
   Authority, thresholds and order approvals.

7. **Order templates**
   Contract Data, Scope, Site Info and pricing docs.

8. **Performance management**
   KPIs, reviews, workload and supplier improvement.

9. **End Date / close-out**
   No new orders after End Date; close out order contracts.

For public clients, each item must also align to applicable legislation, Treasury / CIDB requirements and SCM policy. For private clients, align to group procurement and delegated authority.

Common traps and corrections

Trap	Correction
Unclear framework scope	Define category, geography, disciplines, limits and exclusions.
Direct award by convenience	Use objective, pre-stated selection criteria and document the reason.
No budget gate	Confirm budget and delegated authority before issuing each order.
Generic pricing	Use pricing models suited to the underlying NEC4 contract and risk.
Weak audit trail	Record selection, quotation, approval and award decision.
No performance feedback loop	Track KPIs and use them to inform future allocation.

Framework success is designed before the first order is placed.

Potential South African applications

Public infrastructure

- Schools, clinics and public buildings
- Roads, stormwater and municipal works
- Water and sanitation repairs
- Electricity distribution infrastructure
- Professional services and investigations
- Disaster recovery and emergency works

Private infrastructure and industry

- Mining sustaining capital
- Plant shutdowns and maintenance
- Commercial property portfolios
- Renewable energy programmes
- Telecommunications rollout
- Data centres and logistics facilities

Common factor: repeated category + uncertain timing, quantity or location.

Key takeaways

1. **Frameworks are not only public-sector tools.**
2. **Public and private Clients need different governance overlays.**
3. **The NEC4 FC is a contract to issue contracts for specific work under the Framework.**
4. **Selection and quotation procedures must be designed upfront.**
5. **Speed is created by preparation, not by bypassing control.**

Further reading:
Constructing the Gold Standard
An Independent Review of Public Sector Construction Frameworks
By Professor David Mosey
Centre of Construction Law, King's College London

Questions

Where does your current procurement cycle create the most delay?

Which categories of work are genuinely repeatable?

Which allocation method would be defensible in your environment?

What would need to change before your organisation could use a framework well?

A good framework is faster because the rules are already designed.