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Organization of construction works

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Project Management cycle method

The Project Management Life Cycle has four phases:

1. initiation,
2. planning,
3. execution,
4. closure .





Initiation

Initiation involves starting up the project, by documenting a business case, feasibility study, terms of reference, appointing the team and setting up a Project Office.



Planning

Planning involves setting out the roadmap for the project by creating the following plans: project plan, resource plan, financial plan, quality plan, acceptance plan and communications plan.



Execution

Execution involves building the deliverables and controlling the project delivery, scope, costs, quality, risks and issues.



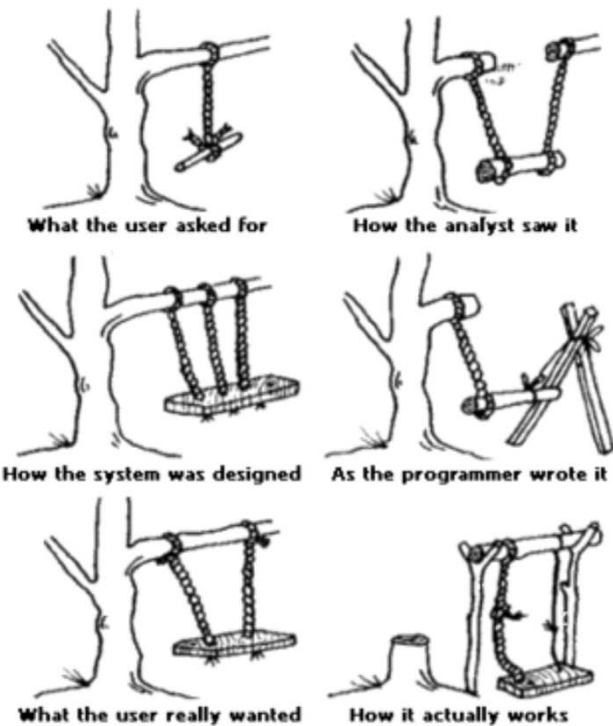
Closure

Closure involves winding-down the project by releasing staff, handing over deliverables to the customer and completing a post implementation review.



Key elements of a successful project

- Clear objectives and project brief agreed with client
- Good project definition
- Good planning and scheduling methods
- Accurate time control and feedback system
- Rigorous performance monitoring and control systems





Key elements of a successful project

- Rigorous change control (variations) procedures
- Adequate resource availability (finance, labour, plant, materials)
- Full top management and sponsor support
- Competent project management
- Tight financial control
- Comprehensive quality control procedures
- Motivated and well integrated team
- Competent design
- Good contractual documentation



Key elements of a successful project

- Well designed reporting system to management and client
- Political stability
- Good internal and external communications
- Good client relationship





Contracting



Contracting in investment process

- All services are provided by **contracts**
- **Contract** is a legally binding agreement between two or more parties which, if it contains the elements of a valid legal agreement, is enforceable by law or by binding arbitration



Types of contracts in Poland

- Types of contracts in building development process:
 - contract for design
 - memorandum agreement for construction works
 - contract for construction works



Remuneration methods

- The most common methods of remuneration for design works in Poland are:
 - lump sum remuneration
 - calculation of expenditures and costs
 - accounting after completion of design



Contracts for construction

In Poland most common contracts for construction are:

- contract for general construction of investment
- contract for general workmanship of investment
- contract for partial workmanship of investment



Contracts - key elements

- Contract must contain following paragraphs:
 - subject-matter of contract,
 - schedule of investment,
 - dates of start and finish of construction works,
 - delivery date of design documentation,equipment and constructions from investor to contractor,
 - subject matter and terms of acceptance,
 - remuneration of contractor.



Means of concluding contracts

- The most common means of concluding contracts in Poland are:
 - offers
 - negotiations
 - bids and auctions (tenders)



Offers

- **Offers** are basic means of concluding contracts
- Offers can be addressed to a particular person, to several persons or to the public (indefinite scope of addressees)
- Submitting to the other party a declaration of will to conclude a contract is an offer
- Declaration should specify key provisions of the contract.
- The key provisions mean provisions indispensable for the contract to be effective (e.g. price, amount of goods, etc.)



Negotiations

- **Negotiations** are initiated when the investor issues invitation to negotiations
- Participation in negotiations is not bidding for both parties
- Content and details of contract are prepared during negotiations



Bids and auctions

- **Bid** procedures allow a person, who wants to conclude a contract to select the most advantageous terms
- The procedures are of a multipartite character as more than one person participates as a potential contracting party
- **Bids and auctions** are organized by a person called an auctioneer (function can be performed by another entity instead of the auctioneer)



Auctions

- Auctioneer begins the bid or auction by making an invitation to submit bids
- Announcement specify the type of contract, its subject and requirements or how the requirements will be made available
- It should allow state the further procedure which will lead to the conclusion of the contract
- Participants (the bidders) submit offers (mostly regarding price)
- A contract is concluded by means of auction at the moment of adjudication
- Adjudication mean closing the auction after ascertaining that a particular bidder has made the most advantageous offer



Bids

- When contract is concluded by bids, offers are not made in through direct communication as auctions
- The auctioneer usually specifies the place and the time limit to submit offers, which are made mostly in writing
- The auctioneer chooses the best offer from all the submitted ones
- Regulations concerning bids are contained in:
 - Act on public procurement law of 29 January 2004,
Consolidated text: Journal of Laws of the 25 June 2010 No. 113, item 759