

Time, an Owner's Achilles' Heel

Executive Summary. Discussed here, by a contractor, is arguably the #1 area of recommended improvement for infrastructure owners with fiduciary responsibility. The area in need of improvement: response time to construction issues.

Where does time cost an owner money? The number one place time costs an owner money is in response time. When an owner responds in a timely fashion, it's more often than not the best decision. Time is money for a contractor, and professional contractors will make owners pay for lollygagging, or untimeliness.



The worst decision is no decision. Why? Because, the most expensive time on a job is when the contractor's on site with gear and personnel. Men and women swinging hammers at \$70/hour and equipment at twice the rate can be daunting.

With that sobering thought look out the window at your jobsite and start counting heads and yellow iron. And now finally multiply by eight hours in the day. When a day passes with no decision, this is the cost to an owner. Oh, plus markup and tax.

No decision has consequences. The result of no decision is often more cost.

Isn't that ironic? The irony in time is of the essence clauses, which of course owners mandate be included in their construction contracts, is that owners often don't cultivate this "hurry-up" ecosystem across all parties. The contractor is obligated to strict time requirements on delay and extra work notifications, schedule submissions, project completions, submittals, et cetera, et cetera. But when was the last time you saw a mandatory three workday response time for an RFI, or a seven-calendar day response time for a submittal? Here's the answer: you haven't. Here in 2019, we call this a "unicorn".



Shh, here's a secret. Here's a secret for you owners. The first price from a contractor is usually the best. As time passes, contractors find more cost they'll be incurring and then revise their price. This holds for the general contractor and his/her subs. It holds true for budgeting on your capital projects (next year's price will be at least 3% more due to labor alone!); it proves out

often on change orders too (contractors are in such a rush to get pricing done that often times prices are incomplete – to the owner’s benefit!).

My story. Again, like most of my writings, everything above I’ve been through. And believe it or not, I have seen one contract in 29 years obligating the architect on a large mall job to tight RFI and submittal response times (none of this 30 to 45-day response times for submittals).

I help both contractors and owners, but one thing is true – the greatest effect on a job can be made the owner. Be timely public owners – it’s your obligation to the taxpayer! And for you private owners, this’ll help maintain the proforma!

