



COGENCE Alliance

Owners + Architects + Engineers + Contractors

Inspire. Educate. Unite.



Mission + Purpose

Cogence *(Latin)*

“To drive together” or “Thinking that is well organized”

The purpose of the Alliance is to bring Owners and Developers, Architects and Engineers, Construction Managers and Contractors, and Allied Industry Professionals together to **advocate** and be a **resource** for improved project delivery.

For more information visit us at www.cogence.org

Inspire. Educate. Unite.



General Announcements

- **Thank You Tuwhanna Williams, National Administrator!**
- **Volunteers for the 2024 Town Hall committee**
- **January 17, 2024 - Cogence Strategic Planning Meeting: Idea Sharing on Programs, New Board Members, Updates from all Committees, Social**
- **2024 Annual Dues email will be coming out in December**
- **New Cogence mailing address: PO Box 770373, Lakewood, OH 44107**

ANNUAL HOLIDAY DONATION DRIVE

NOVEMBER 15TH – DECEMBER 15TH

PRESENTED BY



BENEFITING



Please bring new and unwrapped items:

BLANKETS
STUFFED ANIMALS
LEGO SETS & PLAY-DOH SETS

BOOKS
COLORING BOOKS
CRAYONS / COLORED PENCILS

ADULT SWEATSHIRTS & PANTS
PAJAMA SETS
SOCKS

Drop off by Friday, December 15th to:

AKRON LOCATION
HASENSTAB ARCHITECTS
190 N. UNION STREET, SUITE 400
AKRON, OH

CONTACT: MATT GLASSNER
mglassner@hasenstabinc.com

CLEVELAND LOCATION
REGENCY CONSTRUCTION SERVICES, INC
5475 ENGLE ROAD
BROOKPARK, OH

CONTACT: SCOTT WAGNER
wagners@regencycsi.com



SAVE THE DATE

COGENCE Alliance
Owners+Architects+Engineers+Contractors

Annual Clay Shoot

**June 14, 2024
Hill 'N Dale Club
3605 Poe Road, Medina, OH**

Sponsorship
Opportunities

Shoot + Lunch +
Dinner + Prizes

Save The Date!

September 12-13, 2024

Cogence Town Hall

Easton Town Center, Columbus



Risk – Cogence 2016 Roundtable

Leadership		Communication	
Change within Project Timeframe Lack of Engagement Misalignment of Personalities Not Involved Early Enough to Affect Outcome		Lack of Transparency Not Open, Honest, Timely Fails to Clarify Intent Does Not Happen	
Failed Expectations		Contract Issues	
Schedule / Budget Not Realistic Overcommitting Forced to Accept Deficiencies Assumptions Made on Incomplete Information		Scope Not Detailed Shift Risk to Inappropriate Party Not Negotiable Not Properly Coordinated with Team	
Financial	Project Management		Quality
Schedule Delays Business Operations Effort Exceeds Budget Pricing Assumptions Cash Flow Estimates Based on Incomplete Info. Aligning pricing structure to compete with market	Inexperience Not Being Clear with Performance Expectations Scope Creep / Scope Change Reliance on Consultant / Sub Performance Overextended Workload Not Involved Early Enough to Affect Outcome		Poor Craftsmanship Incomplete / Conflicting Docs. Constructability Issues Poor Performance Drawings Never Perfect / E&O Changes in Scope Without Change to Schedule; Quality Suffers

oswald

Risk Management • Insurance • Surety

For The Design & Construction Industry



Debbie Beebe, CPCU, CIC
Vice President, Practice
Leader – Design



Kathie Krozser, CISR Elite
Client Executive,
Architects & Engineers

oswald[®]

A UNISON RISK ADVISORS company



X^L Insurance

Risk Drivers 3

oswald[®]

Risk Management • Insurance • Surety
For The Design & Construction Industry

Debbie Beebe, CPCU, CIC
Vice President , Practice Leader – Design
Oswald Companies

Kathie Krozser, CISR Elite
Client Executive - Design
Oswald Companies



1 What is Risk?

Risk



the chance of loss

Risk Identification

- determining which risks might affect a project

Risk Mitigation

- technique to reduce project risk

200

Average hours spent
defending claims

Cost of your small claim hours:

▶ 80 hours x \$120 per hour = \$9,600

▶ \$96,000 of revenue is needed*

**Current
average**

**200
hours**

**Past 3-year
average**

**80
hours**

* Assuming a
10% profit margin



2 Risk Drivers

AXA XL's Design Professional Insurance



Risk Drivers

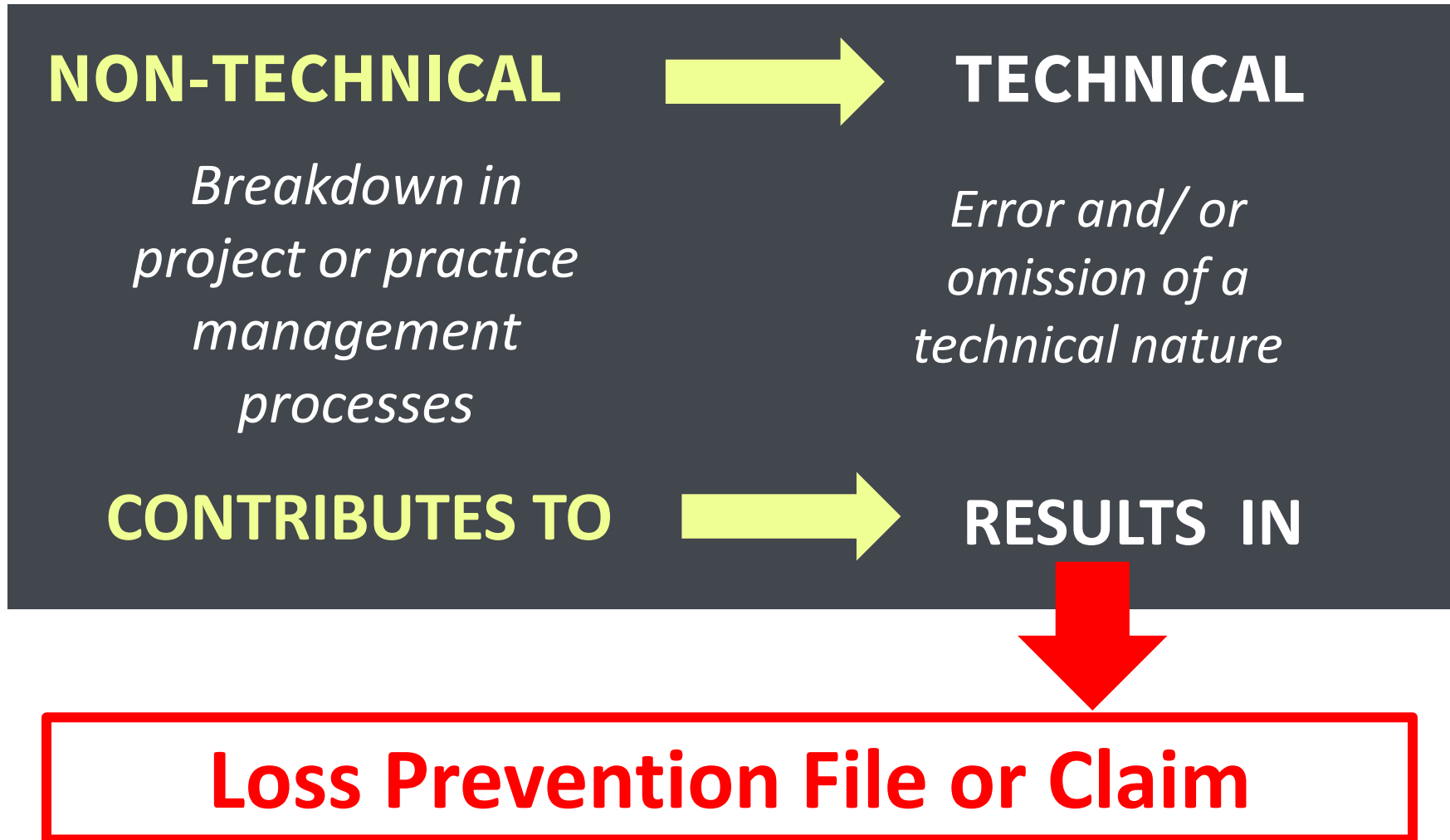
2

classifications of causes leading to a loss prevention file or a claim being made

1) **TECHNICAL**

2) **NON-TECHNICAL**

Technical vs. non-technical



40% **Communications**

21% **Client Selection**

15% **Project Team
Capabilities**

12% **Construction
Phase Services**

8% **Quality
Management**

5% **Negotiations &
Contracts**



Top Six Non-technical Risk Drivers

Percent of claims
5-year period



3 Risk Elements

Up Next

Risk Elements

- Specific issues (elements) within each of the Risk Drivers
- Each Risk Driver has multiple risk elements

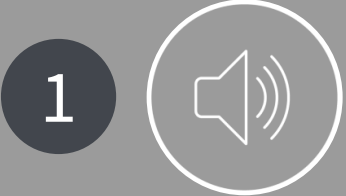
Mitigate this risk – examples of procedures, processes, recommendations or actions to mitigate these risks is provided for high claims risk elements



