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NEC4 ECC · ACTIVITY SCHEDULE, PROGRAMME AND MONEY

Option A and Option C Checklist

Option A pays the Prices of completed activities and leaves the cost risk with the Contractor. Option C pays forecast Defined Cost plus the Fee and shares the overrun or saving at Completion. Run these checks at tender and with every programme, so the activity schedule, the programme and the money tell the same story.

1 At tender: build the activity schedule from the programme

- [ ] **Build the activity schedule from the tender programme**, not alongside it: activities that match its operations.
- [ ] **Size every activity for cash on Option A.** Only completed activities are paid. A group is paid only when all of it is complete.
- [ ] **Give long-lead procurement payment activities of its own.**
- [ ] **Cost-load the tender programme on Option C**, so the first clause 20.4 forecast carries it forward.

State it: *the longest unpaid activity, and the programme operations behind each line of the schedule.*

2 Option A: the activity schedule and the programme (clauses 31.4, 55.3, 55.4)

- [ ] **Show how each activity relates to the operations** on every programme submitted for acceptance (clause 31.4).
- [ ] **Submit a revised activity schedule for acceptance** when you change a planned method of working at your discretion, so that the activities no longer relate to the operations on the Accepted Programme (clause 55.3).
- [ ] **Correct the schedule where its activities do not relate to the Scope**, and submit that revision too (clause 55.3).
- [ ] **Keep the total of the Prices unchanged** and changed Prices reasonably distributed between activities not yet completed (clause 55.4).

State it: *the activity-to-operation map that goes in with each programme.*

3 Option C: the target, the programme and the forecast (clauses 20.4, 54)

- [ ] **Read the Z clauses first.** NEC4 Option C has no clause 31.4 and no revision mechanism. Some Clients restore one.
- [ ] **Build each clause 20.4 forecast from the Accepted Programme**, at the Contract Data intervals, explaining what changed.
- [ ] **Reconcile the target, the Accepted Programme and the forecast every month**, each against the other two.
- [ ] **Track the outturn against the share ranges**, so the share assessed at Completion is no surprise (clause 54).

State it: *where the target, the programme and the forecast disagree, and by how much.*

Option A settles risk every month. Option C settles it once.

4 Compensation events on both options (clauses 62.2, 63.1, 63.2, 63.14)

- [ ] **State the changed Prices as changes to the Activity Schedule**: which activities change, and by how much (clause 63.14).
- [ ] **Price from the Short Schedule of Cost Components on Option A and the full Schedule on Option C**, unless rates or lump sums are agreed (clause 63.2).
- [ ] **Separate actual Defined Cost of work done by the dividing date** from forecast Defined Cost of the work not yet done (clause 63.1).
- [ ] **Include the alterations to the Accepted Programme** wherever the event alters the programme for remaining work (clause 62.2).

State it: *each open event, its activity schedule change and its programme change.*

5 Option C records: what counts as Defined Cost (clauses 11.2(26), 50.9)

- [ ] **Keep accounts and records that justify every cost.** Cost they do not justify is Disallowed Cost (clause 11.2(26)).
- [ ] **Give every early warning the contract requires.** Cost incurred only because one was not given is Disallowed Cost too.
- [ ] **Put finalised parts of Defined Cost forward with their records**: the Project Manager has thirteen weeks to accept them or say they are wrongly assessed (clause 50.9).
- [ ] **Trace subcontract and supplier payments to the activities** and the programme period they paid for.

State it: *the Defined Cost finalised so far, and any cost at risk of disallowance.*

Before each assessment date

Ready when all three hold.

- [ ] The activity schedule and the programme describe the same works.
- [ ] On Option C, the forecast is built from the Accepted Programme, not from last month's accounts.
- [ ] Every compensation event is stated as a change to the Activity Schedule.

Schedule, programme and forecast telling different stories? Book a 30-minute call about pre-construction planning.

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