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New Year's Resolution #1: Market More!

By Leslie M. Kusek

According to internet polls, millions of Americans vowed that 2007 would be the year to lose weight, get better organized and spend more time having fun.

While that may be true of most Americans, I am betting that New Year's Resolution #1 for leaders of the Michigan A/E industry is to market more. Since marketing is a key tool to grow your business, this is not a bad resolution at all.

But now we have the first quarter of '07 behind us. It's time to get serious. So where do you start? New logo? More networking? New brochure? Updated website? Articles?

Most of the time, a re-energized marketing program includes some of all of these. In the professional services business, development of relationships and a communications program must be integrated. While it is important to get the word out about your firm through

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A Closer Look at Field Observation Services

The following material is provided for informational purposes only. Before taking any action that could have legal or other important consequences, speak with a qualified professional who can provide guidance that considers your own unique circumstances.

What design professionals do – and don't do – on the jobsite is crucial to the risk management efforts of their firms. Certainly, design firms have been warned many times to avoid taking responsibility for jobsite safety (and we've written entire newsletters on the subject). Because the contractor controls the construction process, it rightfully assumes full responsibility for the safety of workers. Design professionals must ensure none of their words or actions on the jobsite transfer that responsibility to the design firm.

While safety issues are certainly key to your risk management efforts while in the field, they are not the only area of liability when architects and engineers are on the jobsite. A design firm's overall field observation services are key to limiting your professional liability and avoiding future disputes and claims.

Your Job on the Site

A design firm's primary role on the jobsite is to ensure that the contractor and subcontractors maintain general conformance with the design documents to achieve the client's objectives. Unfortunately, that is often easier said than done. Challenging field conditions, unanticipated problems with products and materials, and simple human errors often lead to the misapplication or miscommunication of design plans and intent. The goal of field observation is to spot deviations at the earliest opportunity and work on the client's behalf to ensure the project delivers on expectations. That means keeping the project on schedule and within budget without sacrificing quality.

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It is very important that design professionals assume this role as a teammate of the contractor, not as an adversary. Your job is not to point fingers and sound alarm bells each and every time a contractor deviates from your plans. Rather, your job is to bring the deviation to the contractor's attention, determine the reason for the deviation and work to find the best solution – whether that means approving a change order or helping the contractor execute according to the original plan. You should be cooperative, flexible and –when necessary – insistent.

To implement this role effectively, field observers must understand and adhere to the limits of their authority as established in your contract with your client. Specific responsibilities may include:

- The interpretation of plans and specifications
- Construction observation for compliance
- Record-keeping
- Coordination of reviews, tests and approvals
Project sign off.

Make sure you, your client and the contractor are perfectly clear as to your company's role on the jobsite, your areas of authority and the contractor's areas of authority, including jobsite safety.

Interpreting Plans and Specifications

Your plans and specifications are communication tools that convey your design intent to the contractor. Like all communication tools, they are imperfect. Errors, omissions and misinterpretations can lead to serious project flaws. It's why we believe that field observation services should be part of your scope of services

on virtually every project. It allows you to clarify your design intent and answer the contractor's questions at the earliest possible moment.

For most projects, you will be asked to interpret your designs and specifications throughout the course of construction. These inquiries typically come in the form of "Requests for Information" or RFIs from the contractor, subcontractors or material suppliers.

Be aware that a contractor who submits an inordinate amount of RFIs may have ulterior motives for doing so. Some low-bid contractors hope to pad their income by using RFIs to generate money-making change orders. If you feel this is happening, address the issue with the contractor and, if necessary, your client.

In most cases, however, RFIs are simply attempts by the contractor to ensure your designs are being interpreted correctly, or to raise an issue that perhaps your design does not significantly address. It is very important to give each and every RFI immediate attention – no matter how trivial – and provide a timely response – no matter how brief.

In some cases, a contractor may ask for a revised drawing. If that is agreeable to you, provide an estimated time of completion. Work with the contractor to maintain schedule conformance.

Observation for Compliance

Should you observe work that fails to comply with your design intent, address it with the contractor im-

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mediately. Specify as clearly as possible why you feel the work does not comply. Determine how the contractor intends to proceed. Hopefully, you can reach a workable solution that brings the work into conformance without unnecessary delays or added costs.

Sometimes, a work-around can be found that brings the work into general conformance with contract documents and design intent. Other times, rework is the only acceptable alternative. In such cases, agree with the contractor to a rework schedule and examine the revised work upon completion.

Should you reach an impasse with the contractor, bring in an owner's representative to address the situation. In no instance should you demand the contractor to stop work. A stop-work order opens your firm up to a variety of liability problems, including delays and jobsite safety. Unless it is an issue of imminent danger to the safety or lives of people on the site – a potential trench collapse, for example – design firms should never stop work and thereby take control over construction means and methods.

Record-Keeping and Reporting

Key to effective field observation is a formal system of record-keeping and reporting. Formal records provide the best defense in the event a claim is filed against the design firm, either during the construction process or years later.

