

## **ECC Programme – 6 Levels of Use**

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This article is written as a result of both observing and helping site teams achieve higher levels of success when using the NEC3 Engineering & Construction Contract. It identifies six uses of the programme in managing an NEC contract in roughly sequential order i.e. you cannot operate at the later higher levels unless you are already operating at the initial ones. Identifying these uses enables teams to identify the actions which will lead to greater project success.

### **Use 1 : Basic Contractual Compliance for the *Employer* and Others that are involved in the project.**

For this the *Contractor* puts forward a programme to the *Project Manager* for acceptance under clause 31.3. It should therefore be in accordance with this clause and contain the information identified in clause 31.2.

In doing this, the *Project Manager* should be evaluating the programme to ensure that the order and timing of the work of the *Employer* and Others whom he or she may be co-ordinating is as agreed or, if not, in accordance with the Works Information. In other words, making sure that the *Employer* or *Others* fulfil their side of the contractual bargain, so there will be few or no compensation events.

### **Use 2 : Contractual compliance for the *Contractor*.**

In this use, the *Project Manager* is checking the programme to ensure that the *Contractor* is contractually compliant with their obligations under the contract e.g. the *Contractor* is fully aware of the what needs to be done within the constraints of the Works Information; that durations of operations are realistic given resource levels; and that the methods are practicable. Under clause 14.1, acceptance by the *Project Manager* of the programme does not change the *Contractor's* responsibility to Provide the Works, so it is really a check that the *Contractor* has a realistic, practicable and fully inclusive programme.

### **Use 3 : Efficient & rapid assessment of compensation events**

For this to take place, the level of detail that the programme needs to go into is sufficient so that, when a compensation event occurs, the resulting change in method and resources in the affected operation is transparent and easily agreeable. The agreed changes within an operation may effect its duration, which then affects subsequent operations, so the linkages between operations, in terms of resource usage and proceeding / succeeding subsequent operations needs also to be transparent. From this, the additional time and cost can be calculated to agree the compensation event quotation before being formally submitted for acceptance.

#### **Use 4 : Minimisation of consequences by the *Project Manager*.**

For this use, the consequences of not making a decision by a set time or of making a certain decision are transparent from the programme. Hence, as things arise during the contract, the *Project Manager* makes timely and intelligent decisions on behalf of the *Employer* which have minimal impact on time and cost, even though they may still be compensation events.

#### **Use 5 : It enables joint working to minimise the consequences of an early warning.**

In this use, either party gives an early warning, which may not necessarily result in a compensation event. The difference between this use and Use 4 is that both parties work together through the early warning and risk reduction process to minimise the consequences of that risk. For a medium to major event, this will usually involve using the programme as a tool to analyse the 'do nothing' consequences of the event and plan their way out of it to minimise the time and cost consequences, be it a compensation event or not.

#### **Use 6 : Regardless of whether it is a compensation event or not, it's the central document around which the parties collaborate to reduce time and cost.**

This level of usage involves pro-actively using the programme to realise opportunities as opposed to respond to potential threats e.g. early warnings as under Use 5. It requires a high level of understanding of the programme by the *Project Manager* and the authority of the *Project Manager* to relax constraints and sometimes technical requirements stated in the Works Information.

#### **Practical Application.**

When helping setting up a project team, either as a facilitator, NEC trainer or a combination of the two, I have used this framework to help the team agree consensus on what level of use they aspire to. Following on from this, decisions and tangible actions can be fleshed out with respect to :

- ❖ What information is actually wanted in the programme, both in terms of additional information not stated in the contract and what is deemed to be superfluous for this project ?
- ❖ What level of detail the programme has to show, especially in terms of methods and resources for each operation, given the time to the actual operation starting ?
- ❖ How is this presented in terms of how the whole programme document fits together ?

- ❖ How & when are the parties going to agree the programme, both initially and on an on-going basis, prior to formal submission and acceptance ? E.g. Issue a draft for read through before discussion; screen on the wall and present on it to the whole project team for discussion; *Project Manager* and *Contractor's* programmer sit down together side by side etc.
- ❖ How are "alterations to the Accepted Programme" due to a compensation event agreed and shown ?
- ❖ How precisely and when are the parties going to identify opportunities for further development ? As the project progresses on an ad-hoc basis when detailed planning takes place or up-front through a strategic planning workshop, which can reduce construction durations by up to 20%.

Sorting out these issues early on in the project both reduces misunderstandings and potential conflict as well as leading to a greater likelihood of project success.



As well as being chair of the Association for Project Managements Contracts & Procurement SIG, Dr Jon Broome BEng PhD MAPM is managing consultant of **leading edge projects consulting ltd**, a company which specialises in front end activities to help set projects involving multiple parties up for success.

Much of Jon's expertise is focussed around contracts & procurement and in particular the practical use of the NEC3 family of contracts, on which he has written, trained and consulted worldwide. He is also an accomplished project based facilitator and authors both contractual and bid documents. He can be contacted on [jon@leadingedgeprojects.co.uk](mailto:jon@leadingedgeprojects.co.uk) or on 07970 428 929.