

# Contract Management at the Programme Level



The Key to Success

***Andy Cruise***

*National Contracts Manager*

# The Challenges Seem Infinite

Business' Needs

£bn's Expenditure

100s of Dynamic Interrelated Projects

Delivering Outputs

Structured Data & Information Technical Complexities

Client & Contractor Responsibilities

10,000s communications

Capable People

Prioritising Work

Early Warnings

Timely & Informed Action

Quality Commercial Insights

High Data Volume

# The National Grid Challenge

- £3bn p.a. UK contracts' spend
- 1000s of supply partners
- Distinct business units
- Network reliability
  - Gas Transmission: 98%
  - Gas Distribution: 99.999%
  - Electricity Transmission: 99.99999%
- Improve customer service
- Reduce costs by c. 20%

# How We Deliver Success

1. • Clear and Accurate Scope
2. • Foundations & Enablers
3. • Making it Happen
4. • Measuring the Benefits
5. • Reviewing and Adapting

# Clear and Accurate Scope

**Understand what outputs you need**

**What will the supply partner deliver**

**Crystallise in Contract Scope**

**Collaborate & Utilise Best Practice – Early Warnings**

**9 % est. Cost of Poor Contract Management (IACCM)**

**70% Project Issues est. to be Created by Poor CM (IACCM)**

# Foundations and Enablers

**Contract Strategy**

**Organisational Structure**

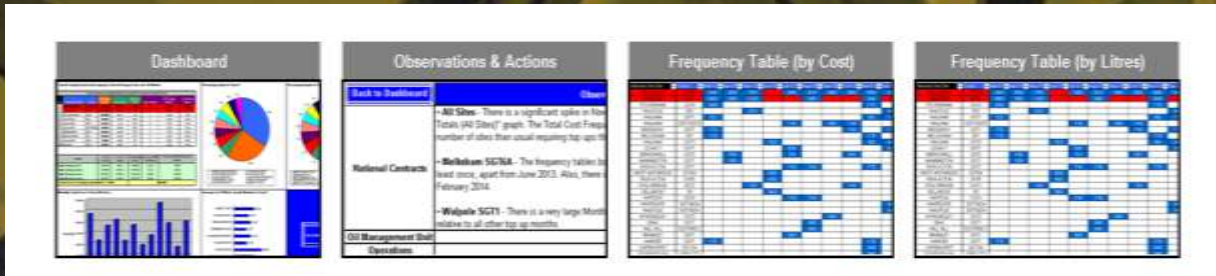
**People & Capability**

**Process & Governance**

**Information and Systems**

**“... we are starting to change the way we work...”**

# Information & Technology



## Benefits

Effective **Communication**

**Prioritise** Work

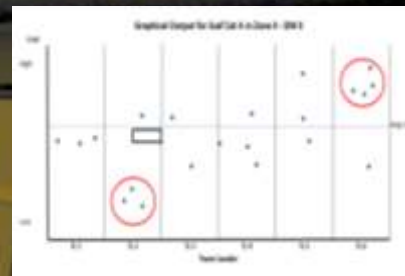
Enable **Compliance** with Process and Timings

Automation

Performance

**Trends** and **Risks**

**Informed** Decision Making



**Data & Technology**

Works Information

Register Name	For Action	For Information	All
Drawings		3	3
Model Files			1
Photographs			5
Risk Assessments & Method Statements (RAMS)			5

Document Comments

Process	For Action	For Information	All
Document Comment (Controlled)		8	12

Project Meetings

Nov 2014

Mo	Tu	We	Th	Fr	Sa	Su
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

- New Meeting
- New Appointment

Meetings

- 05/11/2014: 14:00 - 16:00 - Scheduled Risk Reduction Meeting
- 12/11/2014: 14:00 - 16:00 - Scheduled Risk Reduction Meeting
- 19/11/2014: 14:00 - 16:00 - Scheduled Risk Reduction Meeting

