CONSTRUCTION DELAY:

Handling and Avoiding the Inevitable

By S.S. Saucerman

Ask any contractor this question: “What’s the most frustrating part of your job?” Nine times out of IO, the response will deal with construction delays. I agree.

Unexpected interruptions in project schedule are a killer—and not just because they create ulcers for the project manager. Delay is so deadly because it invariably requires extra time, extra attention and extra labor by the general contractor and/or subcontractors to correct the delay—all of which cost money. Now, spending money’s not a bad thing—if you had planned on spending it. Unfortunately, most of the money expended making up for delay is (probably) unaccounted for during estimating.

Most of the time, delay is a silent thief—slowly and steadily encroaching on the bottom line. Other times, it’s easy to spot. It may reveal itself in a bold, in-your-face kind of a way—such as a backhoe busting a hose or the main air-handler not showing up as promised. But most of the time delay is more subtle, a few lost hours waiting for a generator, a worker showing up late to work, or a simple day-to-day material not arriving at the promised time.

The Effects of Delay

Imagine you’re a project superintendent for a million-dollar project, and you have the enviable day-to-day responsibility of coordinating—perhaps—14 or 15 different skilled trades (in different unions), scores of workers, and hundreds of material deliveries for your project.

Broken a sweat yet? Good—it gets better!

Now, let’s suppose for a moment that everyone of these individual skilled-trade people has their own agendas, attitudes, and opinions (of which they’re seldom afraid to share) about virtually everything going on in the project. During the course of a project, the interaction between parties can be
quite enlightening—particularly if you happen to be a scientist researching and documenting the de-evolution of man. On any normal day, a typical exchange between, say, an electrician and the project superintendent might go something like this:

Electrician (to superintendent): Hey, you! There’s a hundred #@%!&* (*place name of other trade here*) in my way and there’s no #@%!& way I can get any of my pipe up in the #@%& ceiling until they’re #@%!& outta there, and if you think I’m gonna #@%!& just sit around waitin’ for those #@%& sons of . . . .

Superintendent (to himself): I need a drink!

To this already cozy situation, let’s add the fact that the owner and architect are making almost daily changes to the scope of work—and all of these changes have to be priced, argued over and approved before proceeding. Now remember, this is a “normal” commercial building situation.

Well, now that we’ve “primed the pump,” let’s have some real fun. Let’s imagine what happens when we introduce unexpected and unanticipated interruptions and delays into the project.

Is it getting warm in here? Our superintendent certainly has his hands full, doesn’t he? Let’s help him out. Like so many things in life, probably the most important step in correcting a problem is to possess the ability to recognize the problem in the first place. So let’s discuss some common construction delays and a few methods for handling the inevitable.

**Major Types of Project Delay**

**Equipment Delay.** The good thing about this equipment
delay is that it’s easily recognizable. For instance, if a generator doesn’t show up, you know right away because your men aren’t making any noise. The same thing goes for heavy equipment. At least there’s something tangible that you can refer to later on while trying to recoup costs. Other delays aren’t so easy to identify.

**Major Material Delays.** Purchase orders, quick shop-drawing and submittal turnaround, and continual communication can avoid a lot of these hold-ups, but there will always be a few major material delays that sneak through. Now, like other delays, it may not seem relevant at the time, but let’s look at this example:

The wood doors that were scheduled to arrive today didn’t make it. After several frantic phone calls, you find out that they’re not coming until next Friday—another week! Your carpenter was (supposed to be) finishing door #27 and smoothly going on to #28. Now we’ll have to knock-down, clean up and leave—only to return to set up again next week. Not very efficient is it?

And it’s not just the carpenter who’s effected. In addition, the painter also will need to return in order to stain and varnish the doors. Will the painter be happy when he hears this? I don’t think so! Many painters (and most all subs) will demand more money for an extra, unplanned trip (known as mobilization) and, quite frankly, they deserve to be reimbursed for the additional work.

There are many ways these delays can be caused. Let’s take the carpet supplier who kept the (now five months old) P.O. on his desk, not wanting to order the product too early in order to avoid having to store it in his warehouse for longer than absolutely necessary. The carpet supplier calls this “just-in-time” delivery. I call it “just-don’t-call-me-anymore” delivery.
I’m sure they’re well-intentioned, but like clockwork, it always seems to play out like this:

After waiting until “just the right time,” the carpet supplier orders the material.

The material is back-ordered.

The carpet supplier calls me, informs me of the delay, and swears it’s not his fault.

The owner of the project begins calling me at home on evenings and weekends.

The terms “penalty” and “liquidated damages” become more a part of my daily conversations.

I begin to regret not becoming a member of the bomb-squad.

**Daily Material Delays.** Here’s where it can get a little tricky. Let’s say the treated lumber plate material that was to have arrived a 7 a.m. didn’t make it in until 8 a.m. This seemingly small delay—though frustrating—may not appear to be a actionable (that is, warranting the action of going back to the supplier to recoup costs) at the time. Now, if it’s a one-time occurrence, that’s probably a reasonable strategy.

