Chapter Five
Time in Contract Provision

- A variety of provision influence the contractor as he plans a project.
- The contract include Provision that relate directly to project duration
- Provisions address the timing of the owner cash disbursements to the contractor.
- Some provision may stipulate the scheduling technique that must be used on project
It is important for the contractor to evaluate all contract provisions. Some may present inherent risk for the contractor. Other may reduce the risk for the contractor. Some modification were made such that: Eliminate the use of Masculine Pronoun.
Time is of the essence

It is important that all parties consider time as elemental aspect. This emphasis on time allows owner to pursue claims for breach of contract when contractor does not fulfill the time requirements that stipulated in the contract.

Ex. Of time provisions:

Time shall be strictly of the essence of the contract.
requirement for project coordination

- A meeting shall be organized prior to the commencement of any construction work to ensure smooth progression of work on a project.
- 10 days following award of the contract a preconstruction conference will be held in the owner office.
- All aspects of the job will be discussed to all parties.
Schedule

1. Contractor shall verbally notify Subcontractor at least 7 days prior to the date subcontractor is to commence work and immediate notification of any change affecting starting day.

Subcontractor shall commence work on the date and provide adequate material and equipment.

The update schedule shall always be available to the subcontractor.

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Cooperation

- Project site may be used by parties other than the contractor.
- It is prudent to include a provision that stipulates that the contractor is to cooperate with these parties.
- It is important for the owner to try to convey the specific nature of the work being performed by other parties.
Progress schedule

- The delivery date of the project is very important.
- One way to have a reasonably reliable schedule is to monitor the project with a schedule to which both the owner and the contractor have agreed.
- The requirement and the detail of the schedule may vary from project to project.
Immediately after being awarded a contract, contractor shall submit to the owner’s representative a satisfactory progress schedule or critical path schedule. This schedule shall show:

- Completion of all work within the specified contract time
- The proposed order of work
- Projected starting and completion times for major phases of the work and for the total project.
- The schedule shall be used as a basis for establishing the controlling item of construction operations and for checking the progress of the work.
The original and all supplemental progress schedules shall not conflict with any time and order of work requirement in the contract.

The contract may dictate the level of detail to be embodied in the schedule. This may apply to the duration of the activity as:

- Duration of any activity shall not exceed 30 days except 2% of the activities may exceed this limit without prior written approval of the owner.
Ownership of float

Float or slack is defined as the amount of time between the early start date and the late start date, or the early finish date and the late finish date of the activity.

Contractors would prefer to work on projects where the float ownership remains with the contractor.
Ownership of float (cont.):

- Public owners tend to use working days to define project duration while private owners tend to use calendar days. Thus the calendar days are more common.

- Project duration may be defined by a specific completion date in which the substantial completion of the project is linked to a specific calendar date or milestone date.

- Many project requiring calendar days can be converted to working days.
When setting durations, some consideration must be given to the units of time used. Most typical schedules use days.

There is a big difference between working days and calendar days.

Many job tasks will automatically be given in working days, representing all days with the exclusion of weekends and holidays.
Working day schedule are perhaps the more complex ones with which to plan activities.

Weather may adversely impact the project duration, so the definition of working day may need to be further defined.

The contractor must be careful to examine the requirements in detail to ensure that legitimate time extensions are not denied.
Time of completion

- The contract duration is typically stated in terms of the total number of working days or the total number of calendar days.

- Sometimes, specified completion dates are given.
The notice to proceed is the document that typically marks the beginning of the actual construction duration. Most documents make reference to the notice to proceed.
The value for any one activity shall not exceed $50,000 except 2% of the total Contract Sum may exceed this limit without the Owner’s prior written approval.

No more than 30% of the monetary value of the project activities shall have float of less than seven days and no more than 20% of the monetary value of the Project shall have zero float without prior written authorization of the Owner.

The project schedule be prepared with diligence and care.
Notice to proceed (cont.):

- The original and all supplemental progress schedules shall not conflict with any time and order of work requirement in the contract.

- The contract may dictate the level of detail to be embodied in the schedule. This may apply to the duration of the activity as:

- Duration of any activity shall not exceed 30 days except 2% of the activities may exceed this limit without prior written approval of the owner.
The contract time is stated in terms of the total number of working days, or the total numbers of calendar days needed for completion. Working days or calendar days most typical construction schedule use days. For small project the duration might be in terms shifts or hours. For big project the duration might be long time such as weeks, months, year.