Early Warning and Risk Management

Process	For Action	For Information	All
(ECC) Early Warning	0	2	5
(ECC) Risk Assessment		1	2

Compensation Event Processes

Process	For Action	For Information	All
(ECC) Compensation Event		2	6
(ECC) Compensation Event Quotation		4	7
(ECC) Notification of Comp Event	7	1	1
(ECC) Project Managers Communication		1	4
Internal Assessment (OOM)			2
Extension of Time Request Form			1

Instructions and General Communications

Process	For Action	For Information	All
(ECC) Contractors Communication	19	1	1
(ECC) Project Managers Communication			1
(ECC) Project Managers Instruction			2
(ECC) Supervisors Communication			1
(ECC) Supervisors Instruction			4

Defect Management

Process	For Action	For Information	All
(ECC) Notification of Defective Works			1

Other Project Processes

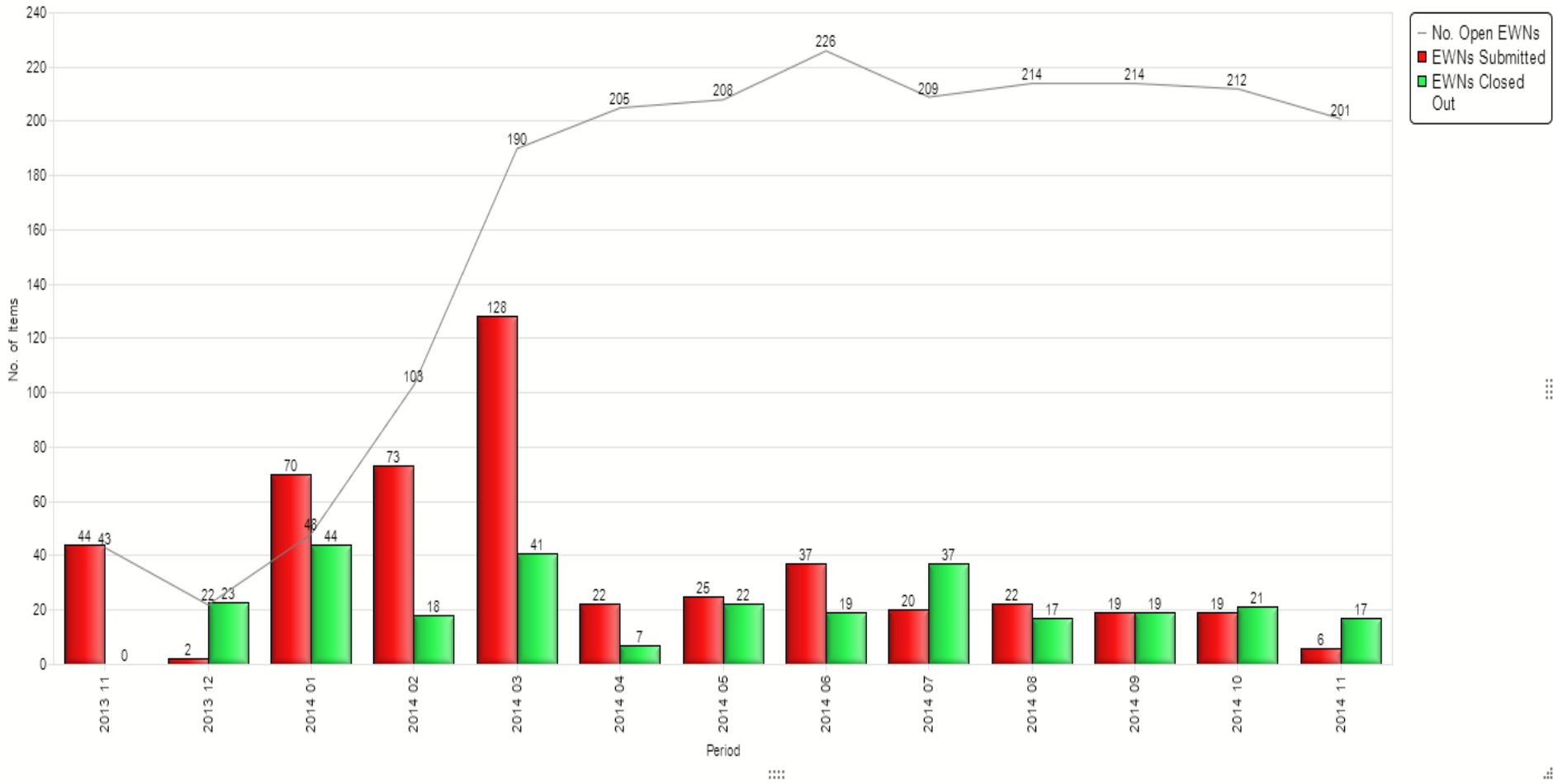
Process	For Action	For Information	All
Request For Information			1





