

On The Level

Straight Talk from
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Predicted Fallout from the Economic Stimulus Package

I found a crystal ball while reading about the economic stimulus package. Here's what I see happening from the economic stimulus (this has nothing to do with the political ramifications and the downstream effects on our children and grand-children):

- 7^m **Far-sightedness will fade.** Near-sightedness will prevail.
- 7^m An urgent **call will be made to spend money** as soon as possible to create jobs.
- 7^m The emphasis will be to **get the design out the door** as soon as possible.
- 7^m This will precipitate:
 - **Poor communications** (lack of operator/owner and construction input)
 - **Poor review practices**
 - **Poor design**
 - **Little-to-no risk assessments**
 - An abundance of **RFIs, change orders, and settlement claims**
 - Underfunding (project **cost overruns**)
 - Project delays (**schedule-related claims**)
 - **More spending**

This is not good for our industry or our nation. We could even end up with poor performing facilities (like the Las Vegas Regional Justice Center) or funding fiascos similar to the Big Dig, and any other project that comes under some government authority.

Let's not destroy all the accumulated expertise that the construction industry has implemented: cost avoidance, cost & schedule risk assessment, planning & scheduling, scope management.

***Cost
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The goal is not to just provide jobs but to use our financial resources wisely.

I hate to be negative—it's not my nature—but I think we're in for a long-term series of major project cost overruns, schedule delays and claims.

I guess I'll have to work on the cost recapturing side of the business and put less emphasis on cost avoidance. It's too bad, because **cost avoidance is the cheapest money you'll never spend.**