
Meglan, Meglan & Company, Limited

CONSTRUCTION

Claims Topics

Construction Productivity: Daily Construction Record Reports

Increased productivity should be the ultimate goal of every good field supervisor because profits are always earned in the field and counted in the office, not vice versa.

Poor field supervision is the cause of more than 50 percent of all internal productivity losses. The rest of the internal productivity losses are spread over a dozen or more other causes.

Externally, though, the largest productivity losses are caused by owners, construction managers, designers, and in the case of subcontractors or multiple prime contractors, the general contractors. These productivity losses result from failures to coordinate the project and all its contractors and their personnel.

The second largest cause of external productivity losses is procrastination—the failure to make an “almost not bad” decision immediately, while waiting around to make a “perfect” one. So, what’s the answer?

Do something! Lead, follow, or get out of the way!

Knowing that productivity losses (lost labor efficiencies) are occurring, where they are occurring, requires intelligent and watchful supervision and a proven system or systems for measuring productivity.

The accurate use and completion of daily construction record reports (DCRRs) and their distribution to the right parties are the most essential part of the produc-

tivity measurement process. Recording all the cost elements of production, what is being produced, and the revenue it generates for the company are the most integral part — the “how much” part — of those reports.

The second most important part of the reports is the “why” part, a commentary on the losses that the cost and production figures are indicating.

Without timely DCRRs done by the actual supervisor in charge of the manpower and resources being utilized, it is impossible to determine the extent and the causes of day-to-day, hour-by-hour losses of efficiency and, therefore, revenue and profits.

The profit margins on most construction projects are so slim that a 15- to 30-minute loss of labor productivity is sufficient enough to wipe out a day’s profit on that operation. An hour’s loss takes care of both overhead and profit. In fact, even a minor oversight, such as failing to get the correct materials to a crew for just 30 to 60 minutes kills the profit and, probably, the overhead for the entire day. The same is true of a 30- to 60-minute encounter with an unforeseen site condition, a plan error or omission, or another contractor blocking the work area. Down time is a profit killer!

On the plus side, the correct selection of equipment, work crew size, and support personnel can be the cause of significant productivity increases. Most construction takeoffs and bidding are done using *aver-*

age or industry standard productivity figures and local job cost projections. An excellent supervisor — general foreman or superintendent — can and does pick very compatible, highly efficient workers and empowers them to continually produce more than the bid industry standard figures indicate.

The key is supervision. Every good supervisor records the day's successes and failures on the DCRR so the successes can be tracked later and carefully duplicated, and that the documented failures, too, can be carefully avoided later.

Reporting what and how much was produced and exactly what (labor, equipment, and materials) produced it, together with a commentary about the problems — and successes — encountered, is the essence of a consistent supervisor's DCRR.

Remember, consistent success is never an accident. It is the result of careful planning and detailed follow through, including the recording of how it was accomplished.

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Construction Claims Topics serve as guidance documents only and are written for the expressed purpose of helping construction industry executives and supervisors learn better ways of identifying the sources and causes of construction claims and preventing disputes.

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