

## Introduction

To effectively manage construction claims, we have to THINK about them. Claims are complex, and to effectively think about anything complex we have to structure the data, turn it into usable information, and allow patterns to emerge. If we do this well, we can make smarter decisions.

Our program is a 30,000-foot to rubber-on-road journey through a holistic and practical claim management system using actual case studies.

## Learning Objectives

1. Introduce a framework for management of claims at the company level.
2. Introduce the fundamentals of construction claims decision-making at the project level.
3. Review case studies to drive home the point.
4. Discuss possible next actions. What my friends call "The Monday Morning Action Plan."

## Program Outline

1. Program Introduction
2. Construction Claims
3. Claims Management Systems
4. Portfolio Management of Construction Claims
5. Managing Expert Work & Costs
6. Your Next Actions
7. Conclusion

## Back-Up Materials

1. Risk Management Check-List (Section 3)
2. Portfolio Management of Construction Claims (Section 4)
3. Managing Expert Work and Costs (Section 5)

**Originally Delivered September 2012**

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  - C. General Liability Claims
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  - D. Execution & Management
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  - H. Case Study
6. Your Next Actions
  - A. Decide which philosophy you are going to apply.
  - B. Make someone in your organization the boss of claims
  - C. Compose a written Claims Management Plan.
  - D. Complete a first-pass Project Level Analysis for each claim. Perfect is the enemy of good at this level.
  - E. Complete a preliminary Company Level Analysis.
  - F. Get manageable Vendor Scopes + Budget documents for each project. Again, perfect is the enemy of good.
  - G. Apply Managing Expert Work and Costs to all new claims.
  - H. Hold periodic meetings led by your boss of claims.
  - I. Make smart decisions.
  - J. Continue to refine.
7. Conclusion
  - A. Program Outline
  - B. Learning Objectives
  - C. Back-Up Materials
  - D. Homework
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Construction Claims Management

# Construction Claims Management

Pete Fowler Construction Services, Inc.  
September 2012

Construction Claims Management

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P e t e F o w l e r  
**CONSTRUCTION**  
S e r v i c e s , I n c .

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## Construction Claims Management

### 1. Introduction Outline

- A. Program Introduction
- B. Program Outline
- C. Learning Objectives
- D. Who We Are: PFCS
- E. Who We Are: Audience
- F. Case Study: Introduction to Otto's Outhouse

## Construction Claims Management

### 1. INTRODUCTION

#### A. Program Introduction (1 of 7)

To effectively manage construction claims, we have to THINK about them. Claims are complex, and to effectively think about anything complex we have to structure the data, turn it into usable information, and allow patterns to emerge. If we do this well, we can make smarter decisions.

Our program is a 30,000-foot to rubber-on-road journey through a holistic and practical claim management system using actual case studies.

## A. Program Introduction (2 of 7)

“I have  
a dream!”



## A. Program Introduction (3 of 7)

- BACKGROUND: Construction is quite simple: Mostly stacking sticks and stones neatly. Sometimes complex, but not inherently difficult.
- BACKGROUND: Professional (Construction) Project Managers plan what will be done, how much it will cost and when it will be done (Scope, Budget & Schedule) in advance, and then compare performance to plan.
- MY DREAM: Professional Services will someday be managed the same way. I recommend we start soon.

Construction Claims Management
1. INTRODUCTION

A. Program Introduction (4 of 7)

Scope, Budget, Schedule –  
The Iron Triangle of  
Project Management

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Construction Claims Management
1. INTRODUCTION

A. Program Introduction (5 of 7)

Scope	Budget	Schedule
1. Item 1	\$ XXX	Week 1
2. Item 2	\$ XXX	Week 2
3. Item 3	\$ XXX	Week 3
4. Item 4	\$ XXX	Week 3
5. Item 5	\$ XXX	Week 4
6. TOTAL	\$ X,XXX	

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Construction Claims Management

1. INTRODUCTION

A. Program Introduction (6 of 7)

Scope	Budget	Actual
1. Item 1	\$ XXX	\$ XXX
2. Item 2	\$ XXX	\$ XXX
3. Item 3	\$ XXX	\$ XXX
4. Item 4	\$ XXX	\$ XXX
5. Item 5	\$ XXX	\$ XXX
6. TOTAL	\$ X,XXX	\$ X,XXX

