CECA NEC4 Bulletin

CECA Member Briefing:

Bulletin Nr 56: Programme narrative when submitting a programme for acceptance

Introduction

Training and development support is a key part of CECA's core offer for its membership and working in conjunction with GMH Planning it has delivered a programme of training events around the NEC Form of Contract across several CECA UK regions.

In addition to this training, a series of monthly NEC Contract Bulletins are being produced for both Contractors and Subcontractors to improve practical awareness on key topics within the NEC. The coverage, whilst not exhaustive, is intended as a general overview on some of the contractual principles to increase a wider understanding in support of more sustainable outcomes.

This bulletin has been co-written by Glenn Hide and Neil Earnshaw.

For the purposes of these bulletins a contractual relationship between a "Client" and "Contractor" is assumed. The same rules/principles also apply if the contractual relationship is between a "Contractor" and a "Subcontractor" and so the term "Contractor" will be used to describe both parties.

These bulletins are based on the latest NEC4 family of contracts, but the same principles and rules would apply where parties are engaged under an NEC3 form of contract.

Coming next month:

Bulletin Nr 57 - Project controls alongside an NEC contract programme

Please respond to Lucy Hudson should you require any further information on the CECA NEC4 Bulletins via e-mail: lucyhudson@cecasouth.co.uk.

For further advice or guidance on the NEC details please visit www.gmhplanning.co.uk where you will find a wealth of free NEC Guidance Notes, NEC FAQs, and other helpful measures.

NEC Bulletin 56: Programme narrative when submitting a programme for acceptance

The drive for a regular accepted programme on any project is a key feature of NEC contracts. A recently accepted programme will make it easier to see the impact of progress and compensation events upon the remaining works, with less potential for subjective assessments. It is therefore vital that a programme is presented showing the information that allows the Project Manager to make an informed decision as to whether they should accept or not accept the programme. The importance of a regular accepted programme is considered in more detail in CECA bulletin No 6.

One small but very important element to help achieve acceptance would be to include a concise programme narrative describing the main elements that the revised programme is showing. This will fast-track the Project Manager's understanding as to what the programme is demonstrating, potentially speeding up the time it will take to respond. It should help to clearly explain what has changed since the last programme and the likelihood of meeting future contractual milestones.

What should be included with a submitted programme? Here is a suggested list of headings for a Contractor to include in an accompanying narrative, to show what the main changes have been in comparison to the previous programme:

- **Any change to planned Completion date (and if so why)?** If there has been any change (better or worse) then this can be clearly explained. If planned Completion has been delayed, the Contractor should explain what event(s) have led to this issue. They can also indicate from their perspective if this is considered as being due to a compensation event or if it is Contractor liability.

- **Any change to any planned Key Dates or Sectional Completion Dates?** These will not always be applicable, but if any such dates have been identified in Contract Data part 1 then again these should be reported against to explain if there are any changes to these dates and why.

- **Important Client deliverables in next six weeks:** This is helpful to highlight specific elements the Client needs to focus upon to allow the Contractor to maintain their programme. It could also avoid any potential compensation events that could result if the Client was late on any such deliverables.

- **Changes made to the programme since last issued for acceptance:** Any high-level changes in detail, logic or sequence should be explained as to why they have been made. The Project Manager may otherwise be suspicious that changes to the programme are somehow being manipulated to use up float that may affect future assessment of compensation events. If Contractors can explain why they have added, deleted items, changed logic or durations, it should help the Project Manager understand if they can accept this revised programme.

- **Confirmation of the "Data Date":** This is the date the programme has been updated to, with anything to the left of it as actualised dates, and anything to the right being forecast activities/dates. Ideally the Data Date will be very close to the submission date to make it as current as possible, but on large projects it may be a week or even two weeks before the submission date to allow the programme to be updated and checked before submission. Some Clients even insist on a data date up to two weeks in the future which requires actualising future activities. From an NEC perspective this is ill advised, as it could wrongly skew a compensation event assessment. This practice is generally only ever done to makes someone else's reporting easier for them, and where possible from a project management perspective be avoided.

- **Summary of the critical path:** This would be a summary of the main activities on the critical path that have no float and are most susceptible to delay and impacting the completion milestone(s) of a project. This summary may or may not be the same as the last period, as the critical path can change during the life of a project.

How detailed should such a programme narrative be? It should be as concise as possible yet detailed enough to convey the fundamental changes that the programme submission brings. Ideally it should be no more than 2-3 pages long to quickly enable the programme to be understood.

Could a Client make this a mandatory requirement for the Contractor? If the Client includes the requirement for such a narrative with each programme submission within the Scope, then this would make it mandatory with each programme submission. Within the Scope there could also be an example of such a narrative listing the headings that are needed to be completed for each submission.

Programme review meeting: In addition to this narrative, it is good practice (although not a contractual obligation) to hold a "programme review meeting" to help explain the programme submission and allow the Project Manager to ask any questions about the programme submission. This could be done say a week after the programme has been submitted or even held before the programme is submitted to explain what is about to be submitted. Either way it should help the programme to be understood and speed up the response from the Project Manager.

Summary: Having a regular accepted programme throughout the life of a project is essential to understand liability and avoid/limit potential disputes. Any way this process can be improved or sped up can only be beneficial, and such a narrative to accompany the programme can only improve the chance of the programme being accepted (or not accepted) in a timely manner.