



Traditional procurement and incentive schemes

Introduction

Traditional procurement remains the most widely used method of procurement for construction works. It requires a tripartite agreement which involves a consultant, contractor and a client. There are many incentive schemes which help boost productivity within the project to ensure the project is completed to standard and on time.

Traditional procurement

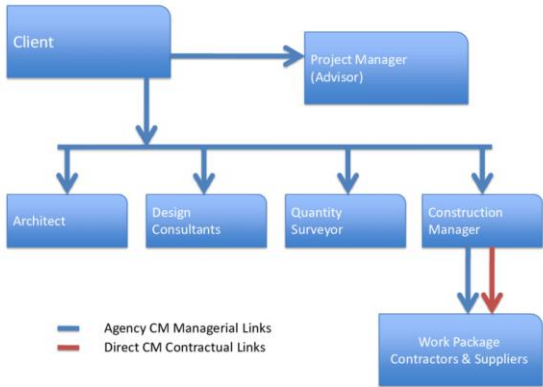
The conventional route of procurement requires distinguishing architecture from construction. First the company appoints contractors to plan the scheme in depth, to ensure cost management, and to monitor the construction process as it progresses. Contractors are then invited to submit competitively single-stage tenders for the design of the project

Incentive Schemes

The Incentive Schemes are designed to appreciate and compensate workers for their hard work. Incentive Schemes can differ in respect to the incentives offered but are typically set up to enable staff to strive for particular targets. Most companies are using workplace Incentive Schemes to generate high levels of efficiency, improve morale and attract workers.

How to set up an Incentive Scheme:

Methods	Description
Set out objectives	Used to help guide the construction team to gain understanding on the project.
Set out targets	Used to show workers what needs to be achieved, to what standard and to the desired time.
Timing	It is crucial that timings on incentive Schemes are set very clearly for participants, so that they can deliver the job to the best of their abilities.
Rewards	Items such as vouchers can be given to workers who have done a great job.
Measuring success	Measuring of profits and revenue to determine if the Incentive scheme is working.



Case Study

Having a traditional procuremnt method is greatly beneficial when working within the construction industry. It is the most widely used method of procurement. Egan (1998:7) criticised the traditional form of procurement for construction; Particularly for local authorities, where the contracts were typically given to the Lowest priced tender, not the highest option, owing to the need for transparency that he has Considered one of the biggest impediments to change. In an institute chartered by Building (CIOB) Report (2010) it was emphasised that having the lowest bid mindset provides high risk, low quality projects which lead to unplanned cost increases and It's right. Many opponents of the lowest bid strategy to worth include Byatt (2001), Naoum Black et al . (2003), (2000). This can impact the project earlier on as the client will lose out on quality of the project as they have gone for a cheap option.

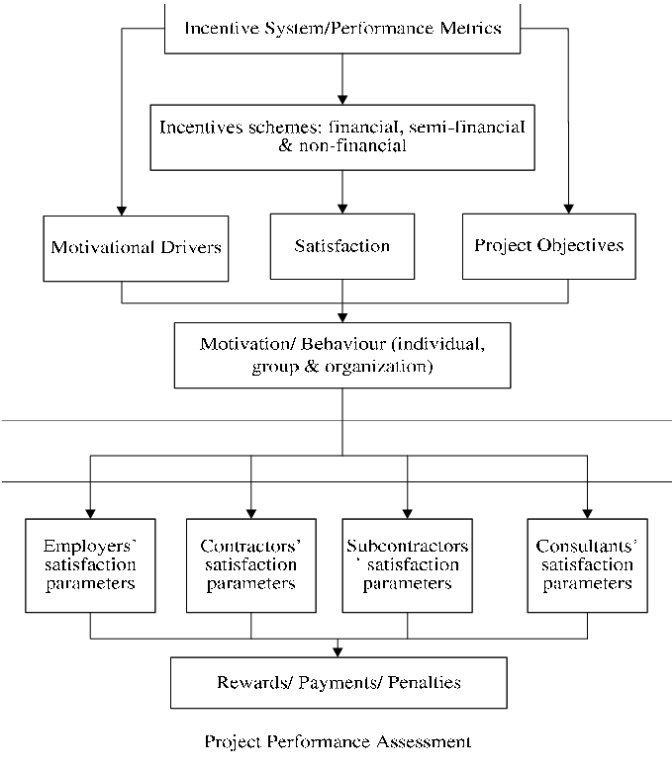
Some problems can arise from the workers due to lack of motivation and unsatisfactory productivity. One of the main challenges facing the staff is not getting the information they need to do their job effectively. It contributes to productivity disparities, which reduces their overall success. Ways to eliminate poor performance is to offer an incentive shceme. This scheme will help workers to be motivated to the highest standard. It provides them with specific targets that can be met to ensuring that realistic criteria are in place to measure their success, by taking this approach it will help boost their performance.

