Your route through Compensation Event Loss Prevention

A sample report, built from invented answers, to show what yours will look like.

> This report is based only on your answers, before we have seen any of your papers. It is not legal advice, and you should not rely on any date or time limit in it: check every date against your subcontract. Legal questions go to your solicitor.

Where you stand

In your routine, the first thing to fix is how events are notified. Your answers suggest they do not always go as separate notices through the right channel. In the unamended NEC4 form, you have 8 weeks from becoming aware of an event to notify it. Miss that, and you can lose any change to your price and dates.

Your past events were lost on the clock, and your answers suggest the routine that lost them has not changed. Until it does, the next event is at the same risk.

Your quotations can be replaced either way. A late one can be replaced because it is late, and one on time because it is not built from the contract's cost components. So the price of your events is largely in your main contractor's hands.

Most refused events are lost on the clock, not on their merits. The usual causes are a late or buried notice, a late or bare quotation, or an amended period nobody read. That is what this service fixes.

Some of the events refused as late may not have been barred. In the unamended NEC4 form, the 8 weeks do not apply to an event your main contractor should have notified itself, such as its own instruction. Whether a past event was barred is a question for your solicitor.

Each of your NEC subcontracts can set its own periods, channels and cost rules through its Z clauses. A routine built around one job is where the others slip.

Z clauses often shorten the NEC periods or add conditions to them. A team working to the standard 8 weeks can be late on a subcontract that allows less.

Your early warnings are given by word of mouth or in meetings, which leaves no record that they were given. Under the NEC4 main contract, an event an experienced contractor would have warned of, but you did not, can be assessed as if you had.

Events are written down at the month end, or once the cost is known. The clock runs from awareness, not from when the cost becomes clear, so waiting for the figures is the commonest way an event is lost.

Your events are raised in general emails, progress reports or minutes. Under NEC, a notification must be sent separately from other communications, so an event buried in a report may not count as notified at all.

Your quotations are built from your usual rates or as a lump sum. Under NEC, an event is priced at its cost plus your Fee, unless both sides agree rates. A quotation built another way, or showing only a bare total, is easy to cut.

Nobody works out the time side of your quotations. A quotation that leaves out the delay can give away any change to your dates, and the time-related cost with it. The routine prices the cost; the time effect needs a planner or a programming specialist, because we do not assess delay ourselves.

Some of your quotations go in late. A late quotation lets your main contractor make its own assessment instead, and leaves no quotation of yours that can be treated as accepted.

When no reply comes, your team chases and waits. An ordinary chase may not count as notice of the failure to reply, and that notice is what starts the count towards deemed acceptance.

What to do now

In order of priority.

1. **Notify each event on its own, through the channel your subcontract names**

   Why: An event raised in a general email, a report or minutes may not count as notified. Once the period ends, the change to your price and dates can be lost.

   How: Send one short notice per event, headed as a notification of a compensation event. Say what happened and, if you know it, which event in the contract's list you rely on. Send it to the person and through the system your subcontract names, and keep the sent record. If you are unsure an event qualifies, notify it anyway and let your main contractor answer it.

2. **List every event refused, cut or left without a reply**

   Why: Each has its own dates and grounds, and some may still be worth pursuing. A list lets you decide whether recovering them is worth it.

   How: For each event, note what happened, the date you became aware of it, when and how you notified it, any quotation and its date, and the reply. A simple table is enough. If you want them looked at, that is Compensation Event Claim.

3. **Write down your subcontract's own periods, each with its clause**

   Why: Every clock the routine counts depends on them. A Z clause can shorten a period or add a condition, and a team working to the standard form will not see it.

   How: Open your subcontract at the Contract Data and the Z clauses. Note the period to notify an event, the period to quote, the period for each reply, and what happens when no reply comes. Put the clause beside each one. For comparison, the NEC4 main contract gives 8 weeks to notify, 3 to quote and 2 for the reply to a quotation.

4. **Give every early warning in writing, and keep a register**

   Why: A warning with no record may as well not have been given. An early warning is not a notification either: the event still needs its own notice.

   How: When anyone sees a risk to cost, time or the finished works, give your main contractor a written early warning that day. Send it through the contract's communication system. Log it with the date, who raised it and what was agreed. Our free Early Warning Register is a ready-made one.

5. **Log every possible event the day you become aware of it**

   Why: The notification period runs from awareness. A dated record made at the time is your evidence of when the clock started, and it stops days slipping away before anyone counts them.

   How: Keep one log per job. For each possible event, note what happened and the date you became aware of it. Note how you know: the email, the instruction, the photo or the site diary entry. Count the notification period from that date.

6. **Build each quotation from the contract's cost components**

   Why: A quotation built from the Schedule of Cost Components plus your Fee, with its workings and assumptions shown, is the hardest to cut or replace.

