QUEENSLAND
OWNER BUILDER COURSE



NONACC91528 QBCC Owner Builder Course

MODULE 3
PROJECT MANAGEMENT

TRAINING MATERIALS © 2026 Edition

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1. CONSTRUCTION PLANNING

HOUSE CONSTRUCTION

Most modern houses are referred to either as brick-built or timber-framed. However, there are wide variations on this theme, and older buildings can comprise a number of different structures and features.

Brick built houses

Cavity Brick

Modern brick built houses are based on a cavity wall construction, with an outer layer of brick or block and a secondary, inner layer of brick or block. The cavity between the two walls is usually around 40mm wide.

To ensure structural strength, the cavity between the outer and inner brick walls is spanned by special ties. If the internal wall is loadbearing, it will be made from block or brick. If it is non load bearing, the internal wall may again be built with blocks, or less heavyweight stud partitioning (timber frames) may be used.

Consideration of using cavity brick construction include:

- Virtually maintenance free
- Reduces energy usage in winter and summer
- Entire walls may be used as a feature
- Termite management systems still have to be considered for timber floor and roof structure, and non-structural timbers (eg: doors, mouldings furnishing).
- Rot resistant in wet areas (though rising damp must be considered).
- Has good sound insulation from both internal and external noise
- Heavyweight system of building
- Long walls may require additional support and articulation

Brick Veneer

Brick veneer construction involves an outer brick façade connected to a timber or steel frame using metal brick ties. The timber or steel frame is the structural loadbearing component, whereas the brick exterior wall acts only as a façade and weather barrier.

Considerations for this type of construction include:

- Lighter weight construction than cavity brick
- Thermal and moisture performance
- Design flexibility and ease of modification
- Wide choice of bricks provides versatility in exterior design and finish
- Termite protection is an important consideration
- Articulation (vertical breaks) may be needed in long walls

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Timber / Steel framed houses

As the name suggests, the main structural elements of these houses are built using timber or steel frames, though they are also built on a cavity structure consisting of two walls.

The internal, wall framework is erected first and the outer wall is then built from brick, block or wood cladding. As with brick-built houses, the exterior walls are generally load bearing. However, if the internal walls are made from wood, it can be difficult to determine whether these walls are load bearing or not.

Considerations for this type of construction include:

- Light weight
- Used with all types of floor construction materials readily available
- Suitable building system in areas of highly reactive soil types
- Less trades involved than is required for masonry systems
- Termite management is an important consideration

Solid wall construction

This type of construction features in older houses, where there is no cavity and therefore a two-layer system is not used. Walls in these houses tend to be thicker, often with the stone or brick make-up extending from the outer to the inner face of the wall. Internal walls are either made of similar materials to the external walls or they may be constructed from timber partitioning, demonstrating lath and plaster characterises. Load bearing walls in these houses nearly always comprise the same stone or brick structure as the external walls.

Pole Construction

This method of construction uses strong, substantially straight and treated timber poles as a means of supporting the timer frame. Pole homes are commonly seen on steep allotments although they are just as suitable for flat sites.