Every project is unique. However, there is certain information that should be gathered at any jobsite. Major industry associations, such as the AIA, ACEC, ASCE, NSPE and ASFE, have developed a variety of forms for collecting vital field information. In addi-

tion, firms can develop their own forms and reporting systems that ensure important information is captured.

Consider implementing a system of daily field reports (DFRs). Typically, these are daily reports that record information such as weather conditions, the particular trades currently working on the project, materials on site or delivered, observations of the work, comments about progress (or lack of it) in relation to the schedule, visitors to the site, conversations with contractors and owner representatives and any other information deemed pertinent to the project. Summarize significant events (such as the completion of a major project phase) as well as unresolved issues (such as delays and noncompliance) that could lead to later disputes.

Visual records of the worksite are great supplements to your DFRs and they are becoming increasingly easy to compile. Video cameras, digital cameras and Web cams are commonly used to create project progress reports and to illustrate nonconformance and other perceived problems.

In addition to keeping DFRs, it is recommended that you maintain access to the following while on the jobsite:

- Original contract documents
- RFIs
- Testing and inspection reports
- Shop drawings
- Change orders

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- Substitutions
- Payment requests
- Conference minutes
- Punch lists.

When necessary, set up a field office on the site. Record-keeping procedures should mirror those at the home office.

Testing and Inspections

Most projects will involve independent testings and inspections required or performed by public agencies, manufacturer reps and other parties. It is important to keep on top of the schedule of inspections. If these site visits are not carefully scheduled and coordinated, parties can miss one-time opportunities to perform functions that are vital to the project's progress.

Realize that testing and inspection schedules are never etched in stone. As construction progresses, work closely with the contractor and the testers to track schedules against actual progress and revise dates as necessary.

A representative of your firm should attend all tests and inspections. Make sure you obtain copies of test results and include notes in your DFRs regarding testing procedures and inspections.

Final Review and Sign Off

Your final reviews at the jobsite are often the most frustrating and can easily lead to disputes and litigation. The contractor, subcontractors and the owner are anxious to get the job completed and signed off. The owner wants to meet the original schedule and

the contractor wants to get paid. So a design firm that continues to point out deficiencies and delays completion will not be making many friends. Still, you must stand firm if the work is lacking.

Once the contractor notifies you that work is complete, thoroughly inspect the project. Document any perceived deficiencies in writing and, if possible, with a camera.

Prepare a punch list of all work for which the contractor is still responsible. Arrange a punch-list review meeting with the contractor and all affected subcontractors. Be prepared to justify each punch list entry. Conduct a project walkthrough to verify mutual understanding of what work still needs to be done.

As punch-list items are completed, inspect the work. Advise the contractor whether the work is acceptable or needs further modification. If the owner retains a commissioning firm to test mechanical systems, attend those events.

When you are satisfied that the project is substantially complete, participate in a site tour with the contractor and owner's representative. This review is conducted to confirm that the work is complete, or substantially complete, and that the project is ready for full or partial occupancy. Assuming the building tour results in no major surprises, a certificate of substantial completion can be issued. Append to the certificate a list of any items requiring completion or correction. Once these items are taken care of, a certificate of payment can be issued.

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Field of Dreams?

When your scope of services includes field observation services, you become the client's eyes and ears on the jobsite. It is your responsibility to ensure that the contractor follows your design intent to achieve your client's dream project. You must help the contractor interpret your designs and specifications and keep them in compliance. You must keep complete and accurate records as the project progresses and ensure all tests and inspections are conducted in the prescribed manner. Finally, you must work on the client's behalf to ensure all aspects of the project are completed to required standards.

How you and your staff handle these jobsite responsibilities will go a long way toward avoiding disputes and claims. By being cooperative and flexible, yet diligent and steadfast, you can end your project with a happy client and a satisfied contractor.

Finally, PLAN has published the third edition of its *Project Representatives Manual, A Guide to Preparing A Construction Administration Manual for Design Professionals*. This tool is a great aid in developing a customized manual for your field representatives, from preconstruction activities through project close-out. Cost: \$35 — No Charge for PCIA's clients.

Can We Be of Assistance?

We may be able to help you by providing referrals to consultants, and by providing guidance relative to insurance issues, and even to certain preventives, from construction observation through the development and application of sound human resources management policies and procedures. Please call on us for assistance. We're a member of the Professional Liability Agents Network (PLAN). We're here to help.

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mailings such as newsletters or post-cards, and articles or presentations, these efforts must be designed to support client relationship development. You cannot be all places at all times. A consistent communications system keeps your name in front of clients and prospects when you are not there, but you still have to be there some of the time.

So what is the right combination of tools for your marketing program?

Rule #1: Be where your clients and prospects are. You need to maintain face-to-face contact.

Rule #2: Be the expert. Use articles and presentations to demonstrate your knowledge.

Rule #3: Maintain consistent contact. Find out what information is useful to your clients and prospects and send it to them regularly.

Golden Rule: All of your communications should look professional, maintain a consistent visual identity and reinforce the key messages you want your clients to remember about you.

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