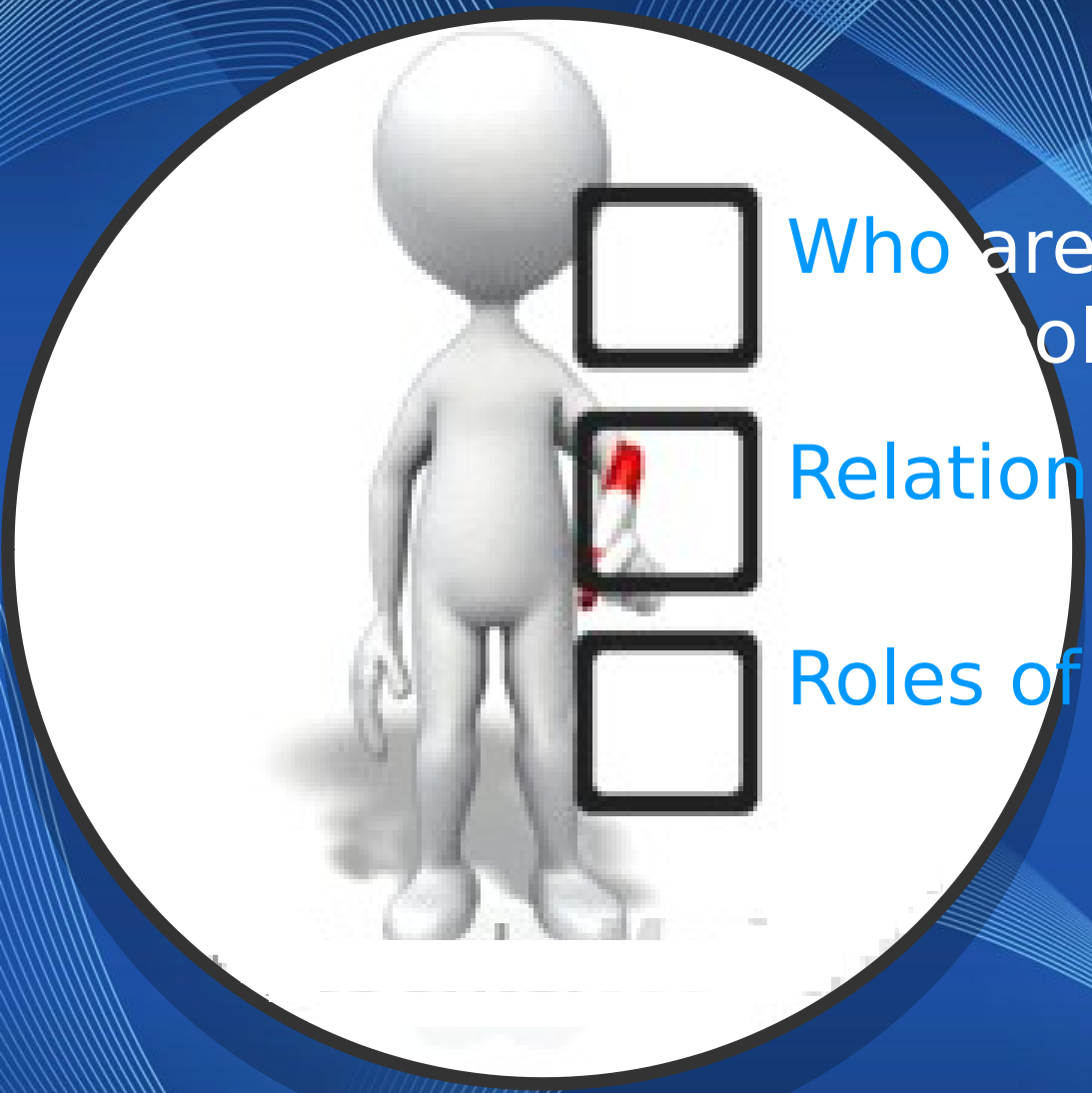
3. Project Procurement and Contractual Management (PPCM)

3.1 Duties and responsibilities of main parties in Construction projects

Stakeholders





Who are olders?

