Assesment 2

What are the general causes of project cost and time overruns?

One major factor that has been identified as reasons for cost overrun in most projects is design errors. Delay and cost overrun in project could be as a result of scope change. Scope is the term that defines the entire deliverables that is expected at the end of a project. Another major reason for cost overrun and delay in project is inappropriate and not good enough purchase and not working correctly based on a written agreement management system. Contracts read out almost every aspect of a business relationship, including payment terms, pricing, and service levels. The complexity of project could also be a contributing factor to delay and cost over run.

What are the main resources of project finance?

The main resources for project finance are cash from previous projects which is known as cash flow. A nothe source would be a loan which can be from a bank, 3rd party or another source, the good thing about a loan is that the intrest on it is tax deductable. Vendor finance is another source of finance for a project, vendor finance can work as a defereed loan or share option, the vendor may take share in the borrowing company. The next option would be bonds which are similar to the loan option.

Which processes are used in controlling phase?

The processes in the control phase are as follows, the overall scope change control, resources control , schedule control, cost control, qaulity control, risk response, performance reporting and finally contract administration.

What are the tasks undertaken in "project close-up phase”?

The importants task that are invoved in project close up are as follows, admin close, contractual close out and lessons learnt. Completion of all maintence would need to be handed over to a company that is in sync with the project. A correct record of all operating instrucions on In build drawing must be filled. All take over staff and workers will be trained and competent in operating and maintainig equipment. We would also need to make sure the site is clear of all excess material and rubbish. The buyer/cleint need too go through everything themselves to safegaurd their investment prior to final payments.

What is Feasibility Study? And which areas does it cover?

The feasibility study, covers the investment area of a project if need. The study consists of critical examination of certain ares which include demand analysis, technical specification feasibility, the swot analysis (stregnth weakness opportunity and threat), enviromental implications, finacial and economic analysis are the final areas of the this part of the study. The next part consist of the appraiseal and feasibilty of the project, which would include the time concept and cost of project. In this report you would also appoint the important persons of the project I.e site agents and project managers.

What items are included in "Project Completion Report”?

The project completion report would be completed by the team at the end of the project it would consist of the following items, the scope, the schedule of work, the addresses of suppliers materials and equipment, the manuals for all equipment and all build drawings, the cost involved and finally all the lessons learnt while undertaking the afformentioned project.

What is a project? Describe different processes undertaken throughout the development of a construction project.

A project in the context of this course I a construction project, and a construction project has 4 phases and within my answer I shall go into detail on each phase.

The 1st phase is the project inititation phase, this phase is the start of everything where people will formulate the scope and try and implement some ort of strategy and what all the needs of the project will be. In this phase we would als take out a feasibility study, investment option will be looked into, look into the finacial aspects of the project and profit projection to see if the project is worth doing, statutory clearence is also part of this phase as I have refered to in earlier answers. The penultimate part of this phase will consist of the structure of the project which will include the site manager and all their staff I.e buyers assistants and other inportant roles. The final part of this phase is either the go ahead or the no go if the project woas not feasable.

The next phase in a a construction project is the planning and design phase, this is where key decisions are made. The basic planning drawings are first drawn up here along with how the time schedules would be written. The budgets would be set out in this 2nd phase, we would also seek communication planning, qaulity planning is also in this phase. This phase is where we would precure the planning permission for the project as without it the projct would never get of the ground.

The execution and control phase is the 3rd phase. In this phase we organize the project and see the mobillisaion of our resources. We will also look at the scope and gain assurances and quality for this. Site mobilesation and developing the rest of the team and gaining the sub contractors to start the project. Saftey management as having a good health and saftey procedure will help save lives and stop losing man hours which can cause overuns and make you go over budget. Schedule control and cost control will also be in this phase. We will also set out how and when the preformance reporting so we can lok at how contactors are doing before they go to far and mistake would have been left wrong. Contract admin is very imortant as it will layout a binding written contract on pay schedules project legnth and other very important issues.

The final phase of a project is the close-up phase, this would cosist of all the administration close up where we would tie up all the contractual loose ends and final payments. The final part of all projects are what lessons have been learnt. What we would change in the next project what we would do the same. You would also have a meeting with all your contactors and do an appraisles and decide if contactors are suitable to be used again.