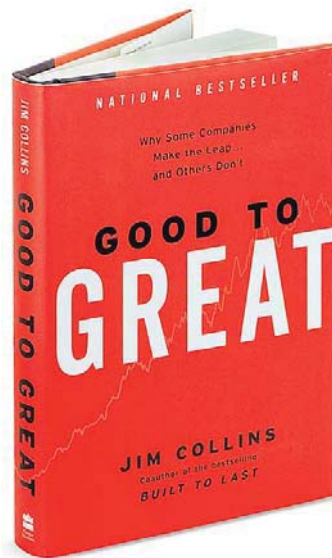
Construction Claims Management

1. INTRODUCTION

A. Program Introduction (7 of 7)

How do we know what the "Best Practices" are?

1. The author uses the "twins separated at birth" model of figuring out best practices for companies.
2. He uses public companies because they have structured financial and other data reporting requirements that can be compared and analyzed.
3. He looked at the data, and then "applied professional judgment."



## B. Program Outline

1. Program Introduction
2. Construction Claims
3. Claims Management Systems
4. Portfolio Management of Construction Claims
5. Managing Expert Work & Costs
6. Your Next Actions
7. Conclusion

## C. Learning Objectives

1. Introduce a framework for management of claims at the company level.
2. Introduce the fundamentals of construction claims decision making at the project level.
3. Review case studies to drive home the point.
4. Discuss possible next actions. What my friends call "The Monday Morning Action Plan."



D. Who We Are: PFCS (1 of 4)

**“Who the f#\$% is  
Pete Fowler, and what  
the f#\$% does he  
f#\$%ing know...!!”**

- Real Quote from Contractor-Client to Attorney

D. Who We Are: PFCS (2 of 4)

**I'm brilliant.  
It says so on my C.V.**

Construction Claims Management

1. INTRODUCTION

D. Who We Are: PFCS



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**Pete Fowler**  
**CONSTRUCTION**  
 Services, Inc. Curriculum Vitae

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**Peter D. Fowler**

**Education**

California State University, Chico  
 Bachelor of Science in Construction Management  
 Master in Management Information Systems

Berry College  
 Vocational Construction Education

**Licenses and Certifications**

California Contractors License # 713760  
 CSLB Home Improvement Certification  
 Licensed as a general building contractor in the state of California.

Oregon Contractors License # 275900  
 Pete Fowler Construction Services, Inc. is licensed as a **General Contractor / All Trades** in Oregon.  
 Certified Home Inspector (see below)

ASPE Certified Professional Estimator (CPE) # J-4-000258-0500  
 Administered by the American Society of Professional Estimators (ASPE). This certification is the highest form of professional recognition an individual estimator can receive. Through it's certification program, ASPE recognizes the estimating proficiency and ethical practices of the CPE. The certification program consists of a professional estimation application, a technical paper, two days of written examinations and participation in the Continuing Certification Program.

ICBO National Contractor Competency Testing Program - General Contractor  
 Administered by ICBO to provide recognized estimations and credentials for contractors. This examination tests the conceptual knowledge of relevant codes and standards for General Contractors.

ICBO Certified Inspector # 3514477-150  
 See the Two-Phase Building Inspection

International Conference of Building Officials (ICBO)  
 Certified Installation Master - AIAIA  
 Training and experience to qualify individuals in nationally recognized and tested window and door installation techniques. Administered by American Architecture Manufacturers Association. Certifications requirements include verifiable experience, two days of classroom training and a closed book examination.

Certified Home Inspector OCHI # 2132 - Oregon Construction Contractors Board  
 Requires experience verification and examination process which includes a knowledge base in Standards of Practice, Electrical, HVAC, Plumbing and Structural issues in building construction.

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Construction Claims Management

1. INTRODUCTION

D. Who We Are: PFCS (4 of 4)

Pete Fowler Construction Services, Inc. (PFCS) is a team of consultants with expertise in all phases of building construction. We specialize in creating real, practical solutions.