Relationship b/n main

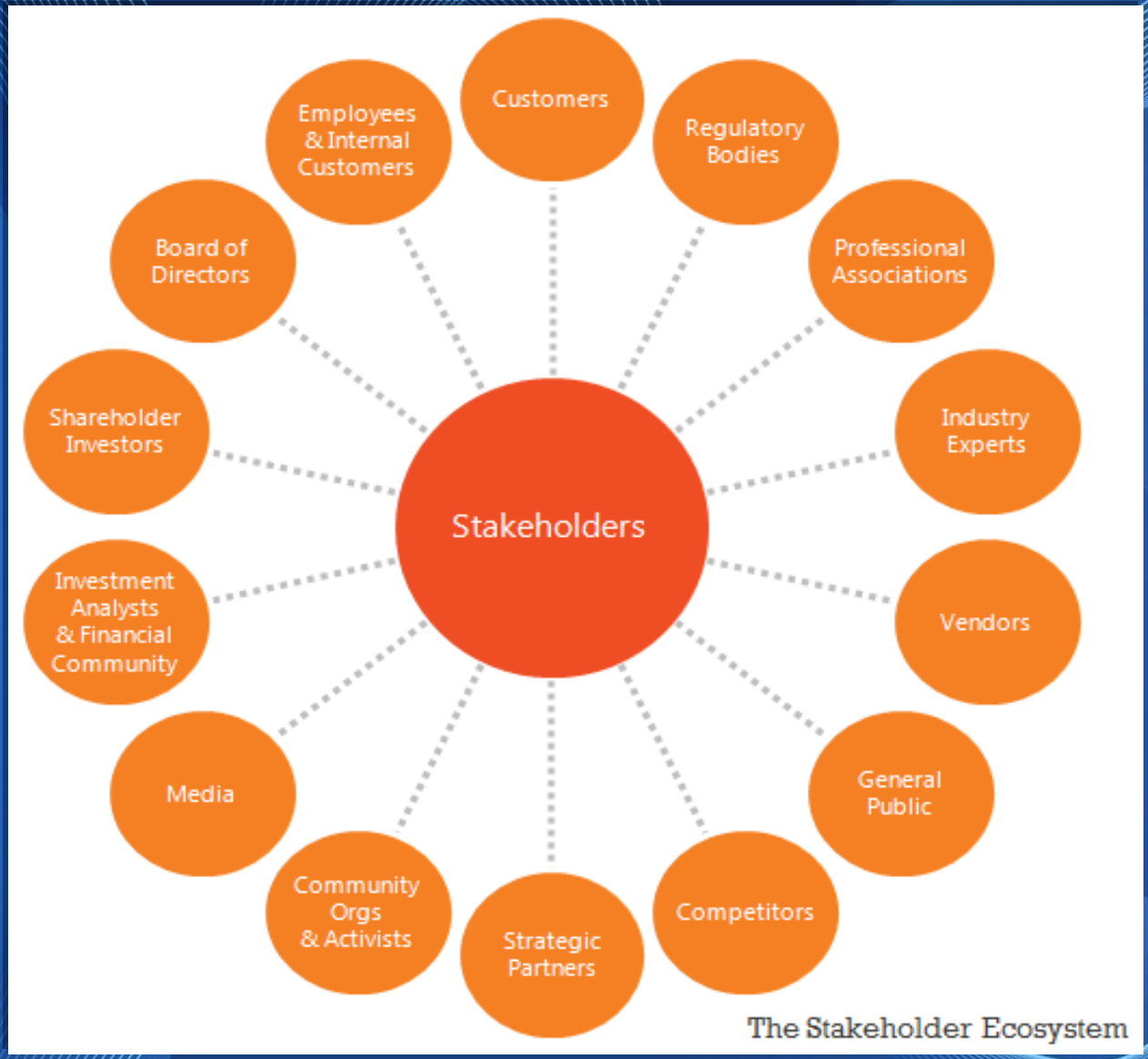
Roles of main parties

Who are stakeholders of CI?

- Project stakeholders or participants or parties
  - are individuals and organizations who are actively involved in project execution or successful project completion.
  - are those who have stakes or vested interest in construction project
  - are those who has a telling effect on a project

- The practice of **planning**, **designing**, **constructing**, and **operating** a facility is a collective effort of different groups of professionals.
- Depending on the **size**, **complexity**, and **purpose** of a particular construction project, the project team may include:
  - A Client or an Owner or Employer: Individuals, government, real estate developers etc.
  - Financial institutions or other investors that provide the funding
  - Local planning and code authorities

- Consultants or Licensed architects and engineers who provide design work and prepare construction documents
- Contractors who provide construction services and install systems
- Marketing or leasing agents
- Facility managers who are responsible for operating the facility.



