2022 Surety Bonding and Construction Risk Management Conference

10 Risk Management Maxims that Will Change Your Approach to Project Delivery

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THIS PAPER WAS WRITTEN IN CONJUNCTION WITH A BREAKOUT SESSION AT AGC'S 2022 SURETY BONDING AND CONSTRUCTION RISK MANAGEMENT CONFERENCE.

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;(*&$*&-$&+,-$*&0*$+M'$1+CC-1*([-$-X,-'(-51-)$V0"$K-$+>$)+V-$&-C,$*+$+*&-')2$8-$&0[-$B0*&-'-6$*-5$V0X(V)$+>$,'01*(1-$*+$K-$M)-6$0)$BM(6-,+)*)$>+'$(56M)*'"$,'+>-))(+50C)$8&-5$&056C(5B$,'+Y-1*$1&05B-)056,+*-5*(0C$6(),M*-)#$$$

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. FBQ& 1 <M<PL 1 LM ' &&

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<&()$)-V(50C$,'(51(,C-$)--:)$*+$'-+'(-5*$+5-Z)$,-'),-1*([-$8&-5$066'-))(5B$,'+Y-1*$'():)/$$])0)MK)*(*M*-$>+'$1+M5*-'>-(*$0**-V,*)$0*$)&(>*(5B$'():)$*+$+*&-')$_'():$0[+(6051-`2$*&()$,'(51(,C-$-V,&0)(A-)$(6-5*(>"(5B$'():)$056$6-[-C+,(5B$V(*(B0*(+5$0C*-'50*([-)$_'():$V050B-V-5*`/$$\5$05$(56M)*'"$*&0*$B0[-$'()-$*+$*&-$1&05B-)$1C0M)-2$0$)M11-))>MC$0,,'+01&$*+$'():$VM)*$K-$>+'80'6RC++:(5B/$$3>>-1*([-$'():$V050B-V-5*$'-4M('-)$*&-$(6-5*(>(10*(+5$+>$'():)$,0'*(1MC0'$*+$0$,'+Y-1*2$>+CC+8-6$K"$*&-$1'-0*([-$1+5)(6-'0*(+5$+>$[0'(+M)$,'+KC-VR)+C[(5B$0C*-'50*([-)/$$$

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hoc)+'*2$050C+B+M)$*+$-[-'R1&05B(5B$1+VV056)$+5$*&-$K0**C->(-C6/!$

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b5$-[-'"$,'+Y-1*2$*&-$(5-[(*0K(C("$+>$*&-$M5-X,-1*-6$1'-0*-)$-(*&-'$05$+,,+'*M5(*"$*+$*-0V$>+'$)M11-))$+'$*+$>0CC$(5*+$0$4M0BV('-$+>$VM*MOC$KC0V-056>0(CM'-/$$LM11-))>MC$1+5)*'M1*(+5$,'+Y-1*)$0'-$'0'-C"2$(>$-[-'2$0**'(KM*0KC-$)+C-C"$*+$*&-$+M*)*056(5B$1+5*'(KM*(+5)$+>$05"$)(5BMC0'$,C0"-'$+5$*&-$,'+Y-1*$*-0V/$$W0*&-'$*&-"$0'-$*&-$,'+6M1*$+>$*&-$,'+Y-1*$*-0V$0)$0$8&+C-$1+CC-1*([-C"$8+':(5B$*+$01&(-[-$6->(5-6$+KY-1*([-)$056$*+$+[-'1+V-$M5-X,-1*-6$+K)*01C-)/$

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]$V-5*0C(*"$8&(1&$0,,'+01&-)$+K)*01C-)$056$6(>>(1MC*(-)$0'()(5B$6M'(5B$*&-$1+M')-$+>$0$,'+Y-1*$8(*&$*&-$+KY-1*([-$+>$KM'"(5B$'-),+5)(K(C("$056$0**'(KM*(5B$KC0V-$*+$+*&-')$C-06)$)*'0(B&*$*+$,'+Y-1*$>0(CM'-/$$<&-'-$()$05$+>*-5$M)-6$1+5)*'M1*(+5$(56M)*'"$060B-$+>$M5:5+85$+'(B(5$8&(1&$06-,*C"$)MVV0'(A-)$*&-$)(X$,&0)-)$+>$05$M5)M11-))>MC$,'+Y-1*$0)$>+CC+8)#$

