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NEC Contract Stories · 001

Early Warning

Don't Wait Until It Becomes a Claim

A Practical Guide to NEC4 ECC

Professional Comic Edition



In This Guide:

- ☑ What is an Early Warning?
- ☑ When and how to notify
- ☑ Early Warning Register & Meeting
- ☑ Early Warning vs Compensation Event
- ☑ Practical tools and checklist

The Problem on Site

An unexpected issue is found during excavation.



First response

Stop affected work where necessary and make the area safe. Record the obstruction and notify the potential future impact promptly.

Ask the Project Manager to update the register and discuss mitigation. Consider any CE notice independently.

What Is an Early Warning?

A key risk management tool under NEC4 ECC.



The Purpose of an Early Warning

- Identify potential risks early
- Discuss and explore mitigation measures
- Avoid or reduce adverse impact
- Keep the project on track

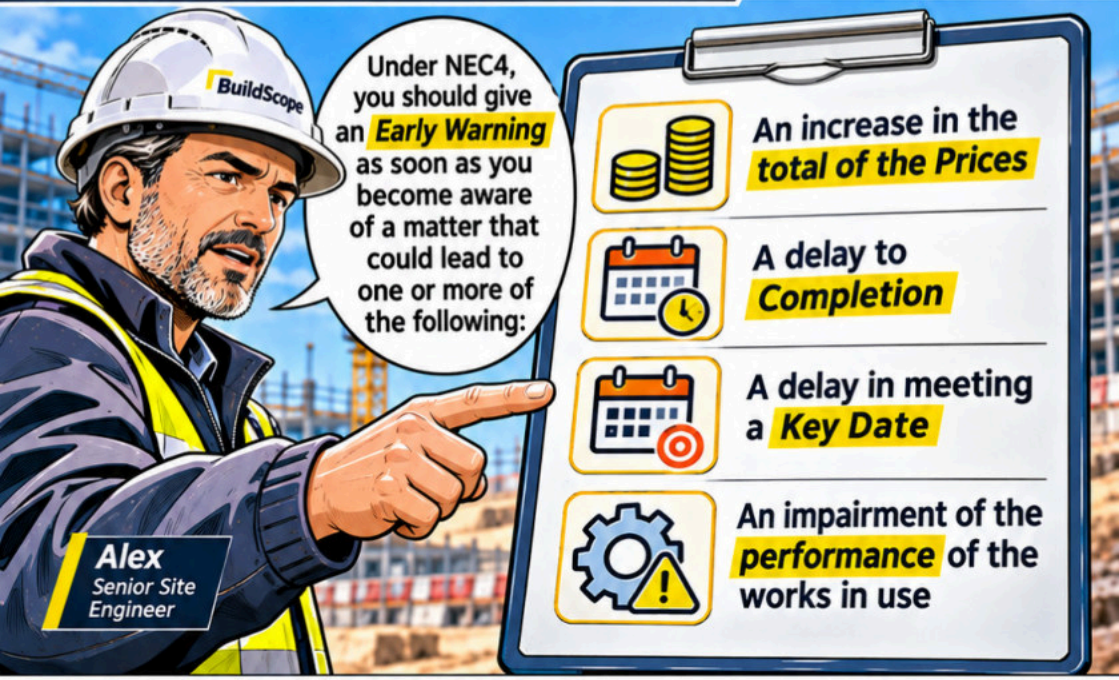


Key Takeaway

☑ An Early Warning is proactive risk management, *not a claim for time or money.*

When Should You Give an Early Warning?