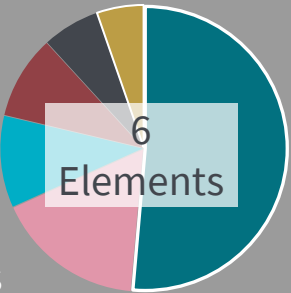
Details

Risk Driver Elements

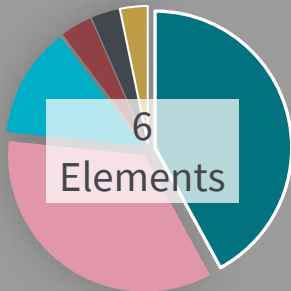
AXA XL Risk Driver



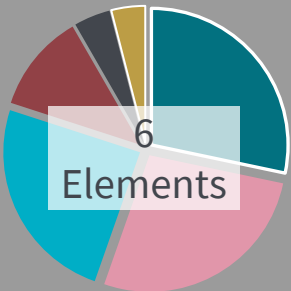
Communications



Client Selection



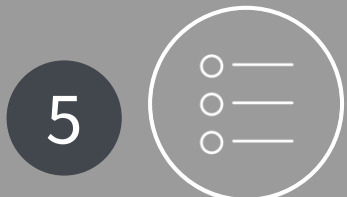
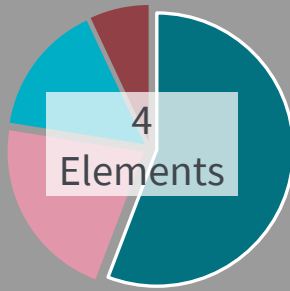
Project Team Capabilities



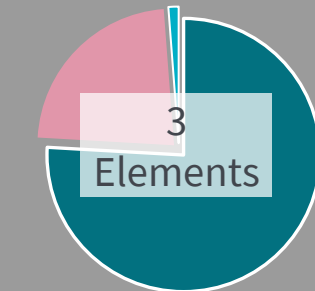
AXA XL Risk Driver



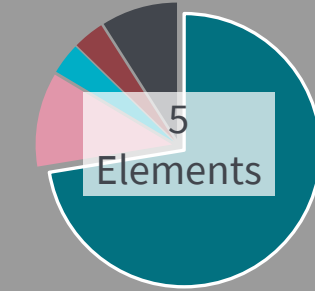
Construction Phase Services



Quality Management



Contracts & Negotiations



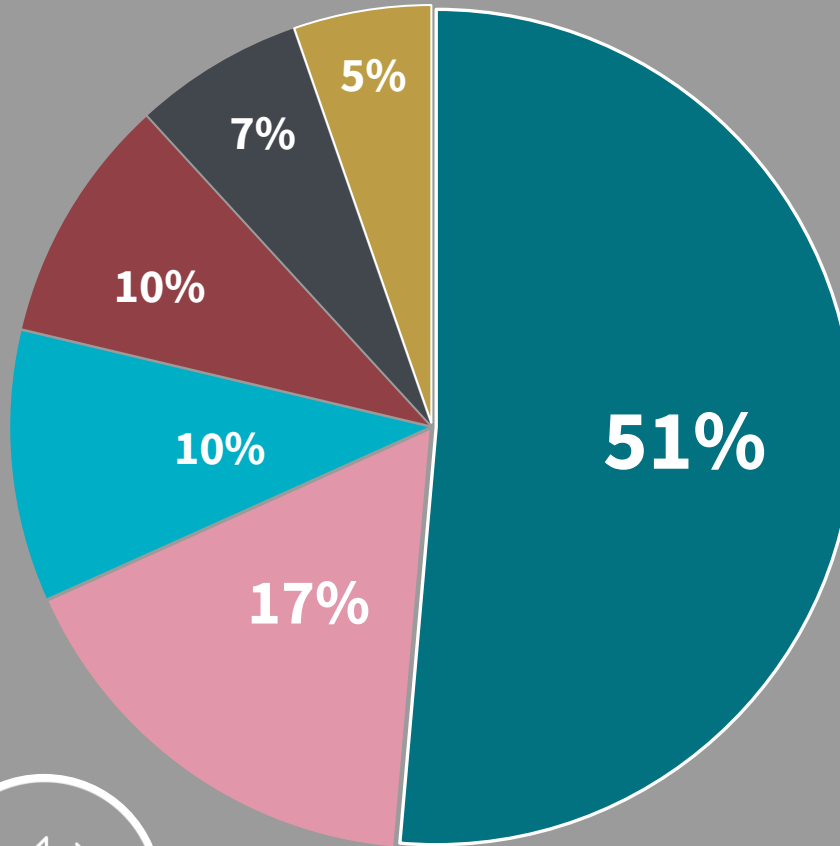
5-year data Risk Drivers (No. 1 by claims count)



