



The Top Ten Ways To Screw Up A Construction Project

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Or...

Why Can't I Just
Have A Nice
Little School?!?



The Panel

- Jim Harper
 - Dublin Unified School District

- Mark Kelley
 - Miller Brown & Dannis

- Brian Torone, AIA
 - Torone Construction Consulting

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INTRODUCTION

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The District Perspective

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Typical District Problems

- Not enough time to get everything done
- Insufficient staff
- Inadequate money for the promised projects
- No budget for preventative work
 - Master planning
 - Design reviews
 - Cost estimating

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The Unenviable Position

- What the Facilities Program Manager gets to do:
 - Encounter the effects of inflation
 - Try to do the most work with the least money
 - Be the go-between
 - Deflate expectations
 - Suffer the blame

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Project (Dis)Organization

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Perspectives on Construction Projects Today

- The Owner
 - Too Expensive

- The Architect
 - Too Litigious

- The Contractor
 - YAHOOOO!

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The Top Ten Screwups, And How To Avoid Them

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10. Not Using Good Contract Documents

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10. Not Using Good Contract Documents

■ The Problem

- Acting as if pre-contract goodwill will continue throughout the project
- Lack of protection in construction documents
- Not using the protections that are in the documents

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10. Not Using Good Contract Documents

■ The Solution

- Draft good contract terms
- Enforce the contract
 - ‡ Watch for notice, payment, change order backup
 - ‡ Don't assume that the Architect/CM will take care of everything
- Don't overdo punitive language
- Be able to perform your obligations

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9. Ignoring CEQA

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9. Ignoring CEQA

■ The Problem

- If you don't comply, the project may be stopped even while construction is underway
- Compliance takes time
- Compliance must be complete before project approval
- NIMBY is growing

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9. Ignoring CEQA

■ The Solution

- Plan ahead
- Try for exemptions
- Do more than the minimum, especially re public outreach

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8. Overpaying the Contractor

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8. Overpaying the Contractor

- The Problem
 - Front-end loaded payment schedules
 - Failing to verify percent of completion
 - Failing to understand the cost, time, and liability impacts of change orders
 - Failing to get lien releases

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8. Overpaying the Contractor

■ The Solution

- Be skeptical of the contractor's:
 - ✦ Schedule of Values
 - ✦ Payment applications
- Critically review construction progress
- Make sure experienced construction people evaluate payment issues

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7. Getting Scared

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7. Getting Scared

■ The Problem

- Overreacting to pressure from contractors
- Underreacting to pressure from contractors
- Relying too much on architects/CM's
- Not addressing issues as they come up

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7. Getting Scared

■ The Solution

- Don't take it personally
- Stay on top of claims
- Analyze claims and disputes independently of architects/CM's
 - ‡ Including analyzing their potential culpability

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6. Losing the Document War

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6. Losing the Document War

■ The Problem

- What a nice contractor:
 - ‡ ... offering to do the meeting minutes
 - ‡ ... offering to document the issues
- The Architect:
 - ‡ "I'm a designer, not a letter writer"
 - ‡ Responding to all issues takes time
- The Owner:
 - ‡ Just don't have time/staff/budget

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6. Losing the Document War

■ The Solution

- Control the meeting minutes
- Provide resources to respond
- Track RFIs and submittals
- Clearly document the reasons for changes
- Maintain records as if there will be a claim

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5. Promising the Taj Mahal on an Outhouse Budget

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5. Promising the Taj Mahal on an Outhouse Budget

■ The Problem

- Not being realistic from the beginning

- Failing to reconcile budget with:
 - ‡ the program
 - ‡ the design

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5. Promising the Taj Mahal on an Outhouse Budget

■ The Solution

- Constantly reconcile budget and program
- Keep everyone realistic
- Provide for contingencies
- Know the construction market
- Get appropriate advice on construction costs

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4. Bad Drawings and Specs

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4. Bad Drawings and Specs

■ The Problem

- Not adhering to, or understanding codes
- Constant tinkering with design
- Not knowing when the design is complete enough
- Details not commensurate with complexity of design
- Lack of constructability review by others

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4. Bad Drawings and Specs

■ Solutions:

➤ Pre-Bid

- ‡ Continually document the status of design
- ‡ Consider constructability reviews

➤ Post-Bid

- ‡ Require experienced people in key positions
- ‡ Address the impact of changes immediately

➤ Protections in the Architect contract

- ‡ Indemnity
- ‡ Insurance

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3. Ignoring the Schedule

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3. Ignoring Schedule Delays

■ The Problem

- Failing to establish a realistic project finish date
- Failing to define the contractor's baseline schedule
- Failing to track impacts against the baseline schedule

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3. Ignoring Schedule Delays

■ The Solution

- Be realistic
 - ✦ Find similar projects and determine schedule histories
 - ✦ Don't be afraid to be the bearer of bad news
- Make sure the contractor has adequate project schedules
- Continuously monitor time impacts of changes

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2. Losing Control Of Claims

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2. Losing Control of Claims

■ The Problem

- Failing to think ahead when formulating the contract
- Failing to track the reasons for changes
- Not being aware of the warning signs

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2. Losing Control of Claims

■ The Solution

- Put the bid documents in escrow
- Make sure bid documents
 - ‡ Define overheads
 - ‡ Limit the overhead recovery
- Track the reasons for changes

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1. Getting Drawn Into an Emotional Battle

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1. Getting Drawn Into an Emotional Battle

- The Problem
 - Some people don't like you

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1. Getting Drawn Into an Emotional Battle

■ The Problem

- All parties are emotionally invested in construction projects

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1. Getting Drawn Into an Emotional Battle

■ The Problem

- Everyone knows how to do everyone else's job, but much better

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1. Getting Drawn Into an Emotional Battle

■ The Solution

- Insist on professional and respectful behavior
 - ‡ Filter out inflammatory language
- Be ready to change personnel if necessary
- Partnering???

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CONCLUSION

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How To Avoid Making The Top 10

- Invest in good design and a good District team
- Document everything
- Realize that construction is business
 - Not war
 - Not fun
 - Not therapy