

Project Organization

Outline

1. Review Lecture 4
2. Project Organization Type
 - Characteristics of organizations
 - Types of organization
 - Project Teams
3. Legal Structure
 - Joint venture
 - Proprietorship
 - Partnership

1. Review Lecture 4

Construction Contracts

2. Project Organization

An organization can be seen **as a set of roles or positions rather than a collection of people.**

Employees can be replaced by others with similar knowledge, skills and attitudes.

2.1 Characteristics of organizations

- **Organization structure**, The purpose of organization structure is to ensure that work is allocated rationally. (tasks and responsibilities).
- **Specialization**, (In construction)
- **Hierarchy**, Most organizations are hierarchical. each having authority over the levels beneath them

2.2 Types of organization

- **Line and staff organizations**
- **Matrix organizations**, In the matrix organization, managers and supervisors responsible for the various trades and specialisms report vertically to their 'line' bosses.

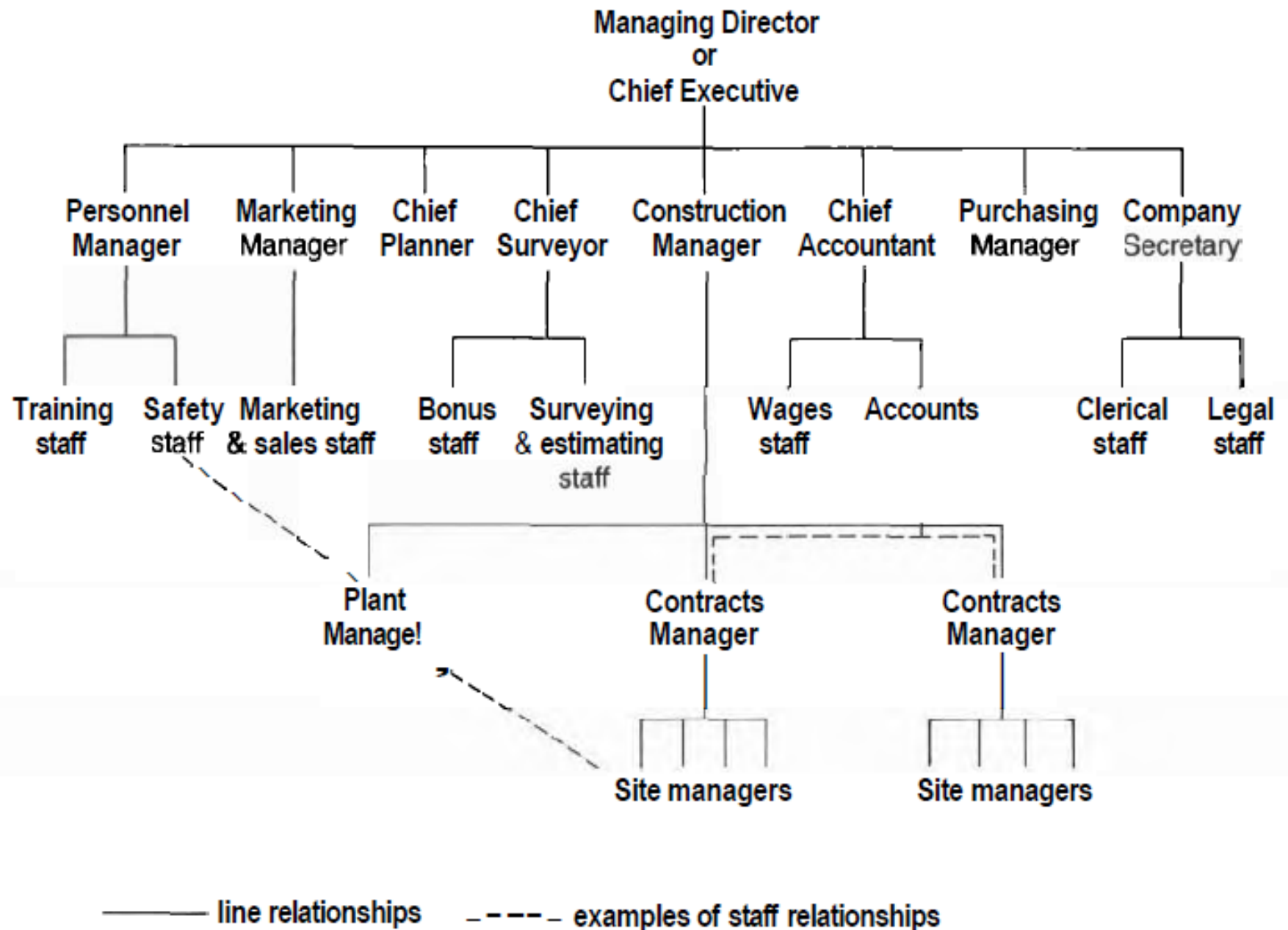


Figure 3.1 Line and staff organisation structure: construction firm.

