Compensation Event Review

Side-neutral, evidence-based assessment of the compensation event pack

Review reference	CWR-CE-07	**Date generated**	23 July 2026
Event under review	CE-07 — Pavement specification change		
Project	MIS — Motorway Improvement Scheme		
Contract form	NEC4 ECC Option A **Clause numbers in this report are NEC4 ECC Option A.**		
Documents reviewed	(1) ce07-pack.xlsx; (2) CE07_AP05_baseline_clause32.xer; (3) CE07_IMP01_impacted_clause62.xer		
Model / version	Clause 60 review engine (AI-supported)	**Status**	Assistive, not advisory

1. Introduction to the Compensation Event

This report is an evidence-based review of Compensation Event CE-07 (pavement specification change) submitted by the Contractor on 2025-03-21 under NEC4 ECC Main Option A. The review is produced under the Clause 60 review methodology and is assistive, not advisory: it is information to support a human reviewer's professional judgement and is not a substitute for it.

The event arises from Project Manager's Instruction PMI-PV-07 (2025-03-11), which changed the mainline pavement binder course specification to a thicker, higher-modulus material over chainage 800–3200. The Contractor claims a change to the Prices of GBP 75,712 (Defined Cost GBP 67,600 plus Fee at 12% GBP 8,112) and a 6 working-day movement of Key Date KD-2 (from 14 April 2025 to 24 April 2025). No change to Planned Completion is claimed.

The review assesses contractual basis, cost, time/programme, internal consistency, risk and contingency, and missing information, and concludes with a liability summary. RAG ratings are applied per section and an overall rating is derived. The RAG key is: GREEN — no issue, adequately substantiated and contractually sound; AMBER — a substantiation, verification or clarification query that does not by itself change the assessable amount or contractual outcome, assessable once resolved; RED — a defect that changes the assessable amount or the contractual outcome, cannot be accepted in its current form.

All clause references are to NEC4 ECC unless otherwise stated. Findings are labelled FACT, INFERENCE or ACTION throughout.

2. Executive Summary

CE-07 is contractually well-founded. PMI-PV-07 is a written PM instruction changing the Scope; Clause 60.1(1) is the correct sub-clause and liability is not in dispute. The quotation was submitted within the 8-week period under Clause 61.3.

The cost build-up is largely sound: it uses the correct SSCC basis for NEC4 Option A, applies the correct 12% Fee, correctly omits any WAOH percentage (consistent with NEC4 and prior CE-09 findings), and correctly states that no separate X1 adjustment is needed on a current-priced CE. The binder course material rate of GBP 60/tonne is supported by supplier quotation SUP-BC-07, which is an acceptable single-specialist basis under Clause 63.9.

One AMBER cost query arises: the bond coat and tack coat item (GBP 1,500; 25,000 m² at GBP 0.06/m²) is not supported by a supplier quote or rate derivation in the pack. The rate is low and plausible for a tack coat, but the quantity (25,000 m²) implies a 2.5 m-wide strip over 10,000 m of chainage, which is wider than the chainage 800–3200 scope (2,400 m). Clarification of the quantity basis is needed before this item can be accepted without adjustment.

The time assessment is well-structured. The Contractor has provided two native Primavera P6 XER files, a clear time-impact analysis against the Accepted Programme (AP-05, a Clause 32 revision), and a programme narrative. The KD-2 movement of 6 working days (10 calendar days, 14 April to 24 April 2025) is arithmetically consistent with the XER data. The baseline KD-2 path carries +3 working days of total float against the contractual KD-2 date of 17 April 2025; the impacted programme shows -3 working days, giving a net movement of 6 working days. Planned Completion is unchanged. The X5/X7 position is correctly addressed.

One AMBER time query arises: 12 of 26 activities in the baseline XER (46%) and 12 of 31 in the impacted XER (39%) show unknown total float, which prevents full independent verification of the float distribution and critical-path logic from the extracted data alone. The native XER files are stated to be enclosed and should be reviewed in P6 to confirm. This is a verification query, not a substantive defect.

A second AMBER time query: the baseline XER shows KD-2 (milestone KD2) finishing on 2025-04-14 with +3.0d total float against the contractual date of 17 April 2025. The Contractor's narrative states the baseline planned KD-2 date is Monday 14 April 2025, which is consistent with the XER. However, the contractual KD-2 date in the Contract Data is 17 April 2025, not 14 April 2025. The Contractor's claim is for 6 working days of Key Date movement, taking the planned date from 14 April to 24 April — a movement of 6 working days past the planned date, which puts the impacted planned date 7 working days past the contractual date (17 April to 24 April). The delay damages exposure under Option X7 is therefore from 17 April 2025 (the contractual KD-2 date) to 24 April 2025 (the impacted planned date): 5 working days (18 April and 21 April are non-working bank holidays), equating to 7 calendar days. The PM should confirm the calendar-day count for X7 purposes.

