

Short-term Interval Planning

Managing a project includes assessing progress, and taking corrective action quickly so that any negatives can be reduced. A method for doing this on a construction project is Short Term Interval Planning. Managing labour hours is the most effective method of doing this. Labour is where the vast majority of cost variances occur.

When a job is received, the labour hours should be broken down into small units that will be completed within a two-week period. This includes both labour and the expected production. As each payroll is completed, the hours can be recorded, and the productivity monitored. After every pay period, the company can review progress in detail.

The following labour report shows how this is done.

Column 1: Work Code This is your coding system. Each section of the job is given a work code.

Column 2: Description This is a brief description of the Work Code.

Column 3: Hours Estimated on Original Bid This is the number of hours allowed in the original estimate for doing this section of the job.

Column 4: Hours on Change Orders Thru #_____ This is the number of hours estimated on change orders.

Column 5: Total Estimated Hours This is the total of Columns 3 and 4.

Column 6: Percent of Work Completed This is the estimated percent of production completed for the section at the report date.

Column 7: Estimated Hours Completed This is the number of hours relating to the percentage in Column 6.

Column 8: Actual Hours to Date This is the actual hours worked as per the payroll records.

Column 9: Gain or (Loss) on Hours to Date This is the variance between the actual hours worked to date (Column 8) and the estimated hours allowed for work completed to-date (Column 7).

You will note that under Word Code there are codes for unexpected costs that may or may not be billable to the client. In our example, we have shown that we lost 50 hours of productivity due to a snow storm and used 25 hours of unplanned overtime.

The total column shows the total job hour variance to-date.

LABOUR REPORT - HOURS ONLY
Short-term Interval Planning

JOB NAME

1	2	3	4	5	6	7	8	9
Work code	Description	Estimate			Estimated		Actual Hours to Date	Gain/(loss) hours To date
		Bid Hours	CO Hours	Total Hours	% section Completed	Hours Completed		
02-1	Section of Work	350	50	400	50%	200	250	(50)
02-2	Section of Work	600	33	633	100%	633	670	(37)
02-3	Section of Work	1,600	50	1,650	30%	495	450	45
03-1	Section of Work	1,050	33	1,083	26%	272	240	32
03-2	Section of Work			-				-
03-3	Section of Work			-				-
06-1	Section of Work			-				-
12-2	Snow storm			-			50	(50)
06-3	Overtime			-			25	(25)
	TOTAL	3,600	166	3,766	42%	1,600	1,685	(85)

Notes: Each item is to be completed within 15 days of starting
No item is to be more than 15% of the total hours