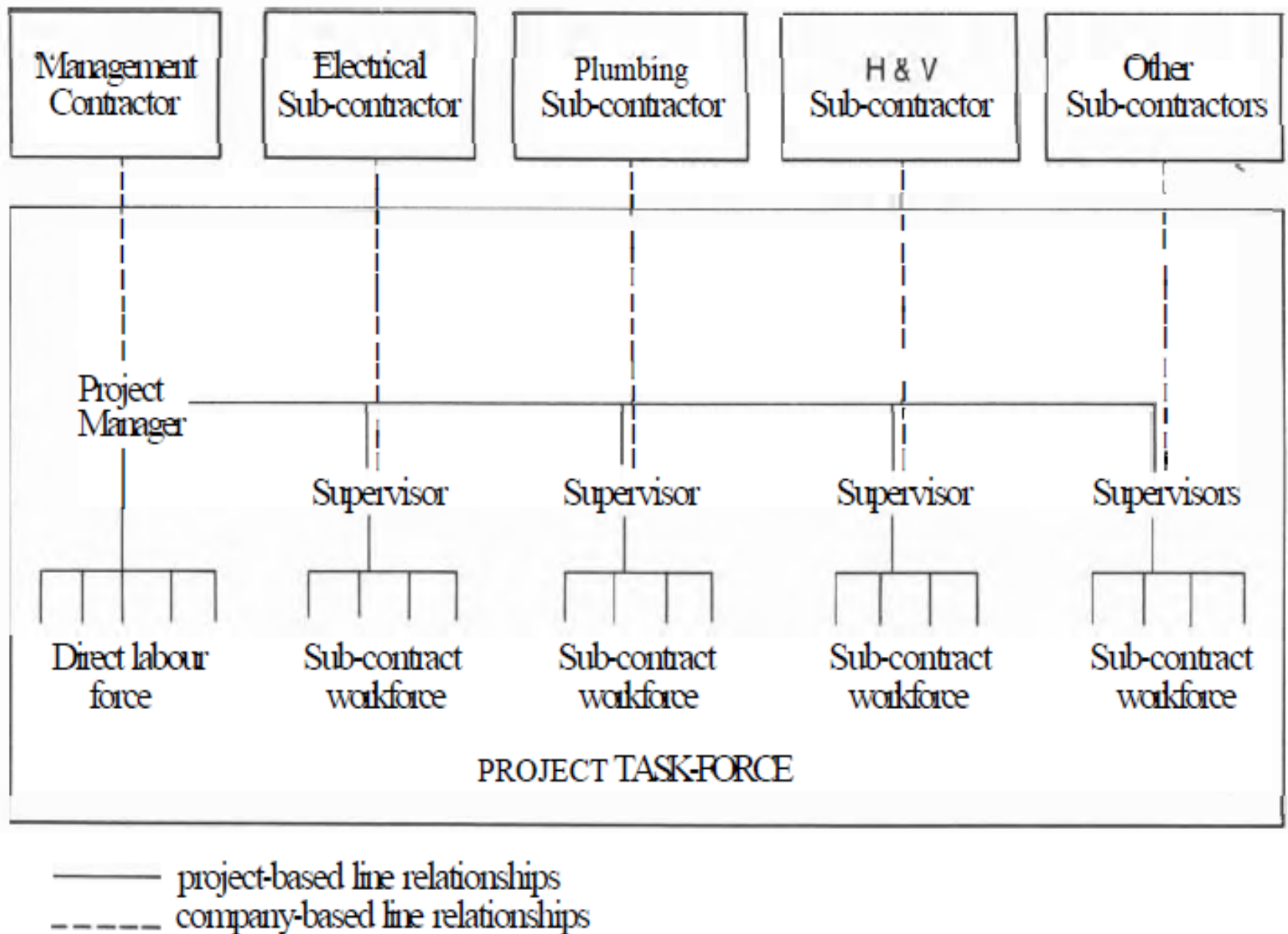