No risk or contingency allowance is included in the quotation. This is an affirmatively stated nil position (the scope is defined by the PMI and the supplier quote) and is acceptable.

Overall rating: AMBER. The contractual basis and liability are sound (GREEN). The cost build-up is sound subject to one AMBER query on the bond coat quantity. The time assessment is sound subject to two AMBER verification queries. No RED defect is present. The quotation is assessable once the AMBER queries are resolved.

> **Overall rating:** AMBER Return the quotation to the Contractor with a written request for: (1) clarification and substantiation of the bond coat/tack coat quantity (25,000 m² — basis and measurement); (2) confirmation of the X7 delay damages exposure in calendar days from the contractual KD-2 date of 17 April 2025 to the impacted planned date of 24 April 2025. Separately, the PM/Employer's team should open the native XER files in Primavera P6 to verify the full float distribution and critical-path logic before implementing the time assessment. Subject to satisfactory resolution of these queries, the quotation is assessable at GBP 75,712 (subject to the bond coat

quantity check, which could reduce the Defined Cost by up to GBP 1,500 if the quantity is unsupported).

RAG key:
GREEN assessable and appears supported by the pack. AMBER assessable, but with queries or adjustments to resolve first. RED cannot presently be assessed, or a fundamental issue is present.

Commercial summary

Measure	Amount / status
Total change to the Prices claimed	**GBP 75,712**
Defined Cost claimed	GBP 67,600
People	GBP 16,400
Equipment	GBP 11,800
Plant and Materials (binder course)	GBP 37,200
Plant and Materials (bond/tack coat) — AMBER query on quantity	GBP 1,500
Charges (testing and coring)	GBP 700
Fee at 12%	GBP 8,112
Amount assessable / supportable (subject to AMBER queries)	**GBP 75,712 (up to GBP 1,680 at risk pending bond coat quantity check — GBP 1,500 DC + GBP 180 Fee)**
Principal amount in question (bond coat quantity)	Up to GBP 1,680 (GBP 1,500 DC + GBP 180 Fee)
Time claimed — KD-2 movement	6 working days (10 calendar days), 14 April 2025 to 24 April 2025
Time assessable — KD-2 movement	6 working days subject to XER verification in P6
X7 delay damages exposure (KD-2, GBP 2,500/day)	Contractual KD-2 date 17 April 2025; impacted planned date 24 April 2025; 5 working days / 7 calendar days exposure — confirm calendar-day count for X7 purposes
Planned Completion impact	Nil — unchanged at 20 May 2025 in both XER files
Option X1 (inflation) adjustment	Nil — correctly excluded; CE assessed at current prices under Clause 63.1

Section summary

Ref	Section	Rating	Materiality	Headline reason
A	Contractual Basis	GREEN	High	CE-07 is contractually valid. PMI-PV-07 is a written PM instruction

				changing the Scope; Clause 60.1(1) is the correct sub-clause. Notification and quotation are within time. No Z-clause removes entitlement.
B	Cost Assessment	**AMBER**	**High**	The cost build-up is largely sound: correct SSCC basis, correct Fee, no WAOH, correct X1 treatment. One AMBER query on the bond coat/ tack coat quantity (GBP 1,500 at risk). Testing rate basis unstated (low value, low risk).
C	Time / Programme	**AMBER**	**High**	The time assessment is well-structured and the KD-2 movement of 6 working days is arithmetically consistent with the XER data. Two AMBER queries: (1) 46%/ 39% of activities show unknown total float in the extracted data — native XER verification in P6 required; (2) the X7 exposure period (contractual KD-2 date to impacted planned date) needs calendar-day confirmation for delay damages purposes.
D	Internal Consistency	**GREEN**	**Medium**	The narrative, figures and

				programme are internally consistent. Rates are consistent with prior CEs. Totals are arithmetically correct. The cost-programme reconciliation on the Programme Narrative sheet is coherent.
E	Risk and Contingency	GREEN	**Low**	No risk or contingency allowance is included. This is an affirmatively stated nil position: the scope is defined by PMI-PV-07 and the supplier quote, and no blanket percentage has been applied. No Contractor-risk matters are being passed through.
F	Missing Information	—	—	Two items of missing information are required to complete the assessment: (1) bond coat/tack coat quantity basis and rate derivation; (2) full XER verification in P6. One further item (testing rate basis) is low priority.
G	Liability Summary	GREEN	**High**	Liability is established. CE-07 is a valid compensation event under Clause 60.1(1). PMI-PV-07 is a written PM

				instruction changing the Scope. No Z-clause removes entitlement. The quotation is in the correct form. Liability is not in dispute.

