



Presentation ——— 15 November 2017

# Framework Alliance Contract, FAC1

**Katie Saunders - Partner**

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# What is FAC-1? (1)

- FAC-1 utilises an ‘alliancing’ approach:
  - “An alliance in general terms is a collaborative and integrated team brought together from across the supply chain. The team share a set of common goals aligned with customer and client outcomes and work under common incentives” – Infrastructure Client Group Alliancing Code of Practice 2015

## What is FAC-1? (2)

- FAC-1 Framework Alliance Contract integrates alliance members (including in-house or external Alliance Manager) under a single multi-party contract with:
  - agreed objectives, success measures, targets and incentives linked to improved value
  - agreed alliance activities including supply chain collaboration
  - gateway set out in a shared timetable
  - joint risk management, collaborative core group governance and non-adversarial dispute resolution
  - creation of project contracts and Direct Award and/or Competitive Award procedures
  - option to issue orders in advance of project contracts
  - engagement with stakeholders and option of additional Alliance members
  - flexibility of legal requirements and special terms

# FAC-1 and procurement models

- FAC-1 is compatible with any project procurement model under its Direct Award Procedure and Competitive Award Procedure
- FAC-1 can support any combination of:
  - traditional or design and build or construction management or hybrid procurement models
  - any level or combination of contributions from design consultants, tier 1 contractors and tier 2/3 sub-contractors and suppliers
  - early contractor involvement and collaborative procurement models
  - repair and maintenance procurement models including integration of the capital and operational phases of each Project.

## FAC-1 uptake (1)

- London Housing Consortium – FAC-1 adopted on £5.5 billion procurement of schools and community buildings in England and Wales and £800 million procurement by schools and community buildings in Scotland
- AmicusHorizon – multi-client procurement under FAC-1 in respect of maintenance, repair and improvement works worth up to £250 million
- Football Foundation, Football Association and Sport England – procurement of £150 million modular programme

## FAC-1 uptake (2)

- Selected by the UK Construction Leadership Council as the model agreement governing strategic procurement for modular housing
- Crown Commercial Service launched the use of FAC1 for collaboration between consultants appointed to their £2.8 billion frameworks including their Lot 1 Project Management services (July 2017)
- Used on framework procurements with total value of over £9.5 billion to date in conjunction with ICC, JCT, NEC, NHF, PPC and TPC project contract forms
- Electronic contract is available

# Questions and discussion



## Contact

**Katie Saunders**  
Partner

**d** +44 (0)161 838 2071  
**e** ksaunders@trowers.com



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