Communications

40%

of non-technical
Risk Drivers



AXA XL Risk Driver Elements

	Lack of procedures to identify conflicts, omissions, errors
	CORE (Combination of Risk Elements)
	Scope of services not clearly /appropriately explained to client
	Lack of documentation regarding changes in scope, budget, etc.
	Project issues & potential disputes not handled correctly
	Project staff not aware of their responsibilities or expectations

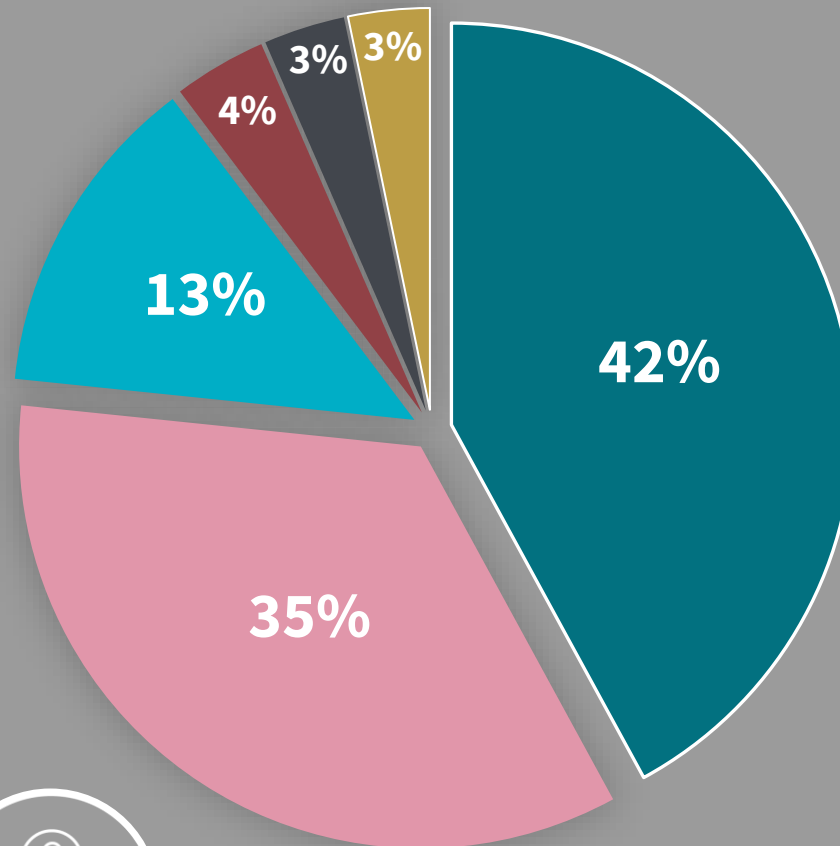
5-year data Risk Drivers (No. 2 by claims count)



Client Selection

21%

of non-technical
Risk Drivers



AXA XL Risk Driver Elements

	Client inexperienced in project/design issues
	Client has history of claims & litigation
	Client in poor financial condition
	Contractor selection: QBS vs. fee shopping
	No formal review of client
	Client behind or not paying design or contractor fees

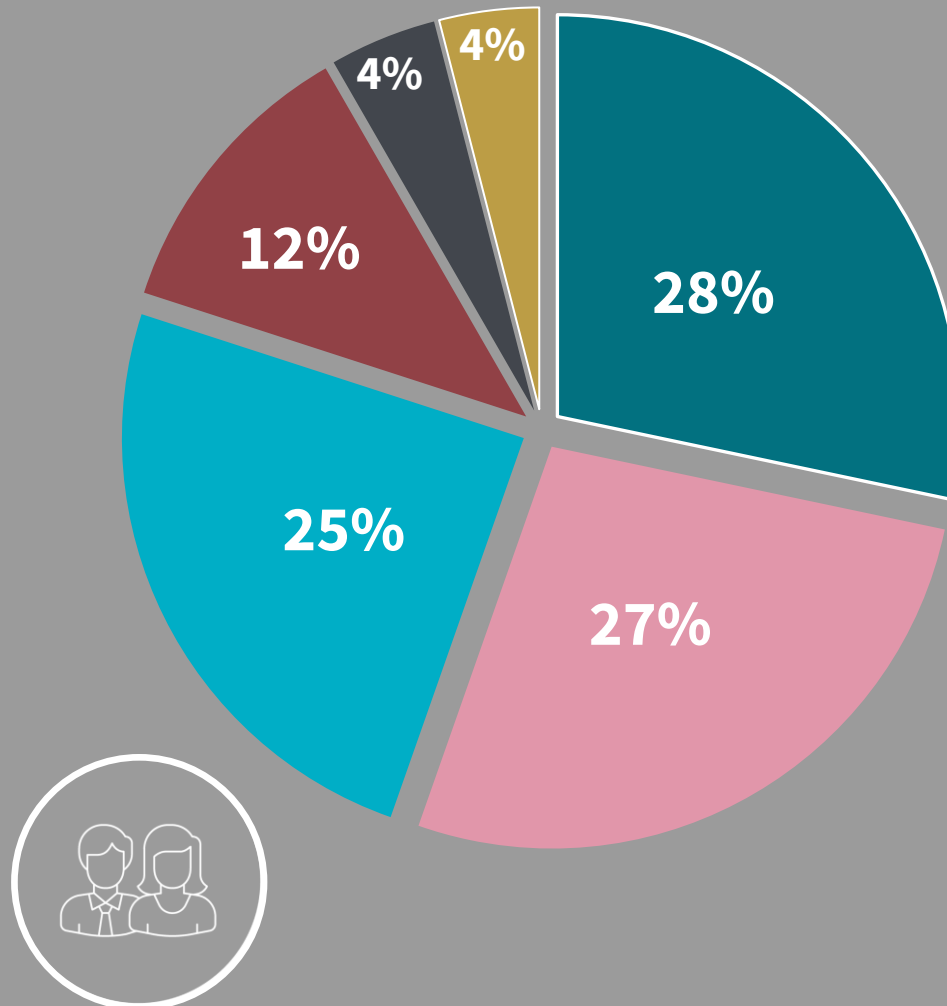
5-year data Risk Drivers (No. 3 by claims count)



