

PRICING CONTRACTOR DELAY COSTS¹

MONTH YEAR

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to avoid resolution™

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Building on the lessons learned in
construction dispute avoidance

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WHAT ARE DELAY COSTS?

Costs that are incurred as a result of a project being delayed. These costs can be categorized into direct and indirect costs. Direct costs are those that can be directly attributed to the delay, such as additional labor, materials, and equipment. Indirect costs are those that are not directly attributable to the delay but are still incurred, such as lost productivity, reputational damage, and increased risk.

Direct costs include:

- Additional labor
- Additional materials
- Additional equipment

Indirect costs include:

- Lost productivity
- Reputational damage
- Increased risk

Other costs include:

- Legal fees
- Penalties
- Insurance

Summary:

- Direct costs
- Indirect costs
- Other costs

Conclusion:

- Delay costs can be significant
- They can be avoided or minimized
- They can be managed

Final thoughts:

- Delay costs are a real concern
- They can be avoided or minimized
- They can be managed

References:

- Project Management Institute (PMI)
- Construction Industry Institute (CII)
- McGraw-Hill Construction

CONTRACTOR'S OBLIGATION TO
MITIGATE DELAY

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