

PROGRAMME MANAGEMENT – PLANNING & PROJECT CONTROLS

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TABLE OF CONTENTS

PURPOSE AND SCOPE.....	1
PART 1 – OVERVIEW AND PROCEDURAL	2
1 OVERVIEW – PROJECT LIFECYCLE.....	2
2 RESPONSIBILITIES.....	2
3 NATIONAL GRID SYSTEM ACCESS AND RESOURCE PLANNING	2
4 PROGRAMME DEVELOPMENT & PROGRESS TRACKING.....	3
5 COLLATION OF ACTUAL COSTS AND FORECAST DATA.....	3
6 COST CONTROL	4
7 CHANGE MANAGEMENT & ACCEPTED PROGRAMME	4
8 PROJECT REVIEWS, DATA UPDATES AND REPORTING	5
9 VALUATION AND PAYMENT PROCESS.....	5
10 RISK MANAGEMENT.....	6
The following outlines the approach the Contractor should take to risk reporting	6
11 FORMS AND RECORDS	7
PART 2 - DOCUMENT HISTORY	7
12 DEFINITIONS	7
13 AMENDMENTS RECORD	7
14 IMPLEMENTATION.....	7
PART 3 - REFERENCES	8

PURPOSE AND SCOPE

Transparent and accurate reporting of investment decisions, project performance and financial data is a Regulatory Requirement on National Grid. It is therefore subject to OFGEM audit, and can attract regulatory penalties if the required standards cannot be demonstrated.

This document defines the **minimum** standard for project planning and project controls requirements. It is applicable to all projects being delivered for Capital Delivery on behalf of National Grid.

It is recognised that for investments that fall in to the category of single asset replacement/refurbishment/recondition (as defined in UKBP/TP236) then the full application of this TP may not provide the most cost efficient means of delivering that investment and hence TP minimum requirements as defined in UKBP/TP236 can be applied.

These minimum requirements are defined for each type of single asset replacement/refurbishment/ recondition investment and are presented as separate appendices in UKBP/TP236. E.g. Appendix B - CB Replacement (with CT's) & (without CT's)

Amendments to this procedure shall be reflected in UKBP/TP236 Appendices (if required) and may result in re-issue of UKBP/TP236 within the same period.

Audience: National Grid staff within Capital Delivery who are developing and delivering projects, e.g. OHLCS, MID, Development, LPT and any Contractors responsible for the planning and delivery of those works.

This procedure and the accompanying document **ATTACHMENT TO UKBP/TP 193 PROJECT CONTROLS REFERENCE GUIDE**. (split into two parts for clarity, 193.1 **for National Grid**

use and 193.2 for Contractors) apply to all capital works. Where derogation to this procedure is agreed for the work to be completed these will be highlighted in the Works Information.

PART 1 – OVERVIEW AND PROCEDURAL

1 OVERVIEW – PROJECT LIFECYCLE

This document incorporates the requirements of the stage gated Network Development Process (TP500) **phases 4.3 (Development) and 4.4 (Execute Project)**.

2 RESPONSIBILITIES

2.1 National Grid

National Grid is responsible for establishing the programme management policy, procedures and systems to operate its Earned Value Management (EVM) system which broadly complies with the requirements of the Association for Project Management's Earned Value Management APM guidelines.

All programmes will be compliant with TP500, Network Development Process. National Grid is responsible for the collation and analysis of data (in line with this procedure) and the preparation of reports and periodic reviews. In addition, National Grid is responsible for establishing and managing interfaces between Contractor's programmes.

The Contractor shall ensure robust progress and forecast information, as outlined in this procedure for both cost and programme, is prepared and issued in line with the reporting requirements, and that adequate time and attention is given to reviewing progress, risks and constraints and agreeing and implementing appropriate corrective actions.