Project Team Capabilities

15%

of non-technical
Risk Drivers



AXA XL Risk Driver Elements

	Unqualified/deficient design staff assigned to project
	Inexperienced or deficient project manager
	CORE (Combination of Risk Elements)
	Design firm inexperienced in project type
	Unqualified/deficient on-site staff assigned to project
	Multiple elements of < 2% each

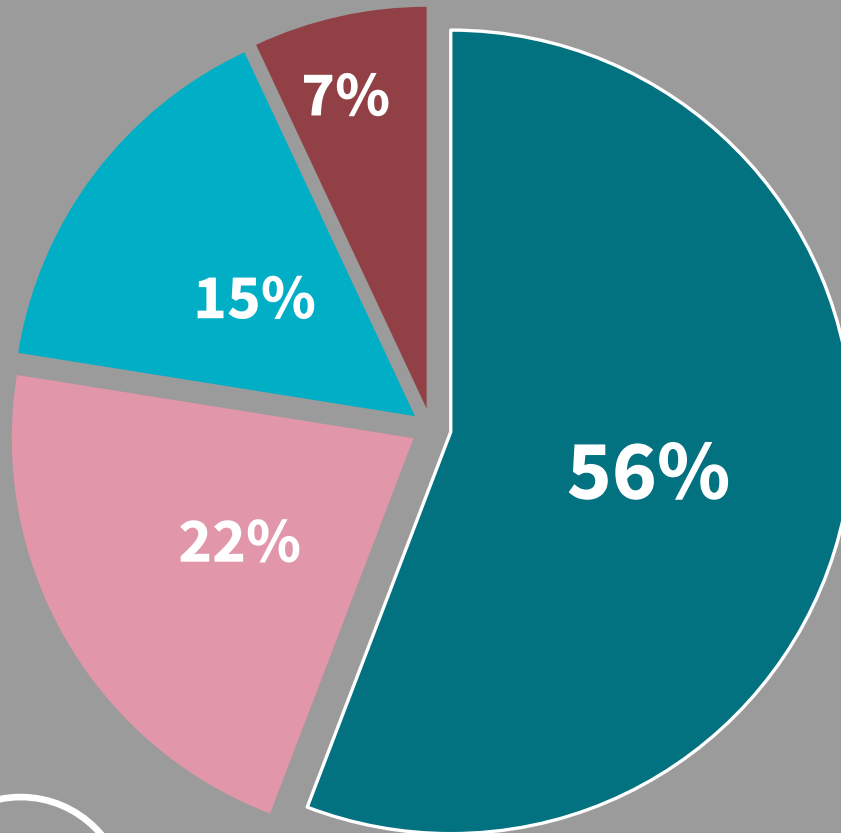
5-year data Risk Drivers (No. 4 by claims count)



Construction Phase Services

12%

of non-technical
Risk Drivers



AXA XL Risk Driver Elements

	Inappropriate construction observation
	Inappropriate/inconsistent shop drawing/submittal-review procedure
	Issue with contractor: arguing, trading, gratuitous undertaking
	CORE (Combination of Risk Elements)