Services:

- Cost Estimating
- Construction Management
- Finance & Accounting
- Property Analysis
- Construction Claims Consulting
- Construction Defect Consulting
- Expert Witness Testimony
- Training & Education



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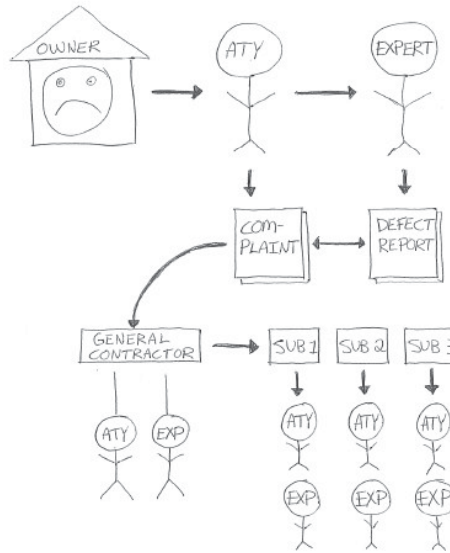
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Construction Claims Management

1. INTRODUCTION

E. Who We Are:  
Audience



Construction Claims Management

1. INTRODUCTION

F. Case Study (1 of 8)

*Our Simplified  
Case Study:  
Otto's Outhouse*



**Construction Claims Management**

**1. INTRODUCTION**

**F. Case Study: Scope of Work (2 of 8)**

1. Excavation: Strict conformance with National Outhouse Builders Association (NOBA) *Manual of Practice* for excavation.
2. Walls
  - A. Materials: Top quality lumber. Non-corrosive fasteners.
  - B. Workmanship: Strict conformance with NOBA *Manual*.
3. Roof
  - A. Materials: GAF roofing materials. Style selected by Owner.
  - B. Workmanship: Conform with manufacturers instructions.
4. Signage: See photograph
5. Paint
  - A. Paint Materials: Matched primer and two top coats from a national manufacturer.
  - B. Sealant Materials: Shall conform with ASTM C920
  - C. Workmanship: Strict conformance with manufacturer's recommendations.

**Construction Claims Management**

**1. INTRODUCTION**

**F. Case Study: Final Payment Application (3 of 8)**

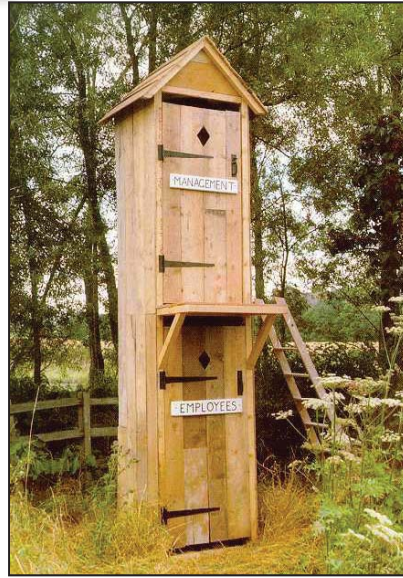
#	Scope	Value	PMT #1	PMT #2	PMT #3	Total Paid
1	Excavation	250	200	50	0	250
2	Walls *1	300	30	270	0	300
3	Roof	200	0	200	0	200
4	Signage*2	50	0	50	0	50
5	Paint*3	100	0	0	100	100
6	Complete	100	0	0	100	100
7	Total	1,000	230	570	200	1,000
8	-	-	-	-	-	-
9	CO#1: Hardware	10	10	-	-	10
10	CO#2: Delete Signs	-50	-	-50	-	-50
11	CO#3: Paint	60	-	-	60	60
12	CO#4: Landscaping	100	-	-	100	100
13	-	-	-	-	-	-
14	Total	1,120	240	520	360	1,120

Notes: (1.) Allowance of \$30 for hardware. (2.) Allowance of \$40 for signs. (3.) Allowance of \$40 for material. (4.) Exclusion - Ladder

## F. Case Study (4 of 8)

## Otto Hired A Lawyer!

*Our Simplified Case Study:  
Otto's Outhouse*



## F. Case Study: Defect List (5 of 8)

1. A1010 Foundations: The structure was constructed without a concrete foundation.
2. B2012 Exterior Enclosure: Siding & Trim: The nailing of the siding is grossly inadequate.
3. B2030 Exterior Doors: The doors leak, causing damage to the interior finishes.
4. D 1000 Conveying: The conveying system (ladder) is defective in it's manufacture and the design does not meet minimum ADA requirements.
5. D3000 HVAC: The heating system is inadequate to heat the interior to 70 degrees 3 feet above the floor.
6. G2050 Landscaping: Half the landscape planting died within the first year and required replacement.

