


Avoid These 5 Common Capital Project Pitfalls

Use this checklist during planning to reduce risks and improve project outcomes.

1. Budgeting Without Full Scope Definition

Do this before setting your project budget:


- Clearly define the full scope (interior, exterior, technology, FF&E, site work)
- Include escalation factors for material costs and labor
- Account for soft costs (design, permitting, legal, testing, insurance)
- Confirm phasing plans to avoid surprises later
- Validate early estimates with third-party cost estimators or construction managers

 *If your scope isn't fully defined, your budget will be wrong — guaranteed.*

2. Ignoring Community Buy-In Too Late

Start community outreach early:

- Develop a stakeholder map (voters, neighbors, staff, board members)
- Begin outreach at least 12–18 months before any bond or funding vote
- Create clear and consistent messaging around the project benefits
- Use visuals (renderings, video walk-throughs, fact sheets) to build understanding
- Host Q&A sessions or site tours to engage the public

 *Public trust and transparency win votes. Silence invites resistance.*

3. Neglecting Procurement and Long-Lead Risk

Align schedule and purchasing strategy:

- Research lead times for HVAC, electrical gear, steel, roofing, and specialty items
- Coordinate with architects and engineers to specify order-ready materials early
- Decide what materials or equipment can/should be pre-purchased
- Build early procurement into your project schedule (and bid documents)
- Monitor market volatility — get vendor confirmations

💡 *Delays in one material can cause domino effects across the entire project.*

⚠️ 4. No Contingency or Change Order Control

Set up proper financial protections:

- Budget separate contingency funds for:
 - Owner risk (5–10%)
 - Construction risk (5–7%)
 - Design scope creep (2–4%)
- Establish a formal change order approval workflow (with thresholds)
- Track all potential change orders from day one
- Review allowance and unit price structures before contract award

💡 *A tight change control system protects against budget blowouts and blame-shifting.*

⚠️ 5. Lack of Oversight or Project Leadership

Put a strong team in place:

- Assign an experienced Owner's Project Manager or Rep early
- Develop a reporting cadence for board updates and risk reviews
- Ensure there's one point of accountability (not multiple conflicting roles)
- Require regular cost, schedule, and quality reporting from all parties
- Set expectations for punchlist, closeout, and warranty management before construction begins

💡 *A neutral project advocate keeps the team aligned and the owner protected.*

🎯 Ready to Go Beyond the Checklist?

Get the Capital Project Toolkit to help your thought successfully — from planning to procurement to punch list. 📦 Visit CapitalProjectToolkit.com to download or learn more.