2.2 Contractors

The Contractor is responsible for:

- Complying with National Grid programme management procedures and techniques
- Ensuring that feasible and efficient value-loaded **programmes** are agreed and communicated in line with requirements of the *Attachment to UKBP/TP 193 Project Controls Reference Guide 193.2* and that accurate progress updates are provided each month.
- Submitting monthly application for payments in accordance with Section 5 of this document.
- **For NEC Option C based contracts** - Post contract award, submitting actual cost and accruals aligned to the Contract Activity Schedule (built up from the CBS (Cost Breakdown Structure) below level 4), utilising a pre-defined CVR (Cost Value Report) by National Grid
- **For NEC Option A based contracts** - Post contract award, submitting Value of Work Done (VOWD) aligned to the Contract Activity Schedule utilising a pre-defined CVR by National Grid
- Issuing reports within the agreed timescales to enable earned value analysis and reporting to be completed by National Grid
- For NEC Option C based contracts - the preparation and issue of Target Cost data, documented in line with the agreed Activity Schedule format and timescales
- Use the milestones relevant to the scope of works in the programme as outlined in *Attachment to UKBP/TP 193 Project Controls Reference Guide*.

3 NATIONAL GRID SYSTEM ACCESS AND RESOURCE PLANNING

When a tender is issued, the Scheme Requirements Document, (SRD) which contains the outages and National Grid resources, is provided as part of the works information. The SRD also specifies the agreed Emergency Return To Service (ERTS) **period**.

As part of the tender process the Contractor produces a programme and is required to confirm that they can deliver the works in the agreed outages using the agreed National Grid resources and return the circuit in the specified ERTS in the event it is called back to service. Including a current year TOGA number and circuit name as set out in Appendix F of the document entitled *Attachment to UKBP/TP 193 Project Controls Reference Guide*

Once the project is awarded the Contractor must ensure that the agreed outages are included in the programme.

The Contractor must request from the National Grid **PE** the TOGA reference numbers of all of required outages to check that what was requested has been confirmed. The Contractor must enter the TOGA reference numbers in to the programme.

During delivery the Contractor must update the programme each month. Where a change to the outages or resources is envisaged this must be discussed and agreed with the National Grid Project Engineer **(PE)**. The Contractor must then submit the **Outage Change** as part of their monthly forecast of both programme and cost data **and include in the forecast programme.**

On confirmation of the change the Contractor must submit a new baseline **programme** to the National Grid **PE** for acceptance.

4 PROGRAMME DEVELOPMENT & PROGRESS TRACKING

4.1 Primavera P6 Plan

Early in Execution phase 4.4 - during and after contract award - the Contractor shall produce a Primavera P6 project programme to capture the delivery of their scope of work (issued as Works Information) which, as a minimum, complies with the requirements in this document and the *Attachment to UKBP/TP 193 Project Controls Reference Guide*. **A cost loaded (budget) programme complete with all the known TOGA outages must be provided within 6 weeks of Contract Award. This programme forms the Contractual Baseline Programme.**

5 COLLATION OF ACTUAL COSTS AND FORECAST DATA

5.1 Actual Costs and Forecasts

The Contractor will provide a report of;

- costs incurred to date, **(NEC Option C based contracts)**
- forecast of Defined Cost to completion **(NEC Option C based contracts)**
- earned value to date **(NEC Option A based contracts)**
- forecast value to go **(NEC Option A based contracts)**

The data shall be to the same level as the Activity Schedule every reporting period, in the form of a standardised Cost Value Report (CVR) template as provided by National Grid. An electronic copy will be issued specifically for the project during the mobilisation meeting. If this is not provided, it is the Contractor's responsibility to liaise with the National Grid Contracts Team Manager to obtain the latest version.

The timescales for the provision of CVR is D-10 (Appendix J of the document entitled *Attachment to UKBP/TP 193 Project Controls Reference Guide* - National Grid Reporting Calendar).

Cost / value and forecast data **shall** align to the P6 Primavera **forecast programme.**

The submission of the **CVR** will be through Conject. In the absence of the web portal the information will be provided to the **National Grid PE** and in line with the reporting timetable (Section 4 of the document entitled *Attachment to UKBP/TP 193 Project Controls Reference Guide* - National Grid Reporting Calendar).

This should be inclusive of actuals to date plus forecast for current and all future periods.