

Steps Involved In Constructing A Regency Plaza

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The following are the stages that the construction project of Regency Plaza needed to follow.

Initiation Stage

At this stage, a project manager needs to evaluate whether the project should be undertaken or not. He may be forced to carry out a feasibility test (Sears, 2010). When all the players agree to carry out the project, the project manager must write a project initiation document.

Planning

Project managers must come up with a project management plan. This is meant to guide the execution and control of the project as well as the costs, scope, and schedule (Winch, 2010). This involves coming up with a work breakdown structure, communication plan, and risk management plan

Execution

At this stage, the project is carried out (Chitkara, 1998). It involves assigning resources. Implementing project management plans, updating the schedule, setting up tracking systems, and completing tasks.

Monitoring And Performance

This process happens together with the execution phase. The project manager must ensure that all project activities follow a critical path.

Closure

This marks the end of the project. Project managers must ensure that the project has met all the objectives that had been put in place (Uher, 2003). At this stage, a final budget is carried out for the project

Project Contracts

We will first consider the various challenges and benefits that Regency Plaza would have incurred by using either of the following contracts:

Lump Sum Contact

If Regency Plaza had chosen to use the lump sum contract, it would have set some amount of money and paid a lump sum at the completion of the project. With this type of contract, Regency Plaza would not have incurred any other liability during the construction period. Besides, it is effortless to manage large construction projects with this type of contract; on the other hand, the Regency Plaza would have had limited control over the contractor, which in turn would have allowed him to use some sub-standard methods. This type of contract would also have proven very expensive for Regency Plaza because the contractor may include some risk payment due to unforeseen circumstances (Chitkara, 1998). To mitigate this, the Regency Plaza would have come up with its plan on how the project should be carried out and set the standards that need to be used to achieve the goals of the project

Cost-Plus Contract

If Regency Plaza had chosen to use this type of contract, it would have paid the contractor the amount of expenses incurred in addition to the profit (Chitkara, 1998). This type of contract leads to high-quality projects. The contractor does not use substandard methods because they will be paid for every expense incurred. Secondly, Regency Plaza would have used a small amount of money compared to the bidding model (Winch, 2010). However, with this kind of model, it is not easy for the owner to know how many resources the project will need. This type of contract is associated with a lot of uncertainty. Sometimes, with this type of contract, contractors may become inefficient because, in the end, they will have to pay their money. Therefore, the Regency Plaza should have been stricter to ensure efficiency.

Under The Guaranteed Maximum Price Contract

If Regency Plaza had chosen to use this type of contract, it would pay the contractor a guaranteed maximum price so that the total fee and the cost cannot exceed. In this type of contract, regardless of how the cost of the work will be and the fee charged for the services rendered, the regency plaza would not have paid n anything more than that (Winch, 2010). In this type of contract, Regency Plaza would not incur the risk associated with this type of project (Uher, 2003). Just in case the costs of the work become higher than the guaranteed maximum price, the contractor has to compensate for that. However, one disadvantage of this type of contract is that there might arise a disagreement between the client and the contractor about changes in the contract terms that should lead to a difference in

the agreed price. This type of contract will be better if Regency Plaza feels that there are unforeseen occurrences that are scheduled to happen.

Construction Management Contract

In this type of deal, Regency Plaza would have allowed the contractor to carry out various project processes, including planning, construction design, and commissioning (Uher, 2003). With this type of contract, all the processes that constitute a project are given to a particular contractor. The advantage of this type of contract is that professional services are provided. It also calls for the contractor to be creative enough. With this type of contract, the Regency Plaza would have had more relief in the project. However, the Regency Plaza would not have full control of the project, and it would have incurred a lot of unnecessary costs. However, to mitigate this, the Regency Plaza would have avoided a contract agreement that would have brought negative consequences to him and the project at large.

Design-Build Contract

With this type of contract, the Regency Plaza would have to award a single contractor for architectural design and construction (Uher, 2003). It is most suited for complicated building projects. Under this type of contract, the contractor would have executed his work based on the design and directions given by Regency Plaza, and he is never allowed by law to leave any incomplete work. This contractor must meet all the objectives outlined in the statement of work. Before choosing the contractor, Regency Plaza would have vetted him on his qualifications, specifications, and even price to ensure that he was able to carry out the project effectively. However, the owner (Regency Plaza) may not have full confidence in the project since he would have to choose his architectural engineer to represent him on the project. With this in mind, Regency Plaza would have lost control of the design process.

Lastly, compared to all other contracts, I would have recommended that Regency Plaza consider the design-build contract. This is because design-build would have ensured that the company that is given to execute the construction project is well qualified. It would have also ensured that the project was completed on time and implemented based on the Regency Plaza directions. It also seems to be more economical than the other types of contract.

Project Pre-Planning

Significant challenges that need to be addressed before the beginning of a construction project.

Statistics have shown that the construction industry is one of the biggest industries globally. This industry is faced with a lot of challenges that need to be addressed before the beginning of any

construction. These challenges affect labour, performance, sustainability, productivity, and profitability.

One of the challenges that needs to be addressed is reduced performance and profitability. Barriers to entry in the construction industry are low. With this in mind, one expects a lot of competition in this type of market. On the other hand, A lot of time is wasted on the construction sites waiting for the materials, taking early breaks, planning, and travelling to the area. This affects both productivity and profitability (Winch, 2010). The second major challenge is project performance. There are many upcoming opportunities in the construction industry, so the projects are also becoming complex, yet the construction companies are making poor profits, making it hard for them to keep up with this pace. Designing a project is becoming more complicated since it requires an efficient company. Statistics have proved that more than half of construction companies have underperformed in some projects. The third challenge that needs to be addressed is the lack of skilled labour (Uher, 2003). There is a reduction in the number of workers in the construction industry.