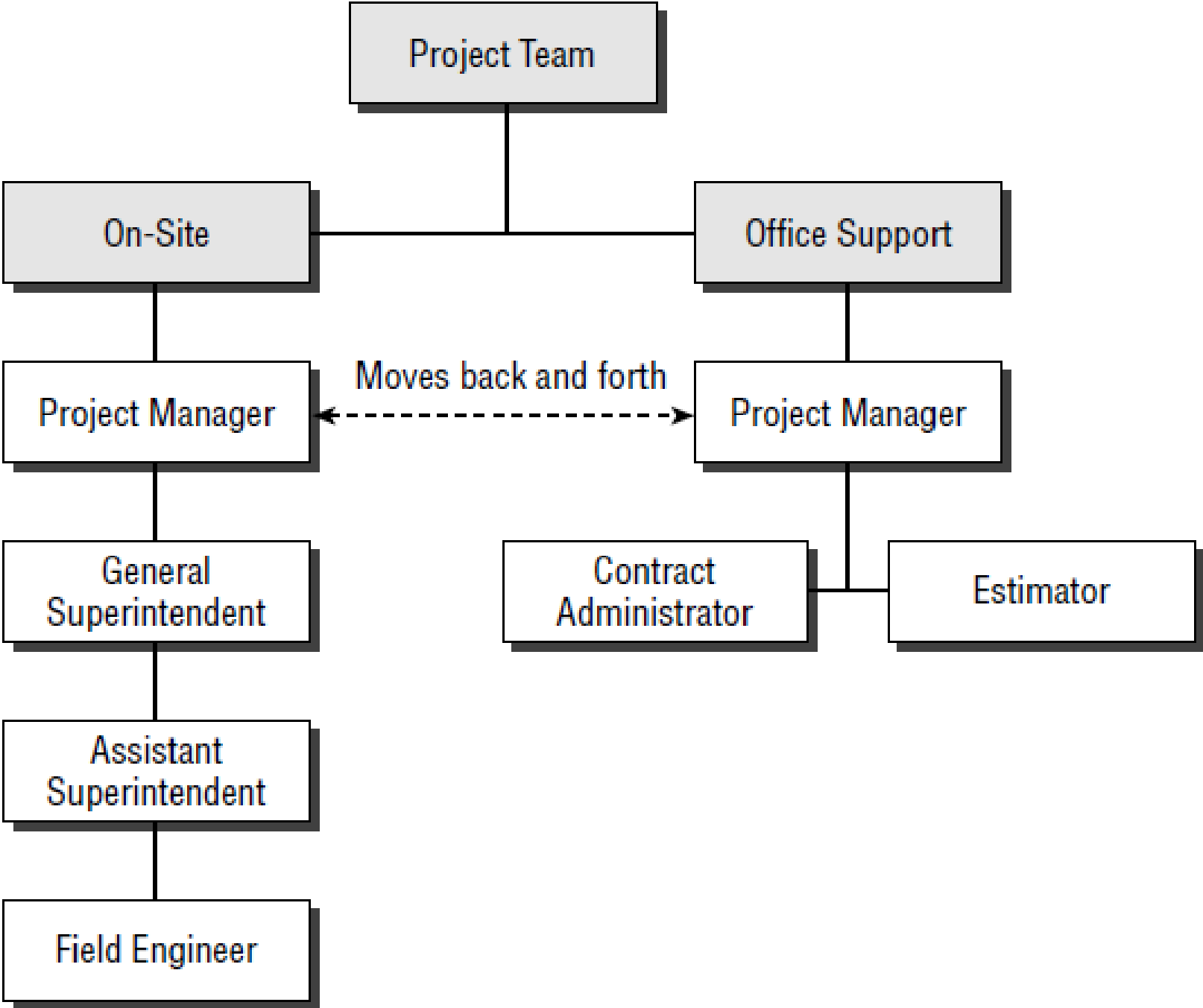