But there are many material deliveries on the job—perhaps hundreds. Let’s give them the benefit of a doubt and say that a mere half of these total deliveries are merely half-as-late as our example. The math goes a little like this:

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\begin{align*}
50.00 & \text{ (# of deliveries)} \\
\times & \text{ 0.50 (man-hours waiting)} \\
\times & \text{ 0.40 (# of men standing around)} \\
\times & \text{ $34.15 (billing rate per hour)} \\
\hline
= & \text{ $3,415.00 (Yikes!)}
\end{align*}
\]
Now, of course these numbers may be a little skewed, but this is meant to illustrate how little delays, when spread out over the course of a project, can add up to real money by the end of the job.

**Equipment Breaking Down.** Every good contractor knows the value of preventative maintenance and the implementation of a maintenance program. This includes small tools too. Another piece of advice: Stay away from cheap power tools. Pay for the good stuff—they’re worth it.

**Design and Architectural Error.** For some reason, I find architectural and design delays the most frustrating of all. Perhaps it’s because the architect had months (or even years) to flush out the details before the project began.

Regardless, errors on the plans and specifications, along with errors in code adoption and misinterpretation, are horrifyingly commonplace in today’s construction. The sad part is, with the tight economic and aggressively competitive aspect of the design business factored in, it doesn’t appear as though it will be getting better any time soon.

The best (and perhaps only) avenue for the contractor in these cases is to chronicle the lost time in a daily log book to use as negotiation fodder later on. Sure, it would be nice to charge them for lost time, but there’s a little reality that kicks in here. It’s been my experience that the design firm will virtually never admit to any wrong (and therefore not offer to cover your loss), and it’s never a good idea to run to the owner with (what appears to be) a petty, internal problem between yourself and the architect. In other words, it’s not the owner’s problem.

At the end of the job, when all of those lingering cost-changes and delayed billings rear their ugly heads, pull out your daily log book, and “let the real negotiation begin.”

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Field Error and Personnel Delay. OK, now that I got that out of my system, I’ve got a confession to make. As hard as this is to believe—we contractors aren’t perfect either—errors in the field occur all the time, and much time is lost in the remediation.

Since we already know (from above) that time does indeed equal money—quality control and skilled, careful workmanship are not just the product of a good marketing brochure—they’re also money in your pocket!

Another potential for loss is in the discipline of the workers themselves. Employees who consistently show up late or seem to “have a hard time getting going” can ultimately dip into the company profits. Clear communication and strict employee guidelines are really the only sure way to plug this hole quickly.

Employee productivity and motivation is an entity unto itself, requiring sincere and consistent planning, commitment and implementation by the company’s owners and operators.

Customer Interference. Some customers are wonderful to work for and with—others aren’t. As long as nature indiscriminately allows anyone to make a lot of money, this will most likely never change.

Often, a customer will find it necessary to stop out at the site and throw his or her weight around. These appearances may require a little unplanned public-relations time by the superintendent, subcontractor or others.
If this happens to you, avoid your first impulse (which is illegal in most states—and besides, there are witnesses), take a deep breath and then take the time out of your schedule to explain, inform or even alter minor details to the owner’s desire. Of course, if the changes are of a grand scale, it’s time to involve the architect.

This almost certainly won’t be time for which you’ll be able to be reimbursed. Consider it the cost of doing business. However, it’s this little bit of attention that can go a long way in allowing the job to flow along smoothly and, as we’ve already learned, a smoother running job equals a more profitable job in the end.

**Other Types of Project Delay**

Many other types of construction delay are out there. In keeping with our theme of recognition being paramount in the eventual remedy, here are some other potential money-losers to be on the lookout for:

- Mobilizing major equipment more often than absolutely necessary.
- Waiting for information (be it from architect, owner, general contractor, etc.).
- Overcrowded work areas. Workers stumbling over each other is not productive.
- Having inadequate numbers of men on the job (poor planning, sickness, absenteeism, etc.).
- Waiting for site layout or staking by surveying or civil crews.
- Pulling men away to put out fires. At times, this is just necessary, but try not to overdo it.
- Coordination and scheduling errors by the general contractor or superintendent.
- Late or noncompletion of work by the owner or contractor outside of your contract (utility companies, etc.).
- Too much relocation of work or staging areas in the building itself. (Can you leave the masonry tenting up for the painters and caulking sub?)
- Conflicting orders from superiors. (One boss is best).

Project delay is something that will never go away completely—not as long as humans are involved. But with clear communication, strict discipline and consistent enforcement of rules, policies and expectations by the people running the project, delay can be minimized. By reinforcing the dogma that all delay is proportionate to an equal number of dollars lost, delay can be quantified and transformed into something a little more tangible—more easy to grasp—at which point, remedies can be more effectively targeted and implemented.

**About the Author**

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