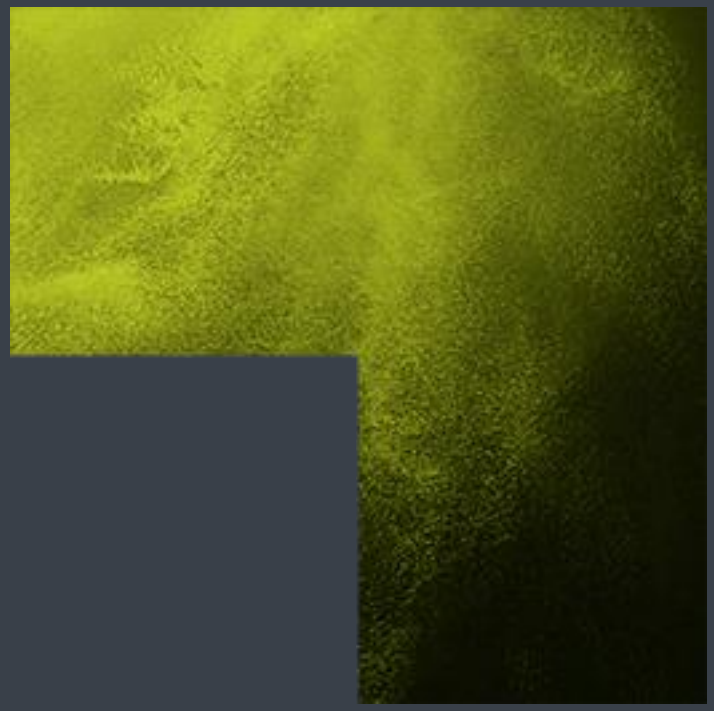


NZS3916: THE GAME OF CONTRACTS

GABRIELA BALZAT & NATALIE YEH

HARRISON GRIERSON

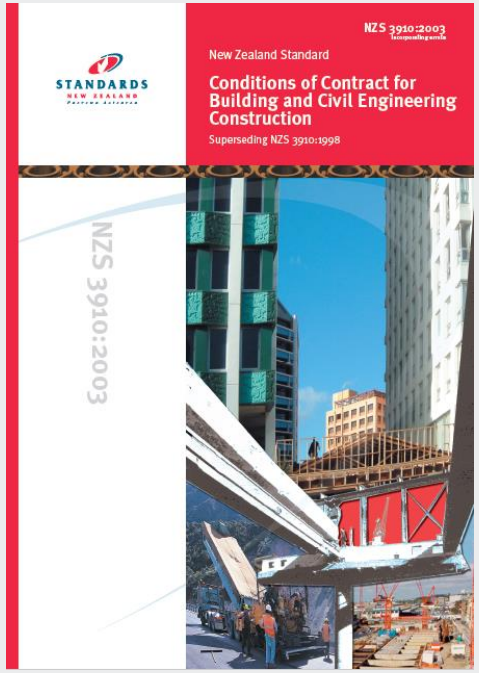
STANDARDS NEW ZEALAND
NZS 3916:2013
New Zealand Standard
Conditions of contract for building and civil engineering – Design and construct
Superseding (in part) NZS 3910:2003
NZS 3916:2013

1. CREATION OF THE NZS 3916
2. D&B TRENDS AROUND THE WORLD
3. OTHER D&B ALTERNATIVES
4. 3916 VS 3910
5. 3916 IN ACTION
6. OVERVIEW OF INDUSTRY PERSPECTIVES
7. KEY THEMES
8. IMPROVEMENTS
9. CONCLUSIONS