As soon as you become aware of a matter that could:





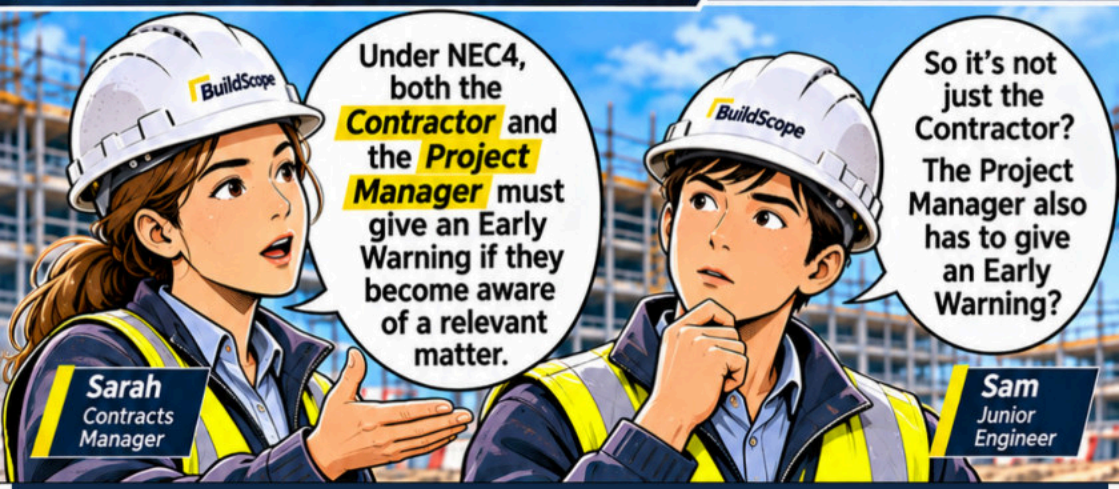


Key Takeaway

- [x] Give an Early Warning when a matter could affect cost, time, a Key Date or the performance of the works.

Who Should Give an Early Warning?

It's a shared responsibility under NEC4.



Shared duty under Clause 15.1

Contractor and Project Manager notify each other promptly when aware of a relevant matter.

The Project Manager maintains the Early Warning Register.

Do not wait for the actual cost or delay to become certain.

Key Takeaway

☑ **Both the Contractor and the Project Manager must give an Early Warning as soon as they become aware of a relevant risk.**

The Early Warning Register

A live register, not a risk allocation tool

Project Manager: maintains and issues the Early Warning Register under the contract.

Example EW-001 | Underground obstruction

Potential impact: Completion and the Prices.

Mitigation: investigate safely; review alternative sequences with the relevant specialists.

Action owner: investigation team. Review date: next agreed meeting. Status: Open.

Useful fields: reference, date, description, potential impacts, agreed actions, owners, review date and status.

An action owner is not necessarily the party bearing contractual risk.

Track risks and actions from identification to closure.

The Early Warning Meeting

A collaborative discussion to avoid or reduce the impact of a risk.

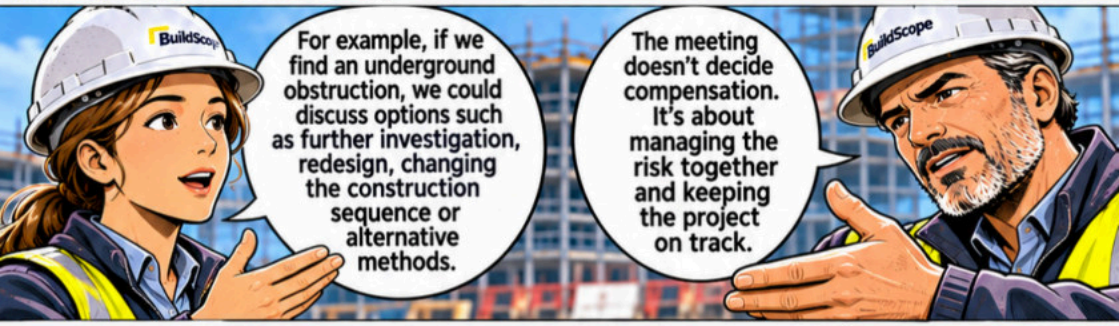
Early Warning Meetings

The Project Manager arranges meetings at the intervals required by the contract. Either party may instruct the other to attend a meeting. Invite relevant specialists as appropriate.



