PLANNING-P6

PREPARING CLAIM FOR EXTENSION OF TIME (EOT)

Please Visit Our channel for More information and Learning By using the Below Link.

https://www.youtube.com/c/PLANNINGP6

If you need freelancer help for the preparation of your Extension of Time claims.

Please don't hesitate to contact the Planning-P6 team. we will prepare for you or your organization.

PREPARING CLAIM FOR EXTENSION OF TIME (EOT)

TABLE OF CONTENTS

PREPARING CLAIM FOR EXTENSION OF TIME (EOT)

The article provides a guideline to prepare claim of Extension of Time (EOT) for Project. The article also emphasizes on the factors which act as pre-requisite for the preparation of Extension of Time (EOT) claim.

A project is a temporary endeavor undertaken to create a unique product, service or result. The word “temporary” depicts the time bound nature of the project requiring a start time and end time of the project to cover the project scope.
Project managers carry out rigorous exercise along with the project team to define project schedule as part of the plan. This schedule is used to measure and control the schedule variance during the rest of the phases of project. However, many projects do not complete within the agreed upon timelines. There are various reasons of the delays in the project
The articles focus on the identification of delays and impact caused by the dependencies in the agreed upon project timelines. If these dependencies are not resolved in timely manner, this will impact the successor activities henceforth rest of the work. Therefore, the delay in the resolution of dependencies results in the delay in the overall project. The impact of the delays is severe when the critical path activities are subject to effect.
Project manager keep monitoring the risks registers and project dependencies to evaluate the impacts. Any deviation of time brings impact on projects. Even the stakeholders may have to compromise on the scope to meet the deadlines, or incur cost due to crashing and fast tracking. Even to extend the timelines.
There are certain reasons of extension of time. If the extension of time is due to the new scope induction through change management, it is simply a forecasting of the effort required based on the scope of change. This article focusses on preparation of claim for the EOT critical to avoid the penalties and sometimes helpful to impose the penalties to the contractor. The Impact analysis of the delays due to the dependencies is explained in this paper. And how the impact analysis can be referred in the claim to make it rationale and convincing with the evidence of the facts causing delays. An example of project schedule is provided to illustrate the steps required in primavera to perform impact analysis for the interim claim of EOT.

CONDUCT PROJECT DELAY ANALYSIS AND PREPARE EXTENSION OF TIME (EOT) CLAIM

Many projects get delayed due to various reasons. Specially, the high value and high-risk projects for large enterprise have the greater tendency to run of time due to complexity of integrated environments resulting in internal and external dependencies. Usually, these projects are fixed cost projects with waterfall methodology achieved though bidding process.

PREPARING CLAIM FOR EXTENSION OF TIME (EOT)

In the fixed cost projects, any delays may cause severe financial impacts if not properly handled. Even the delays incurred in the project can trigger the late delivery charges due to the delay in project completion. Project manager therefore has to play a significant role in the identification of the delays but also the reason of the delays to calculate time of extension and rationale of the delay.

The below mentioned items serve as the pre-requisite to submission of Extension of Time (EOT) claims.

1. SETTING UP THE PRE-REQUISITES

1.1. PREPARE BASELINE PROJECT SCHEDULE

This article does not cover the process to prepare the project schedule in this article. The PMI standards are very well defined to understand the mechanism to create project schedule. It is urged that project schedule preparation is one of the keystones for successful project management. The project managers should define detailed work break down structure will all the tasks, milestones and dependencies. Project managers should focus on the identification of dependencies and risks both internal and external Project schedule with clearly defined dependencies enables project managers to monitor and control the schedule.

1.1.1 Dependencies

While defining dependencies project team should think of all the possible dependencies of Engineer, or third parties that are employed by the Engineer to carry out Employer's portfolio as well as Programme. The project manager must ensure that the dependencies including discretionary and mandatory are properly identified. These third-party dependencies may impact to the project schedule at the later stage thus drag the project completion dates from initially planned project completion date. The importance of defining dependencies within the project at the earliest stages provides multifaceted benefits to the project team; they help

all the stakeholders to understand the limitations and constraints that may impede the project timelines, also each stakeholder agrees to what is expected of them, in addition to this the project progress monitoring brings transparency to the timeline's variation along with the root cause. Couple of examples include:

Provision of Approval of design by the Engineer to initiate the installation and configurations.

1.1.2 Data Date

For the initial version of project schedule cutoff date is set to Project Commencement date.

Very simple example of schedule is provided to understand the theme of the delay calculation due to delay factor that have impeded other activities due to the dependency as set out in the baseline schedule.

