Do You Have a Project Disaster Plan?

by Thomas H. Adams

It is inevitable that every firm will have to verify its work at some point in time. No matter how the process gets started, each contractor and supplier should be prepared to methodically respond in a timely manner. This article will offer some important concepts and suggestions for creating your own "disaster" plan. It would be foolish to think that such a plan will never be needed. The only thing more foolish is not to have created a plan in advance.

Step One: Recognition and Timely Response

Once a report is received, action should be taken to define and acknowledge the concern. Request clarification of the concern and its source: Is it coming from the owner, architect, engineer, consultant, general contractor, or construction manager? Is the concern a serious issue? Sometimes a casual comment develops into a major problem (a cut on a finger turns into an amputated arm in the rumor mill). Let all concerned parties know your position immediately. If an investigation is required, request a meeting as soon as possible to discuss the problem and the investigation process. This gets you on the record as being responsive and begins to give you some control of the process.

Step Two: Fact Finding

Let's use a simple example of how important it is to collect facts before diving into an investigation. A number of years ago, while working for a ready mixed concrete supplier, I was called by a customer who was constructing a high-rise condominium project and told that we had low compressive strengths for concrete used for a slab pour from the previous month. This was a very large project that was closely monitored by our Technical Services Department. We had not even a hint of any low compressive strengths on any phase of the project prior to receiving this report. Naturally, we were concerned and began an immediate investigation. A simple check of delivery records showed that we did not deliver concrete to that project on the date the test specimens were cast. The batch plant servicing this project was taken down for scheduled maintenance. The customer had been informed of this plan and decided to order concrete from another supplier on that date. In the month between the delivery and receipt of the report of deficient compressive strengths, the contractor had forgotten he had used another supplier. When I reminded him of his decision to order from another supplier rather than waiting a day for the maintenance to be completed, he sheepishly apologized and excused himself to make a call to the other supplier. Without verifying the delivery record, our firm might have become engaged in a process of testing in-place concrete that could have become very expensive at some point in time. Simple fact finding saved the day for our company.

Other facts can help clarify events—other trades present onsite, weather conditions, batch plant recordings, and daily testing and inspection reports are a few examples.

Step Three: What Do We Do Now? Who Will Do It?

The next step is to have a meeting with all concerned parties present. A review of the facts will narrow the focus and depth of the concern. Is further testing required to further define the problem or is there some corrective measure that can be incorporated as the project goes on? The decision to perform additional testing can lead to significant expenditures that will become the responsibility of one of the parties on the project. If it is decided to move ahead with additional testing, the nature and scope of the testing must be agreed to as well as the party (or parties) to do the testing. The level of testing may need to be adjusted as results are reported. For example, if compressive strengths are in question, obtaining

and testing core samples may be sufficient to define the problem. In some cases, however, when core testing leaves structural integrity still in doubt, load testing may be justified.

I have always maintained the position that a disinterested party should be brought in to conduct these sorts of investigations. As a matter of objectivity, no party on the project that may have contributed to the issue of concern should be paid to be the investigator. This extends to services such as coring as well. A disinterested party provides information without having a stake in the use of that information.

Step Four: Who Pays?

If additional services such as hiring a consultant to perform and analyze special tests is required, there will be charges for those services. Rest assured that because things tend to roll downhill rather than uphill, the contractor, material supplier, and testing agency are the most logical recipients of these charges. As a matter of fairness, the costs should be paid by the offending party, not the party with the deepest pockets. Initiating this discussion before commencing any additional testing is vital and will eliminate arguments when the invoices start to appear.

Step Five: What is Next?

It is not enough to merely investigate a concern or problem. The root cause, if any, must be identified and corrective action applied as necessary. If the problem is due to improper material performance, what adjustments to the mixture design or proportions are needed? If the problem is an installation problem, what methods can be used to overcome placement difficulties? If the problem is nonstandard testing of the shotcrete, what is required to assure that test procedures conform to applicable standards?

Final Suggestions

Don't wait until a problem arrives on your doorstep to call attention to this process. Bring up the process in preconstruction meetings and get agreement before the job starts. Having the problem resolution process in place gives all parties a clear vision of how to resolve issues that have the potential to slow progress or even stop a job altogether.

Document each concern or problem thoroughly. The vast majority of problems do not find their way to a courtroom. Most are settled long before litigation begins. However, this does not mean that debates over claims by the owner, general contractor, and other subcontractors will not appear. In some cases, financial resolution becomes a hostage to obtaining retainage at the end of the job. A complete file will give you materials to defend your position. If you do find yourself in a courtroom, you will be better prepared to document your performance and position.

When faced with a significant problem, don't be cheap and don't wait until the water is boiling under you. If it looks like a problem is going to require outside consultants or attorneys, hire the best you can get. If you have to spend 6 months explaining the difference between cement and concrete to your attorney, you have the wrong attorney for this problem. Likewise, if your consultant has to hire other consultants to do his work, he (or she) probably does not know enough about concrete to be of significant value to your situation. If you were facing a life-threatening operation, would you select your surgeon only on the lowest price? Of course not. Similarly, a serious claim could threaten the future existence of your company.

It is important to have a plan outlined and execute the basic actions described above. However, every situation is a bit different. Be prepared to adjust as you move toward resolution.

One final suggestion: whether you win or lose, be gracious.