2a. Actions Required

#	Action required	Party	Ref	Priority
1	Contractor to provide the measurement basis and substantiation for the bond coat and tack coat quantity of 25,000 m² (Sheet: Defined Cost SSCC). The quantity implies a 2.5 m-wide strip over 10,000 m of chainage, which exceeds the stated scope of chainage 800–3200 (2,400 m). If the quantity cannot be substantiated, the item should be re-measured and the Defined Cost adjusted accordingly (maximum reduction GBP 1,500 DC + GBP 180 Fee = GBP 1,680).	Contractor	B	**High**
2	PM / Employer's team to open the native XER files (CE07_AP05_baseline_clause32.xer and CE07_IMP01_impacted_clause62.xer) in Primavera P6	PM	C	**High**

	to verify the full float distribution, critical-path logic, and calendar settings for the 46% / 39% of activities showing unknown total float in the extracted data. Confirm that the KD-2 movement of 6 working days is supported by the full schedule logic.			
3	PM to confirm the Option X7 delay damages exposure in calendar days from the contractual KD-2 date (17 April 2025) to the impacted planned KD-2 date (24 April 2025), accounting for the bank holidays (Good Friday 18 April and Easter Monday 21 April). The exposure is 7 calendar days / 5 working days at GBP 2,500/day = GBP 12,500 if KD-2 is not met by 17 April 2025. The PM should record this exposure and monitor progress against the impacted KD-2 date.	PM	C	**High**
4	Contractor to confirm whether the testing and coring rate of GBP 35 per core (20 cores, GBP 700) is a forecast	Contractor	B	**Low**

	rate from a specialist or an internal estimate, and to provide the supporting quotation or rate derivation if available. This is a low-value item but the rate basis is unstated in the pack.			
5	PM to implement the CE-07 Key Date adjustment (KD-2 moved by 6 working days, subject to XER verification) in the contract records and notify the Contractor of the adjusted Key Date under Clause 65.1 once the quotation is accepted. Update the X7 delay damages monitoring accordingly.	PM	G	**Medium**

A. Contractual Basis

GREEN

Valid compensation event — Clause 60.1(1)

Fact PMI-PV-07 (2025-03-11) is a written Project Manager's instruction changing the mainline pavement binder course specification over chainage 800–3200. This is a change to the Scope.

Fact Clause 60.1(1) provides that a PM instruction changing the Scope is a compensation event. The Contractor has correctly identified this sub-clause on the CE Summary sheet.

Inference Liability is not in dispute. The event is contractually valid and the correct sub-clause is cited.

Time bar — Clause 61.3

Fact The instruction was issued on 2025-03-11. The quotation was submitted on 2025-03-21, 10 days after the instruction. The CE Summary sheet states this is 'well within the 8-week bar under 61.3'.

Inference Under NEC4 Clause 61.3, the Contractor must notify a CE within 8 weeks of becoming aware of it. A PM instruction is itself a notification of the CE; the quotation was submitted within the required period. No time bar issue arises.

Quotation form — Clause 62.2

Fact The quotation addresses both cost (Defined Cost SSCC build-up plus Fee) and time (KD-2 movement with a time-impact analysis and two native XER files). The CE Summary sheet references Clause 62.2 as the basis for submission.

Inference The quotation is in the correct form required by Clause 62.2, which requires the Contractor to submit a quotation comprising proposed changes to the Prices and any delay to the Completion Date and Key Dates.

Z-clause check — Clause 60.1(2) deletion

Fact The project knowledge confirms that Clause 60.1(2) (Client's failure to give access by the access date) is deleted by Option Z and replaced with 'Not Used'. CE-07 does not rely on Clause 60.1(2); it relies on Clause 60.1(1).

Inference The deleted Clause 60.1(2) has no bearing on CE-07. No other Z-clause is identified in the pack as removing entitlement for a Scope change of this kind.

Assessment basis — Option A / SSCC

Fact The CE Summary sheet states: 'Assessment basis: Forecast Defined Cost on the Shorter Schedule of Cost Components plus the Fee, per Option A.' The Defined Cost SSCC sheet is built on the SSCC.

Inference This is the correct assessment basis for NEC4 ECC Option A under Clause 63.1. The full Schedule of Cost Components does not apply under Option A; the SSCC is the correct instrument.

B. Cost Assessment

AMBER

People rates — Clause 63.1 / SSCC

Fact The Rate Basis sheet states: Ganger GBP 38/hr, General Operative GBP 32/hr, Plant Operator GBP 41/hr — all described as 'Contract Data People Rates'.

Inference These rates are stated to be from the Contract Data. They are consistent with the rates used in prior CE-09 (which was reviewed and not challenged on People rates). No deviation from the contract baseline is apparent.

Inference The People sub-total of GBP 16,400 (Ganger 60h × GBP 38 = GBP 2,280; GO 185h × GBP 32 = GBP 5,920; Plant Operator 200h × GBP 41 = GBP 8,200) is arithmetically correct.

Working Areas Overhead — NEC4 position

Fact No WAOH percentage is applied to People in the Defined Cost SSCC sheet. The Rate Basis sheet does not include a WAOH line.

