

# 5 Factors That Can Render Typical Construction Risk Registers Obsolete

*Plan A Template Tune-Up To Recalibrate Risk To Today's Realities, In Order To Mitigate Dispute & Litigation Potential*

PHILADELPHIA, PA, UNITED STATES, August 22, 2023 /EINPresswire.com/ -- A risk register is a tool

that construction project managers use to predict, document, track and manage issues that could negatively impact their achieving project goals. Many managers and firms start with a risk register template, that is based on prior risk experience, as the foundation of each project's risk management program.

According to James Gallagher, Principal at Resolution Management Consultants, "In the last year or so, factors relating to risk have undergone disruption. Some important risk factors are now less important and vice versa. If your construction management team is using a

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*James Gallagher, P.E., F.ASCE*

risk register that hasn't been updated in the last twelve months, it is probably obsolete."

Gallagher observes, "Priorities have changed and factors have come into play or grown in importance where they can dramatically impact the outcome of projects, like never before." Gallagher has identified 5 such factors that need to be reevaluated and possibly given a higher priority in project risk management:

## 1) Force Majeure

Future templates must handle the force majeure concept in a more specific and less general way than it has been treated. In the past, it has been frequently dealt with as a single category. Today, force majeure factors should be broken out to represent a number of items. The template should specifically identify and define each risk likelihood, potential damages, effect on timelines, and more.

## 2) Inflation

In the last ten years or more, inflation was rarely a factor, because it barely existed. Today, inflation is raging and no one knows where, when or how fast this current inflation spiral will rise

and when it will peak. Price and interest rises can add risk pressure on material acquisition, wages, progress delays, payment delays and more.

### 3) Federal and state government regulations

Government regulations are affecting construction like never before. Although the President recently signed a law officially ending the pandemic and the emergency powers governments utilized, what is the risk and result of emergency powers being enacted again sometime? What is the risk of those federal and state regulations conflicting in a way that affects construction? For example, in the recent past, if a federal inspector was not permitted to visit a federal project, due to state health regulations, that might have affected its progress, since without the inspector the job cannot continue to the next steps.



James Gallagher - Principal, Resolution Management Consultants, Inc.

### 4) Trained personnel availability

Although we believe that the scarcity of people to fill jobs is starting to balance itself, managers must be wary of risk resulting from the scarcity of trained, experienced people to fill construction jobs. This phenomenon will manifest itself by potentially increasing risk in safety, quality and timeliness, among others.

### 5) Global activity and its increasing influence on local construction risk

Time was, when global events had little effect on local construction projects. Today, such factors as supply chain dynamics, the global economy, warring nations, politics and others increasingly affect risk relating to the successful completion of construction projects.

Gallagher recommends that once a risk register has been tuned up, construction project managers also recalibrate contingency levels and make sure they are compatible with their risk assessment and expectations.

Says James Gallagher, " It's not as though these issues have not been there, however in just the last year, risk has been transformed by dynamic new factors. It's important to recognize the transformation and tailor risk management to the realities of today's construction world."

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## About Resolution Management Consultants, Inc.

Resolution Management Consultants, Inc. (RMC) is a nationally recognized consulting firm headquartered in Marlton, NJ. There are two sides to the business: the construction planning and management aspect – helping clients build more successful projects – and the litigation aspect – should matters go to court, providing analysis and testimony as expert witnesses. Founded in 1993 by veterans in the construction, contracting and engineering professions, RMC has assisted numerous private owners, public agencies and contractors in either achieving project goals or resolving cost and time disputes between the contracting parties.

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