

A funny thing happened on the way to in the forum

DAVID WADDLE – DIALES DELAY EXPERT ARGUES THE PURPOSE OF THE PROGRAMME.

On 12 March 2014 there was a significant birthday; the World Wide Web (internet to you and me) was 25. The event reminded me of how much our daily lives have changed. 25 years ago I remember seeing my first fax machine on site, mobile phones often came with a small suitcase attached and green wax jackets were the 'must have' apparel. Now here we are using the internet to do things we never even dreamt of back then. I regularly use Google for research, type in the most obscure question and somebody out there will have an answer, not only is that amazing but the answer will appear on my screen in milliseconds.

The internet also gives me the opportunity to interact with other construction planners from all around the world via various forums and chat rooms. Some of the information is both interesting and useful, however, one has to remember to be careful how one makes use of that information. For me it is interesting to read the variety of opinions on a broad range of subjects, one expert however came in for some criticism. In the 2012 case, *Cleveland Bridge v Severfield-Rowen*, the judge noted that one of the experts 'was reduced to seeking information from an engineering "chat room" on the Internet' and had based some of his views on what one participant had said to another. The judge considered this to be extraordinary, possibly in part due to the fact that the welding outputs which were being discussed were taken from a petrochemical plant in Malaysia rather than a multi-storey building project in London. The result was that the source of information and, more significantly, the conclusions derived from it were considered by the

judge to be unreliable.

In a recent planning forum which I followed, it was suggested that a savvy contractor could manipulate the programme so that all float disappeared leading to the question of float ownership being taken away. By manipulating the programme in this way the float became hidden to the exclusive benefit of the contractor. Also by making all activities critical, any employer change would guarantee the contractor's entitlement to an extension of time.

Regular readers of the Digest may recall David Bordoli's article covering the subject of float (Digest, issue 5, page 11). In this article David considered float and float ownership in more detail. I won't go back over the detail of float and its definition, you will have to read David's article for that, but I will emphasise that it is important to understand that float is not something that is simply created. Float becomes apparent following a set of calculations known as a forward and backward pass. These calculations take account of several factors including activity duration, logic paths, leads and lags,

“ A truly savvy planner has a very effective role to play within any project team. ”

calendars, resources and constraints. At the end of this process we are left with a critical path (or paths) and a calculation of float. You see, a programme is in fact a mathematical model of the project.

It is possible of course to manipulate the programme as suggested in the forum in order to give the project team whatever result it might want. A planner could revise activity durations or change programme logic in some way to affect the way the programme reacts during the forward and back-

ward pass calculations. Such manipulation must be short lived however because the very first programme update will automatically generate float within the model, simply as an effect of the rate of progress, unless every activity progresses exactly to plan. This is true of course but there are several other factors involved. Maybe one of the first is the format of the programme. It will be difficult to spot any manipulated changes in a paper or PDF copy of a programme which may not show the logic links and perhaps consists of several thousand activities.

A demonstration of this concept of revising the programme was highlighted in the 2005 case *Great Eastern Hotel v John Laing Construction*. It was acknowledged that the construction manager had revised the logic in the master programme as it carried out some of its monthly progress updates. The reasons for the change remained unexplained but the effect was that these changes had caused the programme to behave in a certain way when it was re-scheduled. In reality this meant that a delay to the programme was reported by the

construction manager to be several weeks less than it actually was. The consequential effect of this under-reporting was that the employer then lost any opportunity it might have had to work with the construction manager to mitigate the delays.

It seems that in all of this, the true purpose of the programme is being forgotten. It is meant to be used as a management tool to assist the project team in making decisions, from ordering materials and resources, to procuring suppliers and assisting

the design team to provide the right information at the right time. The programme, if properly prepared and utilised, can do all of this. Treated in the right way the programme can also assist the project team in evaluating the effect or potential effect of change and allow the team to be just that: a team. In *Great Eastern* it appears that this opportunity was lost.

Collaborative working between all of the members of the project team should be standard practice and in reality, on the majority of projects, it is. Projects carried out with this type of team spirit are generally successful for all those who are involved in them. The NEC3 ECC contract is an example of one which goes a little bit further than most in promoting collaborative working. It even includes Clause 10.1 which states that the parties shall act "in the spirit of mutual trust and co-operation".

Two key factors which form the backbone of the NEC3 contract are transparency and the programme.

A truly savvy planner has a very effective role to play within any project team. It is not about manipulating the programme to provide the optimum commercial position for the contractor. It is about accurate reporting, the recognition of change and the effect of that change. It is not unusual for a planner to record progress, mark up the programme and provide a colourful document to adorn the project office wall. Nor is it unusual for the team to report delay whilst in the next sentence, state that the project will be delivered on time.

The NEC3 contract requires that the programme is updated on a regular basis, usually every four weeks. It also requires that compensation events or potential compensation events are notified as soon as the parties are aware of them. Risk reduction meet-



ings are required where these events are properly discussed and solutions are considered. Ultimately the effect of the compensation event is measured based on the effect it has, if any, on planned completion.

This whole process revolves around the programme. For it to operate successfully the programme must be as accurate, and dynamic, as possible. A manipulated programme would not be fit for this purpose.

There is a requirement in the contract for the programme to be assessed by the project manager

and either accepted or rejected. The assessment of compensation events is based on the current accepted programme. What we see on many projects that are going through the dispute resolution process is that programmes have not been accepted or, in many cases, rejected. Often the project manager has in fact remained silent. I am sure that there are many reasons for this but I suspect that one of the main reasons is that the project manager does not understand the programme and is perhaps nervous of accepting a document which they

do not trust and which may benefit the contractor in the assessment of compensation events.

It is possible for the project manager to seek specialist assistance if there is any part of the programme he does not understand (if you have a 'friend' who might need some advice, we are here to help 'him') but really the first port of call must be the contractor's planner.

The NEC3 contract is just one specific contract but in reality the role of the programme is the same on just about any project. All of the parties must have faith in it, not just in its

content but in its integrity.

The truly savvy planner and project team (there is no i in planner) will never manipulate the programme. It will always be an honest and transparent document, and in this way, good things will come to those who operate it. ■

Driver Trett provides a short seminar which discusses some of the 'tricks and traps' that can be hidden in the programme. For more information email info@drivertrett.com.