

Documentation Revisited

BY RALPH E. JAMES, PH.D.

Systematically attending to these details in a timely fashion is in everyone's best interest.

IN PUBLIC CONSTRUCTION, WE do not get paid for what we do. We get paid for what we document. Therefore, we often do more work than the amount for which we are paid. Sometimes this is intentional because our integrity requires that customers get full value, even 105%, but never 95% of what they bought. Most contractors are happy to do small favors for customers. Donated small favors might even cost less than processing the associated paperwork and hassle.

But our documentation rule, when carefully followed, can help us prevent unintentional donations. How often do we perform work that we forget to document or that is not part of our scope? Business systems can offset our natural human forgetfulness. For example, systematically task someone to review contracted scope. This can also reduce the simple error of performing unnecessary work.

Construction personnel have historically expressed a general dislike of paperwork. "We are action people. Paperwork smells like inaction." Even our customer's superintendent may reinforce our dislike of paperwork. "Go ahead and do this work, and we will catch up the paperwork later." But contractors have been burned so often by this request that they are learning to document now, before work, which results in much better payment than informal agreement.

And when we reinforce proper documentation, we need to follow a few important guidelines that will help it stand up if challenged.

First, documentation must be done on a regular business form or in a regular business place. The best place is a bound daily log into which incidental pages cannot be appended. The log should describe who, what, where and when. Names and dates are very important. This log should be kept in a safe place and stored after the job. Old records can sometimes become very valuable.

Documentation on standard forms can show interesting trends. If we document frequently occurring punch-list items, we are in a position to attach their known problems with our pre-punch program, therefore cutting callback cost. If one customer continuously causes arguments over change order issues, we can better make our case while

costing out this customer's behavior for future bidding strategy. If we own superior documentation from our jobs, we have more transparency in management decisions.

Second, documentation should be done at the time of the event being documented. If we try to catch up documentation on Friday for the situation last Tuesday, our documentation can be challenged. This is because we might forget important details by Friday. It is still better

to have late documentation than to have nothing since, in disputes, the party with the best documentation tends to win regardless of procedure. Rather than take a chance, document correctly.

Contemporaneous documentation increases report accuracy. Construction is a world of distraction.

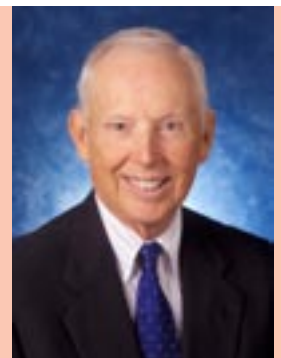
We are not insulated from sights and sounds—we live with rolling threats and thumping pile drivers, with precarious heights and scary depths. Our attention, often quite properly, quickly moves away from that morning delay to that afternoon crisis. Non-contemporaneous documentation becomes understandable, but remains unwise.

When a sales promise is made without documentation, the seeds of unwarranted conflict during construction have been sewn. Business developers and estimators can easily be distracted from the need to document a promise at the time—after all, getting a job is exciting and attention usually quickly moves to schedules, etc., and away from the little promise just made to try and solidify the sale.

Third, documentation should be performed by an eyewitness. If a superintendent sees a delay, for example, and

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the project manager in the office receives the superintendent's report over the phone, the project manager (not an eyewitness) can be challenged if he or she documents the delay. If the foreman realizes that out-of-scope work has been intentionally done and an appeal for payment is in order, the foreman's eyewitness description carries more weight, even when a serious legal challenge has not been issued.

Eyewitness documentation can help develop future field leaders. Foremen who learn to log delays as they see them are building skills for their future. More importantly, these foremen are building a keen awareness of job details since eyewitness documentation requires a heightened observation level. This can become the basis for better job-cost understanding. Participation in documentation by both crew members and crew leaders enhances understanding of construction activities as business activities. When their business activities are monetized, it becomes clear that a construction crew is a small business that needs to act like one.

The business form, immediate report and eyewitness guidelines clearly help us face challenges to our documentation, but they are also just good business practice. They improve the quality of our documentation for internal purposes. By tracking our unintentional, out-of-scope work, we can improve our business systems. Future estimates can contain more informed scopes. Mistakes for which we could not be paid on past jobs can be corrected for future jobs. **MSC**

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