CREATION OF THE NZS 3916

2003

NZS 3910



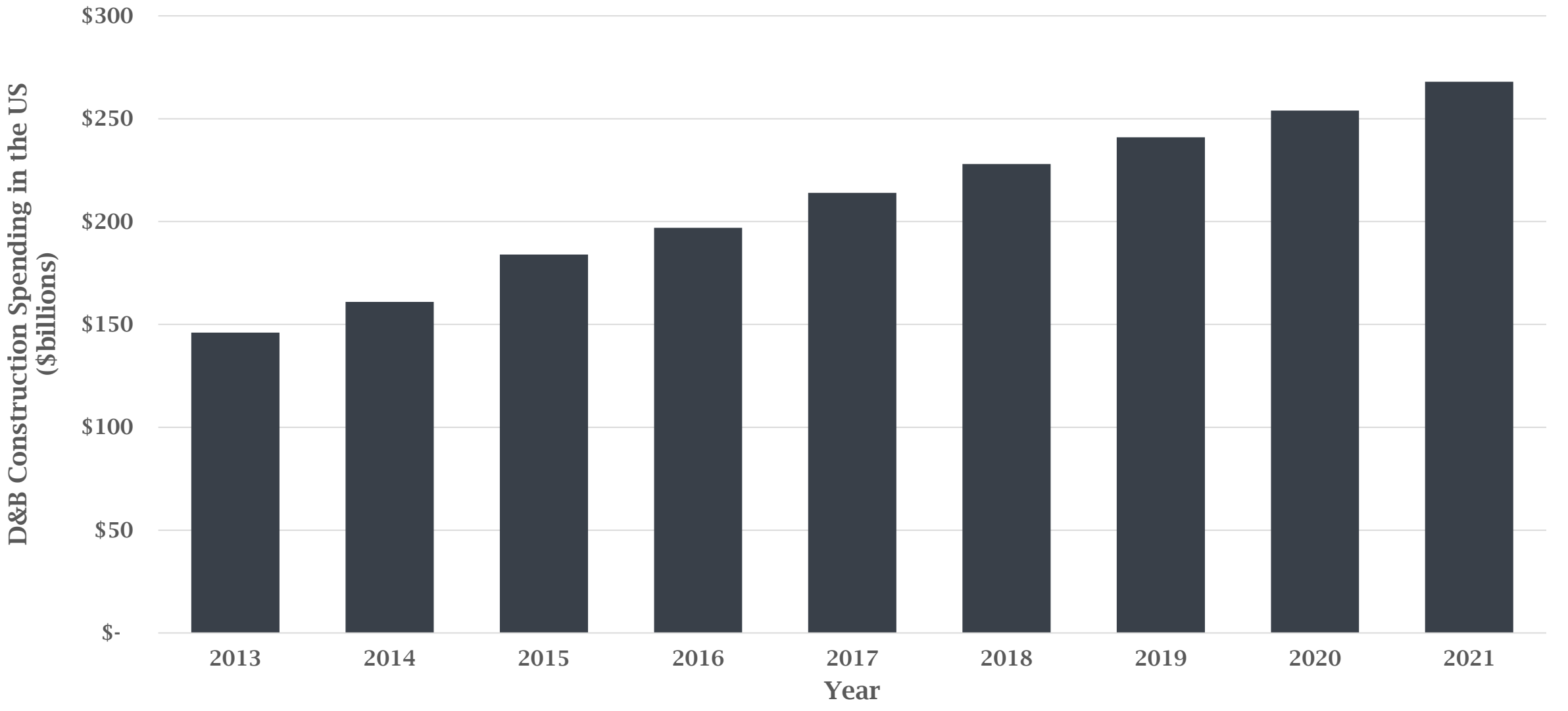
2013

NZS 3910

NZS 3916

NZS 3917

D&B TRENDS AROUND THE WORLD



OTHER D&B ALTERNATIVES