1.2. SEEK APPROVAL OF BASELINE PROJECT SCHEDULE

Once a project schedule baseline version is prepared. Project manager must seek the formal approval of the baseline project schedule. This project schedule will serve baseline to measure any variance of time with respect to the actual dates. The approval of the baseline project schedule will be used for future reference.

1.3. PREPARE AND DISSEMINATE PROJECT PROGRESS REPORT

Project manager prepared and disseminates reports after agreed upon time period. In each report project schedule percentage completion is marked along with the updated Cut Off date. The project schedule may be referred as a Programme.

The Program serves the key to identify any time variances, and possible impacts the delayed activities. Project manager should keep list of risks, dependencies in the status report.

1.4. SERVE NOTICES

Project manager should proactively initiate stakeholders, project sponsors and client organizations. The notices with the possible delays should be highlighted and officially communicated in case of open-ended dependencies that have caused delays as compared to the baseline version.
The baseline schedule, Program and evidences like letters must support the rationale of serving notices. Furthermore, these notices are the pre-requisites to the Extension of Time claim.
There may be several notices served for different issues or even multiple notices may be served for critical delays.

1.5. PREPARE CLAIM FOR EXTENSION OF TIME (EOT) CLAIM

The pre-requisites in section 2 have been clearly worked out along with the passage of time.
The aforementioned items are all required to submit the claim for extension of time. The delays are identified. Following are the main areas to be addressed in the Extension of Time (EOT) claim:

1.5.1. Introduction And Background

In this section you may provide the details that comprise of the following information in order to elaborate the context and rationale for the claim to be submitted:

a. Provide brief overview of the project with aim and background.
b. Specify the commencement and awarding of the contract by the Engineer.
c. Explain the purpose of the Claim document
d. Provide evidence of the submission of baseline schedule to the Engineer.
e. Provide evidence of the approval of the baseline schedule by the Engineer.

1.5.2. Basis of Entitlement of Extension of Time

In this section provide you may Refer to the clauses of the contract that entitles contractor to apply for the extension of time. This will bring you in a negotiation position. Usually, the high-risk high value project contracts

are quite extensive and comprise of such provisions of entitlement to claim an Extension of Time.

For example:

"The Contractor may claim an extension of the Time for Completion…."

a. the failure of the Employer to fulfil any of his obligations under the Contract,
b. delay by any other contractor engaged by the Employer,

1.5.3. Details of Delay in Events

In this section specify complete scenario of delays, correspondence for further necessary action, served notices, and impact of any feedback on the resolution. And the status of the resolution on the current stage. As briefed in section 2, project manager prior to sending EOT claim must have served multiple notices based on the delayed activities of the project. All such references will help you make your claim furbished with evidences for consideration by the Engineer
In our example, the main delay event is the lack of provision of test server by the Engineer which has stalled activities comprising of deployment of application on the test and henceforth the P2P testing of Module A, B and C are stalled till the dependencies are resolved by the Engineer.
In this scenario, it is expected from the project manager that time to time notices must have been served with the purpose to request the provision of the test server.

1.5.4. Calculation of Delays

This is the most important step for the delays analysis and quantify the new completion date to claim the extension of time for project completion. There may be a situation where couple of delaying dependencies which are closed and rest of them are still open.
For the closed dependencies, you have the actual date that you can feed in the project schedule to calculate the delay impact, however for the dependence that are not closed, you need to mark an assumed date of completion (may be current date) for evaluating impact on the impacted project activities to start their normal course of action.
It is important to mention here that if the delay analysis is calculated based on the assumed date, there is a chance that the dependency may not be closed even on the assumed date. Therefore, it would be better to state that the claim is interim.

PREPARING CLAIM FOR EXTENSION OF TIME (EOT)

In the example, the main delay event is the lack of provision of test server by the Engineer which has stalled activities comprising of deployment of application on the test and henceforth the P2P testing of Module A, B and C are stalled till the dependencies are resolved by the Engineer.
It is important to mention here that the tasks must be on the critical task so they do not have float.

Sr. #	Activity Head	Activity ID	Start Date (Baseline 1)	Anticipated Start Date	Project Finish Date (Baseline 1)	Impact on Project Finish Date	Variance (days)
1	Application P2P Testing	P2P1010	19.Mar.18	15.May.18	06.May.18	04.Jun.18	29
2	P2P Test of Module B	P2P1020	26.Mar.18	15.May.18	06.May.18	28.May.18	22
3	Application P2P Testing	P2P1030	02.Apr.18	15.May.18	06.May.18	21.May.18	15

Table 1 Delay Analysis for the impeded tasks.

The above table depicts the Impact analysis based on the activities referred from baseline project schedule. The cumulative effect of the overall delay events results in a delay for the project in number of days as causing of the shift from baseline completion date to new completion date.