

The line that was priced, approved, and never charged for

How a subcontractor on a major UK rail programme found money it had already earned — in a quotation that added up perfectly.

CASE STUDY · PAUL MULCAIR UK LTD · NEC3 SUBCONTRACT

Paul Mulcair UK Ltd

Paul Mulcair UK Ltd (PMUK) delivers drainage projects on a major UK rail programme, working under an **NEC3 subcontract** across multiple packages. Like most subcontractors, its commercial team prices compensation events in volume, against reply periods that run whether or not there is time to do the work properly.

Nine priced compensation events were put through Clause 60.

A note on how this came about. Clause 60's founder, Sheldon Wright, is a consultant to PMUK through Wright Commercial Consultants, and the reviews were run on live compensation events for PMUK. We say so plainly rather than present this as an unconnected customer: it is the reason the findings below are as specific as they are, and you should weigh it accordingly.

The finding that is hard to forget

On one event, a Plant Operator had been priced. The hours were right. The rate was right. The line sat in the workbook where it belonged.

Clause 60 found it had never been charged for.

The People total on the CE tab was a `SUM` across a fixed block of rows. At some point a row was added below the bottom of that range, without the formula being extended to reach it. The formula did not break. It did not error. It returned a number — and the number was wrong.

That one line was **12.5% of the whole event**.

What makes it worth reading twice is how well it was hidden:

- **Re-reading the narrative would not have found it.** The narrative was correct.
- **Checking the arithmetic would not have found it.** The arithmetic reconciled exactly — to the wrong total.

A quotation that adds up is the thing a commercial team checks for, and this quotation added up.

The fix was not "check the formula again"

The remedy came from Wright Commercial Consultants, and it is worth stating because it is a better answer than more diligence.

Build the People tab so hours are **pulled by lookup against the resource reference**, rather than summed over a fixed range of rows.

The difference is in how the two fail. A `SUM` over rows 18 to 37 is correct right up until somebody inserts a row at 38 — and then it is *silently* wrong, with no error, no broken reference, and a total that still reconciles against itself. A lookup keyed to the resource returns that resource's hours wherever the row happens to sit. Adding a line cannot take it out of the total.

It removes the thing that made this expensive: **the workbook stops depending on somebody manually checking the formulas before it goes out**. On a busy month, that check is the first thing to go – and it was the only check that would have caught this.

The change is being built into the compensation event template, so it arrives with the template rather than having to be applied workbook by workbook.

A deduction with nothing behind it

On another event, the contractor's own assessment struck out ten equipment lines in full, on the stated ground that they were "deemed to be covered under prelims".

The review's finding is deliberately narrow: **no contractual provision excluding those items was cited**. That is not an argument about whether they are prelims. It is that the deduction, as issued, does not say what it rests on.

That is a far easier request to put than an argument about principle – provide the basis, or withdraw it – and it is the kind of thing that gets missed when a quotation comes back reduced and the next one is already due.

The findings that went the other way

This is the part we would ask you to weigh most heavily.

The same reviews found queries that would **reduce** PMUK's own quotations: equipment items duplicated, a blanket risk percentage applied across cost that had already been incurred rather than to the forecast element where Clause 63.6 puts it.

On one event the review found a rate **understated against PMUK's interest** – money PMUK had not claimed and could have.

A review that only ever found money for the party paying for it would not survive being shown to the other side. These reach the same answer whoever runs them, and they report what runs against you as readily as what runs for you. That is precisely why the findings that *do* favour you carry weight in a negotiation.

There is a practical edge to it as well. Every duplication found in-house is one the other side's assessor does not find instead – and a duplication found by the assessor does not only cost the duplicated amount. It costs credibility on every other line in the same workbook, and it is the reason an assessor starts checking things they would otherwise have taken on trust.

One habit, not five mistakes

The equipment duplication appeared across five of the nine events. Two, three, four times, depending on the event.

That is not five errors. It is **one habit in how the workbook gets built, repeating** – which is good news, because a habit can be fixed once, at source, and every future quotation stops carrying it.

What PMUK did with it

PMUK's CEO agreed the actions arising, which included:

1. **Restate the event** carrying the excluded line.
2. **Roll out the corrected template**, so the defect cannot recur and the workbook no longer depends on formulas being hand-checked.
3. **Press for the contractual basis** of the equipment deduction, or its withdrawal.
4. **Fix the duplication at source** in the template.
5. **State the time position on every quotation**, even where it is nil, with a reason. Clause 62.2 requires it, and a quotation silent on time leaves the contractor's own-assessment route open.

They are now looking at linking their allocation sheets to the quotation workbook so values populate as the records are produced.

What this means if you are pricing compensation events

Three things in this story are not specific to PMUK.

A quotation that reconciles is not a quotation that is right. Internal consistency is the check most commercial teams have time for, and it is the check this defect passed.

The money you lose quietly is the money nobody is looking for. A deduction you can see gets argued. A line that never made it into the total does not get argued, because nobody knows it is missing.

Patterns are invisible one event at a time. The duplication that appears in five quotations looks like a one-off in each of them.

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