



## **Risk Tip 9 – Managing Scope Creep**

*Provided as a courtesy by the ACEC/MA Risk Management Forum*

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Scope Creep is the bane of the average engineer's existence but it doesn't have to be that way. Scope creep comes in two forms: self-inflicted and that caused by the client and/or site conditions. The key lies in avoiding the first and figuring out how to get paid for the second.

Self-inflicted scope creep is usually the result of an engineer's goal for perfection in the design. "I need more samples." "I need to run another model." "What if I use different parameters?" Sometimes these are good questions and they really do need answers. Other times we're just not able to put down our pencils until we've analyzed things to death. A good test to determine if the additional analysis is needed is whether you can explain to the client why you need more data or models or analysis. If you can explain to the client why you need it – and why he should pay for it – then you probably really do need it. If you can't justify it, then you probably can live without it. Don't budget for a Volkswagen and produce a BMW, especially if the client didn't want the BMW.

Scope creep brought on by the client and/or site conditions is often viewed as the enemy but it can really be your friend. After all, it's more work. The challenge is convincing the client to pay for it. Often clients view everything as part of the original scope and budget. When the client requests something that is not in the original scope, make it clear that the item is out-of-scope and will cost more money. Be sure to make it clear up front and get the client's approval before proceeding. Don't wait until later when the invoice is about to go out and now you are hitting the client with an unpleasant surprise.

It is important that the initial project scope be very clear and specific. Identify the services that you will be performing, what services are not part of the scope and what additional services can be provided, but for an additional fee. If the scope is vague, it's easier for there to be a misunderstanding that something was included in the budget and isn't extra. For example, if you budgeted in the scope to attend 5 meetings, say that. Otherwise the client will likely assume that your budget included all of the 25 meetings you actually end up attending to resolve unforeseen issues. Sometimes there is room within the existing budget to do something extra. If that is the case, make sure the client is aware you are able to adjust the services to provide more, yet stay within the original budget. This affords you the opportunity to demonstrate to the client that you are looking out for his/her best interests in controlling cost. Get credit for it.

A far more frequent occurrence on projects than claim or liability issues is losing profit due to the need to spend additional time on tasks beyond what was budgeted. Budgets and the scope are estimates. They are based upon assumptions of the level of effort and time expected to complete each task. It is essential that the team be managed effectively so as not to exceed the schedule or unnecessarily add to the cost. However, if an unforeseen condition occurs that requires additional time or more services, it is imperative to alert the client early and seek fair compensation for the additional level of effort.

The key to successfully obtaining the additional compensation is communication. Talk with the client and explain the reasons why the additional work is needed. Follow up in writing so that there is documentation should a question ever arise. Get approval before proceeding, otherwise you risk performing the added tasks without any compensation. Don't be afraid to ask for more money to perform extra tasks that add value. Don't lose sight of the fact that engineers bring true value to construction projects and are essential to their success.

Doing extra work without authorization is not just a problem of getting paid. It can also lead to liability issues if site conditions are uncovered that cost the client money and may not have been discovered at all if it were not for the extra work. For example, in being overly cautious, an engineer adds additional test borings to the scope that are not otherwise required. Contaminated soil is then discovered from the additional borings. Now the project owner is stuck with a remediation of a contaminated site which will likely not make him very happy, to put it mildly.

Finally, don't be afraid to ask for more money for performing extra tasks that provide value. The client is getting the added benefit and likely would have paid for it if it had been in the original scope. So why shouldn't you be compensated for it? When providing valuable additional services, don't sell yourself short.

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