

Managing Supply Chain and Construction Delay Risk - A Proactive Framework for Owners, Developers, and Leaders Introduction

In today's construction environment, supply chain disruption is no longer an exception—it is an expectation. Material shortages, extended lead times, labor constraints, and global instability are increasingly impacting project delivery.

For owners, developers, and lenders, these challenges extend beyond scheduling—they introduce financial uncertainty, contractual exposure, and misalignment between risk and insurance coverage.

At The ALS Group, we approach these risks through an Enterprise Risk Management lens—recognizing that delay risk is interconnected across contracts, insurance, and execution.

Why Supply Chain Risk Matters

Construction projects operate within a fragile ecosystem where disruption in one area can cascade across the project lifecycle.

Common drivers include material delays, price volatility, logistics disruptions, and contractor performance variability.

These challenges lead to increased costs, delayed revenue, covenant pressure, and stakeholder disputes.

Where Risk Is Often Misunderstood

Contracts, insurance, and vendor compliance are often assumed to transfer risk—but frequently fall short.

Common issues include weak contract language, misaligned insurance coverage, and superficial COI tracking that creates false confidence.

A More Effective Approach

Successful organizations take a proactive, integrated approach:

- Pre-construction risk alignment
- Insurance strategy alignment
- Active vendor compliance
- Defined escalation protocols

We are a 100% fee-based advisor and do not sell insurance, which allows us to provide objective, conflict-free advice focused on reducing total cost of risk and aligning coverage with real exposure. Supply chain disruption and construction delays are here to stay—but their impact can be managed through proactive risk strategies and disciplined oversight. If you would like to discuss how these issues may affect your organization or evaluate your current risk strategy, please contact Albert Sica at asica@thealsgroup.com or [732.395.4251](tel:732.395.4251).