   How: Price the people, plant, materials and other costs the Schedule of Cost Components lists, then add your Fee. Use actual cost for work already done and a forecast for the rest. Show how you worked out each figure, list your assumptions, and include any delay to your dates.

7. **Line up someone to work out the time side**

   Why: Each quotation needs the event's effect on your dates as well as its cost, and that is a planner's work.

   How: If you have no planner, find a programming specialist you can call on when an event affects the programme. Keep your programme up to date, so they have something to work from.

8. **Ask for more time in writing before a quotation's period ends**

   Why: More time can be agreed only before the period ends. Asked for after it has ended, it is too late.

   How: Diarise each quotation's due date the day you are asked to quote. If you cannot finish in time, write to your main contractor before the period ends, say why and propose a new date. Get their agreement in writing.

9. **Notify the failure whenever a reply is late**

   Why: Where your subcontract gives deemed acceptance, silence counts as acceptance only after you notify the failure to reply and a further period passes. Without that notice, the event drifts.

   How: Check what your subcontract says happens when no reply comes. When a reply is late, send a short notice through the contract's communication system saying the reply is overdue. Then diarise the further period: 2 weeks under the NEC4 main contract, or the period your subcontract sets.

10. **Keep every notification, quotation and reply exactly as it went or arrived**

    Why: If an event is ever disputed, it turns on dates: when you became aware of it, when you notified it and when you quoted. The original email or system record keeps its date and time; a forwarded copy or a printout may not.

    How: Make one folder for each job. Save each notification and quotation as the email or system record that sent it, with any reply beside it. Do not edit or rename the attachments.

What to gather

Everything the work is built from. Copies are fine: send what you have and we will tell you what is missing.

- **The subcontract.** A complete PDF or scan with the Contract Data, every Z clause and the

amendment schedule included.
Where to find it: The commercial folder or the order email; make sure the Z clauses come with it, they are usually a separate schedule.

- **The event log and early warning register as they stand.** Sent exactly as they are kept, even if the register is empty or the log is a list in an email.
  Where to find it: Your quantity surveyor's working folder, the project's communication system, or the last progress meeting's papers.
- **Notifications and quotations already sent.** In their native form: emails, portal exports or documents, with their dates and any replies.
  Where to find it: The project's communication system if the subcontract runs one, otherwise the inboxes of whoever notifies and quotes.
- **Recent correspondence with your main contractor.** A few recent weeks, forwarded as the original emails with dates, recipients and attachments intact.
  Where to find it: The threads between your team and your main contractor's project team; forward them whole.
- **How your costs are recorded.** A sample week of timesheets, plant hire records and supplier invoices, as they are kept.
  Where to find it: The site office, your payroll and your accounts team.

Why Quantsurv

You can do a good deal of this yourself, and the steps above show how. If you would rather have it done for you, or want the notices checked before you act, this is the work we do.

- **Specialists in exactly this.** We work only for subcontractors, on the claims and disputes that cost them money. Behind it: 10 years on the commercial side of construction, and £100m+ of construction projects worked on.
- **A fixed fee, agreed first.** We never bill by the hour. Fixed fee for set-up and the live month, agreed in writing before work starts. Optional monthly checks have a fixed fee agreed first. Pause between jobs or stop at month-end. If the work runs over, the cost is ours, not yours.
- **Fast where it matters.** Ten working days. A fixed fee also gives us every reason to finish quickly.

How Compensation Event Loss Prevention would run for you

The whole service, step by step. Where your answers decide a route, it is shown under the step it belongs to.

Step 01 You tell us how events are handled today

One call about the job, the subcontract and who on your side spots, notifies and quotes. The first conversation is free and commits you to nothing.

Step 02 We confirm the scope and the fixed fee in writing

We confirm which job or jobs are covered, what we will set up, the fixed fee and the timetable. It is all in writing before any work starts.

What you get: A written scope, fixed fee and timetable

- **Where you run several NEC jobs:** every job goes into one diary, with each subcontract's own periods and channels.
- **If you have no planner for the time side of quotations:** we say so in the scope. The routine prices the cost, and the time effect of each event needs a programming specialist.

Step 03 You decide whether to go ahead

You have the scope, the fee and the timetable in writing. Nothing starts until you say so.

Step 04 You send us the paperwork

The list below lets us build the routine from your subcontract's own periods and what your people already record.

Step 05 We map your subcontract's clocks

We read the notification, quotation and reply periods, the early warning process, the communication system and the cost rules. The NEC4 main contract gives 8 weeks to notify, 3 to quote and 2 for the reply to a quotation, or the periods your subcontract sets.

What you get: A one-page map of your subcontract's periods, each with its clause

Step 06 We check how events are handled now against those clocks

We take each open event from awareness to warning, notification and quotation, and check it against its period. We find where events were raised late, through the wrong channel, or quoted as a bare total.

