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# Dubai Conference 2017

Introducing the FAC-1 Framework Alliance Contract  
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26 JANUARY 2017

THE BRITISH UNIVERSITY IN DUBAI, DUBAI, UAE

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## What is a framework alliance ?

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- Clients and the construction industry (and their lawyers/ advisers) focus mostly on allocating/ transferring risk under individual construction phase building contracts
- A *“framework alliance”* focuses also on the pre-construction phase and on the lessons that can be learned between team members and between projects
- A framework is an agreement enabling and supporting the award of project contracts that is not itself a project contract
- *“Alliancing ...links the rewards of each of the alliance members to specific and agreed overall outcomes .”* European Construction Institute

## MoJ framework alliance project :North Wales Prison

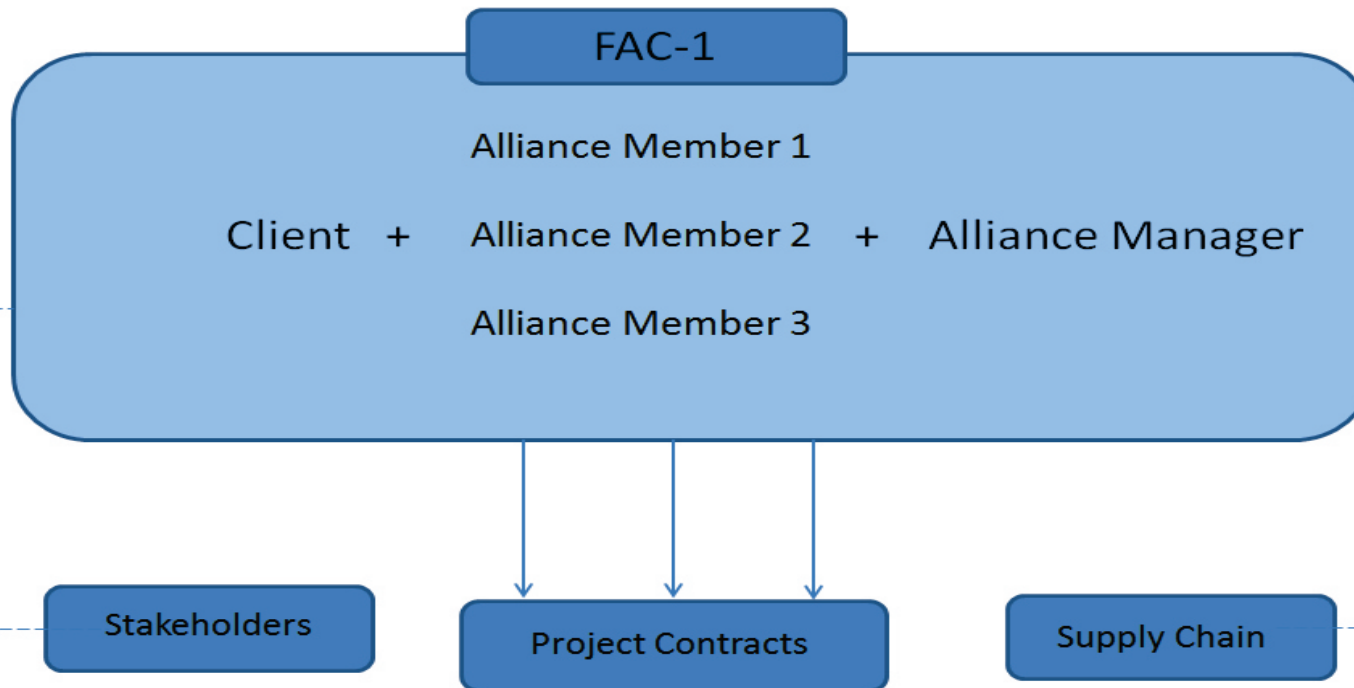


US\$ 188 million **North Wales Prison**, one of the largest prisons in Europe, commenced on site April 2015 –using MoJ **Framework Alliance** and **PPC2000** project contract plus **BIM Level 2** linked to asset management

## MoJ framework alliance North Wales Prison case study

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- Improved value proposals obtained in framework alliance mini-competition
- **26%** agreed savings against cost estimate - achieved by early joint work by consultants, main contractor and specialist sub-contractors
- Cost savings despite a rising market
- Innovations proposed by main contractor **Lend Lease** and sub-contractors such as **Crown House** (M and E), including value engineered lighting, revised building footprints and environmental improvements
- Joint risk management to identify and appoint specialist supply chain and to overcome pressure on capacity of specialist trades
- Joint risk management to re-programme and avert delays caused by late client approval for start on site



## Risk management under FAC-1

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- A successful *Framework Alliance* depends on individuals from different organisations having the agreed motivation and obligation to work together and solve problems
- Commercial motivation created by **FAC-1** *Success Measures and Incentives*
- **FAC-1** *Core Group* of named individuals/ agreed alternates seeking *Consensus* - based solutions
- *Core Group* seeks agreed course of action following *Early Warning* given by *Alliance Members* if any matter adversely affects or threatens the *Alliance* or the *Framework Programme* or any *Alliance Member's* performance
- Additional alternative dispute resolution options in **FAC-1** through *Independent Adviser, Conciliation and Dispute Board*