Fact The project knowledge confirms that no WAOH percentage applies under this NEC4 contract; a WAOH percentage on People is an NEC3 approach and is invalid here. Prior CE-09 was rated RED in part because a 12% WAOH was incorrectly applied.

Inference The omission of a WAOH percentage is correct and expected under NEC4. This is an affirmatively correct nil position. No issue arises.

Equipment rates — CECA / market

Fact The Rate Basis sheet states: Paver GBP 120/hr, Roller GBP 40/hr, Sweeper GBP 30/hr — described as 'CECA / market plant rate'.

Fact Equipment sub-total: Paver 40h × GBP 120 = GBP 4,800; Roller 100h × GBP 40 = GBP 4,000; Sweeper 100h × GBP 30 = GBP 3,000; total GBP 11,800. Arithmetic is correct.

Inference CECA rates are a recognised market reference for plant. The rates are plausible for the equipment described. No supporting CECA schedule extract is included in the pack, but the rates are not obviously excessive for a paver, roller and sweeper on a mainline pavement operation. This is a low-risk item; a CECA schedule extract would strengthen the substantiation but is not essential to acceptance.

Binder course material — Supplier quote SUP-BC-07

Fact The Supplier Quote SUP-BC-07 sheet shows: higher-modulus binder course material, delivered, 620 tonnes at GBP 60/tonne = GBP 37,200. This is a single specialist quotation.

Fact The project knowledge confirms that the applicable concrete rate is GBP 130/m³ for concrete backfill and surround (relevant to CE-06, not CE-07). No applicable contract rate for higher-modulus binder course material is stated in the project knowledge.

Inference Under Clause 63.9, the forecast subcontract/supplier amount is assessed as efficient Defined Cost, not by requiring competitive tender. A single specialist quotation is an acceptable basis. The rate of GBP 60/tonne for a higher-modulus binder course material delivered to site is not obviously excessive for a specialist pavement material. No issue arises on this item.

Bond coat and tack coat — quantity query (AMBER)

Fact The Defined Cost SSCC sheet shows: bond coat and tack coat, 25,000 m² at GBP 0.06/m² = GBP 1,500. No supporting quotation, rate derivation or measurement basis is provided for this item in the pack.

Fact The CE scope is chainage 800–3200, a length of 2,400 m. A quantity of 25,000 m² implies an average width of 10.4 m (25,000 ÷ 2,400). The pavement width is not stated in the pack, but a 10.4 m-wide mainline pavement is plausible for a dual carriageway or wide single carriageway. However, the quantity could also imply a narrower pavement over a longer chainage, which would exceed the stated scope.

Inference The quantity of 25,000 m² is not obviously wrong for a wide mainline pavement over 2,400 m, but it cannot be verified without a stated pavement width or a measurement drawing. The rate of GBP 0.06/m² is low and plausible for a tack coat, but is also unsubstantiated.

Action Contractor to provide the measurement basis for the 25,000 m² quantity (pavement width, chainage limits, drawing reference) and the rate derivation or supplier quote for GBP 0.06/m². If the quantity cannot be substantiated, the item should be re-measured. Maximum financial exposure: GBP 1,500 DC + GBP 180 Fee = GBP 1,680. See Action 1.

Testing and coring — rate basis

Fact The Defined Cost SSCC sheet shows: testing and coring, 20 cores at GBP 35/core = GBP 700. The Rate Basis sheet does not include a line for testing and coring; no supporting quotation or rate derivation is provided.

Inference GBP 35/core is a low rate for pavement coring and testing; specialist rates are typically GBP 50–GBP 150/core depending on depth and testing regime. The rate may be an internal estimate or a historic rate. The total value is GBP 700 (GBP 784 including Fee), which is low materiality.

Action Contractor to confirm whether GBP 35/core is from a specialist quotation or an internal estimate, and to provide supporting evidence if available. Low priority given the low value. See Action 4.

Fee percentage

Fact The Rate Basis sheet states Fee percentage 12%, described as 'Contract Data Part Two'. The project knowledge confirms the Fee percentage is 12%.

Fact Fee applied: GBP 67,600 × 12% = GBP 8,112. Total: GBP 75,712. Arithmetic is correct.

Inference The Fee is correctly applied at the contract rate. No issue arises.

Option X1 — inflation treatment

Fact The Assessment Positions sheet states: 'This CE is assessed as forecast Defined Cost at current prices under 63.1, so no separate X1 adjustment is added to the quotation — a current-priced compensation event is not adjusted again under X1, which avoids counting inflation twice.'

Fact The project knowledge and Contract Data confirm that Option X1 applies with a base date of June 2023, and that a CE assessed as forecast Defined Cost at current prices under Clause 63.1 is not adjusted again under X1.

Inference The X1 treatment is correct. No separate inflation adjustment is needed or appropriate. No issue arises.

