

Understanding Defined & Disallowed Cost and the Schedule of Cost Components under the NEC Engineering & Construction Contract, options C to E (the cost based options)

Objectives : At the end of the day, participants will

- 1.** Know the background clauses, both core and specific to option C, D and E in terms of how payment is assessed.
- 2.** Achieve a common understanding of what is Defined Cost and what is Disallowed Cost.
- 3a.** Know the structure of the 'full' Schedule of Cost Components (SCC).
 - b.** Have greater insight into the common areas of discussion in the SCC and a consensus common sense view on how they should be applied.
- 4.** Agree a common sense approach to reviewing and auditing Defined Cost.

As with all courses, this can be on NEC3 only, NEC3 with changes to 4th edition highlighted or purely on NEC4.

Outline Programme :

- > The Basics : What are target and cost reimbursable contracts. How the ECC payment provisions work.
- > Definitions of Fee and Defined Cost, including elements for subcontracting.
- > Disallowed Cost : examples that are clear cut and not so clear cut for each bullet.
- > The full Schedule of Cost Components : overall structure, nuances and areas of common discussion.
- > Reviewing Auditing : value for money vs. level of assurance.

What a previous sponsor and participant said about this day :

“As usual, Jon was an engaging and lively trainer who both answered our delegates specific questions, acknowledged and used our expertise but also challenged their current understanding. As a result of this workshop, we will not only be able to apply a more consistent and fairer approach at our two sites, but also save hundreds of thousands of pounds per annum in money we should not be paying to our contractors in the first place.”

Rhodri Owen, Lead Principal Contract Specialist for North Wales, Magnox Ltd.