THE PURPOSE OF SPC2000

SPC2000, the first standard form of Specialist Contract for Project Partnering, is a landmark in driving forward the reforms instigated by Sir John Egan's Construction Task Force, and ensures that Partnering Teams can include all members of the supply chain.

SPC2000 complements PPC2000, the first standard form Project Partnering Contract, which was launched by Sir John Egan in September 2000. Sir John described PPC2000 as “a blow for freedom” and it is now in use on a wide variety of projects in both the public and private sectors.

SPC2000 focuses on involvement of Specialist sub-contractors in project design and risk management from the earliest possible stage. It also encourages open-book pricing and collaborative working throughout all stages of the project process.

SPC2000 was trialled before its launch with constructors that included Willmott Dixon, Wates, Llewellyn, Mount Anvil, Denne, Gleeson and Mears. The authors (David Mosey and Charles Morrish of Trowers & Hamlins solicitors) also consulted leading organisations representing Specialist sub-contractors, including the Specialist Engineering Contractors Group and the Heating and Ventilating Contractors Association.

SPC2000 allows the Constructor to contract with all Specialists on terms that are consistent with project partnering.

PARTNERING TEAM AND PARTNERING CONTRACT

SPC2000 is suitable for a Specialist who is a Partnering Team member, if and to the extent that the entire relationship between that Specialist and the Constructor cannot be contained in PPC2000. SPC2000 is equally suitable for a Specialist who is not a Partnering Team member.

The Specialist Agreement states whether or not the Specialist is a Partnering Team member and whether or not the Specialist has been provided with a copy of the Partnering Contract or specified parts of the Partnering Contract.

SPC2000 requires the Specialist to support the Constructor (within its agreed role/expertise/responsibilities) and to provide such information and assistance as is necessary for the Constructor to comply with its obligations under the Partnering Contract, and for the Specialist not by reason of any delay/default/failure to place the Constructor in breach of the Partnering Contract.
SPECIALIST DOCUMENTS
The Specialist Documents supporting SPC2000 are listed in the Specialist Agreement, with space to identify the documents comprising the Specialist Works Brief, the Specialist Works Proposals and the Specialist Payment Terms.

SPECIALIST TIMETABLE
SPC2000 allows for a separate Specialist Timetable or for it to be set out in the Specialist Agreement itself, with dates for key stages, provision for Commencement Notices (a pro forma is set out in Appendix 2 Part 2), and periods for procurement/fabrication/delivery to Site, for implementation on site and for Specialist Completion.

There are options for Specialist Sections and provision for constraints on Site access and possession.

EARLY WARNING AND MEETINGS
SPC2000 provides for an Early Warning system as between the Constructor and the Specialist. It also requires both to attend meetings called by either at not less than three working days notice where necessary to facilitate performance of their agreed roles and responsibilities, and also for post-Project review.

PARTNERING OBJECTIVES
SPC2000 mirrors PPC2000 as to agreed objectives linked to “Rethinking Construction”, as well as to agreed Specialist KPIs.

INSTRUCTIONS
SPC2000 provides for instructions to the Specialist to be issued only by the Constructor, with the right of objection save where immediate compliance is justified by health and safety reasons or other demonstrable emergency.

DESIGNS
SPC2000 provides for the Specialist to contribute to designs and to other information required for the Specialist Works and also to participate proactively in Value Engineering. The periods governing these contributions, and related to Constructor comments, can be set out in the Specialist Agreement, as can any agreed amendments to the design development process and the requirement for related Site surveys and investigations.

PRICE AND INCENTIVES
While the Specialist Price is set out in the agreed Specialist Payment Terms, SPC2000 provides for agreed shared savings arrangements and/or added value incentives to be set out in the Specialist Agreement.

SUB-SPECIALISTS
SPC2000 provides for the Specialist to establish Sub-Specialist appointments with its own supply chain, wherever possible complementary to SPC2000.

PRE-POSSESSION ACTIVITIES
SPC2000 also provides for early activities on or off Site to be undertaken by the Specialist through a Specialist Pre-Possession Agreement (a pro forma is set out in Appendix 2 Part 1) subject to agreed payment and timing arrangements, pending unconditional authority for the Specialist Works to proceed in full.

SPECIALIST KPIs
SPC2000 describes particular KPIs which can be developed for the performance of Constructor and the Specialist. There is also provision for payment of the Specialist to be linked to performance against particular Specialist KPIs.
CHANGE
Changes proposed by the Constructor are to be subject to advance evaluation by the Specialist as to time and cost consequences unless the Constructor overrides in the event of urgency.

RISK
The Constructor and the Specialist are required to analyse risk and seek to identify/eliminate/reduce its costs, or to insure as appropriate, or to share or apportion risk according to who is most able to manage it. Grounds for extension of time mirror PPC2000. Risk sharing arrangements can be agreed and specified in the Specialist Agreement, as may adjusted arrangements in respect of payment of events of delay and disruption.

OWNERSHIP OF MATERIALS/GOODS/EQUIPMENT
SPC2000 provides for risk in materials/goods/equipment to remain with the Specialist until Specialist Completion (except as otherwise agreed in the Specialist Agreement and subject to the Constructor’s responsibility for Site security and the agreed grounds for extension to time). It also provides for ownership of materials/goods/equipment to pass on incorporation into the Project or when the Specialist receives payment if earlier or on any earlier date stated in the Specialist Agreement.

PAYMENT
SPC2000 payment periods mirror PPC2000 as do any agreed payment milestones/activities/schedules/cash flows or otherwise agreed in monthly or other intervals - the first application for payment being made within the relevant interval following a date stated in the Specialist Agreement or otherwise following commencement of the Specialist Works.

SPECIALIST COMPLETION
SPC2000 provides for a period of seven working days notice prior to agreed procedures for handover of the Specialist Works, with an agreed regime of inspection and testing. Part Specialist Completion may be agreed, and defects rectification will be subject to the periods and deadlines stated in the Specialist Agreement.

JOINT INITIATIVES AND STRATEGIC ALLIANCING
SPC2000 mirrors PPC2000 in encouraging the Project partnering relationship between the Constructor and the Specialist to develop into strategic alliancing, subject to performance against agreed Specialist KPIs and subject to agreement of specific terms consistent with relevant laws and regulations.

PROBLEM SOLVING AND DISPUTE RESOLUTION
SPC2000 problem solving and dispute resolution provisions mirror those in PPC2000 with a Specialist Problem Solving Hierarchy set out the Specialist Agreement.

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