
 <p>The cornerstone of confidence™</p>		<p>February 2003</p>
<p>The following is a series of articles addressing construction projects whose delivery dates are slipping.</p>		<p>Article 4 of 6</p>
<p>PinnacleOne Institute Custom, In-house Training and National Seminar Series</p> <p>Program & Project Management</p> <p>Dispute Avoidance & Resolution</p> <p>Real Property Advisory Services</p> <p>Headquartered in Phoenix, PinnacleOne regional operations are located in Irvine, Los Angeles, Sacramento, and Hartford, CT.</p> <p>To request a specific back-issue of this newsletter, please <Click Here></p>	<div data-bbox="407 402 1444 456" style="border: 1px solid black; padding: 5px;"> <p>WHEN WILL MY PROJECT FINISH?</p> </div> <p>The two emotions which generally drive a person to an attorney are fear or anger. Construction is both expensive and risky. The hint of late delivery can evoke either emotional response. These series of articles address some practical remedies to alleviate or mitigate the damage that late deliveries can bring.</p> <hr/> <p style="text-align: center;">R E C O V E R Y P L A N</p> <p style="text-align: center;"><i>"I don't know the key to success, but the key to failure is trying to please everybody."</i> - Bill Cosby -</p> <p>At the completion of the recovery plan, one must ask the pointed question – "What's different?" If the project is sliding down the slippery slope, platitudes will not save it. Real changes must be made to turn the wheel from the edge. The analysis discussed in the last section, if performed in an unbiased manner, should reveal what is wrong. The difficult task may be having the courage to make the changes in a timely manner. I have seen a number of projects, in trouble with readily identifiable problems, yet the changes necessary were never made because they involved changing personnel, severing subcontractor relationships, and replacing or over-riding a design professional. People build projects, so when they get in trouble, attitudes have to change to salvage what is going on.</p> <p>There are a number of things to consider in developing a recovery plan. The following are some of the more germane issues to address:</p>	 <p>Peter J. Scavello, P.E., Senior Project Manager with PinnacleOne, is an expert in construction. He is often called upon by public and private owners to determine the project status and recommend solutions to delivery. Scavello has testified as an expert on such matters in numerous venues including the US Federal Court of Claims and has advised both public and private owners on solutions to these problems.</p>

MANAGEMENT

1) CHANGE YOUR MANAGEMENT – The single most difficult decision is that you must change your own management. Issues of who will replace what you already have, what happens to the project history which has already transpired, and prevention of retribution from people who may have to be let go are strong considerations in developing a way out of where you are.

Prior to deciding upon such a course, examination of the authority who granted the existing management team must also be examined. Is the project failing because the management team knows the correct solution, but is it powerless to resolve the issues? Are there fiscal issues which are driving the construction effort? For example, massive changes over which disputes concerning costs may be at the heart of the difficulty. The project manager cannot be expected to solve these issues.

Objective examination of the human dynamics of what is occurring may be necessary. This is best performed by a consultant who has a detached viewpoint with respect to the players in the project. Since the in-place management has not solved this problem, it is the place to begin.

2) EVALUATE THE OPPOSING LEADERSHIP – I once had a project which entailed the demolition and rebuilding of a major hospital food kitchen which produced 2,500 meals per day. The only available window to perform this work was over the Summer (80 calendar days) when the local High School would be used to cook the food. The catch was that when school started in the Fall, we had to be finished. If we were late, feeding the hungry patients would be extremely problematic.

The contractor's project supervisor was a good man, but had lost the drive necessary to push the project. I met with the Owner of the construction company and expressed my concern. He agreed to replace the man with a younger more aggressive individual. Through the Summer, he managed the subcontractors with an amazing display of energy. We finished two days early; much to everyone's relief. In a private meeting, the Owner of the construction company confided in me that he didn't think they would have made it with the previous manager. Part of the plan must be introspective to determine what you are doing wrong, while part of the plan must critically examine what the other parts of the construction team are doing.

3) HOW CAN THE RELATIONSHIP BETWEEN THE PARTIES BE REPAIRED? – Every effort should be made to repair the relationship between the parties. Construction is about large sums of money – what people argue most about. The money needs to be addressed in some manner to repair relationships. Additionally, individuals may have developed animosity toward one another which must be overcome even if communications must be through other individuals. Only when the attitudes change, can there be reasonable progress.

RECOVERY SCHEDULE

While the schedule may no longer be tracking the work, only used for project payments, or even not being updated at all, it can still provide significant information. The following are targeted areas of focus:

1) ADDRESS THE STALLED MILESTONE – The status of the project (See Article 2 of this series) should readily identify the “next step” which occurs at a much slower-than-planned pace. If a sub-surface condition delays the foundation of a building, the project can proceed no further until the difficulty is resolved. It is often human nature to avoid the issues and focus on what happens after the condition is cured, because it's easy, compared to resolving the initial condition. Everyone wants to drain the swamp, but no one wants to kill the alligator to make it possible. When projects get stuck, the alligators can grow really big.

The issues delaying a milestone date can be varied. Design problems, procurement problems, and subcontractor production are some of the many. In any case, it should be relatively easy.

2) WHAT ARE THE DURATIONS AND SEQUENCES OF THE UNTOUCHED ACTIVITIES? – Examination of the current schedule, and comparing the durations of those activities left to perform with the original durations, may reveal that there has been a reduction in the planned duration of the follow-on activities. Also, the number of activities that were planned to be sequential, and are now parallel, can be an issue. There is a limit on how much this can be done and still produce improved results.

3) WHAT ARE THE CHANGES? – Careful consideration must be given to the changes which have occurred on the project. The review of these changes can be a significant

guidepost in the analysis. Issues such as how many change-orders have been issued, their nature, processing time, and when in the project they were issued, bear weight regarding both where the project is and what must be considered to develop a realistic recovery plan.

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