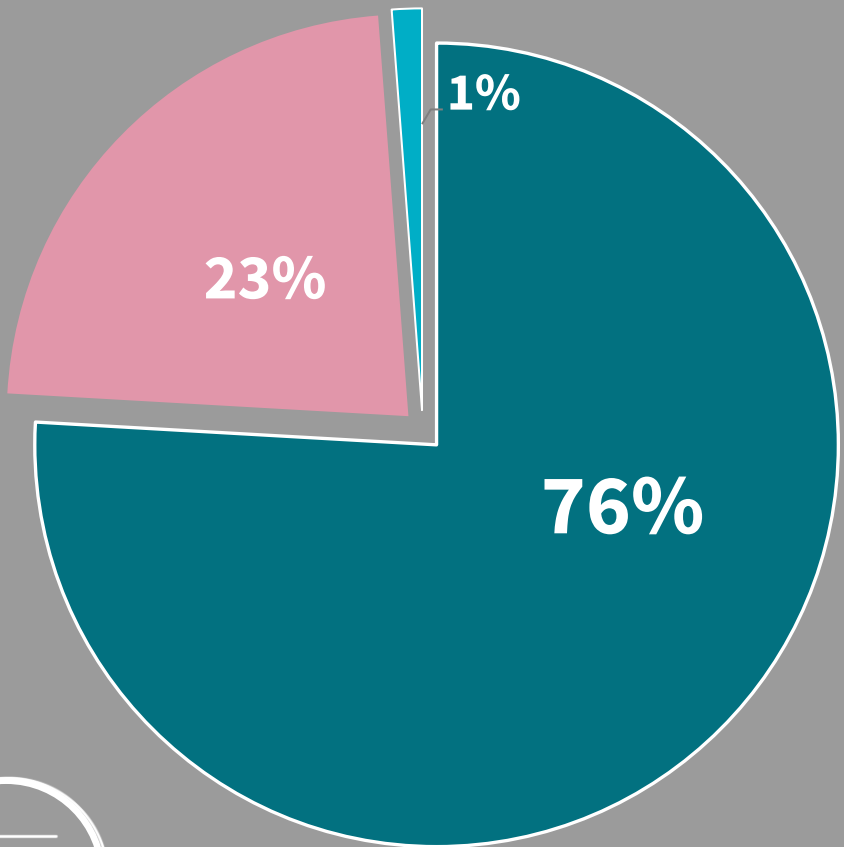
5-year data Risk Drivers (No. 5 by claims count)



Quality Management

8%

of non-technical
Risk Drivers



AXA XL Risk Driver Elements

	Lack of quality assurance/ control procedure to reduce error
	Lack of early action plan to handle project upset/dispute
	CORE (Combination of Risk Elements)



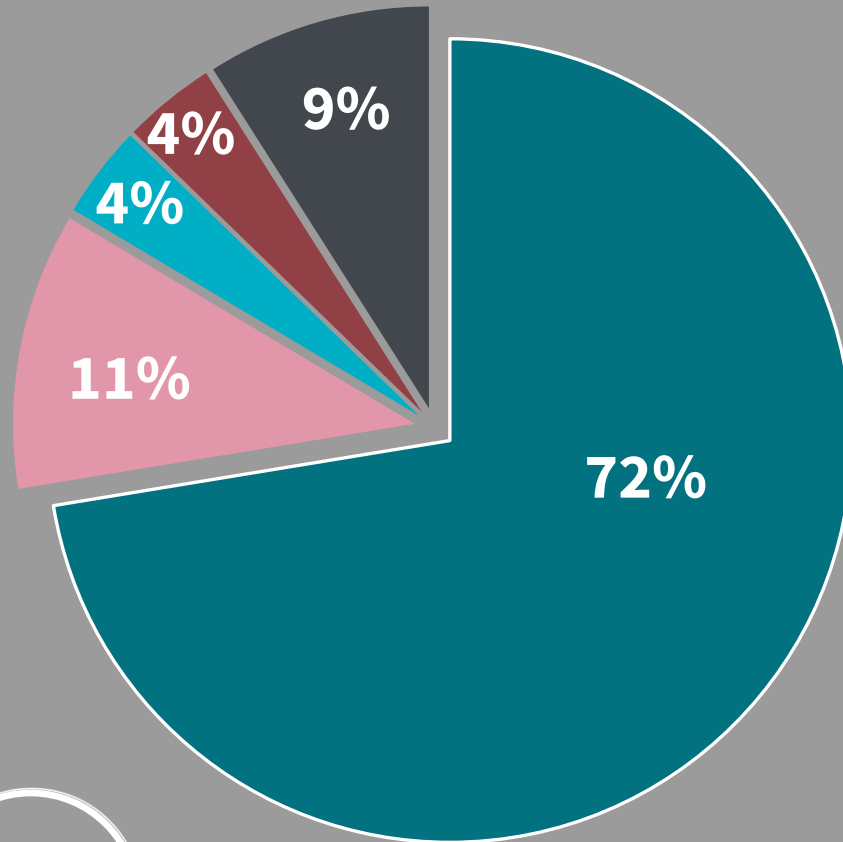
5-year data Risk Drivers (No. 6 by claims count)



