

Daily and Weekly Reports

Not Discussion Forums

Not Memo to File

By Farid Saddik

I read a lot of Contractor and Project Owner daily, weekly, monthly, and quarterly reports (collectively “period reports”). On the Owner side, they may be inspector, Resident Engineer, Construction Manager, or some variant’s period reports. On the Contractor side, they may be Foreman, Superintendent, Engineer, Project Manager, or some variant’s period reports.

It is hard to over-emphasize the importance of maintaining such important tools. Nevertheless, it is equally as important to understand why it is important to maintain such tools.

Some organizations integrate tracking of quantities, labor, equipment, and change into period reports, particularly dailies. Such reports are useful to compile, support, or verify components of work. Additionally, management from both sides, at least one assumes and hopes, reads such reports to stay informed and proactive. Aside from that, period reports are filed away until they are needed in issue resolution or litigation. In other words, it is ideal that one never needs to resort to period reports again for a given project, but if period reports are forensically required, they’ll be adversarially scrutinized.

Through this latter prism, organizations should insist that period reports not be treated as discussion forums, memos to file, or subjective forms of expression. They are tools to report and document factual accounts of contemporaneous interactions, transactions, and events. There are specifically four topics to avoid discussing in period reports:

1. Financials:

As an example, it is factual and appropriate to report that a Change Order (CO) was negotiated and agreed upon for the Contract price of \$810,00. It is not factual or appropriate to report that the CO will cost \$465,000, or to subjectively express that “we’ll make a killing on it”. The fact with the preceding example is that even after the work is

completed, it is highly unlikely that anyone would know what the final total cost and profit would be on the specific change order, or on the entire project, without a comprehensive look at all cost codes, error normalization, cumulative impacts, etc.

Along the same lines, project financial projections, forecasts, or audits (collectively “forecasts”) are not suitable content in period reports. Forecasts represent a single snapshot of where the project will likely be financially at completion if, and only if, it meets litany of conditions and qualifiers. A project’s forecast is not only about profit or fees, but also about change volume at completion, revenue at completion, cost at completion, claims at completion, duration at completion, along with all the metrics that affect each of those. All considered, with all the accompanying uncertainties, a forecast is, at best, a fast-expiring heavily qualified assessment.

Even after all the forecast preparation, it may very well be the case that a forecast is deemed unreliable if a reasonable degree of confidence cannot be established due to missing data, or due to the inability to evaluate certain risks or opportunities.

Discussing forecasts without proper and complete context often leads to detrimental conclusions. Accordingly, period reports are not an appropriate forum to discuss forecasts or profitability.

2. Project Schedules:

Project schedules are snapshots in time which are subject to conditions and qualifiers. As such, schedule discussions are suitably addressed in look-ahead schedules and period schedule update narratives, and not in period reports.

3. Employees & Employee Conduct:

For a non-attorney, like myself and most project teams, laws and regulations governing employee and labor relations can be daunting. To avoid violations and misperceptions, and to avoid hindering HR professionals’ work, period reports are not suitable for discussions of employee assessments, grievances, or movements.

4. Safety:

Documenting factual safety-related events is proper and necessary in period reports. That said, the project's safety professional(s) must be given the opportunity to conduct the safety event investigations, analysis, conclusions, lessons learnt, and impact. Expressing any of that in period reports is not appropriate and can skew or impede the safety professionals' work.

Period reports which are limited to facts and are demonstrated to be factually accurate are more credible and relied upon than those laden with misstatements, opinions, projections, forecasts, and other forms of speculations and subjective expressions. It is important for Contractor and Owner organizations to guard the quality and integrity of their period reports.

What's your experience with period reports?

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