

# RECORD KEEPING AND DOCUMENTATION



IMPACT WEBINAR  
TUESDAY FEBRUARY 10, 2015

Presenter:

**Patrick Ouellet**

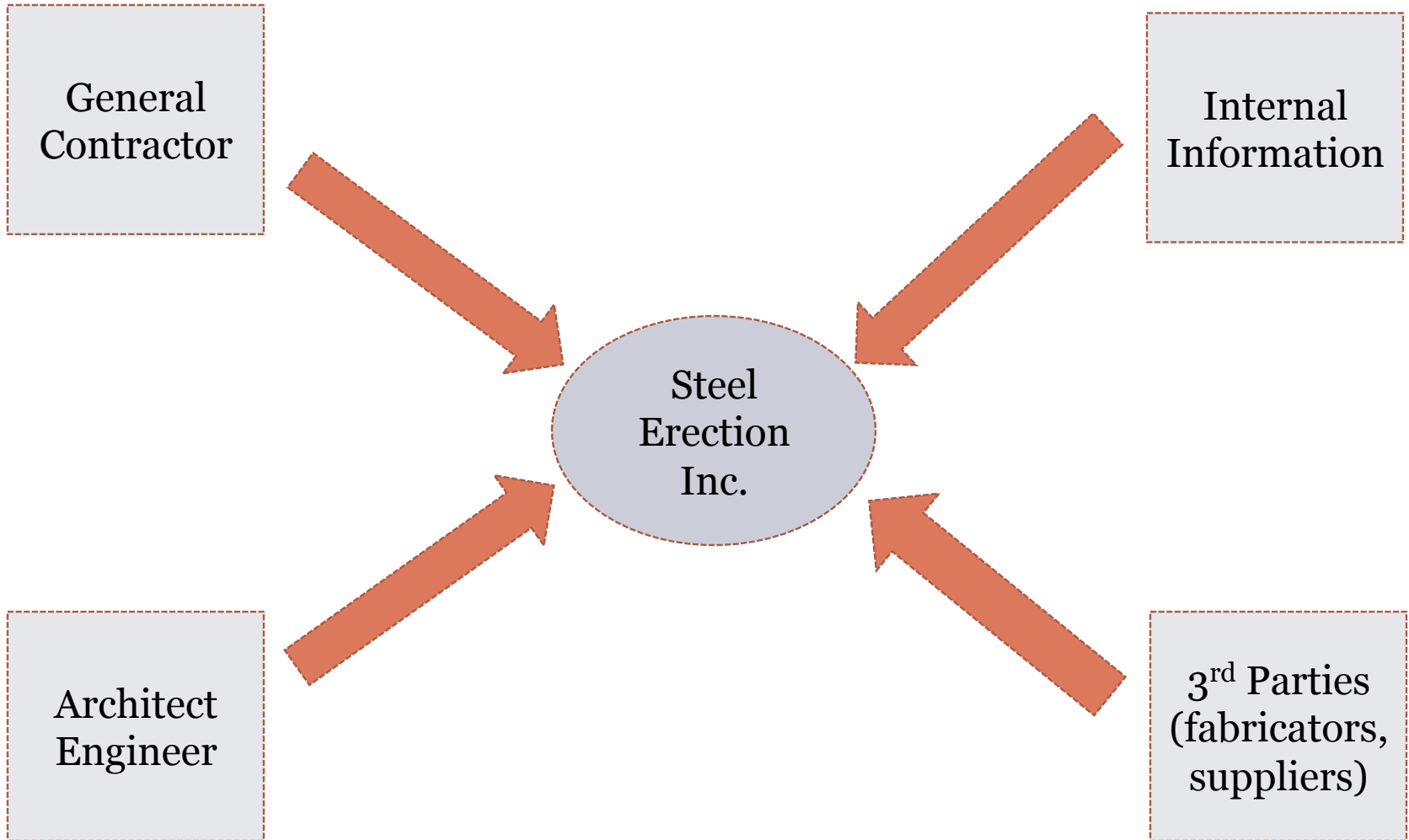
Construction/Claim Assistance Services

**“Information is king”**

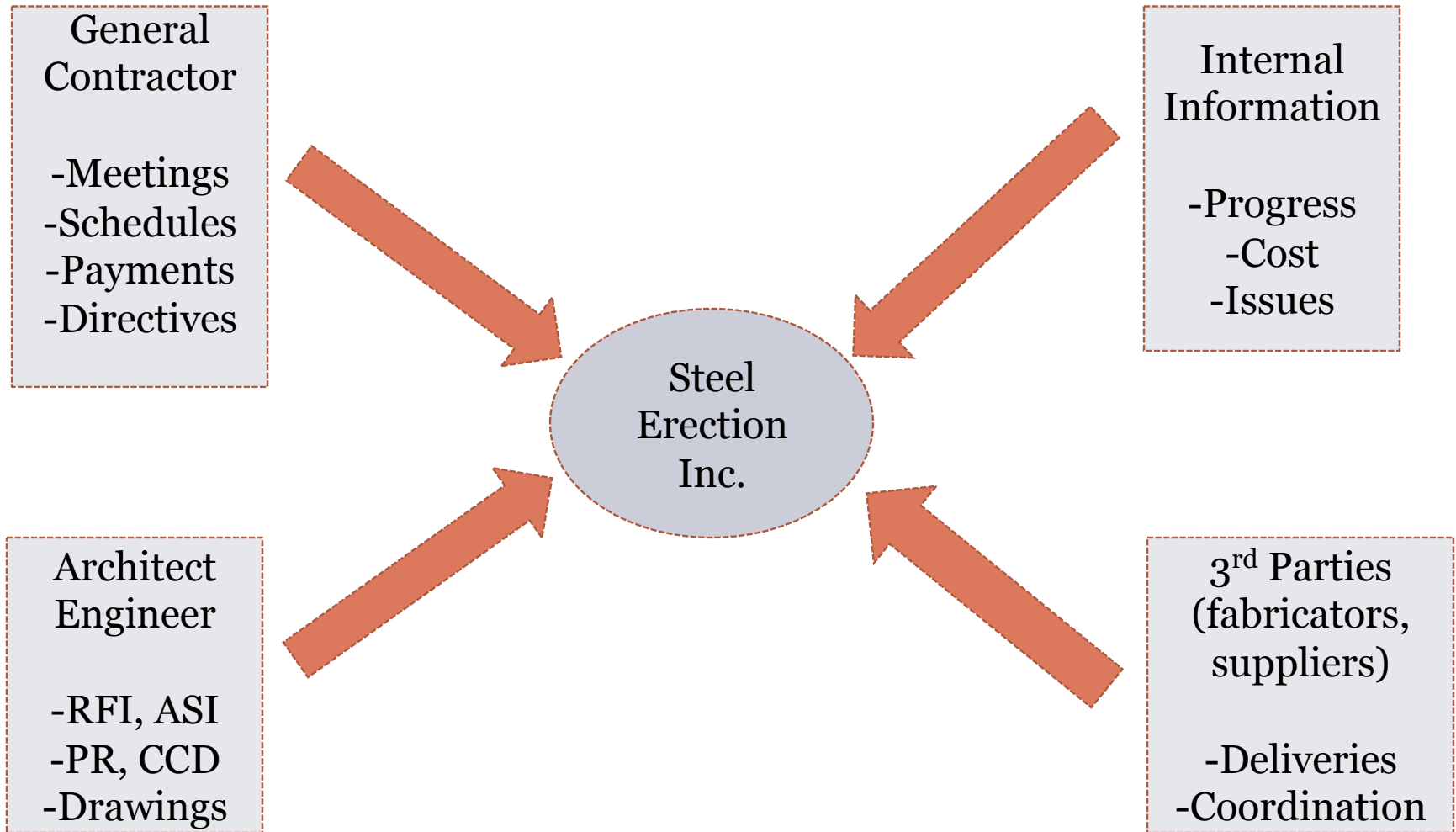
**“Information is the key of success”**

**“He who controls information  
controls his fate”**

# Sources of Information



# Sources of Information





**What Information do you keep?  
And Why?**

**What do you Document?  
And Why?**

# What do you want to Record and Keep?

The essence of Record Keeping

Too  
Much



=



Too  
Little



=



# 5 Pillars of Record Keeping

1. Timesheets / Cost Data
2. Daily Reports / Logbooks
3. Schedule and Progress
4. Drawings
5. Quality Control and Safety





# 1. COST DATA / COST REPORTING

Companies use cost data to determine financial status

- Hours expended in the different activities
- \$ expended in the different activities
- Projection Profit/Loss

