

Member Communication Experience

What's in Your Daily Report?

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WHY BOTH CONTRACTORS AND OWNERS NEED THEIR OWN CONTEMPORANEOUS RECORD OF EVENTS

In construction, disputes rarely begin with dramatic failures — they begin quietly. A missed inspection. A delayed delivery. A change order no one documents in real time. Months or years later, these small moments become the center of million-dollar conflicts where lawyers, forensic experts, and judges ask the same question:

“WHAT’S IN YOUR DAILY REPORT?”

Daily Reports are not paperwork. They are the factual DNA of a project — evidence of what happened, when it happened, and what it cost. Both contractors and owners depend on them for very different reasons, yet both face enormous consequences when their documentation is incomplete.

This article compares the exposure faced by contractors and owners and explains why each party must maintain its own contemporaneous record to avoid being blindsided in disputes.

From the Contractor's Perspective:

THE COST OF DEFENDING A CLAIM WITHOUT DOCUMENTATION

Contractors typically end up in litigation when they are seeking money:

- » Unpaid or disputed change orders
- » Delay-related damages



- » Withheld payments
- » Claims of differing site conditions
- » Owner-caused disruptions

And the financial risk is brutal.

A mid-size claim often results in:

- » \$119,000 – \$528,000 in legal, expert, and internal labor costs
- » \$40,000 – \$120,000 in executive and project staff time
- » Partial reimbursement even when they win
- » Total exposure exceeding \$1 million if they lose

Contractors lose cases not because they are wrong, but because they cannot prove what actually happened. And Daily Reports are the first place everyone looks. If the contractor's Daily Reports are incomplete, vague, or reconstructed after the fact, their position collapses quickly.

From the Owner's Perspective:

DIFFERENT RISKS, BUT THE SAME DEPENDENCE ON DOCUMENTATION

Owners rarely sue contractors to recover money. They control the payments, so unless they overpay (which requires forensic accounting to unwind), their claims are typically about:

- » Failure to perform (quality, scope, or schedule)
- » Cost overruns or defective work
- » Failure to pay trade partners

If the owner is a public agency, the contractor will have provided payment and performance bonds. In that case:

- » The bonding company pays legal fees
- » The bonding company may fund the cost to complete the project
- » The owner must assist the surety in reconstructing the project status
- » Forensic accounting becomes necessary to unwind labor, equipment, trade partners, and materials

Even with a bond, the owner faces massive disruption:

- » Project delays
- » Leadership distraction
- » Re-bidding or re-procuring unfinished work
- » Public scrutiny
- » Reputational risk

And just like contractors, the owner's ability to demonstrate what actually happened depends entirely on documentation.

The Neutral Reality:

WHEN PROJECTS GO SIDeways, DAILY REPORTS BECOME EVIDENCE

When construction disputes escalate, every party – contractor, owner, construction manager (CM), bonding company, consultant – turns to the Daily Reports as the primary source of truth.

And here is the critical insight:

The person with the best* documentation wins.

Not the lawyers.

Not the story.

Not the intentions.

*The best contemporaneous documentation.

Why Owners Cannot Rely on the Contractor's Daily Reports

OWNERS AND CMS FREQUENTLY MAKE THE MISTAKE OF BELIEVING:

"We'll just use the contractor's Daily Reports."

This is a strategic disadvantage for one simple reason... your opponent authored the document you're relying on.

A contractor's Daily Report reflects the contractor's viewpoint, priorities, and risk framing – not the owner's. In disputes, this leaves owners flat-footed. Without their own contemporaneous record, the owner's position becomes reactive, not assertive.

That is why owners and their CM representatives must document their own version of events:

- » What was observed
- » What was delayed
- » What instructions were given
- » What work was missing or defective
- » What conditions were present
- » What the impact was

Two sides, two stories – and only one of them will prevail.

Construction litigation often ends like this: even the "winner" is floating on a piece of wreckage. The only real victory is avoiding the battle – or being better documented than your opponent.

The Shared Lesson for Both Contractors and Owners


Whether you're building the project or paying for it, the truth is the same:

- » Litigation drains money.
- » Litigation drains people.
- » Litigation destroys profit, schedule, reputation, and momentum.

But the single factor that determines leverage, speed of resolution, and success is the same for every party:

Contemporaneous, accurate Daily Reports – your own, not your opponent's.

- » Owners need them.
- » Contractors need them.
- » Bonding companies need them.
- » Courts rely on them.
- » Experts analyze them.
- » Lawyers build their cases from them.

What's in your Daily Report? And would it protect you – or expose you – when it matters most? 



About the Authors

Peter Lasensky is the co-founder and CEO of Command Post, the software that thinks like a contractor designed to cut through the chaos of running a construction company. Before Command Post, Peter led Construction Product Research & Strategy at Bentley Systems, shaping technology used by engineers, architects, and builders around the world. He previously founded NoteVault, the “Talk. Add photo. Get a report.” platform that reinvented field reporting and later became part of Bentley Systems. Peter also co-founded and served as CEO of Pacific DataVision (now ATEX, NASDAQ: ATEX), and built Peterbuilt Corporation into one of San Diego’s top construction firms before its acquisition. He holds 14 U.S. patents.

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