

January 2026

CECA NEC4 Bulletin

CECA Member Briefing:

Bulletin Nr 61: Acceptance - What Does It Mean?

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.

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 62 - Amending an Activity Schedule

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 61: Acceptance - what does it mean?

NEC contracts are written in a way to create clarity in terms of language and contractual processes. One such word NEC uses regularly throughout the contract is the word 'acceptance'. This bulletin will consider the use of this word and what it does and does not mean in terms of liability.

Acceptance rather than approval: NEC does not generally use the word 'approval' and instead uses the word 'acceptance' when it comes to responding to a submission. The only time NEC uses the word 'approval' in the entire contract is in clause 27.1, when it refers to the Contractor obtaining 'approval' of its design from Others where necessary".

There are numerous submissions from the Contractor which require the Project Manager to respond with either 'acceptance' or 'non-acceptance'. The contract index itemises the full list of elements that would need acceptance, but include:

- revised activity schedule under option A
- climate change plan under X29
- compensation event quotations
- programmes
- design
- subcontractors and associated subcontract terms
- X21 whole life cost proposals.



What does acceptance mean in terms of liability? Clause 14.1 states that "the Project Manager's or the Supervisor's acceptance of a communication or acceptance of the work does not change the Contractor's responsibility to Provide the Works or liability for its design". In nearly all cases it is the Project Manager that the contract states will be accepting anything issued for acceptance on behalf of the Client. The only 'acceptance' given from the Supervisor is for acceptance that a test or inspection has been successful (particularly relevant if that is associated with the release of a payment to the Contractor).

This clause clarifies that even if the Project Manager accepts a submission from the Contractor, it does not change the Contractor's original obligation to comply with the requirements of the Scope. For example, if the Project Manager accepts a Contractor design but it later turns out that one of the materials stated by the Contractor did not comply with the original Scope, that would STILL be Contractor liability to correct. It is not the Project Manager's responsibility to review the design submission in finite detail to make sure there are no errors – as the Client has already made their requirements clear within the Scope.

What is the point of acceptance if it does not change liability? It is the chance for the Project Manager to check a submission and see if it contains any obvious errors, or indeed if the Client may wish to change their mind from their original requirements (which would then likely be a compensation event). It is better for the Client to change their mind at this point, rather than later, as it would be likely to be more disruptive and costly.

If there was a shift in liability by acceptance, it would likely slow down the response time as the Project Manager would be worried about missing something that would now be their liability. It may result in any submissions that are non-compliant with the scope being inadvertently accepted increasing the Client's liability. For that reason, NEC contracts make this distinction as to what acceptance does contractually mean.

Examples of what acceptance does not mean: Here are some examples where acceptance does not mean that the Project Manager is taking on additional liability:

- acceptance of revised Activity Schedule that wrongly increases the Prices – the way to change the Prices would be through implemented compensation events

- acceptance of a Contractor programme with reduced Client acceptance periods – these can only be agreed by instruction
- acceptance of design that does not comply to aspects of the original Scope – the Scope still stands unless changed by a Project Manager instruction
- acceptance of a Subcontractor does not mean Client shares or takes responsibility for their performance - clause 26.1 makes it clear that the Contractor is responsible to provide the works as if it had not subcontracted
- acceptance of quality management system that leads to a defect – that would still be Contractor liability.

How quick does the acceptance response need to be? Depending on what is being issued for acceptance there are different response times stated in the contract. It may be a prescribed period stated, or if there is not a timescale stated it will revert to the "period for reply" which will be project specific and stated in Contract Data part 1. These response times are listed/detailed in CECA bulletin 34 as a handy summary. The Project Manager may extend the period for reply to a communication if the Project Manager and Contractor agree to the extension before the reply is due (clause 13.5). It is also worth noting that the timescales are the maximum that should be taken not the minimum. If something can be 'accepted' or 'not accepted' well within the contractual timescales, it will be beneficial and much more efficient to the project as a whole.



Acceptance does mean something: The Project Manager 'acceptance' whilst not changing liability does carry significance and should not be taken lightly:

- Compensation event quotations – once accepted (i.e. implemented), these cannot be changed except for Project Manager assumptions. Neither the Project Manager or the Contractor can reopen these, and they would have to go through the dispute resolution process if the time or cost elements agreed are to be challenged.
- X21 Whole life Cost (see CECA bulletin 9) – once accepted the Project Manager is agreeing to the quotation and is also agreeing that the whole life cost benefits will be realised. They cannot claim from the Contractor several years later if they feel the proposed benefits did not materialise.
- Programme acceptance - where Contractor has shown revised dates for Plant and Materials and other things provided by the Client (providing revised dates comply with Scope constraints). The Client will be obligated to achieve these dates otherwise it would be a compensation event.
- Subcontractor acceptance – if an option C/D/E contract, then any Subcontractor slow or inefficient performance would cost both Parties money and potentially impact programme. There should be confidence that the Subcontractor will be able to perform effectively and efficiently.

What if there is no response to something issued for acceptance? There is no instant deemed acceptance if there is no response. There are two areas (programme and compensation events) where there may be a formal reminder they have not responded, and after a further period of non-response that the programme or compensation event quotation would be deemed accepted. However, for every other process where something is not responded to within the contractual timescale, the Contractor would not be able to proceed. The impact of this would then be a compensation event under clause 60.1(6) and fully recoverable to the Contractor for cost and time.

Summary: Various elements within the contract require formal acceptance. Acceptance does not mean that the Client is taking on contractual liability for anything within the submission that does not comply with other aspects of the contract. Acceptance (or non-acceptance) is an important process to keep the project moving forward allowing Client input to key decisions.