NEC3 ECC: Contract Administration, Risk Management and Dispute Avoidance

A two-day workshop for Employers, Contractors, Project Managers and Supervisors

DATES	CPD POINTS	VALIDATION NO.	
24 – 25 November 2026	2 CPD Points	SAAMA25134	R 7 999 per delegate

Overview

The NEC3 Engineering and Construction Contract (ECC) is built around collaboration, proactive management and clear procedure. It rewards parties who administer it correctly and penalises those who do not: missed notifications, late quotations and poor records are among the most common causes of lost time, lost money and avoidable disputes.

This two-day workshop examines the NEC3 ECC from the perspective of the Employer, Contractor, Project Manager and Supervisor. Delegates work through the core clauses, main Options A to F, the secondary options most often used in practice, Contract Data and additional conditions of contract (Z clauses), with a focus on how each affects risk allocation and project delivery.

Early Warning → Programme → Compensation Events → Payment → Dispute Avoidance

The programme concentrates on the procedures that matter most: early warnings and risk reduction meetings, programme management, compensation events and their contractual time limits, payment assessments, and adjudication. Practical exercises and case studies run through both days so that delegates practise preparing notices, assessing events and reviewing amended conditions, not only hearing about them.

NEC4 is now the current edition, but NEC3 remains widely used on South African infrastructure and public-sector work. The workshop therefore teaches NEC3 in depth and includes a short comparison of the principal NEC3 and NEC4 differences, so delegates can work confidently with either.

Workshop Facilitator: Johan Bosman

Johan Bosman is a construction contracts practitioner and facilitator specialising in the practical application of the NEC3 Engineering and Construction Contract. His sessions focus on contract administration, risk management and dispute avoidance, and on helping delegates apply the contract's procedures to real project situations.

Who Should Attend

This workshop is intended for professionals involved in the procurement, management, administration and delivery of engineering and construction projects, including:

- ✓ Civil, Structural, Mechanical and Electrical Engineers
- ✓ Engineering, Project and Construction Managers
- ✓ Quantity Surveyors and Commercial Managers
- ✓ Contract Administrators and Contract Managers
- ✓ Contractors and Subcontractors
- ✓ Employer's Representatives and Client-Side Project Teams
- ✓ Consulting Engineers and Project Consultants
- ✓ Procurement and Infrastructure Development Professionals
- ✓ Legal Practitioners and Professionals Involved in Construction Disputes

No prior NEC experience is required, although familiarity with construction contracts will help. Delegates are encouraged to bring a copy of the NEC3 ECC and, if available, a contract they are working on (with confidential information removed) for use in the exercises.

Course Objectives

By the end of the workshop, delegates will be able to:

- ✓ Explain the structure and principles of the NEC3 ECC and select an appropriate main option and secondary options for a project.
- ✓ Describe the responsibilities of the Employer, Contractor, Project Manager and Supervisor, and apply the contract's communication requirements.
- ✓ Prepare and issue an early warning notice, and run a risk reduction meeting that results in recorded actions.
- ✓ Review a programme submission against the contract's requirements and assess the effect of delay on Completion and Key Dates.
- ✓ Prepare and assess a compensation event notification and quotation within the contractual time limits.
- ✓ Distinguish how Defined Cost and Fee are applied under each main option, and review a payment assessment.
- ✓ Evaluate Z clauses and amended conditions for risks to the Contractor or Employer before accepting a contract.
- ✓ Describe the grounds and procedure for termination, and the adjudication process, and take practical steps to resolve issues before they become disputes.
- ✓ Identify the most common contract administration errors and apply measures to avoid them.

DAY 1: Contract Structure, Roles and Proactive Management — Modules 1 to 5

1 Introduction to NEC3

- Background, purpose and development of the NEC suite
- Principles of collaboration, proactive management and mutual trust and cooperation
- Key differences between NEC3 and traditional construction contracts
- Where NEC3 is used in South Africa and why the choice of edition matters
- Principal differences between NEC3 and NEC4
- Why contract administration drives project performance

2 Structure of the NEC3 Engineering and Construction Contract

- Overview of the core clauses
- Main Options A to F: how each allocates cost risk, and how to choose between them
- Commonly used secondary options: price adjustment for inflation (X1), changes in law (X2), delay damages (X7), performance bond (X13) and limitation of liability (X18)
- Dispute resolution option W1 and its place in the contract
- Contract Data: what must be completed and why it matters
- Works Information and the order of precedence of contract documents
- Where Z clauses sit in the contract (covered in detail in Module 8)
- Reviewing a contract before commencement

3 Roles, Communications and Defects

- Responsibilities of the Employer and Contractor
- Authority and responsibilities of the Project Manager, and delegation to others
- The Supervisor's role in inspections, tests and defects management
- Defects, the defects date and the Defect Correction Period
- Form, period for reply and recording of communications
- Managing interfaces between the Contractor, Employer, consultants and subcontractors
- Records that protect each party's position
- Common administrative failures and their consequences