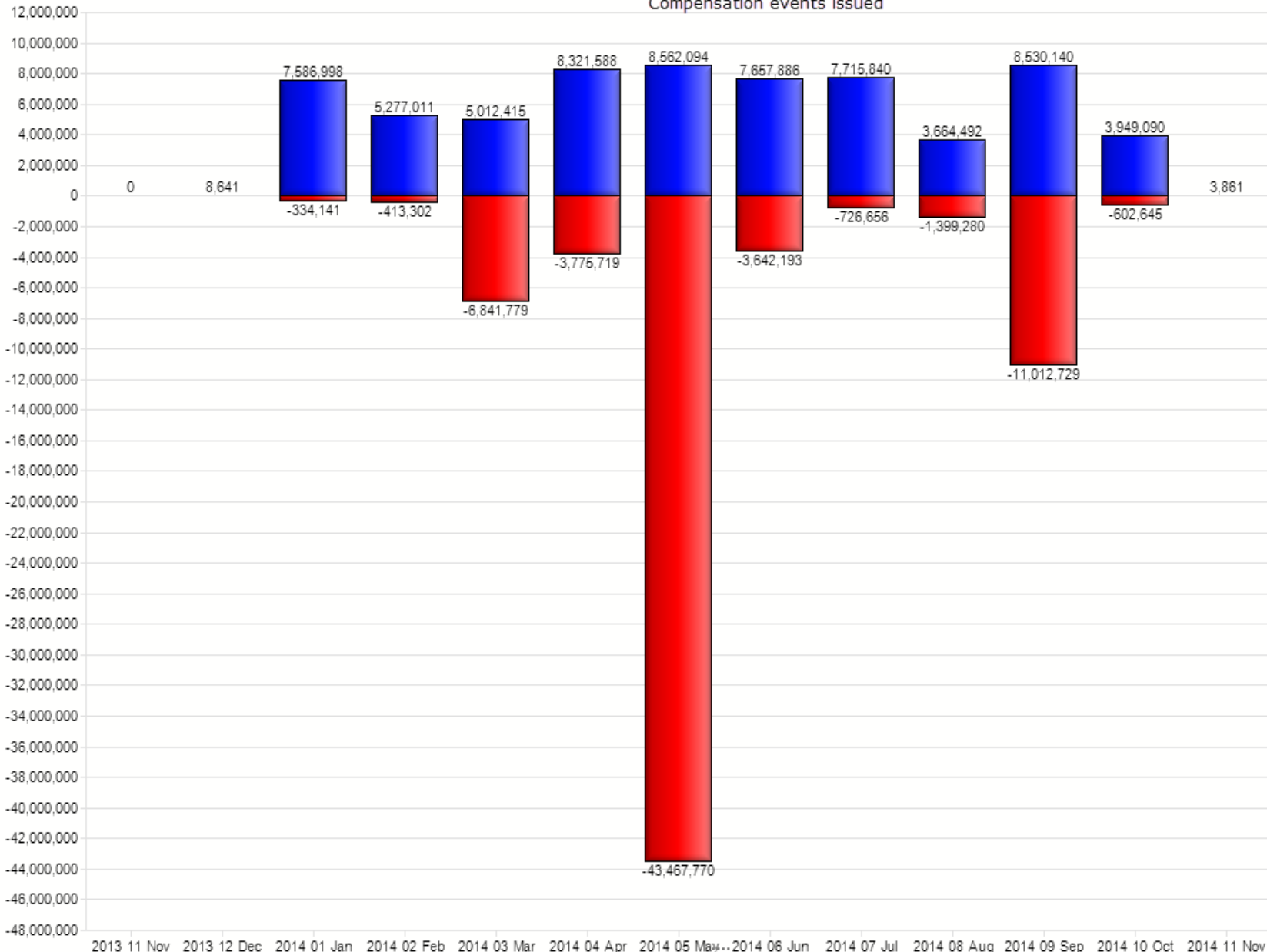


### EWN Status by Period

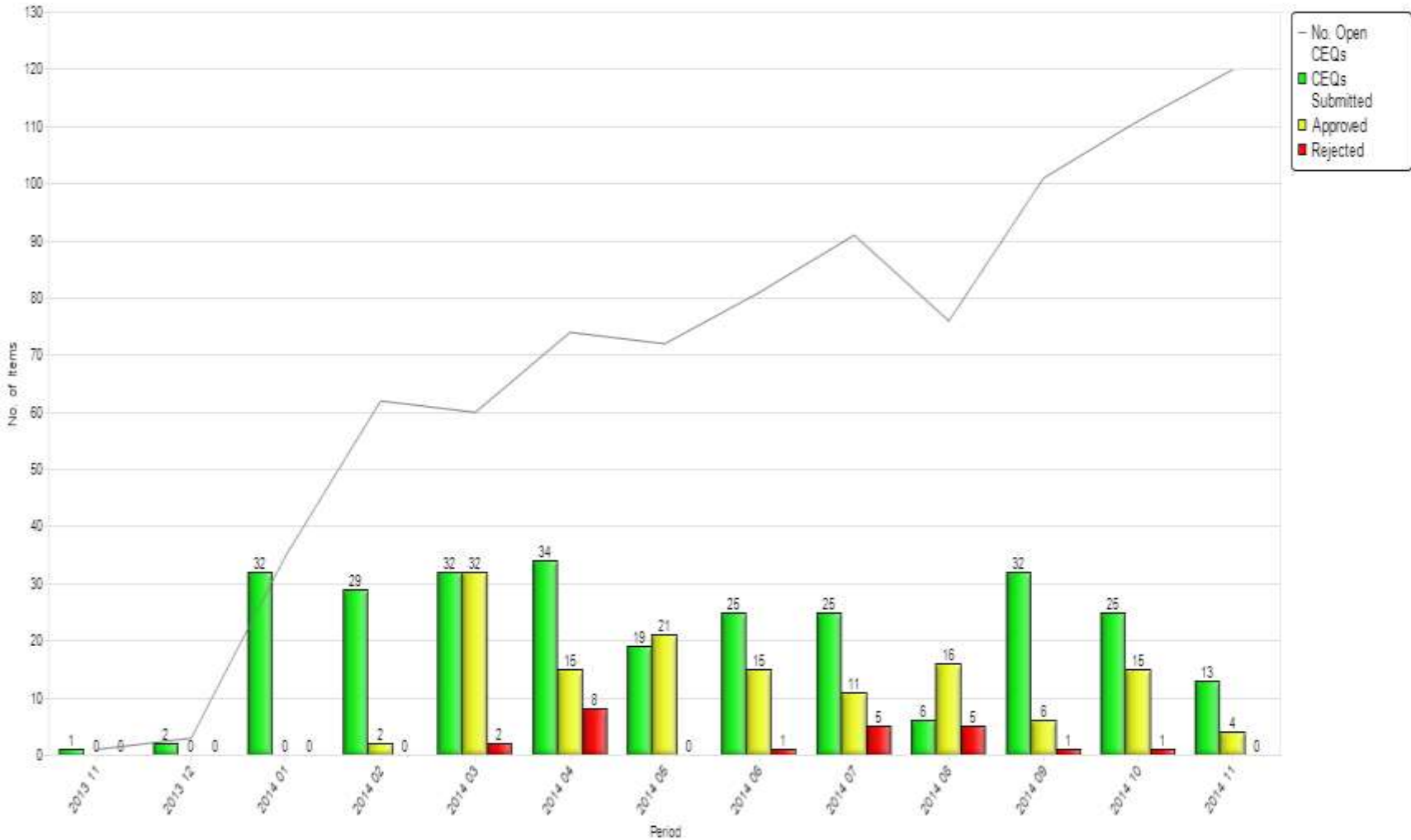


Compensation events issued

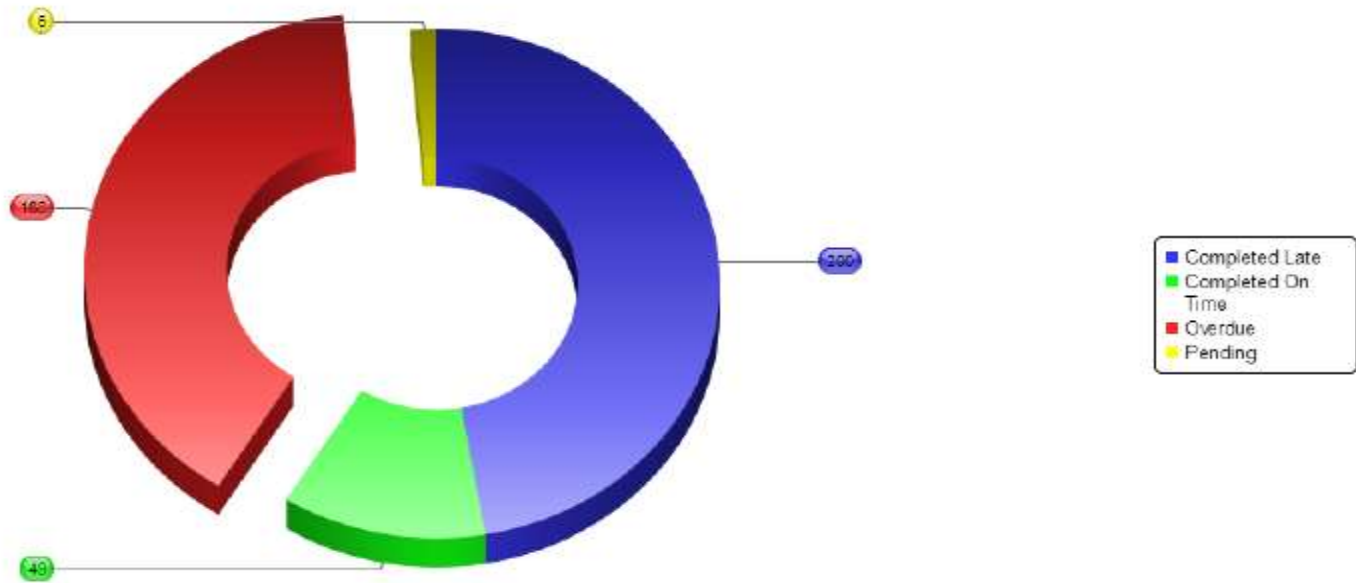
■ Negative values  
■ Positive values



### CEQ Status by Period



### Cross Project ECC Contract Performance



# Summary

Keep it simple

Clear Client and Supply Partner Responsibilities

Collaboration & Commercial Rigour not Mutually Exclusive

Strategy, Structure, Data & Information Saves Money

People are Key to Your Success