

How to Prevent Construction Project Delays (24 Tips)

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KEEP YOUR JOBS ON SCHEDULE AND YOUR PROJECT COSTS DOWN WITH THIS ROUNDUP OF PRACTICAL TIPS FROM INDUSTRY EXPERTS

Though it's nearly impossible to completely avoid excusable project delays (any delay caused by an unpredictable circumstance outside your control), there are things you can do to prevent inexcusable delays – that is, delays that are legally considered your responsibility or the results of someone you're responsible for.

You can also minimize the impacts of excusable delays and make sure they're covered in your construction contract.

Here are 24 tried-and-true tips from various industry experts you can use to:

- » Prevent delays from occurring.
- » Lessen the effects that delays have on project timelines.
- » Ensure your construction agreements protect your business.

1. USE PAST PERFORMANCE & INDUSTRY DATA TO PLAN EFFECTIVELY

Review the past performance of your current suppliers, anticipate delays based on current supply chain trends, and plan accordingly. Harry E. Hough, the CEO of the American Purchasing Society, offered these suggestions if you're charged with setting up and/or ordering construction materials.

"Use forecasting methods that use data from your own



purchase histories as well as industry data. That means you need to keep good records of supplier performance. Those records will help you concentrate your follow-up and ordering procedures on the suppliers and products causing most of the problems."

Reviewing the past performance of your suppliers will help you anticipate typical lead times, as well as determine who will most likely have issues delivering supplies on time.

In today's market, it's also best to just expect delays altogether – even from your most reliable suppliers. While you've surely experienced delays from certain suppliers first-hand in recent years, you can get a better picture of supply chain, importing/ exporting and other economic trends using industry data like

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key economic indicators. Then, make backup plans for any materials that won't arrive on time.

2. DIVERSIFY YOUR SUPPLY CHAIN

Given the current state of the supply chain, relying on only a few suppliers to deliver materials and equipment doesn't cut it anymore. So, getting more reliable sources is a necessity.

"Use distributors, warehouse suppliers, and foreign competitive sources to ensure supply," Hough said. "Place orders with mills if your volume permits it and you normally would use a distributor. Place orders with distributors if you normally would be using the mill."

Once you've found a new supplier you want to work with, sign a contract with them ASAP. That way, you can mitigate the possibility of delays with them as well.

3. BE FLEXIBLE WITH MATERIALS & EQUIPMENT

Brian Turmail, the vice president of public affairs and strategic initiatives of The Associated General Contractors, advised that contractors also go beyond just finding more sources for materials and focus on finding alternative materials, equipment, and processes for projects as necessary.

"Have a strong working understanding of building component options. Be familiar with other materials that can be used in a similar design and figure out which ones might be available. Understand three to four other options that may be available for a project — some that may be different than what was originally spec'd."

Turmail continued: "Have a trusted relationship with the project owner so you can go to them and say, 'Look, I know you want this type of equipment or material, but this type of equipment or material is very close to that; let's use this instead because of supply chain delays."

Why is this important? Given the unpredictable state of the global supply chain, you may not be able to secure the specific materials you've used in the past within the timeframe you need. That's why coming up with substitute options ahead of time can serve as a great workaround.

As you're identifying alternative supplies and materials and/ or suppliers, keep quality in mind. "In decades past, we used to request building material manufacturers to make products that are easy to install," said Ken Pinto, the founder of KENZAI USA, an international supply chain solutions company.

"Today, we are asking them to create materials that are difficult to install incorrectly. Make this one of the criteria on your checklist when approving a substitution, and you could avoid trading a construction delay for a quality problem," Pinto concluded.

4. ADD STIPULATIONS TO YOUR PURCHASE AGREEMENTS

Hough recommended that you use your purchasing contracts to your advantage to ensure on-time deliveries as much as possible. "Build incentives into purchase agreements to obtain prompt delivery or use cost penalties for late delivery," he explained.

This can also apply to transportation costs. "Negotiate to hold the primary supplier responsible for any excess charges for expedited or premium transportation," Hough said. "This helps by giving the supplier an incentive to provide prompt delivery to avoid the extra transportation cost."

5. REQUIRE SUPPLIERS TO PROVIDE PROGRESS REPORTS

By having a transparent review of the progress of your open orders, you won't be caught off guard by delays and will have time to plan and troubleshoot accordingly.

What should you do if you see any orders get delayed? "Follow up with the suppliers on critical items," Hough suggested. "Be sure and talk to a manager or executive rather than a clerk. Find out what efforts are being made to remedy behindschedule conditions."

6. BUILD POSITIVE RELATIONSHIPS WITH YOUR SUPPLIERS

Intentionally nurture your relationships with your suppliers. Having positive connections will help streamline projects down the road. Focus on becoming a preferred customer.

