



## Dar Al Riyadh Insight #68

### Claims Avoidance – Project Execution Phase

*Dar Al Riyadh Insights reflect the knowledge and experience of our Board, executives and staff in leading and providing PMC, design and construction management services. Dar Al Riyadh believes in the importance of broadly sharing knowledge with our clients and staff to improve project outcomes for the benefit of the Kingdom of Saudi Arabia.*

#### Project Execution Phase

During project execution, construction claims may arise from a myriad of sources. These have been outlined earlier together with what drives many of these claims. These are not repeated here.

During the project execution stage, claim avoidance is supported by diligent owner engagement and oversight processes and documentation required by the contract. Examples of these requirements include:

- Transparent and frequent reporting of quality inspection, productivity and work process, including measured quantities.
- Tracking and timely response to RFIs.
- Timely processing of agreed-to changes, leading to incorporation in contract documents.
- Timely contractor description of extra work or extra time, whether compensable or not. A struggling contractor is a leading indicator of future claims.
- Milestone and commitment tracking, with any delays by either owner or contractor noted. Any disagreement in such assessments should be reconciled contemporaneously.
- Adequacy and completeness of required and/or agreed to recordkeeping. The following table shows typical records to be completed and issued in a timely manner.

Typical Records to be Completed and Issued in a Timely Manner	
<b>Daily reports</b>	Daily progress records
	Daily time records
	Daily workforce reports
	Daily production logs
	Daily equipment reports
<b>Progress reports</b>	Cost/labor reports
	Exception reports
	Job schedules
<b>Safety reports</b>	Near miss and accident reports
<b>Quality records and reports</b>	Inspection reports
	Photographs, videos (time stamped) (i.e., soils)



Typical Records to be Completed and Issued in a Timely Manner	
	Shop inspection reports
	Vendor quality surveys
<b>Design</b>	Drawing logs
	Drawings and specifications
	Shop drawings
	Transmittals
	RFIs and responses
<b>Supply chain</b>	Purchase orders
	Expediting reports
	Delivery reports of permanent materials
<b>Reports and communication</b>	Project correspondence
	Diaries
	Minutes of jobsite meetings or other meetings
	Memos to file
<b>Contract and payments</b>	Change orders
	Progress payments
	Notices

The owner is advised to alert the contractor formally of an inability on the owner's part to meet their obligations under the contract. This should be promptly confirmed in writing with all available details, including identification of yet unknown material facts. Issues and problems will arise for both parties in performance of the contract. Quick, transparent communication and timely resolution are essential. Failing to do so will result in claims that will only grow in severity. Remember "delay and denial" are not effective strategies.

The owner's project team will benefit from an approved contract summary and clear guidance on responsibilities, levels of approval, and any approval or contract modification process. Any direction to the contract should only be provided in writing and the basis for direction documented and any basis for a contract change noted and communicated to the contractor to establish a shared record.

Any required approvals on means and methods should not be unreasonably withheld or approval delayed. Directing the contractor to utilize alternate means and methods often undoes the inoculation put in place pre-contract.

**It is helpful to create project-specific flow diagrams that show how the decision making process, submittal process and change order process are being handled by every member of the construction team.**