**F. Case Study: IIACC Analysis (6 of 8)**

1. **Issue 1:** A1010 Foundations - The structure was constructed without a concrete foundation.
2. **Investigation:** PFCS has reviewed the available project documents (see Index), visually inspected the project, researched the applicable building standards and corresponded with the building department.
3. **Analysis:** The structure was designed and constructed in conformance with the applicable code at the time of construction, and with the approval of the building department, utilizing a preservative treated (rot resistant) wood foundation technique.
4. **Conclusion:** The structure is performing well in service. No repairs.
5. **Costs:** \$0

**F. Case Study: IIACC Analysis (7 of 8)**

1. **Issue 3:** B2030 Exterior Doors - The doors leak, causing damage to the interior finishes.
2. **Investigation:** PFCS has reviewed project documents, visually inspected, researched building standards, investigated in conformance with ASTM Standards E2128 and observed the Owner's expert test in conformance with ASTM E1105.
3. **Analysis:** While the performance expectation of this structure is not perfection, the E1105 testing not applicable or required for the analysis, the doors allow excessive leakage and cause damage.
4. **Conclusion:** Door weatherization is inadequate, allowing leakage and causing damage. Repairs will include reinstallation of existing doors properly weatherized, and repair of damaged finishes.
5. **Costs:** \$362.80

Construction Claims Management
1. INTRODUCTION

## F. Case Study: Exposure Analysis (8 of 8)


#	Code	Description	PLTF	DEF	Best	Likely	Worst
1	A1010 Foundations	The structure was constructed without a concrete foundation.	800.00	-	-	-	800.00
2	B2012 Ext. Enclosure	Siding & Trim: The nailing of the siding is grossly inadequate.	500.00	-	-	250.00	500.00
3	B2030 Exterior Doors	The doors leak, causing damage to the interior finishes.	300.00	362.80	362.80	362.80	300.00
4	D1000 Conveying	The conveying system (ladder) is defective in it's manufacture and does not meet minimum ADA requirements.	4,000.00	-	-	-	4,000.00
5	D3000 HVAC	The heating system is inadequate to heat the interior to 70 degrees 3 feet above the floor.	1,250.00	-	-	-	1,250.00
6	G2050 Landscaping	Half the landscape planting died within the first year and required replacement.	500.00	-	-	100.00	500.00
7		Total Construction Costs	7,350.00	362.80	362.80	712.80	7,350.00
8							
9		Attorneys Fees					
10		Expert Fees					
11		Other Costs					
12							
12		Grand Total	7,350.00	362.80	362.80	712.80	7,350.00

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Construction Claims Management

## 2. Construction Claims

- A. Traditional Construction Claims
- B. Construction Defect Litigation
- C. General Liability Claims
- D. Jobsite Accidents
- E. Case Study



**Pete Fowler**  
**CONSTRUCTION**  
**Services, Inc.**  
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 Construction Claims  
 Construction Defects  
 Expert Witness

SENIOR CONSULTANTS  
  
Portland, OR   San Clemente, CA   Boulder, CO

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## Construction Claims Management

### 2. Construction Claims

#### A. Traditional Construction Claims

Claims regarding changes in the scope, budget or schedule.



## Construction Claims Management

### 2. Construction Claims

#### B. Construction Defect Litigation

**KASDAN SIMONDS RILEY & VAUGHAN LLP**  
Construction Defect Attorneys

FOR 1400 YEARS... The law has protected your right to live in a well built house

OUR FIRM | OUR ATTORNEYS | CONSTRUCTION DEFECTS | CONTACT | SEARCH

Construction Defects

1 2 3 4 5 6 7 8 9 10

Would you know a construction defect if you saw one?

NEWS

"What The Rains of January Have Taught Us"

Steven G. Hanagant to Speak at CA-OC Education Committee Seminar on "What The Rains of January Have Taught Us"

More News >>

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Cost Estimating  
Construction Management  
Inspection & Testing



