

Seven Signs of a Troubled Project



What are the key signs that a ship or offshore conversion or construction project is in trouble?

Check off all of the following that apply to your current or recent contract. Then determine the health of the contract is by using the scoring procedure in the next column.

- The contract work got off to a very slow start.
- Equipment ordering or detail design has fallen far behind schedule.
- Subcontracted work is being assigned late or falling behind schedule.
- The owner-furnished equipment/information is arriving late or incomplete.
- Numerous alleged changes have not been negotiated or agreed-upon.
- The contractor and/or owner is having cash liquidity problems.
- The owner continues to request substantial changes late in the project.

The Health and Outlook of Your Project

Scoring: How many signs did you check as applicable to your current or recent contract?

ONE OR TWO: The contract is not really troubled, but the situation can deteriorate rapidly if both parties do not maintain good contract management practices.

THREE: The contract is beginning to experience potentially significant troubles. However the impact can be minimized by avoiding the need to address further requests for changes, resolving or canceling unauthorized changes, and pushing for open communications with the other party.

FOUR: The troubles are not just potential; they're quite real. Contract overruns of cost and schedule are almost certain, but can be minimized by application of proven contract management practices by both parties. Don't hesitate to bring in outside contract management support (not just project managers) to support your position. **(In other words, contact Fisher Maritime.)**

FIVE: Definitely call in the **contract management experts, Fisher Maritime**, first, to stabilize the rapidly deteriorating contractual relationships, second, to identify the means for rescuing the remainder of the project, and third, to start documentation for the potential post-delivery claims and counter-claims.

SIX: Call in the lawyers, too. There's a strong potential for one party or the other to allege contractual default. Legal counsel will help minimize that possibility or help you respond to it if it occurs.

SEVEN: *Dive for cover!* The contract is collapsing, and the project may never get completed under the current contract. Only the experts (**Fisher Maritime**) and lawyers will be able to sort out this catastrophe. Litigation or arbitration is likely if mediation fails.

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