**INTERNAL  
INFORMATION**

Cost Items	Overall Spent (mh)	Average Rate (\$/mh)	Overall Cost (\$)	Atwood, Ryan (Partner)			Cohen, Seth (Admin)			O'Dowd, Rry (Developer)		
				Spent	Rate	Cost	Spent	Rate	Cost	Spent	Rate	Cost
<b>Customers- and projects-related costs</b> <small>Data grouping: Customers / Projects / Tasks</small>	<b>280:15</b>	<b>21.30</b>	<b>6096.50</b>	<b>69:45</b>	<b>34.00</b>	<b>2371.50</b>	<b>135:00</b>	<b>12.50</b>	<b>1687.50</b>	<b>81:30</b>	<b>25.00</b>	<b>2037.50</b>
<b>Development Inc.</b>	<b>129:00</b>	<b>24.13</b>	<b>3112.13</b>	<b>69:45</b>	<b>34.00</b>	<b>2371.50</b>	<b>59:15</b>	<b>12.50</b>	<b>740.63</b>	-	-	-
<b>Arts School Reroof</b>	<b>74:30</b>	<b>21.88</b>	<b>1630.00</b>	<b>32:30</b>	<b>34.00</b>	<b>1105.00</b>	<b>42:00</b>	<b>12.50</b>	<b>525.00</b>	-	-	-
Building design	52:30	18.80	982.00	10:30	34.00	357.00	42:00	12.50	525.00	-	-	-
Creating project schedule	12:00	34.00	408.00	12:00	34.00	408.00	-	-	-	-	-	-
Review meeting	6:00	34.00	204.00	6:00	34.00	204.00	-	-	-	-	-	-
Site design	4:00	34.00	136.00	4:00	34.00	136.00	-	-	-	-	-	-
<b>Maple Apartments</b>	<b>54:30</b>	<b>27.19</b>	<b>1482.13</b>	<b>37:15</b>	<b>34.00</b>	<b>1266.50</b>	<b>17:15</b>	<b>12.50</b>	<b>215.63</b>	-	-	-
Determining the project budget	13:45	34.00	467.00	13:45	34.00	467.00	-	-	-	-	-	-
Determining the site design	6:00	34.00	204.00	6:00	34.00	204.00	-	-	-	-	-	-
Developing floor plans	13:30	12.50	168.75	-	-	-	13:30	12.50	168.75	-	-	-
Review meeting	6:00	34.00	204.00	6:00	34.00	204.00	-	-	-	-	-	-
Strategy plan	15:15	28.71	437.88	11:30	34.00	391.00	3:45	12.50	46.88	-	-	-
<b>Fly-Buy, Inc.</b>	<b>157:15</b>	<b>18.98</b>	<b>2984.38</b>	-	-	-	<b>75:45</b>	<b>12.50</b>	<b>946.88</b>	<b>81:30</b>	<b>25.00</b>	<b>2037.50</b>
<b>Company Web Site</b>	<b>129:00</b>	<b>20.40</b>	<b>2631.25</b>	-	-	-	<b>47:30</b>	<b>12.50</b>	<b>593.75</b>	<b>81:30</b>	<b>25.00</b>	<b>2037.50</b>
Fuel Regulations	58:00	17.94	1040.63	-	-	-	32:45	12.50	409.38	25:15	25.00	631.25
Privacy Policy Corrections	41:00	20.58	846.63	-	-	-	14:45	12.50	184.38	26:15	25.00	656.25
Repair Services	30:00	25.00	750.00	-	-	-	-	-	-	30:00	25.00	750.00
<b>Update of E-commerce web site</b>	<b>28:15</b>	<b>12.50</b>	<b>353.13</b>	-	-	-	<b>28:15</b>	<b>12.50</b>	<b>353.13</b>	-	-	-
Catalogue Update	28:15	12.50	353.13	-	-	-	28:15	12.50	353.13	-	-	-
<b>General costs</b> <small>General costs do not depend on the specific customers and projects</small>												
<b>Total for Leave Time:</b>	<b>23:00</b>	<b>25.35</b>	<b>583.00</b>	<b>4:00</b>	<b>27.00</b>	<b>108.00</b>	-	-	-	<b>19:00</b>	<b>25.00</b>	<b>475.00</b>
Sick Leave	22:00	26.60	585.00	3:00	30.00	90.00	-	12.50	-	19:00	25.00	475.00
Family leave	1:00	18.00	18.00	1:00	18.00	18.00	-	10.00	-	-	25.00	-
<b>Overtime Addition:</b>	<b>18:00</b>	<b>13.92</b>	<b>250.50</b>	<b>3:00</b>	<b>21.00</b>	<b>63.00</b>	<b>15:00</b>	<b>12.50</b>	<b>187.50</b>	-	<b>15.00</b>	-
<b>Grand Total</b>	<b>309:15</b>	<b>22.41</b>	<b>6930.00</b>	<b>73:45</b>	<b>34.47</b>	<b>2542.50</b>	<b>135:00</b>	<b>13.89</b>	<b>1875.00</b>	<b>100:30</b>	<b>25.00</b>	<b>2512.50</b>

# 2. DAILY REPORT

## What was done

- Workforce
- Activities performed by location or section
- Events/Issues

Used as a complement to timesheet

**SOMETIMES NOT  
INTERNAL  
DOCUMENT**

# DAILY REPORT

PROJECT TITLE/#:	Healthy Living Hospital, Springfield - 2015-P1
DATE:	14-Mar-14
TEMPERATURE:	37 degrees
WEATHER:	Cloudy, Windy, Gusts 25mph

PERSONNEL		EQUIPMENT	
Superintendent	1	Crane	888 Manitowoc
General Foreman	1	Forklift	Lull 10k
Foreman	4	Arial Lifts	1-60ft, 1-80ft, 2-40ft
Journeyman	13	Scissors	3-20ft electric
Apprentice	3	Other	1 - Stud Machine
Operator / oiler	1 / 1		

<b>WORK ACTIVITIES:</b>
Unloaded 2 trucks - sequence 4 - columns/beams
Set steel, 2nd tier, grid E-H, 1-5
Hoisted deck bundles, 2nd tier, grid A-D
Bolting tier 2
Installing BP, tier 2, grid H-L

<b>EVENTS / ISSUES / DELAYS / DISRUPTIONS:</b>
Had to stop hoisting deck in afternoon too windy
1 of the 40ft JLG keeps breaking down - told john nothing done to change it
Need deck rod - if we don't get more, we will have to stop welding, this is a weekly thing
G/C concrete trucks always in the way, it seems every time we have deliveries
NAME: John Connor Signature: John Connor

# 2. LOGBOOK

- Notes from meeting
  - Phone calls
  - Personnel issues
  - Horse Trading
- Equipment Issues

## INTERNAL DOCUMENT

Tuesday, March 3
<u>Weekly coordination meeting</u>
Bob, John, Sue, Tom, Sam, Matt, Simon, Ren, Bill, Pat
John schedule is behind, he wants to see how we can
make up time - all subs by Friday
there is an OSHA visit next week - Matt wants every
little thing picked up
Bob mad at us for not finishing deck yesterday - told
him we only got BP late last week, it take time
Talked to simon at fabtec about deliveries, material
supposed to be here, he says maybe Thursday
Tom was a no show again today - his and Matt S keep
missing a lot of time, screwing us up
We lent our lull to the electrician for 1 hr today so they
cn unload - we borrowed their scissor lift for 3hrs

# 3. SCHEDULE AND PROGRESS

## A. YOUR OWN SCHEDULE

Most projects have a project schedule

- Managed by others
- Little detail about your activities
- No control

Make your own schedule – sometimes a requirement

1.4 Subcontractor shall prepare and furnish all submittals, samples, data, schedules, and other items which relate to the Work under this Subcontract including those required for approval by the Architect or other parties under the Contract Documents.