#### SENIOR CONSULTANTS



Portland, OR San Clemente, CA Boulder, CO

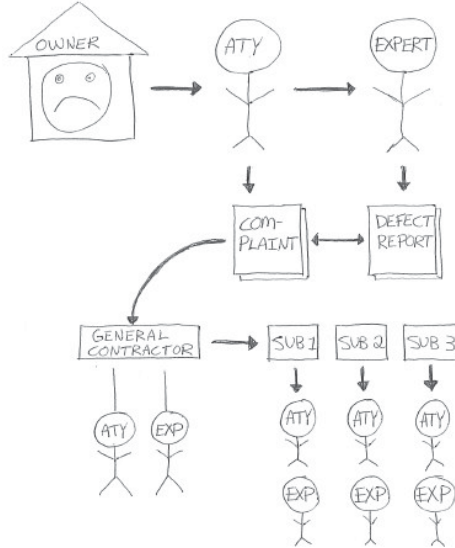


Construction Claims Management

2. Construction Claims

B. Construction Defect Litigation

- 1. Owner
- 2. Direct Defendant
- 3. Cross / Third-Party Defendants
- 4. Lawyers for All
- 5. Insurers



Construction Claims Management

2. Construction Claims

C. General Liability Claims

- 1. Premises Liability
- 2. Bodily / Personal Injury
- 3. Property & Casualty Claims

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CONSTRUCTION  
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General & Premises Liability Claims  
Bodily / Personal Injury Claims  
Jobsite Accidents

The diagram shows a circular process with six steps: Collect, Plan, Investigate, Analysis, Conclusions, and Present. In the center of the circle is a box for 'Pete Fowler Construction Services, Inc.' with 'Invest / Arbitration' written below it.

Property & Casualty Claims  
Workers Compensation Claims  
Building Code & Standards Experts

Portland, OR   San Clemente, CA   Boulder, CO

**Construction Claims Management** **2. Construction Claims**

**D. Jobsite Accidents**

- 1. Workers Compensation Claims (Your Employees)
- 2. Injuries to Other's Employees

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**Construction Claims Management** **2. Construction Claims**

**E. Case Study: Personal Injury (1 of 5)**

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**Construction Claims Management**

**2. Construction Claims**

**E. Case Study: Personal Injury (2 of 5)**

The property in question is the historic hotel in Portland, originally constructed in 1909. There are office spaces available for lease, of which one is occupied by a chiropractic office. There is a staircase comprised of two marble steps with three risers at the western-most foyer of the hotel lobby. The staircase appears to have been remodeled in 1992 by ABC Construction.

The plaintiff, who worked at the chiropractic office, fell at the stairs on January 14, 2004. She stated that she forgot something after leaving work, turned around to go back to the office, and slipped on the stairs. She admitted to not using the handrails while using the stairs. The plaintiff's complaint asks for relief in the amount of \$683,406 for both medical compensation and lost wages.

**Construction Claims Management**

**2. Construction Claims**

**E. Case Study (3 of 5)**

www.petefowler.com	Personal Injury Preliminary Project Plan Budget	4/22/2011
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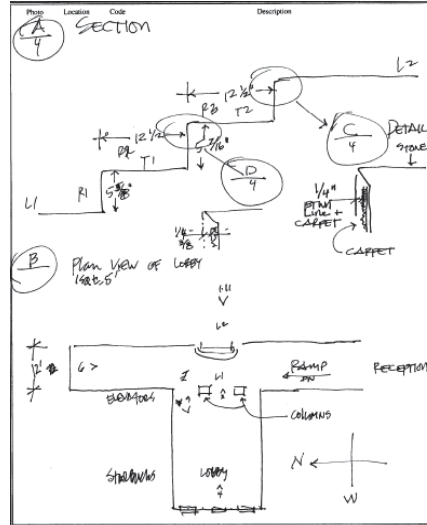
#	Scope of Work / Deliverables	Status	Current Plan		Level Subtotals
			Hours	Costs	
1	<b>Level 1: Preliminary Investigation</b>				
2	A. Images & Information Memo	D	1	\$ 130.00	
3	B. Document Index & Preliminary Analysis	IP	4	\$ 520.00	
4	C. Inspection Documentation (Prepare / Attend / Process)	D	8	\$ 1,210.00	
5	D. Meetings, Teleconferences, Correspondence	IP	2	\$ 390.00	
6	<b>Level 1 Subtotal</b>				\$ 2,250.00
7					
8	<b>Level 2: Analysis</b>				
9	A. Photo / Observation Analysis	TBC	4	\$ 780.00	
10	B. Research	TBC	4	\$ 780.00	
11	C. Opinion Letter	TBC	12	\$ 1,950.00	
12	D. Meetings, Teleconferences, Correspondence	TBC	4	\$ 680.00	
13					\$ 4,190.00
14					
15	<b>Total Level 1</b>		<b>39</b>	<b>\$ 6,440.00</b>	<b>\$ 6,440.00</b>
16	Notes:				
17	IP = In Process				
18	DONE = Deliverable Completed				
19	TBC = To Be Completed				
20	NI = Not Included				

