2018 WWEMA Finance & Contract Administration Council Meeting

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Best Contract Administrator Practices
(We got the contract – now what?)

Presented By:
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Best Contract Administrator Practices

Contract Administration
Construction is a Risky Business

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The project has a 70% chance of minor success and a 30% chance of corporate ruination.

I like those odds. When can we start?

Start?

I wish we had ten more projects like this one.
Managing the Risk of Nonpayment – Practical Tips

* Require Financial Assurance (Show Me the Money!)
* Preserve Lien and Bond Rights (Use Them or Lose Them!)
* Pace Payments and Progress (Leverage)
* Ask for Money Owed (Be Assertive)
Consider Alternative Payment Sources
Protect Your Backside
Know Your Rights, Obligations & Deadlines
Act Timely
Exercise Contractual Remedies
Be Attentive
"We're in luck, Carlos, they've spotted us! It won't be long until help is on the way!"
“It is ironic that the one industry in the country which more than all others depends upon coordination, cooperation and teamwork among multiple participants should be the country’s most adversarial industry.”

– Construction Industry Institute
Tips for Managing Risk

* Know Your Contract
* Assert Your Rights
* Honor Your Responsibilities
* Understand Other Parties’ Needs
* Cooperate – Don’t Confront
Tips for Managing Risk (con’t)

* Plan Ahead
* Anticipate Potential Problems
* Use & Update Your Schedule
* Document the Project & Problems
* Deal With Problems Promptly
Tips for Managing Risk (con’t)

* Be Active – Not Passive
* Allow Room for Give & Take
* Manage Subcontractors/Subconsultants
* Perform Quality Work
* Be Right – and Prepared to Prove It
Managing Risk:

“The fishermen know that the sea is dangerous and the storm is terrible, but they have never found these dangers sufficient reason for remaining ashore.”

– Ferdinand Magellan
Best Contract Administrator Practices

Questions & Answers:
Best Contract Administrator Practices

THANK YOU FOR YOUR TIME!

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PHILIP E. BECK
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That’s all Folks!

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