- Make it simple
- Match the contract schedule
- Include material delivery in your schedule

# 3. SCHEDULE AND PROGRESS

## B. MEETING MINUTES

Mandatory Meetings can be a requirement

46. Participation in the following meetings:
  - a. Preconstruction Meetings (with \_\_\_\_\_ and designers)
  - b. 1<sup>st</sup> Day/1<sup>st</sup> Hour Orientation, Monthly Job-wide Safety Meeting (all employees)
  - c. Weekly Jobsite Safety Meetings (foreman/superintendent)
  - d. Weekly Jobsite Coordination meetings (foreman/superintendent and PM)
  - e. Daily P.O.D. (Plan of the Day) meetings (foreman/superintendent)  
(Start time is 6:30am each day or as determined by \_\_\_\_\_ )

Exhibit A – Scope of Work

Page 4

- Obtain minutes from all meetings if not present
- Keep minutes handout when there and take notes (in logbook or on handout)

**Directives or notices often given at meetings – need to obtain records**

# 3. SCHEDULE AND PROGRESS

## C. SCHEDULE UPDATES

Project schedules are normally updated by General Contractor to track progress

In most cases you have to provide information

**E. Add the following to Paragraph 4.2:**

1. When required by Contractor, Subcontractor will provide data and participate in conferences for development of a construction schedule which meets Project requirements. In addition, Subcontractor shall assist Contractor in updating and amending the schedule as required to maintain proper work progress.

If you do, keep record of information provided

Also keep records of the update, they will help determine if your durations and sequences have changed

# 3. SCHEDULE AND PROGRESS

## D. MATERIAL DELIVERY TICKETS

As a steel erector material delivery tickets one of the most 3<sup>rd</sup> party information to keep

Material deliveries are directly linked with steel erectors ability to progress

Delivery tickets can be powerful tool when used with own schedule to track progress

Obtain all tickets for records – can help you construct an as built portrait

# 4. DRAWINGS

Drawings are part of the Contract  
They are the “What” portion

WHEREAS, the General Contract consists of the contract between Owner and Contractor, drawings and specifications, the general conditions, the supplementary conditions, the bond, if any, and any addenda or amendments Nos. \_\_\_\_\_; and

## A. Design Drawings

- Generated by Architect/Engineer or Record
- Can't Install with these drawings

## B. Erection Drawings

- Produced by Fabricator
- Drawings used to install, as they have details/piecemarks

**They are not the same!!!!**







# 5. QUALITY AND SAFETY

“HOW THE WORK WAS DONE”

Standard of care

- By contract
- By law

Many of the submittals required are tied to QC/Safety

BOTH REQUIRE THEIR OWN LEVELS OF RECORD KEEPING AND DOCUMENTATION

SPECIFIC WEBINARS AND EDUCATIONAL SEMINARS OFFERED BY IMPACT ON THESE TOPICS

# 5. QUALITY

## A. INSPECTION REPORTS

Owners on project usually hire an inspection firm to inspect selected items. Steel is the subject of many inspection topics

- Bolting
- Welding
- Placement of beams/joists
  - Steel deck fastening
  - Shear studs

Need to keep records, or at least obtain inspection reports.

**Quality is tied to many contractual obligation, it is important to know if there is anything wrong with your work.**

# 5. QUALITY

## B. INDUSTRY CODE COMPLIANCE

Specifications often incorporate various codes (AWS, AISC, SDI, SJI, RCSC) as requirements.

### 1.2 QUALITY ASSURANCE

- A. Use adequate numbers of skilled workmen who are thoroughly trained and experienced in the necessary crafts and who are completely familiar with the specified requirements and the methods needed for proper performance of the work of this Section.
- B. Perform welding with electric arc process and in accordance with AWS "Code for Arc and Gas Welding in Building Construction."
- C. In addition to complying with pertinent codes and regulations, comply with:
  - 1. AISC "Specifications for Design, Fabrication, and Erection of Structural Steel for Building";
  - 2. AISC "Code of Standard Practice";
  - 3. AISC "Specification for Structural Joints Using ASTM A325 or 490 Bolts."

Many of the codes require certain records to prove your personnel and company are qualified to perform certain work.

- Welder certifications
- Welding procedures
  - Stud welding
- Pre bolting verification

**NEED TO KEEP WRITTEN RECORDS**

# 5. QUALITY

## C. PICTURES

A picture is worth a thousand words.

Great records to have when:

- Installing finished products in areas not complete
- Working above other finished products
- Noting deficiencies in materials received – paint, rust, damage

## D. TURNOVER SHEETS

Simple form an erector fills out when completed and out of an area. Forms are signed by GCs to confirm

Great records to defend against:

- Backcharges for fixing/maintaining safety cables in signed off area
- Backcharges for cleaning or trash pick up in signed off area
- Holding retainage or percentage complete

# 5. SAFETY

Contracts and OSHA require erectors to keep many records

- Training
- Inspections
- Erection plans

Most information is produced by you

There is Safety information produced by others that could be useful and relevant to your scope

# 5. SAFETY

## A. SAFETY REPORTS

Many GC's have Safety representatives on site and they do periodic inspections and walkthroughs

They issue corrective actions

if you don't correct them, they may correct themselves and charge you

9.1.2. Contractor's Right to Remedy Deficiencies. If Subcontractor fails to comply with any safety procedures required by law or by Contractor, Contractor shall have the right, but not the obligation, to take any necessary steps to remedy the deficiency and charge the entire cost thereof to Subcontractor. The failure of Contractor to take any such action shall in no manner relieve Subcontractor of any of its safety responsibilities set forth in this Subcontract.