United Kingdom

NEC4

Australia

AS4910-2002
AS4902-2000

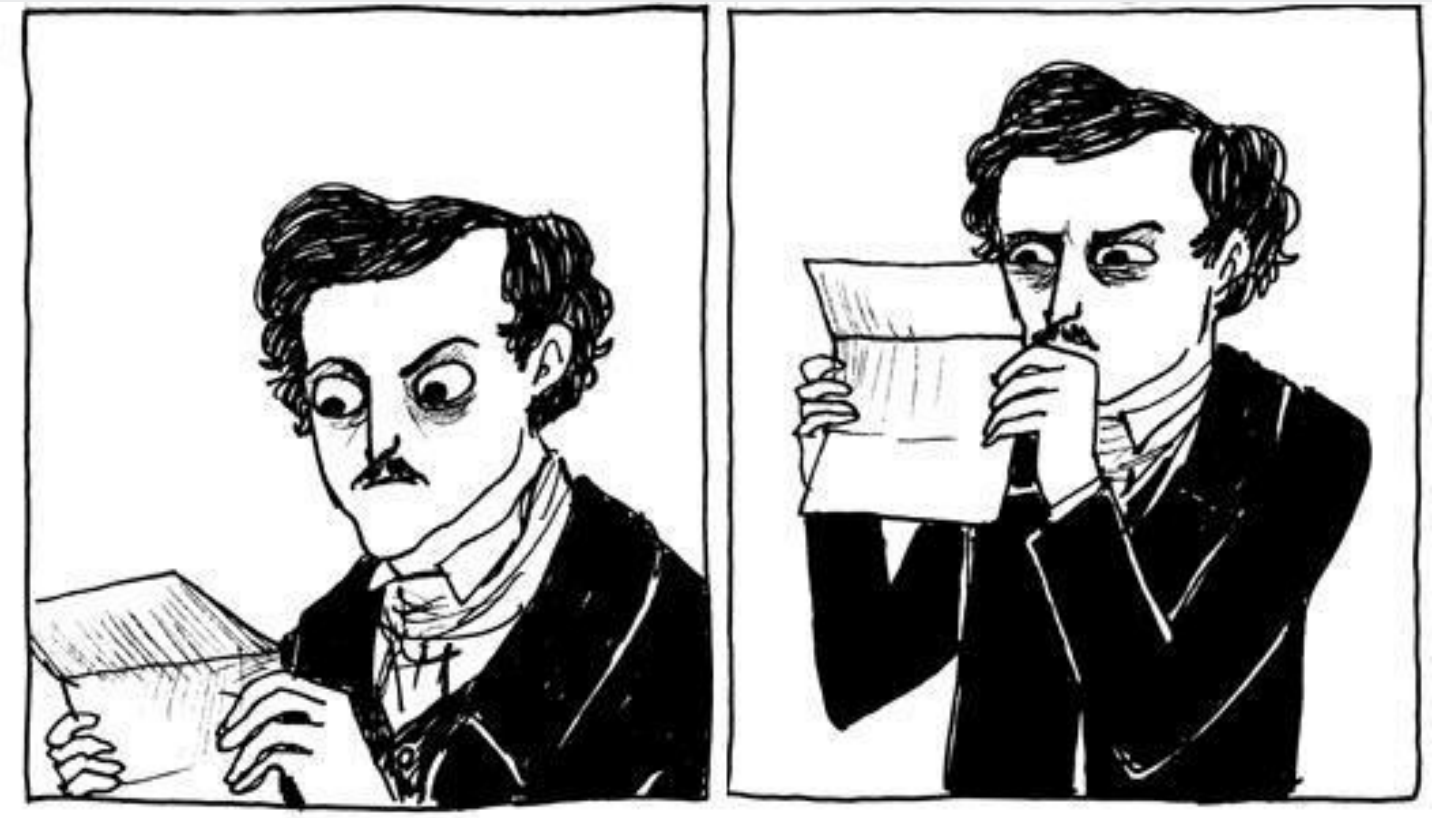
International

FIDIC

3916 VS 3910

Key Differences:

- Principal's Requirements
- Design Responsibility
- Risk Ownership



3916 IN ACTION

Client: Central Otago District Council
Contractor: Downer NZ

CROMWELL WWTP

Client: Hauraki District Council
Contractor: Filtec

WAIHI/PAEROA WTP UV PEROXIDE

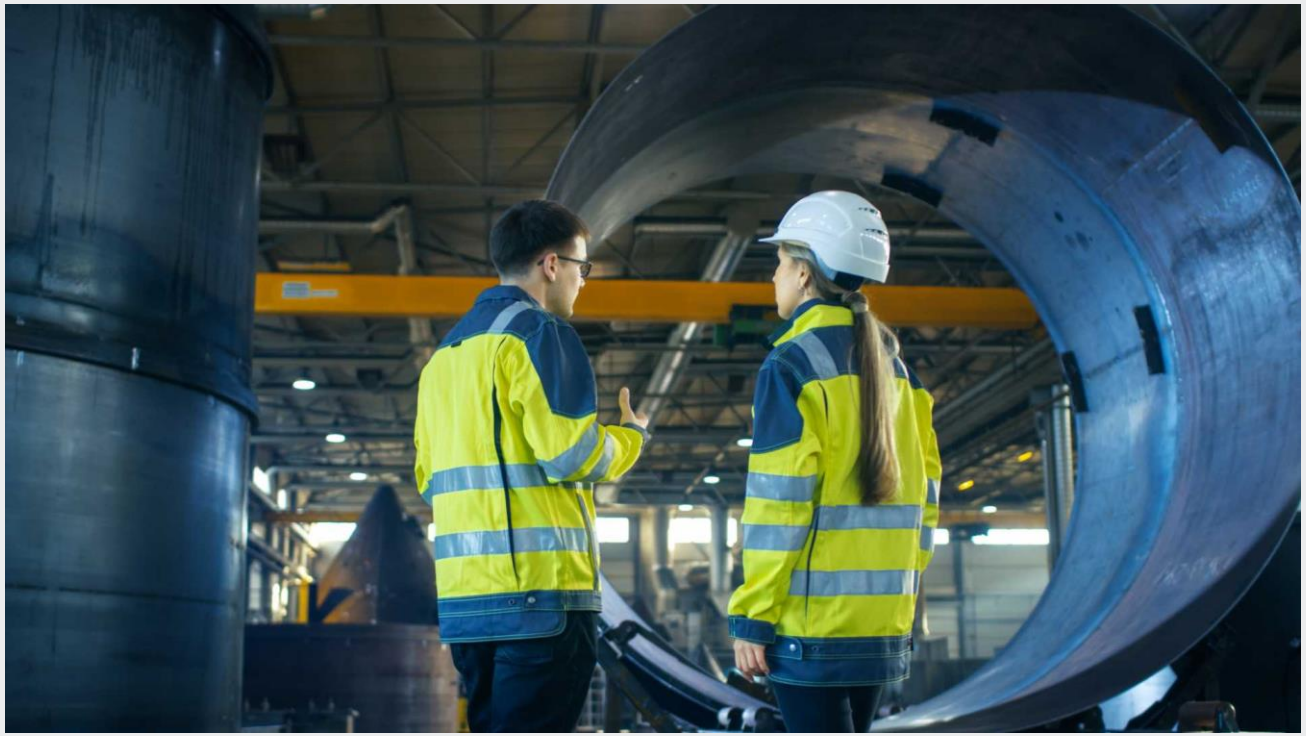
IN PRINCIPLE

ALL CONTRACTS CAN PRODUCE GOOD OUTCOMES

INDUSTRY PERSPECTIVE

Contractor has sole design responsibility

- Promotes innovation, involvement and collaboration
- Changes in risk management
- Cost premium
- Changes in design input



INDUSTRY PERSPECTIVE

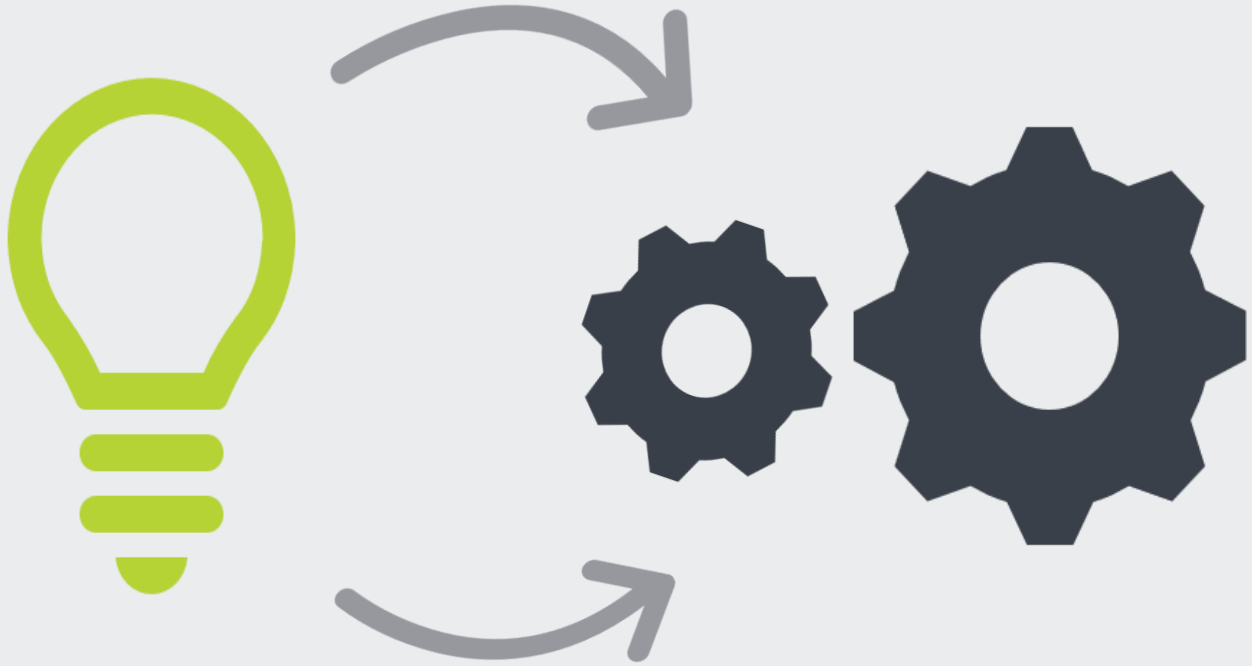
Principal's Requirements (PRs)

- Lack of quality of PRs
- Encourages optimisation
- Level of detail
- Reliance on experience and knowledge

INDUSTRY PERSPECTIVE

Structure and Execution

- Familiarity
- Faster delivery of projects
- Clearer design responsibilities
- Relationship of parties



KEY IMPROVEMENTS

- Principal's Requirements
- Level of detail in tendering
- "Fit for purpose" is ambiguous
- Risk sharing mechanism
- Off-site materials
- Design-build-operate
- Safety in Design

“There is a ‘culture of mistrust’ between public and private sectors”

THE TREASURY

SUMMARY

- Increasing use of D&B
- Changes between 3916 and 3910
- History of 3916 projects implemented
- Key themes from industry perspectives
  - Sole design responsibility
  - Principal's requirements
  - Structure and execution
- A contract is only as good as the feedback it receives