What you get: A written note of where events have slipped, and every open event's next deadline

- **If events were raised only in meeting minutes or progress reports:** we list them with their awareness dates, so any still in time can be notified properly now.
- **If past events were refused or cut but no date is pressing:** we list them with their sums, so you can decide whether Compensation Event Claim is worth it.

Step 07 We build the routine around your team

An event log that records the awareness date and its evidence the day an event lands, and a live early warning register. Notification and quotation templates in the contract's own form, and a diary that counts every clock.

What you get: The event log, the early warning register, the notification and quotation templates and the clock diary

- **Where a risk is seen before it becomes an event:** the early warning goes in the register and to your main contractor at once. Under the NEC4 main contract, an event an experienced contractor could have warned of, but you did not, is assessed as if you had.
- **If a quotation cannot be finished in time:** the routine asks for more time in writing before the period ends. An extension asked for after it has ended is too late.
- **If your main contractor does not reply to a notification or quotation in time:** the routine diarises your notice of that failure and the further period: 2 weeks under the NEC4 main contract, or the period your subcontract sets. Silence can then count as acceptance where the subcontract says so.

Step 08 We walk your team through it

We take the people who spot, notify and quote through the log, the templates and the diary, using an event from your own job. Each step has a named person, and cover for when they are away.

What you get: The written routine, with a named person and cover for every step

Step 09 You run it on a live month

Your people log, warn, notify and quote in your name through the contract's communication system. We are alongside to answer questions as events arrive.

Step 10 We check every clock the month started

We trace each event the month produced from awareness to warning, notification and quotation, and check it against its period. Anything nearing its deadline is flagged the day we find it, not at the month end.

Step 11 We correct the routine and hand it over

We change whatever the live month showed does not work. Then we take the people who will run the routine through the corrected version, so it survives the first busy week.

What you get: The corrected routine, proven on a live month

Step 12 You decide whether to add the Ongoing check

Your team runs the routine from the written handover. The optional Ongoing check is a second pair of eyes on it each month, at a fixed monthly fee.

Step 13 We hand over a routine your team runs

You receive a one-page deadline map linked to the contract clauses, together with an event log, notice and quotation templates, and a deadline diary. We test the routine with your team and record who owns each task and who provides cover.

Your path through the questions

The questions you answered, in order, as the page drew them. Your answers are in yellow, with the line running through them.

Which is closest to where you are now?

Nothing has gone wrong yet; we want every event handled right

Events have been refused or cut before, and we want it to stop

An event is being refused, cut or ignored right now

Our subcontract is JCT or bespoke, not NEC

Is a notification or a quotation for any event due this week?

Yes

No

Not sure

What usually happened to those events?

Refused as notified too late

Refused as not a compensation event

Accepted, but the quotation was cut or replaced by their own

No reply came, and they are still open

A mix, or not sure

How many live NEC jobs do you have?

One

Several

Where do your team's periods for notifying and quoting come from?

Read from our own subcontract, with its Z clauses and Contract Data

The standard NEC periods, such as 8 weeks to notify

We do not have the Z clauses or the Contract Data

Not sure

When your team sees a risk to cost or time coming, does anyone give an early warning in writing?

Yes, in writing, and each one goes on a register

Sometimes, by word of mouth or in meetings

Rarely or never

Not sure

When something happens that could change your price or dates, when is it first written down?

The same day, in a log, with the date we became aware of it

At the month end, or once the cost is known

It comes up in emails and meetings, but nobody logs it

Not sure

How do you tell your main contractor about a compensation event?

A separate notice for each event, through the channel our subcontract names

Through the project's online system, such as a portal

In general emails, progress reports or meeting minutes

We usually leave it until the final account

Not sure

When you are asked to quote for an event, how is the quotation built?

- From the Schedule of Cost Components, with records behind each figure
- **From our usual rates, or as one lump sum**
- We price them, but our records do not show what each event cost
- Not sure

Who works out how an event changes your programme and your dates?

- Our own planner, or a programming specialist we use
- **Nobody; we price the cost only**
- Not sure

Do your quotations go in within their period?

- Yes, or we agree more time in writing before the period ends
- **Some go in late**
- Not sure

If your main contractor does not reply to a notification or a quotation, what do you do?

- Notify the failure in writing, and count the further period
- **Chase it by phone or email, and wait**
- Leave it until the final account
- Not sure

Who spots, notifies and quotes events on the job, and who covers when they are away?

- **A named person for each, with named cover**
- One person does it all, with no cover
- Whoever is on site or free that week
- Not sure

Roughly how much is at stake?

- Under £5,000
- £5,000 to £25,000
- **£25,000 to £100,000**
- Over £100,000
- Not sure

Your report

Next step

The first conversation is free and commits you to nothing. Reply to the email this report came with, or email contact@quantsurv.com, and we will already have your answers.