**Therefore be aware and obtain these documents**



# 5. SAFETY

## B. SUBPART R INFORMATION

OSHA requires information from the GC (controlling contractor) to ensure your operations are safe. It is important to obtain this information to protect your personnel and equipment against someone cutting corner or not doing things properly

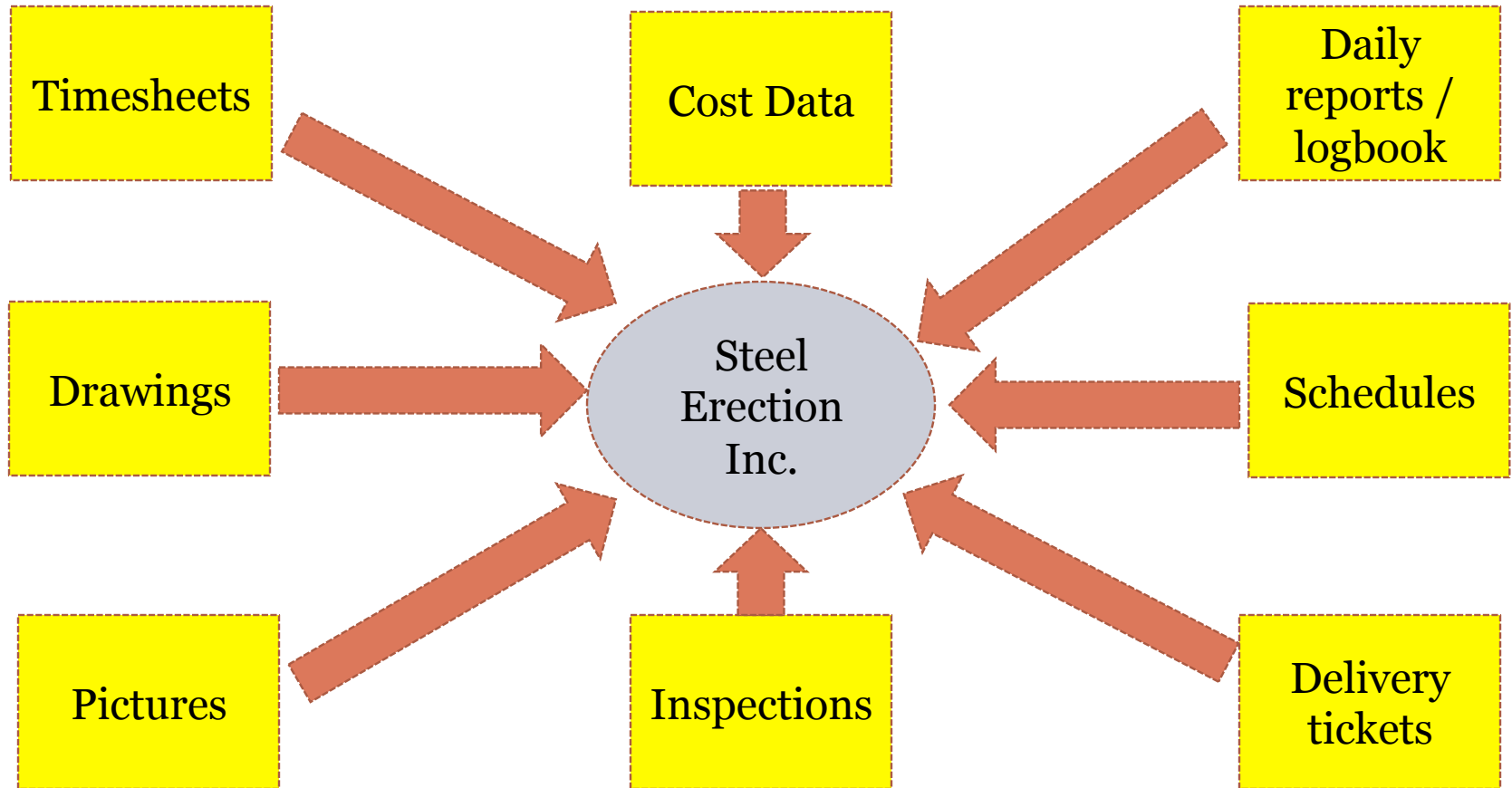
- Anchor bolt and concrete strength (1926.752)
- Site layout (1926.752)
- Repair of anchor bolts (1926.755)

Those are just three of the common information impacting ironworker work

**Therefore be aware and obtain these documents**

# WHAT DO YOU DOCUMENT?

You have the information and records



**YOU DOCUMENT WHAT IMPACTS  
YOUR SCOPE**

**TO PROVE WHAT YOU DID AND  
DEFEND AGAINST WHAT YOU DID  
NOT DO**

**AND YOU USE THE INFORMATION AND RECORDS TO  
PROVE YOUR CASE**

# SO...WHAT DO YOU DOCUMENT?



- Progress
- Changes
- Disruption/interruptions/delays
  - Deficiencies
  - Safety and Quality issues

# THE FIRST RULE OF DOCUMENTATION

## TIMELY NOTIFICATION

Clients want to be notified of changes, problems, delays and other issues, and in a timely manner

4.3 **(Time Extension)** Timely notify Contractor of all delays in the performance or completion of the Work by events for which Subcontractor is not responsible. No extension of time of performance of this Subcontract shall be allowed without the written consent of Contractor. The time of the performance or completion of the Work shall be extended provided the cause of the delay is of a type set forth in the General Contract that justifies an extension of time for completion of the General Contract or is caused by Contractor's legally unjustified conduct.