4 Early Warning and Proactive Risk Management

- Purpose and principles of early warnings
- What must be notified, who must notify and when
- Preparing and issuing an early warning notice
- Distinguishing early warnings from compensation event notifications
- The Risk Register and risk reduction meetings
- Agreeing, allocating and monitoring mitigation actions
- Consequences of failing to give an early warning
- Practical case study: managing a potential delay and additional-cost risk

5 Programme Management, Delay and Completion

- Purpose and content of the programme under the contract
- Submission, review and acceptance of the programme, and the Accepted Programme
- Programme revisions and assessment of progress
- Completion, the Completion Date and Key Dates
- Identifying actual and potential delay
- How programme management links to compensation events
- Records that support time-related claims
- Practical exercise: reviewing a programme submission and a delay scenario

DAY 2: Commercial Management, Risk Allocation and Dispute Avoidance

Modules 6 to 9

6 Compensation Events and Change Control

- The compensation events listed in the contract, and how they arise in practice
- Instructions and changes to the works, and how they differ from informal requests
- Notification of compensation events and the key time periods: the Contractor's eight-week notification limit, the three-week quotation period and the two-week Project Manager reply period (standard NEC3 wording; check against Contract Data)
- Preparing and responding to quotations, including assumptions
- Assessing the effect on the Prices, Completion Date and Key Dates
- Project Manager assessments where a quotation is late or not accepted
- Implementing assessed events and recording changes
- Common mistakes, and the consequences of missing a time limit
- Practical case study: assessing a change in scope, from notification to implementation

7 Payment and Commercial Management

- Assessment dates and payment procedure
- How Options A and B (activity schedule or bill of quantities) differ from the cost-based Options C to F
- Defined Cost and Fee: where each applies, including in the assessment of compensation events under every option
- Schedule of Cost Components and Shorter Schedule of Cost Components
- Target cost and cost-reimbursable arrangements
- Supporting records and substantiation of costs
- Common payment administration errors
- Practical exercise: reviewing a payment assessment

8 Z Clauses, Liability and Contractual Risk Allocation

- Purpose and typical content of Z clauses
- Reviewing Z clauses before accepting the contract
- Identifying conflicts between Z clauses and the core clauses
- Employer's risks, weather and unforeseeable events (NEC3 has no force majeure clause; this is how it deals with the same ground)
- Insurance and risk-related provisions
- Delay damages (X7), limitation of liability (X18), price adjustment (X1) and changes in law (X2) in practice
- Design responsibility and associated risk
- Practical exercise: identifying risks in an amended set of contract conditions

9 Termination, Adjudication, Dispute Avoidance and Workshop Review

- Grounds for termination and the procedure that must be followed
- Dispute avoidance: notices, evidence and early resolution of disagreements
- Adjudication under the dispute resolution option, and how statutory and regulatory requirements in South Africa interact with it
- Managing disagreements about compensation events, payment and delay
- Lessons from common contract administration failures
- Integrated case study: a project scenario from early warning, through a compensation event and payment, to a potential dispute
- Review of key learning points and questions

Registration Form

NEC3 ECC Contract Administration | 24 – 25 November 2026 | SAAMA25134

R 7 999
per delegate

BOOKING CONTACT (APPROVING OFFICIAL)

FULL NAME (MR / MRS / MS)

POSITION

COMPANY NAME

VAT NUMBER

TELEPHONE

EMAIL

ADDRESS

SIGNATURE

DATE

FINANCE AND PAYMENT

PERSON RESPONSIBLE FOR FINANCE

DIRECT TEL NO.

DATE OF PAYMENT

PURCHASE ORDER / REFERENCE NO.

ACCOUNT HOLDER	BANK	BRANCH	ACCOUNT NO.
Independent Training Management (Pty) Ltd	FNB South Africa	Randburg (251650)	62685879276

DELEGATES ATTENDING THIS WORKSHOP

#	FULL NAME	POSITION	EMAIL
1			
2			
3			
4			
5			

Course Deliverables

- 2 CPD Points (Validation No. SAAMA25134)
- Practical exercises and case studies
- Integrated case study from early warning to potential dispute
- NEC3 and NEC4 comparison

TERMS AND CONDITIONS

1. **Fees** are current at time of print; Independent Training reserves the right to change them.
2. **Additional delegate rates** apply for bookings made at the same time, on the same course.
3. **Confirmation**: on receipt of this form and payment/PO, you will receive email confirmation with venue details, map and start times.
4. **Attendance**: no learner may attend without proof of payment or an order number.
5. **Substitution**: delegate substitutes may be made at any time at no penalty, provided we are notified in writing.
6. **Payment** is due 5 working days before the course by cheque or EFT, quoting the invoice reference and organisation name. Cancellations must be emailed to Independent Training; please notify us immediately of any reschedule or cancellation.

CANCELLATION CHARGES

11 to 30 days before course	10%
6 to 10 days before course	20%
4 to 6 days before course	30%
1 to 3 days before course	50%