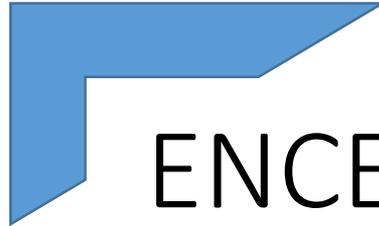


Contracts, Specifications and Quantity Surveying



ENCE421:

Introduction to Module,
Construction Projects and
Construction Contracts



Today's Presentation Outline

- Introduction to module

- Introduction to construction projects and contracts

Introduction to module

- Main topics
- Learning Outcomes
- Assessment

(See the outline on Ritaj)

Introduction to construction projects and contracts

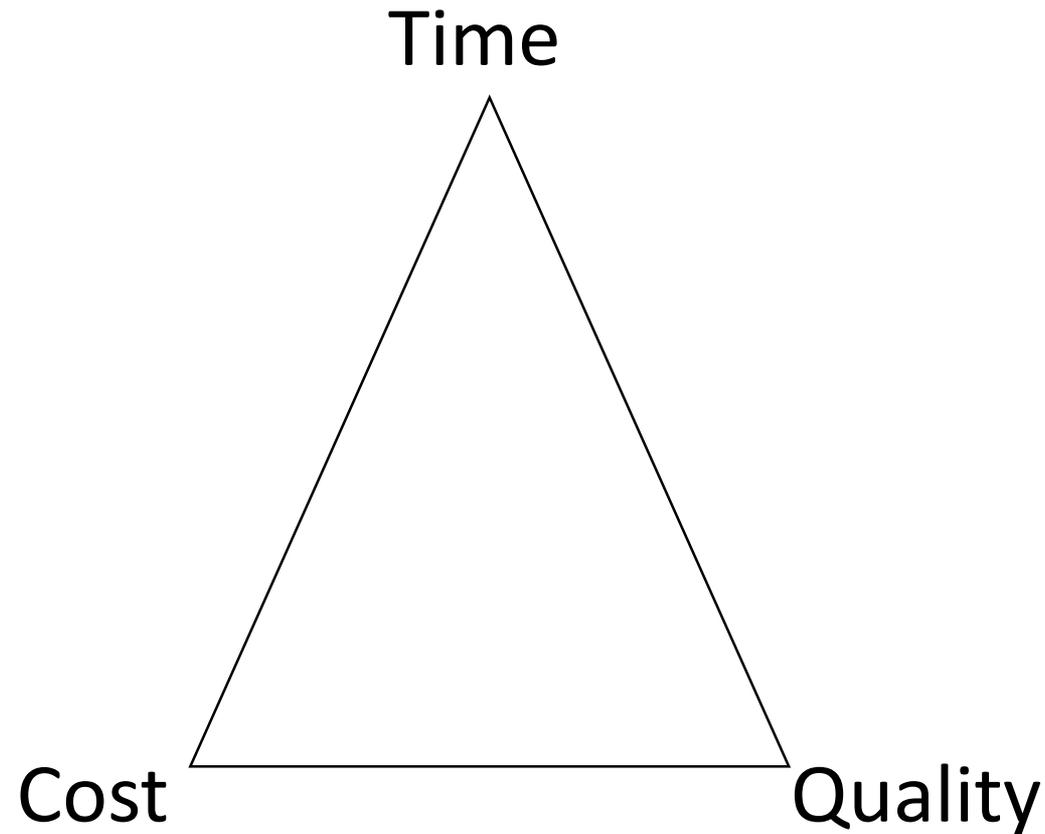
What is a Project?

A project is the development of a new facility, resource or event from start to finish.

Examples?