$ $

F/ 3XMC*0*(+5$

P/ 9()-51&05*V-5*$

Q/ %+5>M)(+5$

S/ L-0'1&$>+'$*&-$JM(C*"$

I/ EM5()&V-5*$>+'$*&-$\55+1-5*$

H/ 9()*(51*(+5$>+'$*&-$c5(5[+C[-6$

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<&()$1"1C-$+>$>0(CM'-$()$5+*$(5-[(*0KC-/$$W0*&-'2$,0'*(-)$8&+$0'-$8(CC(5B$*+$[(-8$,'+Y-1*$+K)*01C-)$056$6(),M*-)$0)$+,,+'*M5(*(-)$>+'$1+CCOK+'0*(+5$056$6(OC+BM-$0'-$V+'-$C(:-C"$*+$B-5-'0*-$*&-$*",-)$+>$)+CM*(+5)$056$+M*

1C0(V)/$%+V,C-X$6-C0"2$011-C-'0*(+5$056$(5->>(1(-51"$1C0(V)$0'-$*&-$1MVMC0*([-$
'-)MC*$+>$>0(C(5B$*+$060,*$*+$1&05B-$0)$(*$+11M')/$$]$M5'-)+C[-6$1&05B-)$V+M5*2$*&-$
)1&-6MC-056KM6B-*)$C+)-$[0CM-$0)$'-,+'*(5B$*++C)$056$,'+Y-1*$1+)*)$K-1+V-$&0'6-'$
+$ V050B-/$$%+)*)$),('0C$056$,0'(-)Z$,+)(*(+5)$&0'6-5$ 8&-5$1&05B-)$0'-$5+*$
1+5)*'M1*([-C"$*01:C-6$8&-5$*&-"$0'()-/$
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ZJ&& 'L8KMNTNP9& <TTN7B& L<BL& NW& 8N1 1OMF8<'FNM&
<M?&L<BFL.&1FB8N1 1OMF8<'FNM&&

,+(5*)$0'-$ 8+'*&$1+5)(6-'(5B/$$LM11-))>MC$5-B+*(0*(+5)$0'-$0**-56-6$K"$6-1()(+5R V0:-')$8(*&$0M*&+'(*"/$$; &-5$,+))(KC-2$*&-$6-1()(+5RV0:-')$)&+MC6$K-$(56([(6MOC)$ 8(*&$)+V-$-V+*(+50C$6()*051-$>'+V$*&-$,'+Y-1*/$$])$] CK-'*$3(5)*-(5$'-1+B5(A-6$(5$0$ 6(>>-'-5*$1+5*-X*2$d"+M$105$5-[-'$)+C[-$0$,'+KC-V$+5$*&-$C-[-C$+5$8&(1&$(*$80)$ 1'-0*-6/e$ $ 35B0B-$ 6-1()(+5RV0:-')$ 8(*&$ 1+',+'0*-$ '-),+5)(K(C(*"$ K-"+56$ *&-$

,0'*"$10M)(5B$*&-$(V,0))-$V0"$K-$0KC-$*+$)&-6$*&-$C(B&*$+>$'-0)+5$+5$05$(CCR(5>+'V-6$
,+)(*(+5/$
&
& ,-J&& &!.L!<.L?MLBB&FB&.L<TF'9&
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<&()&,'(51(,C-$'-V(56)$M)$*&0*$*&-$>01*)$8&(1&105K-$6-V+5)*'0*-6$8(*&$0M*&+'(*"$
6M'(5B$0$5-B+*(0*(+5$0'-$*&+)-$*&0*$K-1+V-$(5)*'MV-5*0C$(5$*&-$'-)+CM*(+5$+>$*&-$
6(),M*-/$$<&-$d*'M*&)e$*&0*$'-)+C[-$0$V0**-'$0'-$*&+)-$*&0*105K-$,01:0B-6$056$
6-C([-'-6$*+$*&-$6-1()(+5RV0:-')/$$E'+[0KC-$>01*)$0'-$*&-$KM(C6(5B$KC+1:)$+>$*&-$
1'-6(K(C(*"$*&0*$8(5)$6(),M*-)/$$<&()$,'(51(,C-$()$0$1+5*'+CC(5B$6"50V(1$(5$)-**C-V-5*$
V--*(5B)056,0'*(-)$)&+MC6$5+*$6'08$+5$>01*)$*&-"$0'-$M50KC-$*+$,'+[-$M5C-))$*&-"$