

The Hidden Cost of Not Updating Your Construction Programme

An outdated construction programme may appear to be an administrative issue. In practice, it can affect reporting, decision-making, recovery planning, payment assessments and the contractor's ability to support an Extension of Time claim.

A programme should not merely show what the contractor originally intended to do. It should provide a reliable picture of what has occurred, what remains to be completed and what is currently driving the completion date.

The project team loses visibility

Without regular updates, the project team may not recognise that the critical path has shifted.

An activity that originally had float may become critical because of delayed approvals, procurement problems, reduced productivity or changes in construction sequence. At the same time, an activity previously considered critical may no longer control completion.

NSW Government guidance explains that delay can affect completion because an activity is already on the critical path or because the delay causes it to move onto the critical path.

If the programme is not current, management may focus attention and resources on the wrong activities.

Completion forecasts become unreliable

A programme with outdated progress, remaining durations or logic will not produce a credible forecast completion date.

This can lead to:

- unrealistic completion forecasts;
- late identification of emerging delays;
- incorrect float calculations;
- unreliable cash-flow projections;
- poor labour and plant planning; and
- misleading reports to the client, lender or project board.

A reliable forecast requires more than changing the data date. The update should accurately reflect actual progress, current productivity, approved sequencing changes, procurement status and the realistic duration of the remaining work.

Recovery planning becomes reactive

A recovery programme is only useful where it addresses the activities genuinely controlling completion.

Without an accurate update, proposed recovery measures may have little or no effect on the completion date. For example, adding labour to a delayed activity will not recover the project if another path is driving completion.

A properly updated programme allows the contractor to test potential mitigation measures, including:

- resequencing work;
- increasing resources;
- opening additional work fronts;
- changing procurement priorities;
- adjusting subcontractor interfaces; and
- accelerating selected critical activities.

Government guidance recommends ongoing monitoring of progress and accurate assessment of delays to minimise adverse time and cost consequences.

EOT entitlement becomes harder to prove

When a delay event occurs, the programme update immediately before the event can provide an important record of the project's status at that time.

It can help demonstrate:

- the critical and near-critical paths;
- the amount of available float;
- the status of the affected activities;
- other delays already influencing completion; and
- the effect of inserting or modelling the delay event.

Where updates are missing, the contractor may later need to reconstruct the programme using progress reports, timesheets, correspondence and site records. This process is expensive, time-consuming and open to challenge.

The other party may argue that the reconstructed programme was created to support the claim rather than as a genuine contemporaneous management record.

Programme changes become difficult to explain

Programme logic and sequencing may legitimately change during construction. However, those changes should be controlled and explained.

A good update process should record material changes to:

- activity logic;
- calendars;
- constraints;
- original and remaining durations;
- activity coding;
- critical-path sequence; and
- forecast completion milestones.

A programme change log helps distinguish legitimate construction resequencing from unexplained changes that may distort the critical path or completion forecast.

Commercial exposure increases

The cost of an outdated programme extends beyond planning.

It can affect:

- EOT entitlement;
- exposure to liquidated damages;
- prolongation-cost recovery;
- variation valuation;
- subcontractor claims;
- disruption assessments;
- payment forecasting; and
- dispute-resolution costs.

Where delay costs are not properly assessed or managed, NSW Government guidance identifies risks including excessive costs and disputes over entitlement.

What should a reliable update include?

A well-maintained programme should generally include:

- an agreed data date;
- accurate actual starts and finishes;
- realistic remaining durations;
- updated physical or duration progress;
- current procurement and approval status;
- valid and complete logic;
- review of critical and near-critical paths;
- explanation of material changes;
- forecast completion dates; and
- comparison against the approved baseline or previous update.

The programme should also reconcile with site reports, photographs, procurement registers, timesheets and other contemporaneous records.

The programme is a management tool before it is a claims tool

The primary purpose of a construction programme is to help deliver the project.

However, when delays arise, the same programme may become one of the most important records used to explain what happened and assess responsibility.

Maintaining the programme properly throughout the works is significantly more efficient than reconstructing project history after the contractual position has already become disputed.

This article provides general information only and does not constitute legal advice. Programme and reporting requirements should be reviewed against the applicable contract.