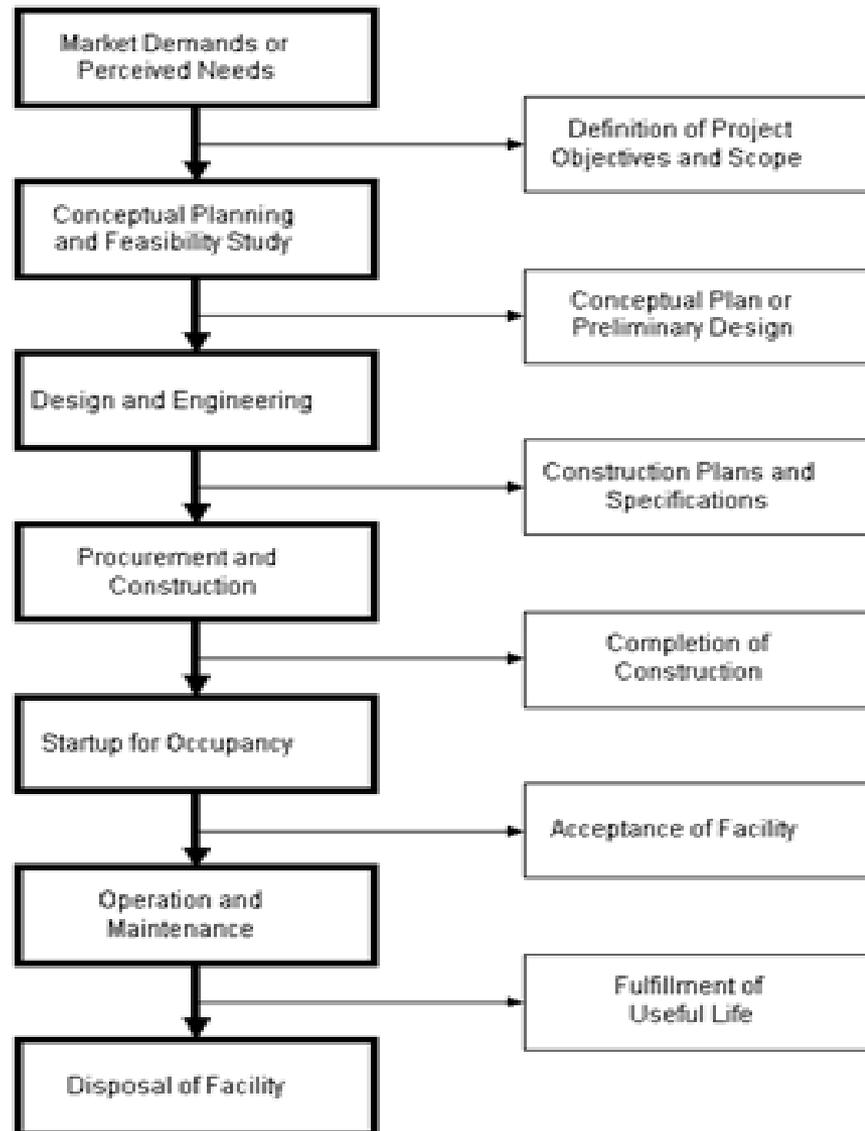
- Design only;
- Construction only; or
- A combination of design and construction

A project consists of three components:



Any project have to meet three interrelated objectives Time, Cost and Quality.

Project Main Stages for New Facility



Contract

What is a contract?

A common method of delegation. It is an agreement between two parties to share in the delivery of part of a project. A contract needs written conditions to make work properly.

Contract Cont'd

A promise to do something in return for a benefit.

–Offer

–Acceptance

–Consideration

–Intention

Plus capacity, consent, legality

Contract Cont'd

A typical construction project will involve contracts for the following:

- Client-Designer(s)
- Client-Contractor(s)
- Client-Project Manager(s)
- Contractor-Subcontractor(s)
- Contractor-Supplier(s)
- Client-Specialists(e.g. Feasibility study, ground investigation)

Formation of a construction contract

1. Invitation to treat (tender, agreement to negotiate).

2. Offer and acceptance (offer comes from contractor, acceptance from client –or offer from S/C acceptance from Contractor).

Formation of a construction contract Cont'd

3. Consideration – usually money, goods or performance – some legal systems consideration not needed.

4. Intention to be legally bound – normal in construction but in other areas often an exclusion – with an express term stating that there is no intention to be legally bound.

Summary

- Introduction to module (See the outline on Ritaj)
- Introduction to project management:
 - ✓ Construction project
 - ✓ What are the components of the project
 - ✓ Project main stages
 - ✓ Formation of a construction contract

Next ---> Contract parties

Any Questions??