Arithmetic check — Defined Cost sub-total

Fact People GBP 16,400 + Equipment GBP 11,800 + Plant and Materials GBP 38,700 + Charges GBP 700 = GBP 67,600. Fee GBP 8,112. Total GBP 75,712. All arithmetic is correct.

Fact The Programme Narrative sheet confirms the cost-programme reconciliation: CE7015 (procure binder) = GBP 37,200; CE7020/CE7030 (regulating course and bond coat/binder) = People GBP 16,400 + Equipment GBP 11,800 + bond/tack coat GBP 1,500 = GBP 29,700; testing GBP 700; total GBP 67,600. The reconciliation is internally consistent.

Inference No arithmetic errors are present. The cost-programme mapping is coherent.

Double-count / risk-on-risk check

Fact No risk or contingency allowance is included in the quotation. No preliminaries are claimed separately from the SSCC build-up. No WAOH is applied.

Inference No double-count is apparent. The absence of a risk allowance is an affirmatively stated nil position (scope defined by PMI and supplier quote) and is acceptable.

Cost component	Claimed (GBP)	Assessable (GBP)	Query
People	16,400	16,400	None — Contract Data rates, arithmetic correct

Equipment	11,800	11,800	None — CECA rates, plausible, arithmetic correct
Binder course material (SUP-BC-07)	37,200	37,200	None — single specialist quote, Clause 63.9 basis acceptable
Bond coat and tack coat	1,500	TBC	AMBER — quantity (25,000 m²) unsubstantiated; rate unsubstantiated; max at risk GBP 1,680 incl. Fee
Testing and coring	700	700 (provisional)	Low — rate basis unstated; low value; Action 4
Fee at 12%	8,112	8,112 (subject to DC adjustment)	Correct rate applied
TOTAL	75,712	74,032–75,712	Subject to bond coat quantity resolution

Assessable range reflects the maximum reduction if the bond coat item is entirely disallowed (GBP 1,680 incl. Fee). The testing item is provisionally accepted pending Action 4.

C. Time / Programme

AMBER

Accepted Programme basis — Clause 63.5

Fact The Impacted Programme sheet states the baseline is CE07_AP05_baseline_clause32.xer, Accepted Programme rev AP-05, a Clause 32 revision, data date 2025-03-11 (the PMI-PV-07 instruction date). The impacted programme is CE07_IMP01_impacted_clause62.xer, identical to the baseline plus the inserted CE-07 activity chain.

Fact Clause 63.5 requires the delay to the Completion Date and Key Dates to be assessed as the effect of the CE on the planned dates shown on the Accepted Programme. The Contractor has used the current Accepted Programme (AP-05) as the baseline, which is the correct instrument.

Inference The assessment basis is correct under Clause 63.5. The data date of 2025-03-11 (the instruction date) is appropriate for a time-impact analysis.

KD-2 movement — 6 working days

Fact Baseline XER (AP-05): KD2 milestone finishes 2025-04-14, total float +3.0d against contractual KD-2 date of 17 April 2025. Impacted XER (IMP01): KD2 milestone finishes 2025-04-24, total float -3.0d. Movement: 14 April to 24 April 2025 = 10 calendar days.

Fact The Programme Narrative sheet states the calendar is a 5-day working week (Mon–Fri, 8h) with England & Wales bank holidays as non-working. Good Friday (18 April 2025) and Easter Monday (21 April 2025) fall in the window and are non-working. 10 calendar days minus 2 bank holidays minus 2 weekend days (Sat 19, Sun 20 April) = 6 working days. This is arithmetically correct.

Inference The KD-2 movement of 6 working days is arithmetically consistent with the XER data and the stated calendar. The baseline float of +3 working days against the contractual KD-2 date, and the impacted float of -3 working days, together demonstrate a net movement of 6 working days, which is the correct Clause 63.5 assessment.

Unknown total float — XER verification required (AMBER)

Fact The extracted baseline XER data shows 12 of 26 activities (46%) with unknown total float. The extracted impacted XER data shows 12 of 31 activities (39%) with unknown total float. The activities with known float include the critical pavement chain (A5010–KD2) and the CE-07 inserted activities.

Inference The unknown float values prevent full independent verification of the float distribution and critical-path logic from the extracted data alone. The activities with unknown float appear to be the early works (mobilisation, earthworks, drainage, foundations) which are complete or substantially complete at the data date; their float status is less material to the KD-2 assessment. However, this cannot be confirmed without opening the native XER files in P6.

Action PM / Employer's team to open the native XER files in Primavera P6 to verify the full float distribution, critical-path logic, and calendar settings. Confirm that the KD-2 movement of 6 working days is supported by the full schedule logic. See Action 2.

Driving logic — CE-07 activity chain

Fact The impacted XER shows: M050 (PM instruction, 0 wd, +1.0d float, non-driving); CE7010 (revised design & acceptance, 2 wd, +1.0d float, non-driving); CE7015 (procure binder, 5 wd, +1.0d float, non-driving); CE7020 (regulating course, 3 wd, -3.0d float, driving); CE7030 (bond coat & binder, 3 wd, -3.0d float, driving).