5. **(Notice)** Give written notice to Contractor of all claims for extras, for extensions of time and for damages for delay or otherwise in accordance with the General Contract, allowing Contractor to give timely notice to Owner. Timely notice shall mean three (3) working days before the expiration of the relevant notice period in the General Contract.

### 10.2. Change Order Process

10.2.1. Contractor may issue documents to Subcontractor for the purpose of clarifying and/or modifying the Contract Documents. Unless otherwise directed by Contractor, Subcontractor shall notify Contractor in writing (via Change Order Request) of any claimed cost or time impact resulting therefrom within 10 days after receiving such documents.

Therefore it is important to:

- Know your notice provision for the different situations
- Notify your client of events/issues/problems/delays/change particularly when there might be costs associated with them.

# 1. PROGRESS

**PROJECTS ARE SCHEDULE DRIVEN**

**MANY PROGRESS RELATED CLAUSES IN  
CONTRACTS**

**Submit a schedule or information and give us updates**

- 4.4. Required Schedule Information. Subcontractor shall submit a detailed construction schedule, which includes all of Subcontractor's design, review, submittal, approval, permitting, procurement and construction activities, within seven (7) days after requested by Contractor. Subcontractor shall periodically update such schedule to reflect actual Project progress and to indicate the progress of Subcontractor's Work. The schedule shall also include projected man-hour requirements for its construction activities.

# 1. PROGRESS

## When to start, and how the schedule can be modified

### 4. Schedule

4.1. Time. Time is of the essence. Subcontractor shall begin its Work as soon as the Project is ready for such Work or within two (2) working days after being notified by Contractor and shall commence and perform its Work as required by the Project Schedule (attached hereto as a part of **Exhibit A**). The durations set forth on the attached Project Schedule are in working days, not calendar days. Contractor reserves the right to modify the Project Schedule as required by job progress, potentially impacting activity start and finish dates. However, the duration of Subcontractor's Work activities will not be revised unless Contractor and Subcontractor mutually agree to a revised duration. Subcontractor is responsible for sequencing its activities to coordinate with the current Project Schedule, available on-site in Contractor's field office. Subcontractor shall procure its

## What you need to do to keep up with the schedule, sometimes very specifically

11. Premium time shift Work necessary to maintain the construction schedule without additional cost to the Project unless delay to its performance of such Work is caused by others.
2. Subcontractor agrees to work extra work hours, workdays, multiple shifts and/or provide additional equipment, tools, supervision or manpower as required to maintain not only the project construction schedule, but also to comply with segmented scheduling for specific areas within the project schedule, or to perform utility tie-ins, life safety testing, and building systems start-up and commissioning; all without claim for delay or reimbursement of associated costs.
  3. Subcontractor shall perform out-of-sequence Work if required by the General Contractor to permit the coordination of Work of other Subcontractors. This includes phased, partial installation.



# 1. PROGRESS

**Any should you fall behind and don't address those situations, you can be in default and terminate you**

15. **(Default)** Upon written notice from Contractor, cure any (i) failure to correct, replace and/or re-execute faulty or defective Work when and if required by Contractor, (ii) repeated and persistent failure to complete or proceed with the Work within the schedule agreed to by the parties or the time otherwise provided, (iii) failure to make payment when due to Subcontractor's subcontractors or suppliers for labor, services, equipment, or materials in accordance with the respective agreements between Subcontractor and its subcontractors and suppliers, or (iv) failure to comply with any other substantial term of this Subcontract. If Subcontractor fails within three (3) working days after receiving the notice of default to commence and continue satisfactory correction of the default with diligence and promptness, then Subcontractor shall be in default of this Subcontract and Contractor, upon an additional three (3) calendar days notice in writing to Subcontractor, shall have among its other legal rights the right to terminate this Subcontract and finish the Work, replace and/or re-execute such faulty or defective Work, either through its own employees or through a subcontractor of its choice, and to charge the excess completion costs to Subcontractor, together with any liquidated or actual damages caused by a delay in the performance of the Work. If Subcontractor defaults under the terms of this Subcontract, the material and supplies of Subcontractor to be incorporated into the Project shall be left on the job for Contractor's use in completing the Work. In the event Owner terminates for convenience all or part of the General Contract, Contractor may terminate for convenience all or part of the Work covered by the Owner's termination for convenience.

## **§ 7.2 TERMINATION BY THE CONTRACTOR**

**§ 7.2.1** If the Subcontractor repeatedly fails or neglects to carry out the Work in accordance with the Subcontract Documents or otherwise to perform in accordance with this Subcontract and fails within a ten-day period after receipt of written notice to commence and continue correction of such default or neglect with diligence and promptness, the Contractor may, by written notice to the Subcontractor and without prejudice to any other remedy the Contractor may have, terminate the Subcontract and finish the Subcontractor's Work by whatever method the Contractor may deem expedient. If the unpaid balance of the Subcontract Sum exceeds the expense of finishing the Subcontractor's Work and other damages incurred by the Contractor and not expressly waived, such excess shall be paid to the Subcontractor. If such expense and damages exceed such unpaid balance, the Subcontractor shall pay the difference to the Contractor.