Construction Claims Management

2. Construction Claims

E. Case Study (4 of 5)

Site Inspection Field Notes



Construction Claims Management

2. Construction Claims

E. Case Study (5 of 5)

Page 4 of 7  
 In their current state, the handrails appear to meet the minimum height requirements of the code, as the code requires the handrail height to fall between 34-inches and 38-inches at all points.

Conclusion

Since the stairs were remodeled in 1992, they should have been in conformance with the current codes and requirements at the time. It appears that since the date of the accident, repairs have been made to the stairs in an attempt to meet the minimum requirements of the aforementioned codes. The bottom tread received an extension to make it equal to the second tread. However, there are still several outstanding issues which need to be resolved, such as the number of handrails and tread riser differences.

At the time of the accident, there were several code violations in place. While the handrails were up to code, both the stair treads and risers violated code requirements.

Our limited investigation is not to be considered a complete review of the property. Our service has been performed; within prescribe limits, in a manner consistent with that level of care and skill ordinarily exercised by professional consultants under similar circumstances.

- Regarding the plaintiff's allegations,
1. The stairs did not comply with IBC and City of Portland Codes: We Agree
  2. The stair treads and risers exceeded code limitations: We Agree
  3. The handrail height and location was insufficient: We Disagree
  4. The stairs were damaged and chipped: Agree (Somewhat)
  5. There was insufficient traction at the top of the stairs: Disagree
  6. There was insufficient lighting at the black stairs: Disagree

## Construction Claims Management

### 3. Claims Management Systems

- A. Claims Management Strategies
- B. Commercial Products
- C. Project Analysis
- D. Portfolio Analysis
- E. Future Analysis (Risk Management)
- F. Case Study

## Construction Claims Management

### 3. Claims Mgmt. Systems

#### A. Claims Management Strategies



## Construction Claims Management

### 3. Claims Mgmt. Systems

#### A. Claims Management Strategies

1. Head-In-Sand: Delegation outside the organization = Abdication
2. Hope and Prayer: Hope is a strategy. But a bad one.
3. Cowboy / Caveman / Swashbuckler: Yee Haw!! Usually O.P.M.
4. Project "Piles": Most common.
5. Force of Genius: Closely related to Project Piles, only better.
6. Project Files: We're getting there :-)
7. Project Level Data Structure & Analysis: Yea Baby!!
8. Portfolio Level Analysis & Analysis: The Promised Land.

## Construction Claims Management

### 3. Claims Mgmt. Systems

#### B. Commercial Products

The screenshot shows a Google search for "claims management systems". The search results include several commercial products and services:

- File Handler | jwsoftware.com**: Browser-Based Claims Admin Software for WC, GL, Auto and Prop Claims.
- Manage Claims Processing**: Improve claim processing workflow & reduce admin costs - Learn how!
- Applied Systems Epic | appliedsystems.com**: Learn why Epic should be your agency management system.
- ClickClaims | Claims Management Software**: ClickClaims claims management solutions is a Web-based claims management system for carriers and independent adjusting firms. ClickClaims was the 2006 ...
- QISS :: Premium Software Services :: Claims Management Software**: Internet-based Insurance Claims Management Software System.
- Claim Management Software**: Efficient & Accurate Unemployment Claims Processing with Edgewise.
- Vitera Intergy Software**: Process Claims Quickly & Accurately W/ Leading Vitera Intergy Software.
- JDI Data Claim Software**: Intuitive, Friendly, GL, W/C, P&C Multiple LOB Robust Reporting Tools.
- Claims Management System**: Full featured & very easy to use. Pay per claim. No startup fees.
- Hospital CBO Software**

**Construction Claims Management**

**3. Claims Mgmt. Systems**

**C. Project Analysis**

1. The Battle: Is this project the war? Or a battle in a larger war?
2. Issue-By-Issue Analysis: Get them all in one place.
3. IIACC: Issue. Investigation. Analysis. Conclusions. Costs.
4. 14 Questions: See Analyzing Construction Defects