Fact CE7020 starts 2025-03-19 and finishes 2025-03-21; CE7030 starts 2025-03-24 and finishes 2025-03-26. A5020 (binder course paving) starts 2025-03-27 in the impacted programme, compared to 2025-03-19 in the baseline — a delay of 6 working days, which propagates through A5030, A5040, TRAPV and KD2.

Inference The driving logic is coherent: the physical pavement works (CE7020 regulating course, CE7030 bond coat/binder) are on the critical path to KD-2 and drive the 6-working-day delay. The non-driving activities (instruction, design acceptance, procurement) complete before the physical works need them, which is logical. The programme logic is sound on the face of the extracted data.

Planned Completion — unchanged

Fact Both XER files show M900 (Planned Completion) finishing 2025-05-20 with 0.0d total float. TRACP (time risk allowance — completion) runs 2025-05-14 to 2025-05-20 in both files, unchanged.

Inference Planned Completion is genuinely unchanged. The 6-working-day KD-2 movement is absorbed by path float between the pavement chain and the Completion critical path (earthworks → foundations → KD-1 → fencing → landscaping → Completion). Terminal float (10 working days, TRACP) is preserved. No Completion Date extension is claimed or warranted on the face of the programme.

Float treatment — Contractor's time risk allowances

Fact The baseline XER shows three time risk allowances: TRAFN (foundations, 3 wd, 0.0d float — critical); TRAPV (pavement, 5 wd, +3.0d float in baseline, -3.0d in impacted); TRACP (completion, 5 wd, 0.0d float — critical to Completion).

Inference The Contractor's time risk allowances are preserved in the impacted programme (TRACP unchanged; TRAFN unchanged). TRAPV degrades from +3.0d to -3.0d, which is the mechanism by which the KD-2 movement is demonstrated. This is the correct treatment under NEC4: the Contractor's time risk allowances are not consumed by the CE assessment.

KD-1 — Area 3B — not affected

Fact KD1 (KD-1: Foundations complete & available to Client) shows 2025-03-14 finish, 0.0d total float in both XER files. The KD-1 path (earthworks → foundations → TRAFN → KD1) is unchanged between the baseline and impacted programmes.

Inference CE-07 does not affect KD-1. The Area 3B works and the KD-1 Condition are on a separate critical path from the pavement works. No KD-1 adjustment is claimed or warranted.

X7 delay damages exposure — calendar-day confirmation required (AMBER)

Fact The contractual KD-2 date is 17 April 2025 (Contract Data). The baseline planned KD-2 date is 14 April 2025 (+3 working days of float). The impacted planned KD-2 date is 24 April 2025 (-3 working days of float). Option X7 applies; KD-2 delay damages are GBP 2,500 per day.

Fact The Assessment Positions sheet states the KD-2 movement is 6 working days (14 April to 24 April). The Contractor correctly identifies that the impacted planned date of 24 April 2025 is 7 calendar days after the contractual KD-2 date of 17 April 2025.

Inference The X7 delay damages exposure runs from the contractual KD-2 date (17 April 2025) to the impacted planned KD-2 date (24 April 2025). In that window: 18 April (Good Friday) and 21 April (Easter Monday) are non-working; 19–20 April are weekend days. Working days in the exposure window: 17 April (Thu), 22 April (Tue), 23 April (Wed), 24 April (Thu) = 4 working days; but delay damages under X7 are typically assessed in calendar days unless the contract specifies otherwise. Calendar days from 17 April to 24 April inclusive = 7 calendar days (or 7 days of exposure if the damages run from the day after the contractual date: 18, 19, 20, 21, 22, 23, 24 April = 7 days). At GBP 2,500/day this is GBP 17,500 maximum exposure if KD-2 is not met.

Action PM to confirm the X7 delay damages exposure in calendar days from the contractual KD-2 date (17 April 2025) to the impacted planned KD-2 date (24 April 2025), and to record and monitor this exposure. See Action 3.

Earlier unimplemented CEs in the programme

Fact The pack does not identify any earlier unimplemented CEs contained within the impacted programme. The baseline XER (AP-05) is described as a Clause 32 revision, implying it has been accepted by the PM and reflects the current agreed programme.

Inference If earlier CEs (e.g. CE-03, CE-05, CE-06, CE-09) have been implemented and their time effects incorporated into AP-05, the baseline is a sound starting point. If any earlier CE time effects are not yet incorporated into AP-05, the baseline may understate the pre-CE-07 position. The PM should confirm that AP-05 is the current Accepted Programme and that all prior implemented CE time effects are reflected in it.

