

Beyond “Received”: A Smarter Owner Approach to Schedules

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Under the commonly used Canadian Construction Documents Committee (“CCDC”) 2 Stipulated Price Contract, the contractor is required to prepare a construction schedule and submit it to the owner and its consultant(s) prior to the first application for payment.² Contrary to some other forms of contracts, including international contracts,³ the CCDC 2 “General Conditions” do not assign any responsibility to the owner with respect to the schedule. As such, the owner does not have a contractual obligation to review, accept, or reject the construction schedule, nor to request revisions where necessary. This leaves the parties with the responsibility of defining any additional roles and responsibilities, either in the “Supplementary Conditions” or in the “Specifications.” Absent such definition, is it in the best interest of the project that the owner’s role simply be limited to passively receiving the contractor’s schedule?



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When the owner’s role regarding the contractor’s schedule is limited to simply receiving the schedule without a thoughtful review or response, there may be increased risks to the project and, in turn, to the owner.

A schedule that is unrealistic, technically unsound or is missing scope has limited utility for managing the project or for analyzing time impacts due to delay events.

Successful delivery of projects requires collaboration between the parties involved. A key ingredient is the owner and contractor sharing a common understanding of, and working towards achieving, an execution plan. This means that the contractor develops a realistic schedule which is technically sound and addresses the owner’s reasonable comments. It also means that the owner actively reviews the initial schedule, as well as its updates, and communicates its agreement to them (caveated as necessary).

More specifically, agreement between the owner and the contractor on key factors in the schedule, such as the reasonableness of the timelines and durations of the owner’s responsibilities, the completeness of the scope of work reflected in the schedule, and the schedule’s role as the benchmark for

measuring progress and impacts can go a long way to set a project up for success.

Agreement to Owner Obligations in the Schedule

On most traditional design-bid-build projects, the responsibility for project execution does not entirely rest with the contractor. The owner and its consultants continue to have various obligations and responsibilities which feed into the contractor's ability to perform its work on the project. While the CCDC 2 indicates that the contractor is responsible for preparing a schedule that presents its plan to complete the project scope within the contractual duration, this plan should also account for the dates and durations of the owner's input.

In that regard, one of the key responsibilities of the owner is the overall design of the project. The contractor should reasonably expect to receive complete and coordinated design documents at the time of tender, and the schedule should therefore clearly indicate the milestones for receiving the required design deliverables, as the contractor's plan to complete the work within the contract duration will usually be contingent on this.

The owner is also responsible for some action items which are necessary in order for the contractor to proceed with work. For example, the owner's approval of the contractor's shop drawings, product data and material selections is usually required for the start of specific scopes of work. These submittals and the corresponding approvals should all be considered in the contractor's schedule.

The owner may also be responsible for supplying equipment which the contractor will then install. These equipment delivery dates should be included in the contractor's schedule.

In that context, when the owner reviews the contractor's schedule, it has the opportunity

to ensure that its own obligations have not been overlooked, and that the dates and durations assigned to these obligations by the contractor are reasonable. In the event that the owner disagrees, it is to the benefit of the project that the assumptions and estimates shown in the schedule be discussed in the early stages of the project. This will allow the parties to collaborate on a plan that they agree to, while issues can still be addressed proactively and constructively.

The owner's knowledge of its committed dates and durations also enables it to manage its consultant(s) and suppliers, and to hold them accountable for the deliverables for which they are responsible. Otherwise, the owner (perhaps unknowingly) acquires significant risk in the event that these dates are not met.

Agreement to the Scope of Work in the Schedule

To fulfill its purpose as an effective planning tool, the schedule should represent the full scope of work of the project, with enough detail for the activities shown to be clearly understood.

It is not uncommon for contractors to exclude some elements of the project scope from their schedule, due either to ambiguity in the project documents or simply to oversight.

This means that the contractor may not have planned to perform this scope of work and, therefore, that the time and resources, as well as the constraints and logical relationships required to complete this work, are not accounted for in the schedule. Once the missed scope is discovered, progress could be disrupted and project completion may be delayed. It is important to note that this should be distinguished from normal schedule development and refinement as a project progresses, where routine updates adding detail or adjusting sequencing are expected.

An owner review of the schedule can help avoid such situations by creating a clear “meeting of the minds” with respect to the scope of work shown in the schedule. In the author’s experience, a schedule review should extend beyond simply the technical aspects of the scheduling software. It should include a full review of the contract, the drawings and the specifications, to ensure that the schedule covers the complete scope of work. When missed scope is discovered during the early stages of the project, the parties have an opportunity to address these omissions and make clear and thoughtful decisions regarding time and cost impacts. With early resolution, the time-consuming and costly exercise of untangling these impacts from other delay events after the fact can also be avoided.

