

“THE BETTER THE QUESTION, THE BETTER THE ANSWER” GOOD PRACTICE FOR PROCESSING RFIs

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As the complexity of construction projects increases, Requests for Information (RFI's) have equally become more complicated and costly.

Multiple parties and disciplines are involved in the preparation of the necessary documentation relating to construction projects. Document management and version control is critical but unfortunately frequently results in discrepancies, ambiguities and differences between the numerous documents that constitute the scope of work.

In this environment it is no surprise that recent research identified the average number of RFIs per project in Australia is 650 with the median turnaround time for processing each RFI being 8 days and the resulting additional direct costs only being \$910,000.00 per project.

The research concludes that this is “eating unnecessarily into contractors’ profit margins” at an average rate of 1% of a contractor’s profit margin per project.

Some of the key findings of the report are summarised below:

- The average number of RFIs per project is 650
- The median turnaround time for RFIs is 8 days
- Around 5,200 hours is spent dealing with RFIs on each project in Australia
- The average cost of processing each RFI is \$1,400 [based on 4 hrs admin @ \$100/hr plus 4 hours technical @ \$250/hr]
- The total cost per project is \$910,000.00 [650 x \$1,400]
- On commercial projects only half or less than half of the total RFIs had occurred by the time the project had reached 50% completion
- The later the RFI occurs in a project’s completion the more likely it is that the cost and time impact will be greater

It is significant to note that the report further acknowledges that in addition to these direct financial costs there is also the cost of rework and variations that may arise from RFIs. The amount of \$910,000.00 per project is therefore conservative.

Therefore, if on your project, it takes more than the median 8 days turnaround time for each RFI then it is critical to review your practice and procedures for dealing with RFIs.

The following 10 points should be considered:

1. **What is being asked**

The wording of the RFI is critical and the question being asked should be concise, clear and leave no room for confusion as to what is being requested.

It is recommended to separate different issues that may require a response from different disciplines e.g. Mechanical Engineer or Electrical Engineer and not group things together which may only delay the overall response time.

2. **Why is it being asked**

The background or the context as to why the question is being asked is important and must be communicated as part of the RFI to ensure a relevant response is provided.

3. **A picture tells a 1000 words**

Photos / videos / drawings / sketches can be very helpful in identifying particular problem areas and communicating the issue to all parties to view and gain a quick understanding of the issue.

4. **Software**

A suitable cloud-based system will assist in minimising the delays by enabling all relevant parties to view the RFI simultaneously and in real time. Bearing in mind the research paper, referred to above, indicated that there are on average 650 RFIs per project the process for managing this volume of RFIs needs to be as efficient as possible.

However, no matter how good the software never forget item 1, above, as the better the question the better the answer. So, make it clear and be specific and refer to the necessary context as to why the question is being asked in the first place.

5. **Template**

Develop an RFI template. This can then be replicated across different projects ensuring that all the key information is communicated.

6. Tracking and Monitoring

Maintain a project wide register of RFIs with unique numbering, date of creation and date of response

7. Response Time

Identify when the response is needed in order to minimise subsequent delays.

8. Submit Early

Submitting an RFI when the issue is critical or near critical is more likely to result in project delays. The above research identified that the later the RFI occurs in a project's completion the more likely it is that the cost and time impact will be greater.

9. Response to RFI

Ensure that the recipients give a response to the RFIs and check if they are adequate or not. If the responses meet your requirements, mark the RFI status as 'closed out'. If not mark it as "outstanding" in the log / register.

10. Determine the impact of the responses on the project programme and costs.

If there is an impact, log the response as a potential variation and review it with the project team.

I have certainly worked on numerous claims and disputes where the volume of RFIs and the time taken to process them has resulted in further significant time delays to the project completion and associated in-direct costs / damages.

For example, if the particular activity affected by the RFI is a critical activity in the programme then the in-direct delay and / or disruption costs during the overall median 8 day turnaround time will be significant.

It would not be unexpected for these further in-direct delay costs / damages to be greater than the initial direct costs of \$910,000.00 identified above, therefore, this is clearly an area worth paying attention to and making sure you have adequate contract administration procedures in place to process RFIs efficiently.

As the report concluded, there certainly is a "strong economic imperative for efficient control of RFIs on projects." For assistance setting up an RFI template or to discuss the best form of technology to use please contact me directly or your local DGA office.

1. Published in the current edition of Construction Research & innovation.

The research was a collaboration between the University of Melbourne, led by Dr Ajibade A. Aibinu, senior lecturer in quantity surveying and construction economics, and the Aconex Data Analytics team.

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