Activity / path	Baseline float (wd)	Impacted float (wd)	Risk profile
Critical path (earthworks → KD-1 → fencing → Completion)	0.0	0.0	Critical — unchanged by CE-07
TRAFN (foundations TRA)	0.0	0.0	Critical — unchanged
KD1 milestone	0.0	0.0	Critical — unchanged
Pavement chain (A5010 → KD2)	+3.0	-3.0	Degraded by 6 wd — KD-2 path now behind contractual date
TRAPV (pavement TRA)	+3.0	-3.0	Consumed by CE-07; KD-2 TRA exhausted
TRACP (completion TRA)	0.0	0.0	Preserved — Completion unaffected
CE7020 / CE7030 (driving CE activities)	n/a	-3.0	Driving — insert CE-07 delay into pavement chain
M050 / CE7010 / CE7015 (non-driving CE activities)	n/a	+1.0	Non-driving — complete before physical works

Float values from extracted XER data. Full verification requires opening native XER files in P6 (Action 2).

Ref	Condition	Original Contract Date (A)	EOT Secured (B)	Adjusted (C=A+B)	Current Planned Date (D)	Delta (D-A)	Delay Damages	Damages Liability	Comments
KD-1	Area 3B drainage and earthworks complete and ready for following trade	Per Accepted Programme (post 04/01/2025 access)	Nil — CE-07 does not affect KD-1	Unchanged	2025-03-14 (XER)	Nil	GBP 3,000/day (X7)	No exposure — KD-1 path unchanged	CE-07 is a pavement-only event; KD-1 critical path unaffected
KD-2	Mainline pavement foundation layers complet	17 April 2025 (Contract Data)	6 working days (10 calendar days) — CE-07	24 April 2025 (planned)	24 April 2025 (impacted XER)	+7 calendar days past contractual date	GBP 2,500/day (X7)	Exposure: up to 7 calendar days × GBP 2,500 = GBP	Contractual date 17 April 2025; baseline planned

	e so surfacing can follow							17,500 if KD-2 not met by 17 April 2025	date 14 April 2025 (+3 wd float); impacted planned date 24 April 2025 (-3 wd float). PM to confirm calendar-day count for X7 (Action 3). No X5 sectional Completion affected.

X5 (sectional Completion) does not apply — no sectional Completion dates are identified in the pack. Option X7 applies to both Key Dates. KD-2 is the only Key Date affected by CE-07.

D. Internal Consistency

GREEN

Narrative vs figures

Fact The CE Summary sheet describes the event as a change to the binder course specification over chainage 800–3200. The Defined Cost SSCC sheet builds up People, Equipment, binder course material, bond coat and testing costs. The Programme Narrative sheet maps each cost component to a programme activity. The totals are consistent throughout: Defined Cost GBP 67,600, Fee GBP 8,112, Total GBP 75,712.

Inference The narrative matches the figures. No inconsistency is apparent between the description of the event and the cost build-up.

Rate consistency with prior CEs

Fact Prior CE-09 (additional palisade fencing) used People rates from Contract Data and was rated RED in part because a 12% WAOH was incorrectly applied. CE-07 uses the same People rates (Ganger GBP 38/hr, GO GBP 32/hr, Plant Operator GBP 41/hr) and correctly omits the WAOH. This is consistent with the CE-09 finding and the project knowledge.

Fact Prior CE-06 (concrete backfill and surround) used a concrete rate that was queried against the applicable rate of GBP 130/m³. CE-07 does not involve concrete; the applicable concrete rate is not relevant here.

Inference People rates are consistent with prior CEs and the contract baseline. No rate deviation is apparent. The WAOH omission is consistent with the CE-09 finding and is correct.

Arithmetic check

Fact People: GBP 2,280 + GBP 5,920 + GBP 8,200 = GBP 16,400 ✓. Equipment: GBP 4,800 + GBP 4,000 + GBP 3,000 = GBP 11,800 ✓. Plant and Materials: GBP 37,200 + GBP 1,500 = GBP 38,700 ✓. Charges: GBP 700 ✓. Defined Cost: GBP 16,400 + GBP 11,800 + GBP 38,700 + GBP 700 = GBP 67,600 ✓. Fee: GBP 67,600 × 12% = GBP 8,112 ✓. Total: GBP 75,712 ✓.

Inference All arithmetic is correct. No errors are present.

Cost-programme reconciliation

Fact The Programme Narrative sheet states: CE7015 (procure binder) = GBP 37,200; CE7020/CE7030 (regulating course and bond coat/binder) = GBP 16,400 + GBP 11,800 + GBP 1,500 = GBP 29,700; testing = GBP 700; total GBP 67,600. This reconciles to the Defined Cost SSCC sheet.

Inference The cost-programme mapping is coherent and internally consistent. Each cost component is traceable to a programme activity.

E. Risk and Contingency

GREEN

Risk allowance — nil position

Fact The Defined Cost SSCC sheet includes no risk or contingency line. The CE Summary sheet does not claim a risk allowance. The Assessment Positions sheet does not address risk explicitly, but the scope is defined by PMI-PV-07 (a written instruction) and the binder course material is priced by supplier quotation SUP-BC-07.

