



# **RHarper Consulting Update**

## **Construction Schedules – Management Tool or Just a Contract Requirement**



Once a project gets under way the primary topic of discussion is schedule. Granted, cost and change orders are never far from the table, but schedule typically is foremost in everyone's mind. It seems to me that contractors fall into two schools of thought when it comes to preparing the project schedule – some concentrate on early delivery, while others are more detail-oriented.

If the contractor used early delivery as a selling tool to get the job, then the schedule logic may be compromised to meet the milestones promised during preconstruction and subsequently incorporated into the construction contract. Predictably, this approach generally results in less than desirable results when the poorly vetted assumptions play out to missed milestones, lost revenue and claims. This approach accomplishes only one thing; it provides a schedule document or contract exhibit that fulfills an arbitrary contract requirement.

A schedule that is prepared with the approach of "build it on paper," if done properly, provides the best results – not the least of which is providing a valid contract exhibit. Further, a properly detailed schedule developed prior to the bid process can assist the Contractor and bidders to adequately staff the project, schedule critical material deliveries, and enhance the coordination of subcontractors.

Another often overlooked element is that the interests of the Owner and Contractor are typically not fully aligned when it comes to the schedule. The Contractor is all about completing the project within the number of days specified in the Contract. The Owner is usually focused on the earliest date for beneficial occupancy. Often, these goals dictate very different project schedule paths. If the parties have not communicated and established common priorities prior to adoption of the schedule, this can be a huge source of conflict as the project progresses. During schedule preparation, be sure to discuss priorities for the project delivery.

Some other thoughts to consider relative to schedule:

**Monitoring** – Make sure that there are readily identifiable milestones so the parties can objectively agree on achievement and progress. Consider generating a detailed list of manpower or crew size anticipated for each critical subcontractor. Putting together a true manpower-loaded schedule is beyond the scope of many contractors, but having some sense of resource requirements is essential, particularly if milestones are missed.

**Bid scope** – Confirm that the contractor adequately communicates the schedule and production requirements to their bidders, and makes those requirements part of their subcontract. Failure to meet the production requirements should be classified as a material breach, allowing immediate corrective action by the Contractor without prolonged notice and cure provisions.

**Delays and Time Extensions** – The more detailed a schedule is in the beginning, the less dispute arises over time extensions and delays. The impact of any event affecting schedule should be demonstrable to the critical path. Too often, time extensions are treated as bargaining chips and lose any relationship to the actual schedule impact. Keeping schedule, cost and quality as separate subjects provides more rational and sustainable basis for contract adjustments.

As with most things in the construction process, scheduling, if done properly, makes administration of the project more streamlined and less contentious. Failure to adequately plan the job is usually evident by the absence of a detailed schedule and poorly defined milestones. Establishing a clear cut set of project delivery goals and incorporating them into a detailed schedule provides the best chance of success. Plan accordingly!

**For more information please contact:**  
**Roger Harper**  
**615-218-4102**

[rharper@rharperconsulting.com](mailto:rharper@rharperconsulting.com)

[www.rharperconsulting.com](http://www.rharperconsulting.com)

Roger Harper, Principal of [RHarper Consulting Group](#), provides development consulting services to the senior housing industry.

For more information on RHarper Consulting Group please call 615-218-4102 Or [rharper@rharperconsulting.com](mailto:rharper@rharperconsulting.com)