# 1. PROGRESS

**Therefore, what should you document on progress?**

- Keep records of your progress – schedules, daily reports
- If your progress is slowed, send notice of the problem(s), referencing the records you have mentioning the problem

**If you receive letters or documents stating you are behind**

- Always address them and respond with specific reasons why the schedule is behind
- If you are the reason you are behind, still address it and offer suggestions to correct, often GCs can work with you
- Never leave a notice unanswered

# 2. Changes

**CHANGES ARE COMMON AND FREQUENT ON CONSTRUCTION PROJECTS**

ON AVERAGE, CHANGES REPRESENT 6-10% OF CONTRACT VALUE

ON AVERAGE, YOU ONLY OBTAIN CHANGE ORDER OR PAYMENTS FOR 70% OF SUBMITTED CHANGES

## **WHY?**

- Lack of understanding of the process
- Lack of Documentation/records

# 2. Changes

## How do you find Changes?

- Sometimes other parties tell you about them in advance
- Sometimes you discover them as the work progress
- Sometimes they are hidden in the work and you need to uncover them.

## Main Sources of Changes

### 1. Architect or EOR generated

- RFI
- ASI
- PR
- CCD

### 2. Corrective work performed

- For clients
- For 3<sup>rd</sup> parties

# 2. Changes

## Request for Information (RFI) and Architectural Supplemental Information (ASI)

- Architects often label those as no cost changes or minor changes in work

### § 7.4 MINOR CHANGES IN THE WORK

The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

- Since they are labeled no cost, the architect does not expect a response, therefore it is important to notify that there might be costs/impacts
- Obtain response for acknowledgement that their no cost or minor change indeed contains additional work
- Price like other changes

# 2. Changes

## **Proposal Request (PR) or Change Request (CR)**

- If the PR/CR results in additional work, Architects and engineers expect a response for this change in a certain timeframe. Failure to respond may be acknowledgement that there are no costs associated with this PR/CR
- Important to submit pricing within the timeframe allotted, or if it is no possible to submit price, notify as soon as possible, explaining why
- Price like other changes

# 2. Changes

## Construction Change directives (CCD)

- CCDs are similar to PR, as it is a clear cut change in scope
- There is the same timeframe restriction as a PR
- Price like other changes.
- One major exception, a CCD is a directive and not a request, meaning you have no choice but to perform the work, and don't need to agree on price to start the work
- Therefore important to set up tracking system for costs as back up before starting the work

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 As provided in Section 7.3.7.

## 2. Changes

### Corrective work performed



Things don't always fit

# 2. Changes

## Corrective work performed

Contracts often require authorization before performing corrective work

12. **(Notice)** Perform all changes to the Work that are ordered in writing by Contractor, or its authorized representative. If additive or deductive changes are made, equitable adjustments shall be made to the Subcontract price. No change shall be allowed, or made by Subcontractor, or paid for by Contractor unless and until authorized by Contractor or its authorized representative in writing.

Contracts sometimes dictate who is designated to authorize corrective work

- 7) That extras to the contract can be authorized only by the persons signing the Subcontract Agreement or Rider to Subcontract Agreement, or an officer of the Contractor. Deviations from plans or specifications, or changes by change order, will be considered for payment by the Contractor only upon written authorization from the person signing the Subcontract Agreement or Rider to Subcontract Agreement on behalf of the Contractor, or an officer of the Contractor. Field personnel have no authority to make contracts, sign field work orders, direct changes in plans or specifications, or authorize extra work. Non-adherence to this provision will result in no payment to the Subcontractor for extras provided.

Therefore once you note a problem requiring correction:

- Advise the proper person and ask for a solution
- Get the authorization from the authorized person (solution serves as authorization)
- Note the time and equipment spent correcting the problem
- Fill out field order or work order **WITH ALL THE DETAILS** and get it signed



# 2. Changes

## Change Process in Contracts

Some contracts have detailed clauses for the processing of changes

### 10.2. Change Order Process

- 10.2.1. Contractor may issue documents to Subcontractor for the purpose of clarifying and/or modifying the Contract Documents. Unless otherwise directed by Contractor, Subcontractor shall notify Contractor in writing (via Change Order Request) of any claimed cost or time impact resulting therefrom within 10 days after receiving such documents.
- 10.2.2. Subcontractor shall promptly submit all Change Order Requests to Contractor in writing. Each Change Order Request shall contain the following information:
  - 10.2.2.1. The reason or justification for the change.
  - 10.2.2.2. The date of the change or Change Order Request.
  - 10.2.2.3. If the additional work has already been performed, a copy of Contractor's work authorization form authorizing the change.
  - 10.2.2.4. A detailed estimate or cost breakdown that identifies added and deleted Work and the corresponding labor, material, equipment, taxes and subcontract costs as well as Subcontractor's overhead and profit that is applied to the above costs.
- 10.2.3. Contractor, upon agreeing to the terms of the change in Subcontractor's Work, will promptly issue a written Change Order to the Subcontractor.

