Martin Concrete Construction

LESSONS LEARNED

COMPLETED BY:	DATE PREPARED:
Angie Scruggs	07/05/2022
PROJECT NAME:	**SUBJECT:**
20-43 Repeat	SUBCONTRACTOR CIP DEDUCT

LESSON LEARNED :

Project Repeat was enrolled in a CIP (Controlled Insurance Program). Subcontractors and 2nd tier subcontractors were required to participate in the CIP. The subcontractor showed a 10% deduction line item on each invoice for estimated CIP premium cost. This created confusion at the end of the project when trying to reconcile the actual CIP cost with the amount deducted.

LESSON LEARNED CORRECTIVE ACTION & PICTURES:

Moving forward, we request a deductive change order from the GC as soon as our subcontractors are enrolled in the CIP. We then issue a deductive change order to our 2nd tier subs to reduce their contract value by the same amount. When the subs work is complete, we notify the GC to close out their CIP and send a final change order to reconcile the actual CIP deduct. The accounting is much simpler and easier to track.