	Best Case	Most Likely	Worst Case
1. Issue 1	\$	\$	\$
2. Issue 2	\$	\$	\$
3. Issue 3	\$	\$	\$
4. SUB	\$	\$	\$
5. Other	\$	\$	\$
6. TOTAL	\$	\$	\$

**Construction Claims Management**

**3. Claims Mgmt. Systems**

**D. Portfolio Analysis**

1. The Larger War
2. Claim-By-Claim Analysis
3. How do they relate?

	Best Case	Most Likely	Worst Case
1. Claim 1	\$	\$	\$
2. Claim 2	\$	\$	\$
3. Claim 3	\$	\$	\$
4. SUB	\$	\$	\$
5. Other	\$	\$	\$
6. TOTAL	\$	\$	\$

Construction Claims Management

3. Claims Mgmt. Systems

E. Future Analysis – Risk Management

1. Avoid Potentially Dangerous Situations
2. Be really good at what you do.
3. Cover your assets
4. Risk Management Check-List – Use it BEFORE you start your project(s)

Risk Management Check List	
Risk by DBECC Method	
Define	
Develop design project objectives	Identify & manage & quantify risks
Identify & manage & quantify risks	Review & approve of objectives & any change
Develop project organization	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
Budget	
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
Schedule	
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
(K) Contract	
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
Coordinate	
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
Verify	
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change
Identify & manage & quantify risks	Review & approve of objectives & any change

Construction Claims Management

3. Claims Mgmt. Systems

F. Case Study: Construction Defect (1 of 6)



High school building approximately 34,000 square feet.



**Construction Claims Management**

**3. Claims Mgmt. Systems**

**F. Case Study: Construction Defect (2 of 6)**

This project involves a high school in Wildomar, CA. The building is a 34,400 square foot slab-on-grade single-story, with a mezzanine, concrete tilt-up constructed in 2001 by design-build contractor XYZ Construction., Inc. Approximately 16,850 square feet of the building is a gymnasium with wood flooring which is located on the right side of the structure.

A concrete subcontractor, entered into a contract for \$350,925.00 with XYZ dated September 11, 2001. The job had a start date of September 17, 2001 with an estimated completion date on or before November 30, 2001. The contract called for concrete subcontractor to provide the concrete, and pour, place and finish the concrete (tilt-up) walls, slabs and foundations, to place all embeds provided by others, to perform sacking and patching as required for a finished product, and to provide joint sealant (caulking).

**Construction Claims Management**

**3. Claims Mgmt. Systems**

**F. Case Study:  
Construction Defect (3 of 6)**

Scope of Work / Deliverables		Status	Current Plan		Level Totals
			Hours	Costs	
1	Level 1: Preliminary Investigation				
2	A. Images & Information Memo	D	1	\$ 130.00	
3	B. Document Index / Preliminary Analysis	IP	4	\$ 680.00	
4	C. Inspection Documentation (prepare, attend, process)	TBC	15	\$ 2,925.00	
5	D. Meetings / Teleconferences / Correspondence	IP	4	\$ 780.00	
6	<b>Subtotal Level 1</b>				<b>\$ 4,515.00</b>

#	Scope of Work / Deliverables	Status	Current Plan		Level Totals
			Hours	Costs	
1	<b>Level 1: Preliminary Investigation</b>				
2	A. Images & Information Memo	D	1	\$ 130.00	
3	B. Document Index / Preliminary Analysis	IP	4	\$ 680.00	
4	C. Inspection Documentation (prepare, attend, process)	TBC	15	\$ 2,925.00	
5	D. Meetings / Teleconferences / Correspondence	IP	4	\$ 780.00	
6	<b>Subtotal Level 1</b>				<b>\$ 4,515.00</b>
7	<b>Level 2: Analysis</b>				
8	A. Photo Analysis	TBC	4	\$ 680.00	
9	B. Continued Document Review & Analysis	TBC	8	\$ 1,360.00	
10	C. Scope of Work Summary	TBC	2	\$ 340.00	
11	D. Issues Summary Analysis	TBC	16	\$ 2,720.00	
12	<b>Subtotal Level 2</b>				<b>\$ 5,100.00</b>
15	<b>Levels 3: Detailed Analysis - To be determined</b>				
16	<i>Not included</i>				
	<b>Totals</b>		<b>54</b>		<b>\$ 9,615.00</b>