

4. ANALYSIS OF THE PLANNING STAGES

PRE-TENDER PLANNING STAGE

The preparation of an estimate and its ultimate adjudication to formulate a tender follows a similar process in most organisations

The procedures used within a smaller organisation may, however, be less formal than in the more complex and larger one.

Larger organisations adopt a more formal approach to estimating as the responsibility is shared among a construction estimating and buying team, with senior management adjudicating, e.g. deciding how to convert the estimated net cost into the price they wish to bid.

The stages involved during the preparation of an estimate are as follows:

1. The decision to tender
2. The pre-tender arrangements
3. The site visit report
4. Enquiries to subcontractors and suppliers
5. The statement of construction methods
6. The build-up of the estimate rates
7. The pre-tender programme
8. The preliminaries build-up
9. The estimate adjudication
10. Analysis of results

The above sequence of events takes place during the estimating process within the structure of the medium to large firm. The Institute of Building, with the Code of Estimating Practice, illustrates various estimating forms which may be of assistance in standardising estimating procedures.

PRE-CONTRACT PLANNING STAGE

A contract is a commitment. When the contractor has accepted this, he must review the information available to him and establish his plan. Decisions must be made relating to the financing of the contract, the appointment of subcontractors and suppliers and the availability of information requirements and resources. Budgets, plans of action and programmes must be prepared. A cash flow assessment will indicate the funds which may be required to finance the contract, and the necessary loans can be raised.

The stages involved during pre-contract planning are:

1. The pre-contract report and meeting
2. Pre-contract check list

3. Placing of subcontracts – suppliers and subcontractors
4. Site layout planning
5. Schedules of requirements
6. Preparation of master programme
7. Arrangements for commencing works
8. Preparation of contract budgets

Standard proformas can again be used for the various stages involved. The prospective site manager should become involved in the planning activities as these are, in effect, an attempt to formulate the method he will adopt. In particular the drawings and bills of quantities must be reviewed in order to assess essential requirements for the early stages of the contract, so that the immediate resources can be earmarked.

Budgets will be prepared in order to forecast cumulative value and cost. A cash flow assessment may be developed from budgetary control procedures and a valuation forecast prepared. Preliminaries and plant budgets can be prepared against which actual costs may be matched during the contract.

Without a plan against which to monitor performance, there can be no control. The terms in which the plan is stated are conditioned by the form of control which the firm proposes to exercise.

CONTRACT PLANNING

The stages involved in contract planning during a project may be summarised as follows:

1. Six-weekly and monthly planning review
2. Weekly or short term planning
3. Daily planning
4. Monthly and weekly reports of progress
5. Updating of progress and comparison of budget with performance

The contract planning stages of a contract enable requirements and progress to be reviewed monthly and weekly. Site meetings at monthly intervals with the architect, consultant and subcontractors form an integral part of the planning process. Weekly meetings at site foreman level aim at keeping the monthly programme under review by detailed planning of labour and plant resources for the next five-day period.

The relationship between programmes prepared at the pre-tender, pre-contract and contract planning stages are indicated in the following figure.

PROGRAMME RELATIONSHIPS

PRE-TENDER PROGRAMME	- Forms the basis of the tender for the build-up of contract preliminaries. - Presented in bar chart format in relation to major operations.
PRE-CONTRACT OR MASTER PROGRAMME	- Development of pre-tender programme. - Presented in bar chart format/network or line of balance - Subcontractors, nominations and requirements dates
CONTRACT PLANNING	4/6 weekly programme developed from the master programme
MONTHLY PROGRAMME	- Enables the master programme to be kept under review - Aids progress reporting
WEEKLY PROGRAMME	- Development of the monthly programme into week detail - Enables the site foremen to become involved in planning
DAILY WORK SCHEDULES	Breakdown of the weekly programme into daily work schedules for individual gangs