Inference The nil risk allowance is an affirmatively correct position for a well-defined scope with a supplier quote. The Contractor has not applied a blanket percentage. No Contractor-risk matters (e.g. weather, productivity risk) are being passed through to the Client. No issue arises.

F. Missing Information

Item	Why needed	What it blocks	Who likely holds it
Bond coat and tack coat quantity basis (25,000 m²) and rate derivation (GBP 0.06/ m²)	The quantity cannot be verified without a stated pavement width, measurement drawing or chainage-based calculation. The rate is unsubstantiated.	Acceptance of GBP 1,500 DC (GBP 1,680 incl. Fee) — maximum at risk if item is disallowed entirely	Contractor (measurement records, pavement width drawings, supplier quote)
Full Primavera P6 XER verification — native files CE07_AP05_baseline_clause32.xer and	46% / 39% of activities show unknown total float in extracted data; full critical-path logic and calendar settings cannot be	Independent confirmation of the 6-working-day KD-2 movement and the float distribution	PM / Employer's team (P6 software access); XER files stated to be enclosed in the pack

CE07_IMP01_impacted_clause62.xer	independently verified from the extraction alone.		
Testing and coring rate basis (GBP 35/core)	Rate basis is unstated; no supporting quotation or derivation is provided. Low value (GBP 700 DC, GBP 784 incl. Fee).	Acceptance of GBP 700 DC on a fully substantiated basis; low financial risk	Contractor (specialist quotation or rate schedule)
Confirmation that AP-05 incorporates all prior implemented CE time effects	If earlier CEs (CE-03, CE-05, CE-06, CE-09) have unimplemented time effects not yet in AP-05, the baseline may understate the pre-CE-07 position.	Integrity of the Clause 63.5 baseline for the KD-2 time assessment	PM (CE implementation records, programme revision history)

G. Liability Summary

GREEN

Entitlement established — Clause 60.1(1)

Fact PMI-PV-07 (2025-03-11) is a written Project Manager's instruction changing the mainline pavement binder course specification over chainage 800–3200. Clause 60.1(1) provides that a PM instruction changing the Scope is a compensation event. The instruction is in writing and is not disputed.

Fact The deleted Clause 60.1(2) (late access) has no bearing on CE-07. No other Z-clause is identified as removing entitlement for a Scope change of this kind.

Inference Liability is established in principle. The Contractor is entitled to a change to the Prices and an adjustment to the Key Date KD-2 under Clause 63.5. The quantum and time assessment are subject to the AMBER queries in Sections B and C, but these do not affect the liability position.

Action PM to implement the CE-07 assessment (change to the Prices and KD-2 adjustment) under Clause 65.1 once the AMBER queries in Sections B and C are resolved. See Action 5.

Design responsibility — not relevant to CE-07

Fact The project knowledge confirms that the Client is responsible for the design of the works (construction-only contract). CE-07 arises from a PM instruction changing the pavement specification, not from a design defect. Clause 60.1(14) (design not fit for purpose) is not engaged.

Inference The liability basis is Clause 60.1(1) (PM instruction changing Scope), not Clause 60.1(14). No design responsibility issue arises in CE-07.

Section	Rating	Materiality	Summary
A — Contractual Basis	GREEN	High	Valid CE under Clause 60.1(1); within time; correct form; no Z-clause issue
B — Cost Assessment	AMBER	High	

			Largely sound; one AMBER query on bond coat quantity (up to GBP 1,680 at risk); testing rate basis low-priority query
C — Time / Programme	AMBER	High	KD-2 movement of 6 wd arithmetically consistent; two AMBER queries: XER verification in P6; X7 calendar-day confirmation
D — Internal Consistency	GREEN	Medium	Narrative, figures and programme consistent; arithmetic correct; rates consistent with prior CEs
E — Risk and Contingency	GREEN	Low	Nil risk allowance — affirmatively correct nil position; no Contractor-risk pass-through
F — Missing Information	n/a	n/a	Two items required (bond coat quantity; XER verification); one low-priority item (testing rate)
G — Liability	GREEN	High	Liability established under Clause 60.1(1); not in dispute; quantum subject to AMBER queries in B and C

Overall rating: AMBER (worst material section rating). No RED defect is present. The quotation is assessable once the AMBER queries in Sections B and C are resolved.

Important Notice. This review is assistive, not advisory. It is intended to support a human reviewer's professional judgement and does not constitute a determination of entitlement, a certification, or legal or contractual advice. Findings labelled “Fact” are drawn directly from the documents cited; findings labelled “Inference” are the reviewer's reasoning from those facts and should be tested against the full record. No rates, clauses, prices, dates or precedents have been invented; where information needed to reach a conclusion is absent, that is stated under “Missing Information” rather than assumed. Clause references are to the contract document provided.