Pinto offered insights into why this is important.

"Not all contractors are missing construction completion dates. Those who have learned how to become a supplier's preferred customer are getting the materials they need, when they need them. Most criteria for achieving most favored nation status is common sense: pay bills fast, be polite, respond quickly to questions about your order, provide long lead times, be a loyal customer, and above all, be kind."

7. GIVE LONGER THAN AVERAGE LEAD TIMES

According to Pinto, ordering materials 24-48 hours ahead of time isn't realistic anymore with current supply chain disruptions. He explained that the forced minimum lead times have grown to two or three weeks — or even more depending on the material type. As a result, it's best to provide lead times to your suppliers that are longer than average.

"Providing stock keeping units (SKUs) and date-needed data 90 days in advance gives dealers and manufacturers time to plan for your project needs," Pinto said. "More than ever before, material suppliers need the extra time to plan. Contractors who go the extra mile to provide much more than the minimum required lead time for ordering are on their way to becoming a preferred customer."

Not only will this help you have the materials you need in time, but you'll also strengthen your relationship with your supplier, as we suggested in the tip above.

8. USE A SALES AND OPERATIONS PLANNING (S&OP) PROCESS

Supply chain delays and shortages can have such a large impact on your project completion time, your overall budget, and your ability to even win a bid. To get ahead of that, involve your purchasing/supply chain teams before your business development team courts a new client or your estimating team submits a bid.

Dr. Jen-Yi (Jay) Chen, an associate professor of operations and supply chain management at Cleveland State University, said that one standard way to do this is an S&OP planning process.

What Is an S&OP Process?

The S&OP process is a supply chain planning process that brings critical business functions together (sales, marketing, operations, purchasing, etc.) to have interdepartmental meetings about major business decisions and how purchasing will affect them.

"More and more, the procurement and supply chain teams

need to be the architects early on in the process. If you can't take into account the potential impacts of uncertainty in our supply chain, such as high materials costs, increasing fuel rates, inflation, etc., you may be losing projects to begin with. You need to have critical discussions regarding how much uncertainty you'll have in the global supply chain moving forward, and who will be impacted by it."

Using an S&OP process can help you:

- » Stay on budget.
- » Know what materials to order and when.
- » Ensure your company bids on projects you know you can fulfill in a specified time period.

9. PURCHASE MATERIAL INVENTORY IN BULK

In the end, you can only do so much to prevent delays from happening. If these delays are caused by larger macro trends or events (pandemics, wars, labor shortages, etc.) as they often are, you're at the mercy of the global supply chain.

Alan Sparkman, the executive director of the Tennessee Concrete Association, expanded on this further: "The short answer is [you] can't ensure timely deliveries of materials it is not something [you] can control by switching vendors because every vendor is facing the same short supply situation." To combat this reality, he suggested that you "buy in advance (when possible) and become your own warehouse."

"Anyone in construction who hasn't started warehousing their most used materials should do so," Ralph Severson, the owner of Flooring Masters, said. "It eliminates supply chain holdups, and can actually make the company money, depending on the cost of the materials versus the current cost."

Drew Mauro, the operations manager of Green Wave Distribution, previously managed a lumber yard in the northeast and highlighted some tips he saw builders use there – especially given the increasing costs in materials.

"When material prices started skyrocketing two years ago, many of the savviest builders made agreements with lumber yards where they could purchase the entire order upfront and store it at the lumber yard. The lumber yard would pull their order, set it aside, and make deliveries as needed. This locked in the price for builders and also ensured that the material would be available."

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10. BE CAUTIOUS WHEN BIDDING WORK

To protect your reputation and track record with a client (especially a new one), Turmail advised that you be cautious when deciding to bid on work at times when industry delays are more common.

"Be prudent, especially when it comes to predicting costs and timelines," he said. "Don't tell the owner you can bid on a project that will take six months if you're unsure if you can complete it within that timeframe. You need to set the right expectations from the beginning."

11. BRING THE RIGHT PEOPLE TO PRE-BID MEETINGS

"One of the most important things you can do when you go in and develop that business relationship — and before you make that bid — is to not just have the business development team attend," Turmail said. "Have the project manager, the superintendent — the people who are running the jobsites — in the room. That will prevent your business development rep from overpromising, and set the right relationship from the beginning.

"Most owners would rather be told upfront what's doable upfront than find out afterward," he added. "They don't want to find out about the delays after the fact."

Kyle Shirley, the owner of Sol Vista Roofing, echoed this.

"I cannot stress this enough: have a pre-job meeting to include the client, the GC [general contractor] (in our case), our rep who sold the job, and our roofing superintendent. These are all the main parties that can get in front of potential miscommunications that would otherwise happen later down the road."