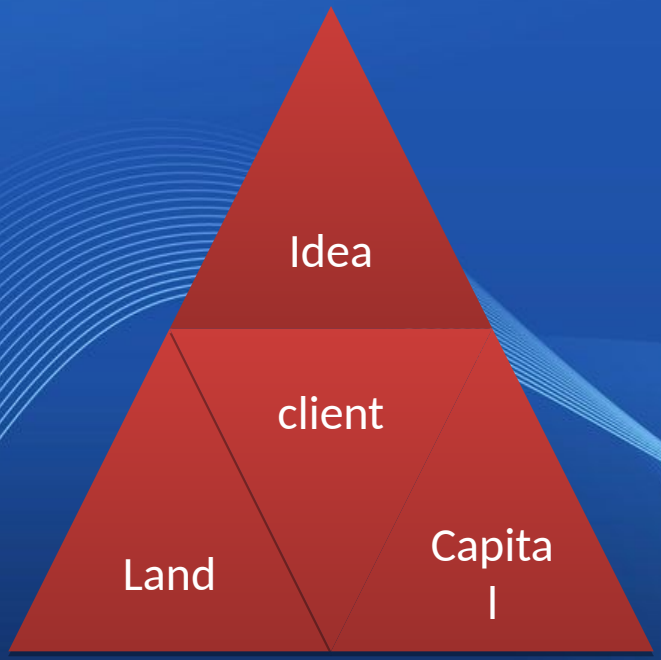
Stakeholder Ecosystem



Stakeholders in Public Construction Projects

A. Client

- The client is the initiator and owner of the project.
- It is the most important party who is active from inception to completion and event to post-occupancy maintenance.



- Clients may be classified as ***Public sector clients*** and ***private sector clients***.
  - **Public sector clients**
    - Central Government Offices (Ministries)
    - Local Authorities (Regional or Town)
    - Public Corporations
  - **Private sector clients**
    - These are private individuals & private companies

B. Consultant

- The consultant transfers the wish of the owner into realizable form and makes the study, design and possibly the supervision.
- The main role of the consultant is to interpret the client's project requirement into a specific design.

C. Contractor

- The contractor is the one who performs the work
- These are groups established mainly as commercial companies, that contract to construct development projects.

D. Public Sector Agencies

- **Statutory Authorities**
- _These bodies offer technical advice during design and construction in their respective areas.
  - E.g. ERA, EWWC, Fire Authority - requires meeting their specific requirements. Thus early information to these authorities is required.
- **Municipalities and Government Authorities**
  - These bodies offer the basic Land permit and building permit.

E. Insurance Companies: Contractors are required to provide bid bonds as a condition of being allowed to bid, and then they must provide insurance too.