Incentive Schemes

A study has found that introducing pay for performace effects productivity. Seiler (1984) Finds that workers paid per piece earn higher salaries due in part to higher effort, and in part to higher pay Risk bonus. By doing this, it will motivate employees to work harder as they are aware that they will receive the best possible pay from the highest standard of work they've produced.

Benefits of incentive methods

1. Motivation for employees.
2. Makes employees more loyal to the company.
3. Reduced staff turnover.
4. Finacially self-supporting
5. Strengthened work relationships





Delay Analysis and the management of claims

Introduction

Construction projects can always encounter delays. Regardless of whether the contractor is to blame or not. A possible delay of one day or any number of days that are delayed means that the entire construction process that is planned for that day was not completed, which means that the project could encounter serious financial problems.

Delay analysis describes that there are gaps in a building scheme and the impact it is likely to have on the overall plan. The outcome of the analysis can result in legal action taken by one of the contracting parties.

Who is responsible for the delay of a project?

A delay in the project can be the fault of the contractor, reasons are as listed:

The possible lack of workers on site. This can have a negative effect on the project as it limits the productivity of the project by limiting how fast the job can be carried out.

Inadequate project planning. This phase involves creating a set of plans which will help to guide the workforce. It also manages time, cost, quality, change, risk and issues

Cash flow issues can arise in the construction supply chain. It is a common reason for contractors and sub-contractors becoming insolvent. This can have a devastating effect on the project in terms of time and money.

The contractor isn't always at fault, there are many aspects to look at when it comes to the delay of a project. Unanticipated weather conditions can affect the project as construction will be stopped. Also reasons such as delay in material deliveries due to strikes or bad weather at sea (imported materials). Such delays could have a major financial impact on the project. It provides a variation from the desired planned schedule. The contractor may be able to seek a time extension for the project through an early warning notice (EWN) and a compensation event.

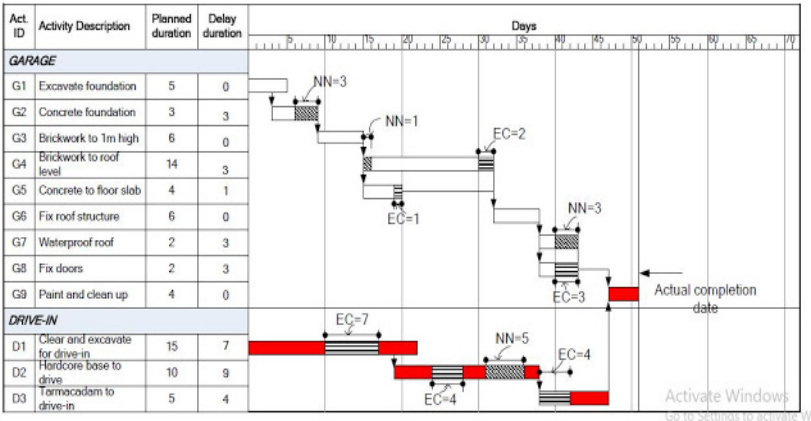
Delay analysis

There are three types of delay analysis. These are listed below:

Name	Description
Contemporaneously	Happens during the delay
Prospectively	Predicts what effects the delay will have on the projects can be used before and after the delay
Retrospectively	Retrospective approaches determine the impact the delay would have on the project which can only be implemented until the work is complete.

Case Study

Alkass et al. (1996) Presented and analysed the various delay measurement approaches that were used by business professionals at the time. Some of the techniques that were discussed were global impact technique, net impact technique and adjusted as-built CPM technique. These techniques were then applied on a case study by Alkass et al. (1996), and the findings were compared and used to demonstrate the benefits and disadvantages of the various techniques.



Gantt chart produced by a company to show the delay analysis within a construction project.

Method	Description
As-Planned vs. As-Built	This method compares the planned start and end dates with the actual start and finish dates of activities on the critical and almost critical paths as planned. It describes delayed starts, late finishes and extended durations.
Collapsed As-Built	This approach includes eliminating as-built schedule delay events to decide when the project was meant to be finished.
Windows Analysis	This method of analysis compares the projected critical path of the baseline or as-planned schedule with the as-built schedule which represents the as-built conditions for each selected time.
Impacted As-Planned	This method includes changing as-planned schedule to include new activities to show delay events.
Time Impact Analysis (TIA)	This technique assesses any delay directly before and after the delay occurrence happened, depending on the timetable.

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