Typical Early Warning Meeting

Typical Attendees	Project Manager, Contractor, key specialists (e.g. design, engineering, planning, cost)
Main Objectives	✓ Understand the risk and its impact ✓ Explore and evaluate options ✓ Agree mitigation actions ✓ Assign responsibilities and timing
Typical Outputs	✓ Agreed actions and owners ✓ Updates to the Early Warning Register ✓ Follow-up and review arrangements



Key Takeaway

✓ *Use the Early Warning Meeting to collaboratively develop practical mitigation measures and manage the risk before it affects the project.*

Early Warning ≠ Compensation Event

They are related, but they are different processes with different aims.

Two independent processes

Early Warning | Clause 15

Notify potential impacts promptly. Record the matter and collaborate on mitigation.

Compensation Event | Clauses 60–65

Check CE grounds and notify separately under Clause 61 where required.

Under standard Clause 61.3, the Contractor generally risks losing adjustment if it fails to notify within eight weeks of awareness that the event happened. Exceptions cover relevant PM or Supervisor communications under the clause.

Do not wait for an early warning meeting before making a required CE notification. Check amendments.

Key Takeaway

Early Warning and Compensation Event are different processes. Manage the risk early, and notify a CE separately if applicable.



What If You Fail to Give an Early Warning?

It can reduce your entitlement under a Compensation Event.

The contractual assessment mechanism

61.5: If the PM concludes that an experienced contractor could have warned of the event but did not, this is stated in the quotation instruction.

63.7: The assessment then assumes the warning had been given.

The resulting adjustment may be lower if timely mitigation would have reduced the impact. This is not an arbitrary penalty.



Key Takeaway

Failing to give a required Early Warning can reduce your entitlement under a CE, including cost and time.

Illustrative Case Study: Utility Diversion

Illustrative case | Utility diversion

Fictional scenario: a utility diversion is forecast to take longer than planned. The team explores resequencing and access options. Outcomes below are illustrative; assess CE notices separately.

What We Did and Achieved

1 Early Warning



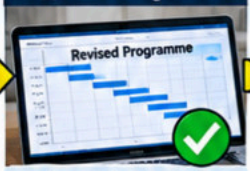
Notified the risk (Clause 15.1) as soon as we became aware of the delay.

2 EW Meeting



Discussed options, such as re-sequencing works and temporary access.

3 Agreed Mitigation



Agreed practical measures and updated the programme.

4 Result



- Reduced delay
- Minimised cost impact
- Kept the project on track



Key Takeaway

Give an Early Warning early, discuss practical solutions and agree actions – it can reduce delay, cost and risk in real projects.

Practical Tips for Contractors

Turn Early Warning into a practical risk management habit.



Practical Toolkit | Notification Template

To: Project Manager | Ref: EW-___ | Date: ___

Matter: Describe the risk and location.

Potential impact: Prices, Completion, Key Date or performance in use.

Mitigation: Propose investigation or alternative sequencing.

Action requested: Discuss options and agree follow-up.

Checklist: notify promptly, retain evidence, track actions and consider separate CE notification.

Key Takeaway

Make Early Warning a routine: identify risks early, communicate clearly, work together and keep a proper record.

In Summary – Early Warning

A simple but powerful process to manage risk and keep your project on track.



Key Takeaways

Identify risks early	Look ahead, spot potential issues and give an Early Warning as soon as you become aware (Clause 15.1).
Discuss and agree	Hold an Early Warning Meeting, explore options and agree practical mitigation measures.
Keep a proper record	Record the Early Warning, discussions and agreed actions in the Early Warning Register (Project Manager's responsibility).
Different from Compensation Event	Early Warning (Clause 15) is for risk management. A Compensation Event (Clause 60) is a separate process for time and/or cost change.
Real project value	Used well, it helps reduce delay and cost, improve certainty and support a more collaborative working relationship.

Further reading & scope

NEC official guidance: Read and understand NEC contracts fully.

Standard NEC4 ECC principles only. Check the signed contract, edition and amendments. Educational guidance, not legal advice.

BuildScope: buildscope-blog.com/en/ (website not verified).