

The Benefits of Third-Party Scheduling

The Problem

For some time now, construction projects have been becoming increasingly demanding and competitive, to the benefit of the construction industry and the economy as a whole. As more projects are being fast-tracked, “design-build” contracts are being issued in order to speed up the completion of projects and, consequently, demands for schedule coordination are increasing. The intense competitive situation surrounding more traditional construction contracts has also increased the need for efficient coordination through cooperative scheduling.

Over the past 25 years or so a traditional scheduling approach has dominated the construction contract. Based primarily on the right of the contractor to plan and schedule his work along with his ownership of that schedule, owners have been placed on the playing field as referees attempting to keep the schedule within set guidelines, with little input into the game plan itself. Unfortunately, many owners do not understand the guidelines themselves and have hired outside help for that role, expanding the rules and penalties and often ignoring the ultimate goal of project completion and the team effort required to accomplish it. Contractors on the other hand have had difficulty understanding the rules since many of the rules are so vague and left to each referee's interpretation. 100 different schedulers will have 100 different preferences for format or techniques. Many schedule submittal disputes are over meaningless issues. The real issue should be to establish a plan as soon as possible, monitor it, and communicate it.

The standard scheduling procedure has evolved into the “submit/review” process where the contractor attempts to schedule their work and put it in a format that may be acceptable to the owner, who then reviews it and accepts or rejects it with a list of comments required to be addressed for re-submittal. I have seen this process extend several months into a project with five or six schedule re-submittals before an approval is received. And then the process is repeated for each monthly cycle, rarely keeping up with the project itself or providing the working tool the schedule was intended to provide.

Another part of this prolonged process is the resolution of issues, or rather, the lack thereof. In many situations the contract schedule ceases to be a proactive effective planning tool and instead becomes a reactive means of substantiating or protecting against claims, often leading to more claims as a result. As contracts have become more sophisticated and competitive, and schedules have become more important for planning, the “submit/review” process has become a cumbersome exercise characterized by three significant faults:

- **Conformed Lack of Quality** - Emphasis in the traditional “submit/review” process is placed on conformity to the contract specifications. The problem with this approach is that a submitted schedule can conform to the specifications and still not provide an adequate tool to use for planning and tracking a project. While the goal of enforcing the specifications is to ensure that the schedule will provide a quality planning tool, the result of focusing on such technicalities is often a schedule of only mediocre quality, as happens on perhaps the majority of projects. The question remains - “How can the owner enforce quality in the schedule so that confidence in a completion date is justifiable?”

- **The Paper Frenzy** - The traditional scheduling and review process often degenerates into a "comments", "response to comments", and "reject and resubmit" paper frenzy. While this approach documents the scheduling process it does little to help the project accomplish the goal of completing on schedule and, in my experience, leads to more disputed issues than it resolves. One should note that it is not just documentation that counts; it's also knowing what to document. While documentation is important, the best documentation will come from a well-coordinated cooperative planning effort by all parties. Another question to answer - "How can I better document the scheduling process to make sure that issues are documented and resolved more efficiently?"
- **Too Late to Date** - The third fault in the submit/review process is that it takes too much time. I have seen projects into the sixth month still lacking an approved baseline and monthly update reviews run over the monthly timeline so that the update is outdated long before it is approved. These occurrences deteriorate the value of a schedule to the project. Since most delays occur at the beginning of a project (design issues, underground conflicts, and contractual conflicts) they often occur while the contractor is still trying to establish an approved baseline schedule. One of two things usually result from these events. Either as-built conditions are built into the baseline schedule prior to approval, thus making it difficult for a contractor to justify impacts to their as-bid plans, or the owner delays even further the approval of the schedule knowing that it will be used to substantiate a contractor's delay claim.

The Solution

Specify that a qualified third-party scheduler be brought in to work with the contractor and the owner's representative to establish the contractor's plan in the scheduling software with the owner's cooperation. This approach is advantageous because it addresses the issues previously mentioned. Benefits of the third-party scheduling specification include:

- The schedule can be well developed early in the project without the usual delays of reviews and re-submittals. With one person deciding on the technical requirements and building the desired result into the schedule at the beginning, a lot of wasted submit/review effort can be avoided. Schedules can be prepared and approved by all parties at once.
- The schedule can have the desired quality from the beginning. By specifying who will prepare and monitor the schedule the owner can ensure that the schedule will be a good working tool to plan, track, analyze delays, and perform "what-ifs".
- Delay issues are documented and reviewed by both parties as they occur with significantly less dispute and better documentation. By using a qualified scheduler who communicates to both the owner and the contractor, issues are more immediately identified as critical without the usual scheduling games.
- The owner gets more opportunity to participate in the planning process. Owners usually have more familiarity with the project at the beginning, so their insight is valuable.
- Finally, use of a third-party scheduler help generate positive partnering atmosphere. During the preparation of the schedule nearly every aspect of the project is discussed. This provides a great environment for the entire project team to discuss the project in

detail and gain understanding on the plan of execution so they can better cooperate.

Requirements to make a third-party scheduling specification work for your project.

- Make sure the third-party scheduler is an expert. It is not enough that he or she knows how to review a schedule or has attended a scheduling training class. Many schedulers in the industry have never really assisted in the development of a workable and effective schedule. Some people who have worked as schedulers for 6 or 7 years have only built 3 or 4 schedules. Check the resumes of the third-party scheduler and check references for quality of work. Your project is a major investment. It should be managed with care.
- Make sure the contractor designates a representative (as well as the owner) to work with the third-party so that it is a true representation of the contractor's plan to complete the work.
- Make sure the specification requires designated schedule meetings to develop and maintain the contractor's schedule.
- Make sure that third-party documentation serves both parties documentation needs for the schedule.

At the initial presentation of this approach contractors often think that the owner will be interfering with the means and methods of the project's construction. On the other hand, many owners are afraid to get involved in preparation and management of the schedule saying, "we want to transfer greater accountability to the contractor or design consultants in the creation and management of the project schedules". However, in every situation I have participated in as a third-party scheduler the scheduling process has been a success. Not that there hasn't been an issue or two to arise, but in every case the issue has been resolved in a cooperative manner and, more importantly, the projects have finished on schedule, largely because of the increased cooperation. I can't say the same for my engagements with the contractor alone in preparation or the owner as a reviewer. The goal is to cooperate to get producers to meet a schedule - not just prepare one. Without a good schedule you miss on both points.

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