Agreement to the Schedule as a Benchmark

Where agreed-to schedules do not exist, it becomes difficult for the parties to find “common ground” from which to start measuring and apportioning responsibility for delays, disruptions, and associated costs. Instead, owners find themselves reviewing claims based on assumptions they have never seen before and assessing their reasonableness after the fact.

This issue can be addressed through the owner’s reasonable review of, and general agreement to, the schedule submitted by the contractor. This agreed-upon schedule then becomes the benchmark against which progress is measured, akin to an approved baseline schedule.

Perhaps the first concern in the mind of an owner is the responsibility it risks acquiring in actively reviewing and accepting the contractor’s schedule. In the author’s experience, the owner’s acceptance of the contractor’s schedule need not add to the owner’s liability if the fine line between collaboration and interference is recognized.

The owner’s acceptance is largely viewed as general agreement that the schedule meets the requirements of the contract, that it is reasonable, and that the owner agrees to its responsibilities as scheduled. The owner can caveat its agreement accordingly.

Contemporaneously agreeing to schedules can go a long way in improving the quality of the schedule used to manage the project. It encourages the contractor to do its due diligence in submitting a reasonable plan, transparently communicating its assumptions, and accounting for the full project scope. It encourages the owner to acknowledge that it plays an important role in contributing to project success by reviewing and accepting the project plan. Establishing an agreed-upon benchmark early in the project can decrease the likelihood of lengthy and costly dispute resolution procedures later on.

A More Active Owner Role in Schedule Management

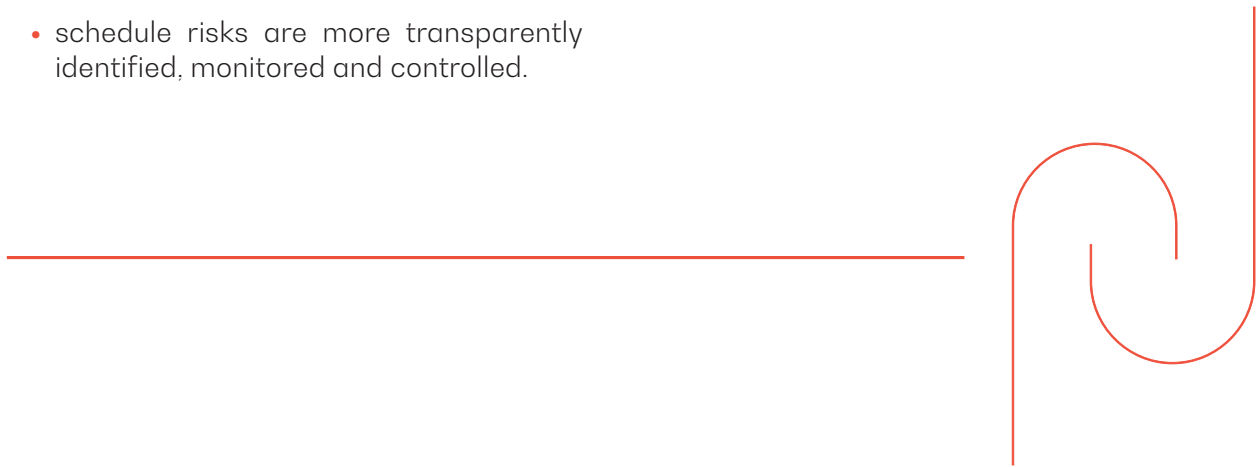
Ultimately, the most effective owner is neither a passive bystander nor a substitute project manager. By taking a more proactive role, focused on clarity and commitments as opposed to directing means and methods, the owner can help turn the schedule into a shared management tool rather than a document consulted only when something goes wrong. This early alignment strengthens collaboration, improves accountability, and reduces the time and cost of resolving delay and disruption issues later in the project.

Defining the owner’s roles and responsibilities with respect to schedules, as seen in some other forms of contracts, could prove beneficial in cases, such as with the CCDC 2, where the associated roles and responsibilities are not otherwise defined, increasing the likelihood that:

- the schedule is actively used by both parties to manage their respective obligations;

- the parties are aligned on their respective responsibilities and the dates by which key activities must be completed;
- there is buy-in from all parties with respect to the plan;
- the impact of any changes can be calculated based on an agreed-to schedule and therefore be more easily evaluated;
- there is a better foundation for addressing potential claims or settling future claims;
- schedule risks are more transparently identified, monitored and controlled.

Owners have an opportunity to play an important role when it comes to schedule management. The author highly recommends that owners reasonably take advantage of this role to benefit the project.



1 Within this article, "owner" refers to the owner or its consultant(s). The author understands that owners often have limited technical scheduling expertise and hence may need to engage scheduling experts to review the schedules.

2 "Part 3 Execution of the Work", in *Stipulated Price Contract CCDC 2 - 2020*, GC 3.4, p. 12.

3 Such as the International Federation of Consulting Engineers (FIDIC) *Conditions of Contract for Construction (2017 Red Book)* and the *NEC4: Engineering and Construction Contract Form*.

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