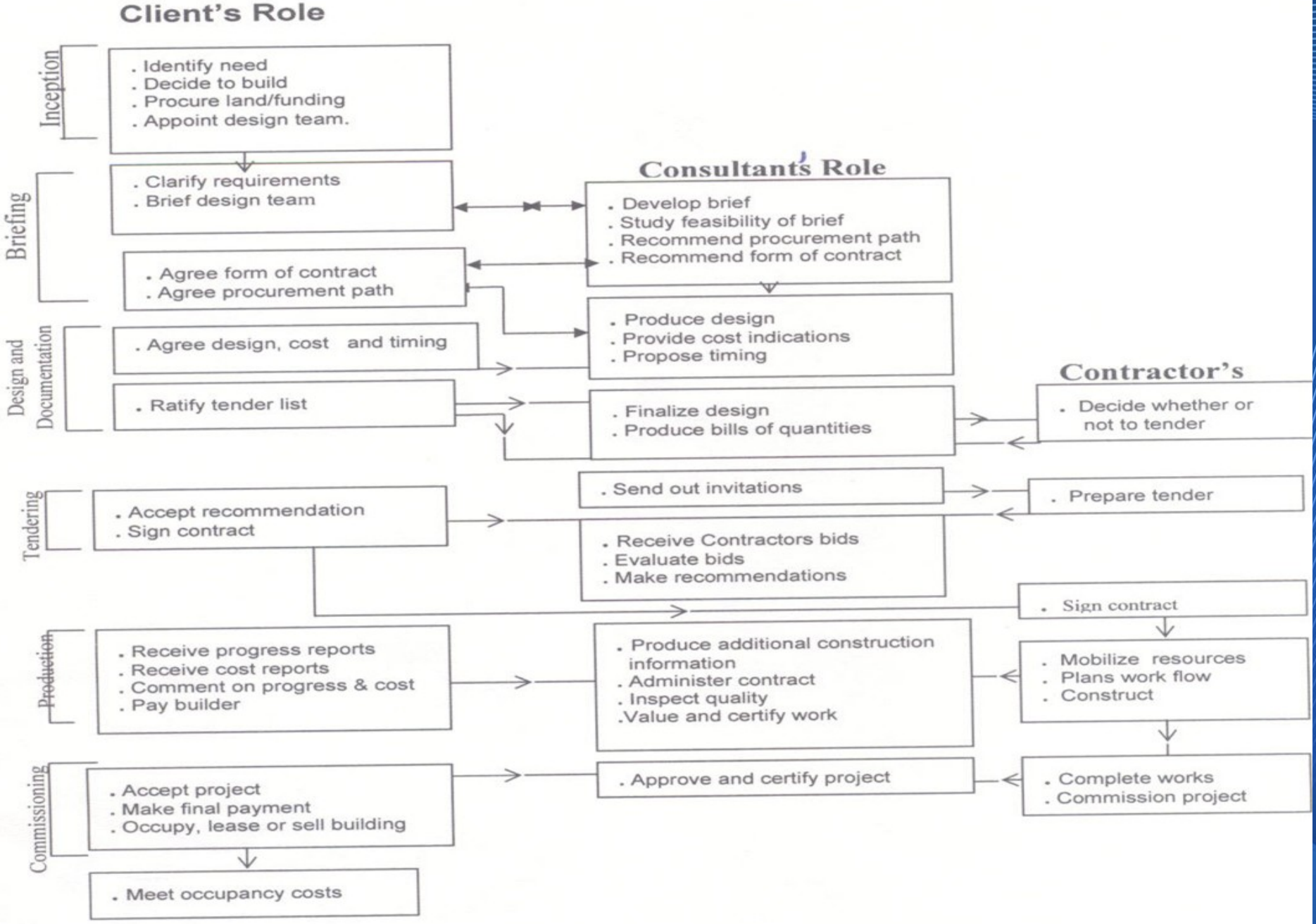
F. Banks: Banks provide the working capital contractors need to build the project.

G. Suppliers: The quality of a construction project is very dependent on the quality of the suppliers used by individual contractors.

H. Trade (labor) unions: are unions of the working class that look after unfair treatment of workers (like payment issues, firing issues) as well as issues related to occupational health and safety.

General Activity relationships among the Client, Consultant & the contractor

- The activities and roles of each player varies from project to project and ownership.
- But, in general, the following figure shows the roles of each participant at different stages of construction.



Roles of each parties

The main participants in a Civil Engineering project are:

- the client – the initiator
- the consultant – the professional advises
- the contractor – the one who constructs

The Role of the Client

- Demand for the product. For example for the building project:
  - Availability and cost of land,
  - Location & accessibility
  - Price
  - Required Infrastructure
  - Legal constraints
  - Current & future development
  - Soil characteristics of land
  - Site preparation (right of way)
  - Permits

The Role of the consultant

- The main role of the consultant is to interpret the client's project requirements into a specific design.
- The consultants' team shall:
  - Ascertain, interpret and formulate the client's requirement into an understandable project.
  - Design the project to match requirements and constraints (imposed by statutory obligations, technical feasibility, environmental factors, site conditions, cost, etc)

- Assess client's cost limit to decide on materials & the like.
- Prepare contract documents.
- Supervise the project and constantly inform the client on the progress.
- Approve payments.
- Resolve contractual disputes.
- Issue provisional and final acceptance certification.

The Roles of Contractors

- These are groups established mainly as commercial companies, that contract to construct development projects.
- Responsibilities include:
  - Carry out a full site investigation prior to submission of tender. This helps to know the costs of contractual risks and problems
  - Submit tender
  - Plan & programme works and even re-programme, whenever unforeseen situation occur.

- Control directly employed works, sub contractors, suppliers, materials and plant
- Control project program & construction
- See to it that completed works comply with the specification and are to the satisfaction of the consultant
- Notify the consultant about delays, discrepancies, direct loss
- Effect all payments to his employees, suppliers, subcontractors, etc
- Rectify all defects on completion of works
- Provide post occupancy repair & maintenance if required

Thank You!