Figure 3.2 Matrix organisation structure: construction project.

2.3 Project Teams

Project teams must be assembled **to accomplish the work** necessary to complete engineering and construction projects.



2.3.1 Project manager (PM)

- **Project manager (PM)**, the project manager is the captain of the team.
- Project managers usually have extensive experience in construction and a broad background in all aspects of the management process.

- PM is charged with four fundamental management tasks:
 - assembling the best possible team for the project,
 - developing the overall project schedule,
 - setting up the cost control system, and
 - establishing a quality control plan.

- **Roles of Project manager (PM) in Planning,**

1. Establish **PROJECT OBJECTIVES** and **PERFORMANCE REQUIREMENTS**
2. Involve all discipline managers and key staff members in the process of planning and estimating
3. **Establish** clear and well-defined **milestones** in the project

• Roles of Project manager (PM) in Planning,

4. Prepare formal agreements with appropriate parties

5. Communicate the project plan to clearly define individual responsibilities, schedules, and budgets (**direct cost and indirect cost**)

- ✓ Materials
- ✓ Labor
- ✓ Equipment
- ✓ Subcontracts

- ✓ Temporary utilities
- ✓ Testing and inspections
- ✓ Job photographs
- ✓ Safety supplies

- **Roles of Project manager (PM) in Organizing,**

1. Organize the project around the work to be accomplished
2. Develop a work breakdown structure that divides the project into definable and measurable units of work
3. Establish a project organization chart for each project to show who does what
4. Define clearly the authority and responsibility for all project team members

- **Roles of Project manager (PM) in Controlling,**

1. Maintain a record of planned and actual work accomplished to measure project performance
2. Maintain a current milestone chart that displays planned and achieved milestones

- **Roles of Project manager (PM) in Controlling,**

3. Maintain a monthly project cost chart that displays planned expenditures and actual expenditures
4. Keep records of meetings, telephone conversations, and agreements
5. Keep everyone informed, ensuring that no one gets any "surprises," and have solutions or proposed solutions to problems

2.3.2 Contract Administrator

- **Contract administrator**, assists PM and the superintendent with many of the details of the contract—especially the general and supplemental conditions of the contract.

The contract administrator may process:

- Progress payment applications,
- Change orders, or
- Submittals on behalf of the project manager.

2.3.3 Superintendent

- **Superintendent**, is responsible for coordinating all of the construction activities on-site and keeping the project on schedule.
- manage **the flow of materials, deliveries, and equipment to create the most efficient and productive environment possible**. And, safety planning.

2.3.4 Legal Structure

1. **Joint Venture**, it is used when a large project is to be constructed and requires expertise from several companies.
2. **Proprietorship**, is a type of business entity that is owned and run by one individual and in which there is no legal distinction between the owner and the business.
3. **Partnership**, is an arrangement in which parties agree to cooperate to advance their mutual interests.

Conclusion

1. An organization can be seen **as a set of roles or positions rather than a collection of people.**
2. Project organization consist of team (PM, SM/Superintendent, CA).
3. Project teams assembled **to accomplish the work**

Thank You