

TECHNICAL SERVICES

ETHICS – EXCELLENCE – VALUE – TEAMWORK



Case Study

Let's Cross That Bridge

BRIDGE COLLAPSE—COURSE OF CONSTRUCTION

At the time a municipality in Alberta made the decision to demolish and reconstruct a 100-metre bridge, it had been serving as a major east/west corridor into and out of the city's downtown for over a century. The bridge had reached the end of its lifespan, and a new one was needed. However, the estimated construction timeline would result in a high volume of traffic being diverted during a lengthy closure.

Demolition began in July 2014, with a planned re-opening approximately 15 months later in Fall of 2015. The building of the new structure was proceeding as scheduled until March 16, 2015, when the project took an unexpected detour.

During installation by a subcontractor, three steel girders buckled. The bridge did not collapse, but the ensuing repair work would significantly delay the project and increase costs. Differing priorities became a source of conflict. The contractor wanted to minimize the delay penalties they would incur and maximize the insurance payout while the insurance provider did not want to pay more than was necessary. And the city hoped to minimize construction delays and control costs. Moreover, there were issues with the policy allowance and the sharing of information between the parties involved. Already an extensive undertaking causing major traffic headaches, these complications only added to the problems.

As is often the case with the highly technical claims, this

file was unique in many perspectives including the diverse stakeholders, costing methodology, and communication processes, to name a few. Broad spectrum expertise was needed in the areas of engineering, construction, and finance—not to mention solid project management skills—to help navigate the claim through to settlement.

The insurance provider engaged SPECS Technical Services to understand the loss, develop a scope of repair work, review ongoing invoices, make payment recommendations, and, of course, settle the claim.

From the start of the project, SPECS was faced with many challenges, putting to the test the knowledge, experience, and processes built over the company's 20 years in the business.

Perhaps the single greatest obstacle was communication and the provision of information. Typically, infrastructure projects have multiple stakeholders who are engaged in the completion of work—and this project was no different. The municipal body, contractor and subcontractor all had a role in the claim, while SPECS itself was dealing with the insurance, the adjuster and with the construction company. Acquiring the necessary documentation took significant time, causing further delays to the project. When information was provided, it often did not contain details about the project schedule or backup invoices. This made getting a full understanding of the file difficult, and resulted in insufficient information to approve, or reject,

a portion of the claim. Even weather conditions played a role, as the site's location made it problematic when trying to document the loss.

SPECS worked through these challenges. One strategy employed was issuing multiple requests for information (RFI) to get the accurate and comprehensive responses required. All documents received were cross-referenced to detect discrepancies.

Key to the process were the critical analysis tools that SPECS used to slice available information into many categories and analyze these against policy allowance. From there, a master database was created to compare various sources of information. The team measured all cost elements against industry benchmarks to comprehend thoroughly and explain any variances, which were followed up on an as-needed basis via RFI questions. In doing so, numerous inconsistencies in the information and documentation, as well as in the claim process, were identified.

Drawing upon their backgrounds in Engineering, Finance, and leadership, the SPECS team discovered additional issues in the file details. The team's knowledge and experience was required in order to use the engineer's report to conduct damage analysis, recommend an action plan, and complete claim reports.

While managing this review process and cost benchmarking, SPECS maintained an impartial position by keeping all parties involved. This included sharing both the methodology and the results (with permission from the insurance company), after examining the first set of invoices. This transparent approach, coupled with subject matter expertise and careful preparation, helped expedite claim resolution.

SPECS further worked to reduce the repair timeline through quick reporting and collaboration with members of the professional design team. This included connecting not only with construction management staff to define workmanship related costs and their elimination strategy but also with the construction company itself to clearly understand the daily work schedule. Further time savings were achieved through an optimization study, schedule analysis, and a variety of other tools, allowing SPECS to challenge the project schedule and associated costs.

The final result?

Beyond saving valuable time, SPECS' rigorous process eliminated many non-claim related cost items and reduced the overall cost of the claim—approximately 30% reduction in costs.

While repair work is still underway, construction is scheduled to be completed in Fall 2016—proving that with the right combination of expertise and experience, any bridge can be crossed.