

NEC4: Managing Effectively

Top Tips

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Cardiff 2026



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Manage effectively

manage

+

effective

maneggiare

Italian · to handle
or train a horse



manus

Latin · hand



efficere

Latin · to bring about



Active, hands-on and getting stuff done.



To manage effectively is to bring about a trained horse

Not write a report about the horse!

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POLL

**Of the last ten submissions (quotation, programme, payment application) —
How many were accepted first time?**



Hold the number in mind. We'll come back to it at the close.

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01 Treat the contract as a commercial manual

Open it. Follow the procedures.

No different from how we approach design manuals.

Does not signal inexperience.

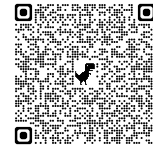
It signals confidence and a commitment to follow it.

💡 *Pilots know how to fly planes, but they still read aloud pre-takeoff checks from the written manual.*



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02 Mirror NEC's language, follow clause 13



Accept *is not* **approve**

Instruct *is not* **request**

Notify *is not* **inform**

Capital Initials

a defined term

→ **clause 11.2**

Italics

an identified term

→ **Contract Data**



All communications required by the contract need to be in a form that can be **read, copied and recorded**.

Use the index to find and check related clauses

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03 Give early warning - think opportunity



Brings everyone together early.

Maximise options and time for intervention.

Likely most economical time to act.

Invite boots, not just shoes.

Open the conversation in the notification.

Aim is to explore options for avoidance/mitigation in the early warning meetings.

Don't conflate early warning with compensation events – they are 45 clauses apart!



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04 Update the programme day-to-day, Submit frequently during change



Update your programme everyday, together.

That way, if a revised programme is required, it's submitted and accepted within days, or even hours.

Frequent, contemporaneous revisions of the programme find delay early.

Removes most concurrency arguments before they occur. The record already shows what moved, and when.



Top-down only programme updates don't help payment applications or compensation event assessments

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05 Help the *Project Manager* spot things the *Client* is responsible for

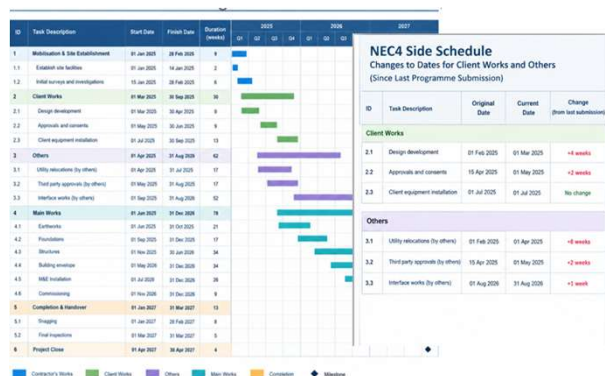


Show the work of the *Client* and Others

Consider including a schedule in your submission showing this and how it has changed since last time

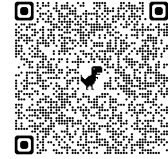
Know about clause 14.1 – carve out for acceptance

Know about clause 64.1 final bullet – PM must assess CEs if programme not accepted for reason in contract



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06 Decide form of application for payment before you start



Disallowed Cost arises from

- **poor record** keeping,
- **mis-alignment** of records with the **schedule of cost components**,
- Absence of **allocation of hours**
- No reasons given for **underutilisation or waste**.

Work pre-contract to produce a form that works for both Parties.

Clause 50.2:

The form of the application is stated in the **Scope**.



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07 Assessing compensation events 'the double assessment' clause 63.1



NEC4 ECC Option A, ~£120m, fee percentage = 10%

Client's Scope



Activity Schedule Price = £250K

Short Schedule of Cost Components

1. People£££££
2. Equipment.....£££
3. Plant and Materials.....£££
4. Subcontractor.....££
5. Charges.....

Forecast Defined Cost = £160K.

Clause 14.3 change to Scope
60.1(1) compensation event
instructs quotation

Revised Client's Scope



Activity Schedule Price = £ 85 K

Short Schedule of Cost Components

1. People£
2. Equipment.....Nil
3. Plant and Materials....£ re-stock
4. Subcontractor.....£ termination
5. Charges.....

Forecast Defined Cost = £10K.

CE assessment:

£160K to £10K = -£150K

Fee = -£15K

Change to Prices = -£165K

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07 Assessing compensation events 'the double assessment' clause 63.1

NEC4 ECC Option A, ~£120m, fee percentage = 10%



Client's Scope



Activity Schedule Price = £250K

Short Schedule of Cost Components

1. People££££
2. Equipment.....£££
3. Plant and Materials.....£££
4. Subcontractor.....££
5. Charges.....

Forecast Defined Cost = £270K.

Clause 14.3 change to Scope
60.1(1) compensation event
instructs quotation

Revised Client's Scope



Activity Schedule Price = - £36K

Short Schedule of Cost Components

1. People£
2. Equipment.....Nil
3. Plant and Materials....£ re-stock
4. Subcontractor.....£ termination
5. Charges.....

Forecast Defined Cost = £10K.

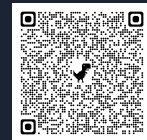
CE assessment:

£270K to £10K = -£260K

Fee = -£26K

Change to Prices = -£286K

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**Great records = healthy projects +
fewer disputes.**

"Records are oxygen to NEC processes."

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08 Act as stated

Reliability and competency is what builds a spirit of mutual trust

10.1 – act as stated

10.2 – spirit of mutual trust and co-operation

***“Be short, be simple,
be human”***

Ernest Gowers, 1948



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POLL

**Of the last ten submissions (quotation,
programme, payment application) —**

How many were accepted first time?



For those >8/10, please share what you think is driving the success

*For those <5/10, **CALL TO ACTION** – which of these tip can you implement?*

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