Negotiations & Contracts

5%

of non-technical
Risk Drivers



AXA XL Risk Driver Elements

	Unclear & inappropriate scope of services
	Didn't formally evaluate client, project & associated risks
	No separate contingency fund set aside
	Deal-breakers in contract: indemnification, liquated damages, warranties
	Multiple elements with 1 claim each





4 Foundational Issues

Building Blocks

**Negotiations &
Contracts**

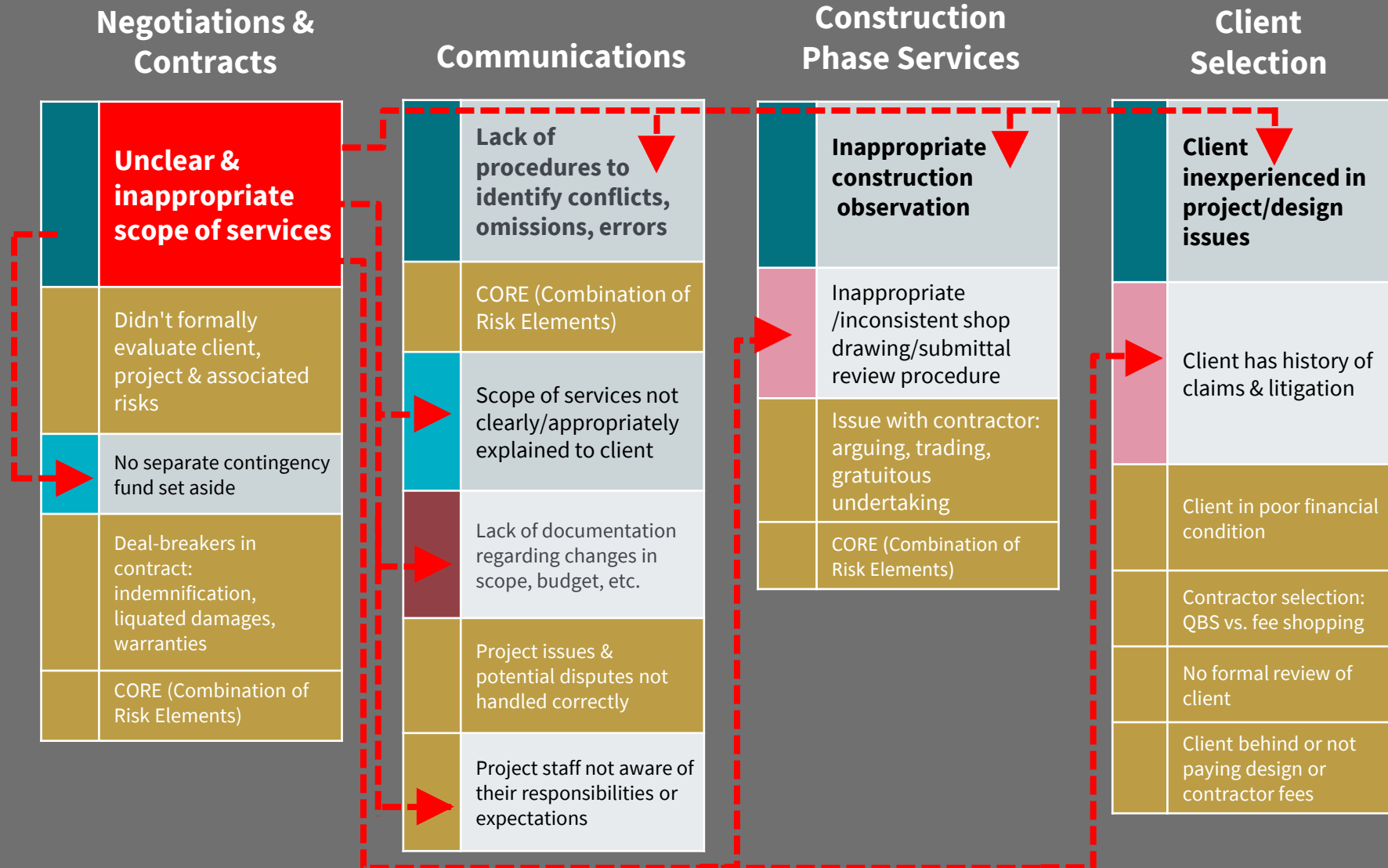
People

Documentation



Negotiations & Contracts

Unclear & inappropriate = claims multiplier



Negotiations & Contracts

Unclear or inappropriate scope of services

Few claims with big impact

Root Cause

contributes to or exacerbates issues within nine other risk elements

Claims Multiplier



62% of all claims

People

The right people = better outcomes

Client Selection

	Client inexperienced in project/design issues
	Client has history of claims & litigation
	Client in poor financial condition
	Contractor selection: QBS vs. fee shopping
	No formal review of client
	Client behind or not paying design or contractor fees