12. ADD PROVISIONS TO YOUR AGREEMENTS

While you can't stop an outside party (the project owner, architect, or engineer) from interfering with a project, you can add provisions to your contract to help in case this happens — and possibly even prevent this from being an excusable delay, or at least minimize its impact.

"The best tactic that we have used is adding specifics into our agreements that specify a daily work stoppage fee due to delays that originate from the client," Shirley said. "These can include deviations from building plans that were not shared and repeated change order requests that affect our work schedule."

"A clause can also be written within the contract to ensure that change orders have a prescribed timeframe for approval," said Benjamin Mensah, the founder and president of B.A.K Construction, Inc. "Any time past this timeframe will be compensated for as an extra cost incurred for delaying the project."

A third provision Mensah suggested to work around change orders is to cap the amount of change orders for the contractor and the client – for example, at \$900,000,000 in the contract for all change orders.

13. READ THE FINE PRINT BEFORE YOU SIGN

Since project delay types and liabilities are ultimately defined in your contract, pay special attention when reviewing provisions. Know what your contract says about delays, and make sure it includes specifics.

"It is important for contractors to know what the requirements are in their contract to give notice, where to give notice, how to give notice and what the notice must contain," said Thomas L. Rosenberg, a shareholder from the law firm Roetzel & Andress. "Often, it must contain key information about the delay, the cause of the delay and the potential costs to be incurred. Knowing these contract provisions can save contractors time and money."

Beyond just these details, you'll also want to make sure your contract includes actionable solutions to delays.

"The best step to prepare for delays is to review the construction agreement, and make sure that it provides for adequate remedies in the event of such delays, not just additional time to complete the work," Laura M. Garcia, an associate at the law firm Weinstein + Klein, advised.

14. INCLUDE STIPULATIONS IN SUBCONTRACTOR AGREEMENTS

It's not just the project owners or outside forces you have to think about when writing your contracts. Subcontractors contribute greatly to project completion dates as well. So, how do you prepare for issues with your subs? "The best answer is to be proactive instead of reactive," Taylor Stroop, the operations manager at Stroop Design & Construction Inc., said. "Set your expectations (written and verbal) to the subcontractors."

He continued: "When [we] aren't able to get the subcontractor on the site, we refer them to our subcontractor contract that includes stipulations on 'Time of Completion' and 'Liquid Damages."

Stroop said these two sections typically include the following information:

- » Projected days of completion.
- » That it is the subcontractor's responsibility to refer to the scheduling software to forecast start dates.
- » Fees associated with liquid damages for incomplete work and delaying the project deadline.

"If all else fails, the liquid damages seem to resolve any issues we have with sub-contractor scheduling," Stroop explained.

15. PREPARE FOR DELAYS WHEN PLANNING YOUR PROJECT

When scheduling your project, anticipate delays – and plan accordingly.

"Contractors should be aware of any notice requirements or other conditions precedent that may be in place in the event they do encounter delays on the project, and must be prepared to act quickly once a potential delay is encountered," Garcia said.

As you're planning your project schedule, put in contingency plans for common delay causes like labor shortages, potential weather delays, and supply chain delays.

"Warehouses and distribution centers are reporting delays of six months or longer in some cases, so get ahead of that for any project possible," said John Geddes, the founder and director of sales at East Coast Storage Equipment. "If that means making your total project planning timeline, that is still likely going to be worthwhile until the current supply chain problems start to improve."

16. SCHEDULE YOUR SUBCONTRACTORS EARLY

Subcontractors are affected by material delays and labor

shortages as much as general contractors. To have your subcontractors lined up when you need them, Tyler Riddell, of eSub Construction Software, advises that you schedule them at least three months ahead of time.

17. PLAN AHEAD FOR INSPECTION & PERMITTING DELAYS

Because of the pandemic and labor shortage issues, many companies have experienced delays in getting inspections and permits for projects.

Since not getting them in time is considered the fault of a contractor in most construction projects (i.e., an inexcusable delay), it's best to expect these delays and get the process rolling as soon as you can.

18. PARTNER WITH A RELIABLE WASTE REMOVAL PROVIDER TO MINIMIZE DUMPSTER DELAYS

Besides delays in material shipments, inspections, and permits, contractors have identified dumpster service delays as another cause for project delays. So, when you're setting up dumpster rentals for your jobsites, keep reliability in mind.

The fact is, dumpster delays sometimes can't be stopped. There are too many factors outside of a hauling company's control that cause these delays.

But you can work with a waste provider that mitigates the possibility of delays by delivering dependable service and proactive account management.

19. SET UP YOUR TEAM EARLY

There's no one-size-fits-all way to solve a labor shortage problem. Instead, you have to plan for it. Expect that it may take you a while to build your team for a project, and start recruiting as early as possible.