**FOLLOW THE PROCESS**

# 3. Disruptions / Delays

- Your scope did not start on the planned date because the concrete and anchor bolts were not installed.
- You can't progress as fast because of missing materials.
- You have to move around because other trades are in the way or the General Contractor told you he is not ready for you to go into an area.

## Contracts have clauses dealing with delays and what you have to do

4.3 (Time Extension) Timely notify Contractor of all delays in the performance or completion of the Work by events for which Subcontractor is not responsible. No extension of time of performance of this Subcontract shall be allowed without the written consent of Contractor. The time of the performance or completion of the Work shall be extended provided the cause of the delay is of a type set forth in the General Contract that justifies an extension of time for completion of the General Contract or is caused by Contractor's legally unjustified conduct.

§ 5.3 The Subcontractor shall make all claims promptly to the Contractor for additional cost, extensions of time and damages for delays or other causes in accordance with the Subcontract Documents. A claim which will affect or become part of a claim which the Contractor is required to make under the Prime Contract within a specified time period or in a specified manner shall be made in sufficient time to permit the Contractor to satisfy the requirements of the Prime Contract. Such claims shall be received by the Contractor not less than two working days preceding the

time by which the Contractor's claim must be made. Failure of the Subcontractor to make such a timely claim shall bind the Subcontractor to the same consequences as those to which the Contractor is bound.

# 3. Disruptions / Delays

## **The best chances to get compensation or extension if you do:**

- Give timely notice when event occurs – easy for large delays, tough for small delays throughout the project
- Record events in daily reports or mention these events at meetings where minutes are taken
- Update your schedule to show what the event caused
- Identify defined activities caused by the delay and disruption and track separately costs and time:
  - Remobilization activities
  - Idle labor and equipment
  - Stopping or cancelled work shift

# 4. Deficiencies

## Nobody is perfect

No one is expecting you to be perfect – but they want to make sure you correct your mistakes, and takes steps to ensure you do

## Clauses to hold your payment

### 3.4 Contractor's Right to Withhold Payment: Joint Checks

3.4.1 Contractor shall have the right to withhold payments to Subcontractor if Contractor, in its reasonable judgment that is supported by reasonable evidence, has reason to believe that any of the following conditions exist:

3.4.1.1 Defective Work performed by Subcontractor that has not been promptly corrected.

## Clauses about backcharge you if you don't correct your deficiencies

8.13.2.2. If Subcontractor does not correct such defective or nonconforming Work as directed by Contractor, Contractor may correct it, charge the cost thereof to Subcontractor and take reasonable actions to continue the progress of the Project.

# 4. Deficiencies

## Clauses about charging you the cost of overtime/acceleration for correcting your deficiencies

### 8.13.2. Correction of Work

8.13.2.1. If Subcontractor's Work is found to be defective or not in conformance with the Contract Documents, Subcontractor shall correct it immediately after receipt of written notice from Contractor. All such defective or nonconforming Work shall be corrected to comply with the Contract Documents without cost to Contractor. Correction of defective or nonconforming Work shall be performed so as to not delay the progress of the Project. Subcontractor shall bear the cost of correcting all work of Contractor or of other subcontractors destroyed or damaged by such correction. Furthermore, Subcontractor shall bear all overtime/acceleration costs incurred by Contractor or other subcontractors resulting from the correction of its defective or nonconforming Work. If Subcontractor's defective Work must be repaired or replaced after the Owner has occupied the Project, Subcontractor will perform such repair or replacement Work in a manner that will avoid or minimize any disruption of Owner's ongoing business activities.

## Clauses about terminating you if you don't correct your deficiencies or work properly

### 12. Termination

#### 12.1. Default by Subcontractor.

12.1.1. If Subcontractor fails to promptly correct defective or nonconforming Work furnished under this Subcontract, or repeatedly and persistently fails to complete or proceed with its Work in accordance with the Project Schedule, or to make payment pursuant to the terms of this Subcontract to subcontractors or suppliers for labor or materials or to comply with any other material term of this Subcontract, then Contractor may give Formal Written Notice to Subcontractor to cure Subcontractor's default.

# 4. Deficiencies

## **How to document when dealing with deficiencies:**

- Records are key – Updated drawings and latest information are crucial
- Many deficiencies are caused because work crews not using latest information
- Records are key – pictures are indeed worth a thousand words – especially when taken when work is complete
- Records are key - Inspection reports
- Respond in a timely manner
- Correct promptly if deficiency is legitimate, substantiate and send reason why, if it isn't
- Do not let a deficiency notice go unanswered

# 5. Safety issues

**Contracts go at length about what to submit and what to document:**

- Safety Submittals
- Near Misses
- Incidents
- Accidents
- Injuries

**The safety aspect of construction project is a full time endeavor**

# CONCLUSION



**Record keeping is a balance – Time and \$ Expenses v. Risk**

**If nothing else:**

- Read the contract to find out what you have to do
- Choose selected records to track the important stuff
- Notify, notify, notify, in a timely fashion, in a timely fashion, in a timely fashion
- Use your records to substantiate the documentation you send



## **PRESENTER BIO:**

Patrick Ouellet is a Civil Engineer by trade that has worked in the steel industry and around Ironworkers for over 20 years. He is now Owner of a consulting firm that helps subcontractors with all operational aspects of their business, from estimating and bidding, to contract review, documentation and change management, as well as project closeout and construction claims. He is also an adjunct instructor at Dunwoody College of Technology in Minneapolis, Minnesota

## **CONTACT INFORMATION**

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