Project Team Capabilities

	Unqualified/deficient design staff assigned to project
	Inexperienced or deficient project manager
	CORE (Combination of Risk Elements)
	Design firm inexperienced in project type
	Unqualified/deficient on-site staff assigned to project
	Multiple elements of < 2% each

Construction Phase Services

	Inappropriate construction observation
	Inappropriate /inconsistent shop drawing/submittal review procedure
	Issue with contractor: arguing, trading, gratuitous undertaking
	CORE (Combination of Risk Elements)

Communications

	Lack of procedures to identify conflicts, omissions, errors
	CORE (Combination of Risk Elements)
	Scope of services not clearly/appropriately explained to client
	Lack of documentation regarding changes in scope, budget, etc.
	Project issues & potential disputes not handled correctly
	Project staff not aware of their responsibilities or expectations

People

Client & Project Team

One person can bring down a great team

Inexperience

- Client
- Project Team
- Project Manager
- Dispute resolution

Weakest Link



51% of all claims

Written Records Rule

Who, what, why, how = good documentation

Communications	Client Selection	Construction Phase Services	Quality Management
Lack of procedures to identify conflicts, omissions, errors	Client inexperienced in project/design issues	Inappropriate construction observation	Lack of quality assurance/control procedure to reduce error
CORE (Combination of Risk Elements)		Inappropriate /inconsistent shop drawing/submittal review procedure	
Scope of services not clearly/appropriately explained to client	Client has history of claims & litigation	Issue with contractor: arguing, trading, gratuitous undertaking	Lack of early action plan to handle project upset/dispute
Lack of documentation regarding changes in scope, budget, etc.	Client in poor financial condition	CORE (Combination of Risk Elements)	
Project issues & potential disputes not handled correctly	Contractor selection: QBS vs. fee shopping		CORE (Combination of Risk Elements)
Project staff not aware of their responsibilities or expectations	No formal review of client		
	Client behind or not paying design or contractor fees		

Documentation

What gets written down?

Don't play dodgeball

Documentation

- Consistent
- Appropriate
- Decisions
- Changes
- Adjustments

Luck is not enough



80% of all claims



5

In summary

Summary

What can you control?

Risk Mitigation

- Training
- Client selection
- Contract T&Cs
- Clear/appropriate SOW
- Project team
- Project execution
- Communications
- Documentation
- Quality management

Processes & Procedures

- Go-No/Go checklists
- Project Management Plan
- Kick-off meeting
- Workplans/checklists
- QMS
- Additional Services/Change Order process
- Project close-out procedures



XL Insurance

Questions?



Thank you

This document shall not be construed as indicating the existence or availability under any policy of coverage for any particular type of loss or damage. The provision of any service does not imply that every possible hazard has been identified at a facility or that no other hazards exist. AXA XL Insurance does not assume, and shall have no liability for the control, correction, continuation or modification of any existing conditions or operations. We specifically disclaim any warranty or representation that compliance with any advice or recommendation in any document or other communication will make a facility or operation safe or healthful, or put it in compliance with any standard, code, law, rule or regulation. Save where expressly agreed in writing, AXA XL Insurance and its related and affiliated companies disclaim all liability for loss or damage suffered by any party arising out of or in connection with our services, including indirect or consequential loss or damage, howsoever arising. Any party who chooses to rely in any way on the contents of this document does so at their own risk.

AXA, the AXA and XL logos are trademarks of AXA SA or its affiliates. AXA XL is a division of AXA Group providing products and services through three business groups: AXA XL Insurance, AXA XL Reinsurance and AXA XL Risk Consulting. In the US, the AXA XL insurance companies are: AXA Insurance Company, Catlin Insurance Company, Inc., Greenwich Insurance Company, Indian Harbor Insurance Company, XL Insurance America, Inc., XL Specialty Insurance Company and T.H.E. Insurance Company. In Canada, insurance coverages are underwritten by XL Specialty Insurance Company - Canadian Branch. Coverages may also be underwritten by Lloyd's Syndicate #2003. Coverages underwritten by Lloyd's Syndicate #2003 are placed on behalf of the member of Syndicate #2003 by Catlin Canada Inc. Lloyd's ratings are independent of AXA Group. Not all of the insurers do business in all jurisdictions nor is coverage available in all jurisdictions. Information accurate as of August 2021.nAXA, the AXA and XL logos are trademarks of AXA SA or its affiliates. © 2021



Questions



Case Study Workshop



Plus / Delta

Plus (+)

Delta (-)



Next NEO Roundtable

January 17, 2023

Annual Business Meeting and Social