20. TREAT YOUR TEAM WELL

This sounds deceptively simple, but in today's market, retention is more important than ever. By focusing on retention efforts in addition to recruitment efforts, you can keep workers longer, spend less time training, and save money – all while building morale in the process.

Turmail described some of the retention efforts and workplace culture traits that he's seen construction companies use to

keep their talent — companies he describes as having built "strong, familial-like relations with their teams."

"Do stay interviews one month in," he said. "Meet with your workers and ask, 'How are you feeling? How are things going? What are your ambitions?' Have them in a sincere way. Ask yourself, 'Is there a path for someone who's hardworking? And is that visible for them?' Make sure they feel they're heard and their ideas can make the project more productive."

"These guys are coming out of COVID on edge," Dr. Sean Dixon, the owner of Simply Tiny Development, said. "You have to pay them on time and trust them. Quality workers understand the value of completing the job and being paid on time.

"The social contract has changed, and industry standards need to be updated to reflect what is happening," Dixon continued. "Ensure the quality of labor and work; give them a small bonus or incentive. Pay them in phases instead of waiting until the job is completed. Foster teamwork. Be a leader and set an example."

21. LEVERAGE CONSTRUCTION TECHNOLOGY

Using construction technology can help with all aspects of a project, including preventing project delays. Depending on which app or software suite you use, you can:

- » Track all phases of a project from start to finish.
- » Notify your subcontractors about schedule changes.
- » Streamline communication between all parties involved in a job.
- » Contain easily-accessible backup plans for delays to stop them from halting an entire project.

Here are some types of software to consider if you're not already using them:

- » Takeoff software
- » Estimating software
- » Scheduling software
- » Jobsite management software
- » Project management software

22. PROVIDE ALL PARTIES WITH IMPORTANT INFORMATION

Before you begin a project, establish good relationships with

everyone – the project owner, builder, architect, engineer, and subcontractors – and ensure they're on board with all aspects of it. Have every party review the plans. Make sure there are no questions left unasked. Be upfront about any potential issues that may occur, such as supply chain holdups.

"Both the builder and trade partner must have excellent communication prior to commencement of any work," Erik Cofield, an executive business coach with the Association of Professional Builders (APB), explained. "If the two parties are not perfectly in sync at the start of the project, they most certainly won't be down the road during the project."

"Aligning on goals and timelines early on, as well as how to react should delays occur, will help project teams execute successful projects," said Brantlee Underhill, the managing director, North America, of Project Management Institute (PMI).

23. KEEP OPEN COMMUNICATION THROUGHOUT THE PROJECT

Once you've started the project, communicate clearly – and often – with all stakeholders involved. "Communication can help provide a solution for many requests that may result in project delays," Underhill said.

Here are some pointers to use to keep your team updated with important details and get ahead of potential delays:

Meet regularly. "Having a regular cadence of meetings to discuss projects and their progress, coupled with good communication, is imperative throughout a project's lifecycle," Underhill explained. "There's no such thing as overcommunicating when it comes to construction projects – whether you're communicating a supply chain issue or looking to fill or backfill talent when the need arises."

Have a designated point person for the project. "The most common culprit of an inexcusable construction delay is the lack of a reliable contact person," Mensah said. With one person in charge of managing the project, fewer things will fall through the cracks, and everyone will know who to turn to for questions or concerns.

Let the project owner know about unavoidable issues. If bad weather or other unexpected delays occur, let your customer know immediately. Eric Travers, a director with the law firm Kegler Brown Hill + Ritter, explained: "Provide prompt written notice to your customer of impacts to the project schedule to allow the customer to possibly mitigate delays on their end. They can collaborate with you on what you might be able to be done on your end, even if it requires additional costs (i.e., authorizing a change order) to expedite shipping/work overtime, etc.

24. DOCUMENT DAILY PROGRESS ON PROJECTS

Use technology to your advantage to keep meticulous records of your project daily.

"The builder remains in the driver's seat managing the project between the consumer and all other parties," Cofield said. "That documentation and communication, photos, drawings, plans, etc. should all be documented in an online project management system."

Craig Townsend, a lecturer at Clemson University and consulting firm owner, mentioned three ways you can do this:

- » Keep meeting minutes, including the typical information recorded in any meeting's minutes (subject, date, location of meeting, names of people attending, and absent people, etc.).
- » Have an "official" camera on-site for use by the project manager (or designated representative) with a timestamp imprinted on every picture taken. "These photos should be carefully stored/preserved for future retrieval," he said.
- » Have project managers (or superintendents) keep a daily job log. "This will preserve information, on a daily basis, such as: weather conditions, the work performed for the day, the number of workers on-site, equipment along with the equipment of the equipment, any material deliveries, etc.," Townsend explained.

With these 24 tips to reduce construction delays in your toolbox, you're on your way to completing your jobs on time and on budget.



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