New course on managing NEC programmes

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NEC contracts have 'raised the bar' in terms of programme management, which in turn has required greater understanding of programming issues by project teams. A new course is being launched later this month to help planners, project managers and everyone else involved with NEC projects to understand the importance of properly managing the contract programme.

Programming obligations

The most popular NEC form, the Engineering and Construction Contract (ECC), obliges contractors to produce and maintain, and project managers to accept, a progressed 'live' programme.

ECC forces key aspects such as float, logic links, time risk allowance and key dates to be understood, planned, monitored and revised as appropriate. It becomes a key tool to aid parties to make decisions, often as a result of notified early warnings. It provides a thorough audit trail for all parties to assess in particular the reasons for any delay at the point which they occur.

The fundamental aspects for managing an ECC programme are

- foresight – identifying issues and dealing with them as they occur
- detail – quality and content of programmes
- collaboration – all parties feeding into a process that ultimately allows a revised programme becoming accepted as the true state of the project in terms of what has happened and what is expected to happen. From this the affect of change or progress can be more easily and accurately evaluated.

Two common issues

The two biggest issues that are commonly voiced in terms of programme are

- project manager does not accept or is mute with regards to acceptance of a submitted revised programme
- programme submitted by a contractor has insufficient detail in accordance with clause 31.2 of the contract.

Both scenarios result in the fact that a revised or accepted programme is not in place for a period of time, and in some cases the life of the project. This completely undermines the intent of the contract and the systems it puts in place to ensure 'best practice' project management of a project. It is only common sense that both parties would want to understand where the contract actually is in terms of financial/time implications at any point in time.

In terms of the first issue, the contractor's recourse is to notify an early warning if the period for reply is exceeded following a programme issue, which should at least prompt a risk-reduction meeting to discuss. Within the industry there still appears to be too large a percentage of projects that do not have an accepted programme in place, or has an out-of-date programme with current works progressing to a significantly different sequence or timescale. It is everyone's responsibility on a project to play their part to ensure this does not happen.

With regards to the second issue, it has been voiced many times before that it is 'impossible' for a contractor to comply with clause 31.2 of the contract. However it is important to remember the intent of NEC. It is a stimulus to good management and looks to ensure that the programme becomes a tool that the whole project team can use, rather than merely being a retrospective or theoretical high-level reporting tool.

There is in fact nothing within clause 31.2 that a competent contractor would not or should not consider during part of the tender process in order to ascertain both anticipated cost and duration of a project. It is a case of taking that information and being able to show, monitor and develop it for the duration of the project.

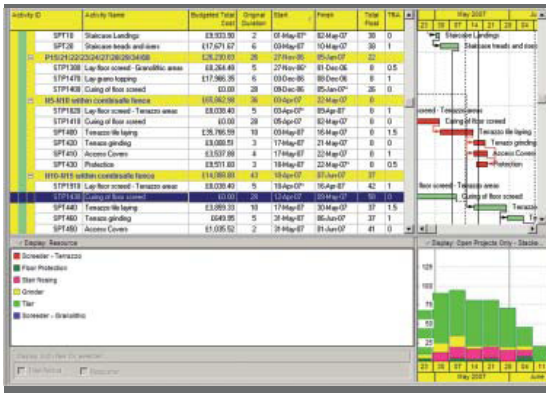
Effective management essential

ECC lays out most of the ground rules as to how the programme should be administered. The reality is that some of these aspects become a little tricky to administer under a live contract and it is very easy for one party to fall behind in administering it. This is particularly problematic where, with hindsight, a different main option may have been more applicable.

The parties are left to best manage the situation, particularly where there are more design issues than envisaged and hence compensation events. Quickly the programme can become out of date and, without great care, unmanageable. This most commonly seems to occur on a project when one or both parties are new to NEC and where there is a significant amount of change. Here the contract can start off on the wrong foot and in some cases never quite recover.

The role of project managers is pretty varied, particularly on large projects. This means they need a good support network within their own team. The role of the planner within that team is hence a key aspect in the successful management of a project.

The detail and level of programme management is something that the contract has brought to the forefront and it is probably fair to say that, as an industry, it is an area that needs to be improved upon. It is essential that all team members fully understand the requirements and effects of programme management to manage properly their particular aspects of the contract processes. The team as a whole should take ownership of the programme – not just the person operating the planning software.



Typical extract from an ECC programme – it is vital such programmes are properly managed

Programming workshop launched

Programming issues and requests from NEC Users' Group members have resulted in a new course being launched by the NEC entitled 'NEC3: ECC programming workshop'. The workshop, the first of was held in London on 21 March 2007, provides a broad review in terms of general planning aspects and provides detailed information on suggested ways to manage the key aspects of an NEC contract.

It provides a good overview of all key disciplines, including project managers and commercial staff as well as planners, to help understand the function of the various roles, what they specifically can feed into the programming process and, more importantly, how the programme affects them and their own administration within the contract.

More details of the workshop can be found at www.neccontract.com or by emailing nec@neccontract.com.