The construction industry is made up of people who belong to different generations. We have the baby boomers, millennials, Generation X, and traditionalists. All these people are different based on the way they think and behave. Most of the baby boomers are nearing retirement, while most of the traditionalists have left the industry. Most of the people who are presently in the construction industry are millennials with little or no experience at all. Therefore, the combination of people with no experience and complicated construction projects poses a high risk that every individual needs to address before starting any construction project. Lastly, there is a risk of sustainability (Winch, 2010). This is because the construction industry uses a lot of natural resources in the name of growth. Construction also has a great effect when it comes to the environment. These calls for a new approach in planning to ensure that nothing will disrupt construction when it begins

To mitigate this issue, the construction industry needs to migrate from using not only a mobile phone but also complex technology. Digital technologies are the best to use in the current construction industry since they give ideas on how to address weak productivity and profitability, sustainability, lack of skilled labour, and poor project performance. The company also needs to ensure that it embraces best practices and proven manufacturing technology. This will also aid in eliminating waste and increasing productivity.

The most effective approach to use to meet on-time delivery of a construction project with low cost and high quality

- Align company-wide strategic goals through an enterprise-wide project management office.

As a manager, I need to identify the strategy that will drive the construction project (Uher, 2003). Without this, various teams in the project will not know what we want to achieve, and this might pose significant risks to the project. Therefore, most construction projects need an enterprise-wide project management office.

- As a manager, I also need to practice better realization and management

After aligning the company's comprehensive strategy with the EPMO, I also need to identify, execute, and sustain a good realization plan. This realization plan is beneficial in aligning the construction project with the strategy.

- I also need to bridge the gap between strategy formulation and execution.

In this section, one needs to identify those to execute the projects, resources, stakeholders, and the methodologies to be used. One also needs to determine how to implement the project. All these factors need to be taken into account and planned expertly.

- One also needs to ensure that he has enough resources to execute the construction project.

Funds may come from owners or even sponsors.

- As a manager, I also need to ensure I have qualified individuals to execute the project.

This is because a project fails or becomes successful because of the people given the mandate to execute it (Sears, 2010). I should ensure that I have the right contractor in place to execute the project. I should also ensure that the right methodology is applied to the project.

- Lastly, I need to know how to tackle technology and business disruption.

I need to ensure that technology is involved in handling the project. This is because if the technology is not involved in the construction project, there might be stagnation, leading to a lack of effectiveness.

Construction Project Cost

The cost of a construction project can be divided into three. This includes the initial capital cost, maintenance cost, and subsequent costs. Each of the three categories has some other cost components. Initial capital cost consists of costs related to land acquisition, architectural design, planning, construction, supervision, insurance, taxes, labour, equipment, and office overheads. Maintenance costs consist of costs associated with operating staff, land rent, repairs, renovations, utilities, and other expenses. The nature and the amount of each of the costs of this project depend on the size and the nature of the construction project.

Work Breakdown Structure

The work breakdown structure explains the work that needs to be performed for the project to be effective (Sears, 2010). It divides the project into work areas, while the lowest subdivision is an

activity. The lowest level of a WBS should be agreed upon and consistent. It helps define the work scope of a project and establishes a base where the project can be controlled.

Example of a work breakdown structure (WBS)

Controlling Communication

The following communication chart is necessary to help with construction project communication. It defines a framework that the project team needs to follow. However, where more clarification is needed in communication, it may not be included in the chart. In this flowchart, the project manager communicates with the project stakeholders and determines how to proceed with the project.

For one to effectively communicate the reports to stakeholders, he must come up with an effective client communication network. There are three steps to doing this: one is by identifying key stakeholders, the second is by creating a management plan, and the third is by coming up with a communication plan for stakeholders. There are various things that a project manager must consider while reporting to the stakeholders. One is that he must be aware of their preferences and potential conflicts. He does this by considering the construction industries' knowledge, language preference, technical proficiency, and cultural context. A project manager should also come up with clear default protocols. This should include the mode of communication and the duration for which the communication should be used. As a project manager, I would ensure that communication with stakeholders about the ongoing construction project is made on a daily basis via email. I would also ensure that I meet the stakeholders at the end of every week to communicate how the construction project is proceeding. A project manager also needs to know how to transfer ideas and information when reporting to stakeholders.

Project Close-Out

Every project has to end. A construction company must make sure that it delivers what it has promised to the client. The stage of completion of a project is usually the most neglected. The most important activities in this stage are acceptance of the project and performing closure of the contract. Also, a project manager must update all the information concerning the project. Once the project managers have updated everything concerning the project, the next step is to ask for the stakeholders' formal acceptance of the project. The stakeholders usually want to know whether the project meets the objectives that have been set (Sears, 2010). The next thing that follows is contract closure, which involves meeting the terms of the contract that had been set for the project. It supports project acceptance since it determines whether the work that had been set out in the contract was met or not. Another thing that happens is that the project team is released. It is not that official, but one should know that at the end of the project, the team members should go back to their functional managers and be assigned other jobs. Lastly, the documents that concern the project

should be kept in a safe place where they can be retrieved just in case of any reference. A contract document that can be used in case of a lawsuit also needs to be stored safely.

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