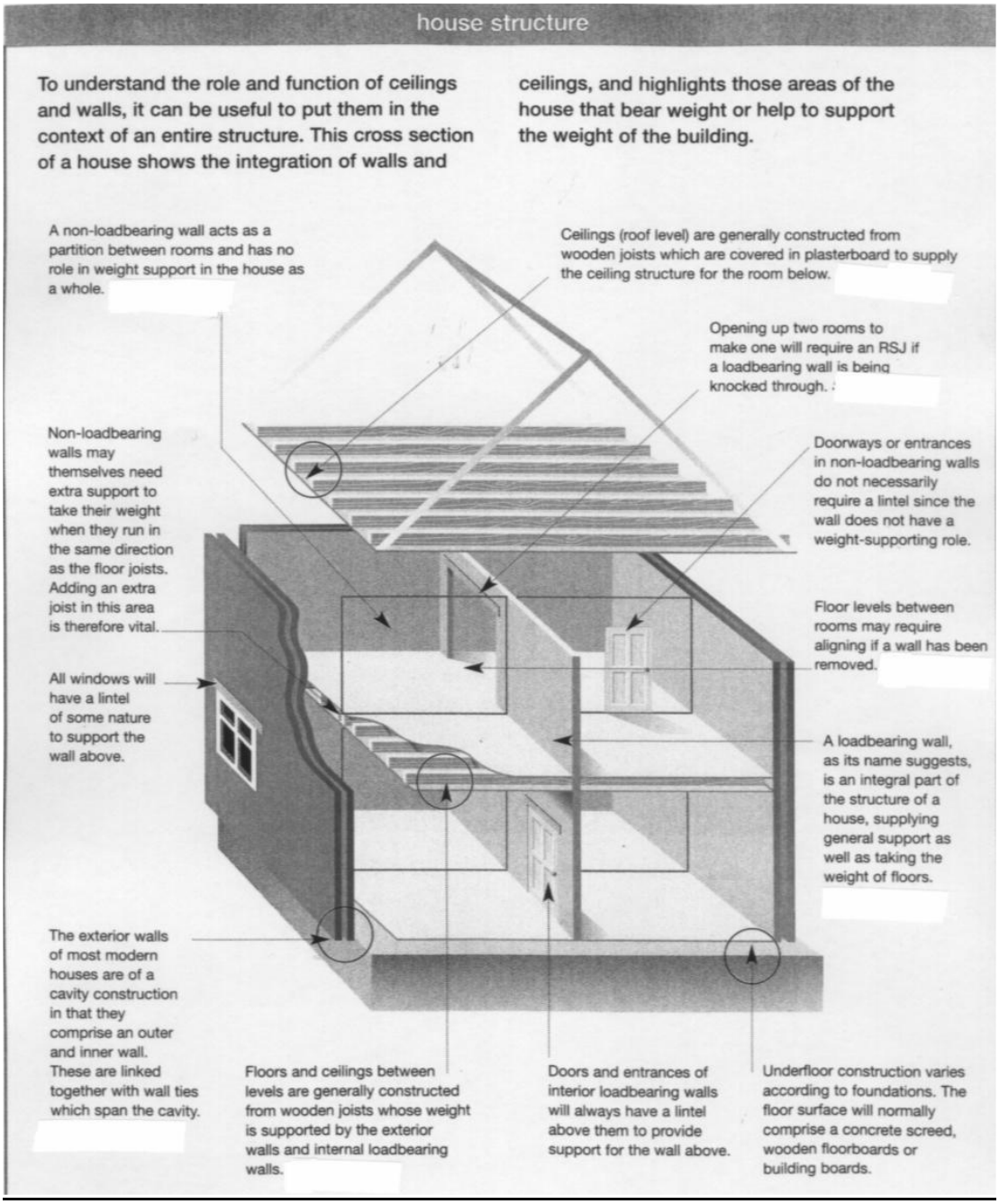
Considerations for using this type of construction:

- Blends well with the surrounding natural environment
- Can be used on very steep slopes
- Avoids major cut and fill earthworks and retaining walls
- Can avoid slippage problems on sloping sites.
- Regular termite management inspections will have to be undertaken.
- Requires experienced and competent tradespeople

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LOAD BEARING WALLS

Walls of a house are load bearing or non load bearing. Non Load bearing walls act as a partition and do not bear any of the house weight, whereas load bearing walls play an integral part in supplying general support and bearing the weight of floors. This theme is common to all house structures and is the starting point for deciding on any alterations.



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BEFORE YOU START BUILDING

First determine the design and method of construction – Renovation of an existing building, building a new Single Storey, Double Storey, 3 Storey walk up or Duplex. Is it going to have 3 Bed, 4 Beds etc? Are you are going to build it as Brick Veneer, Blocks, Cladding, Rendered, etc. Then consider the type of footings – For example - piers, slab on ground, suspended slab etc., etc.

Next you need to know what the soil classification is on your block – this is to determine what type of footings *can* be used. You may need to engage a **Geotechnical Engineer –** refer to the **Yellow Pages OR Building Code of Australia** – Section 3.2.2.2 Filling under concrete slabs. **Australian Standard** AS1289 Methods of Testing soil for engineering purposes.

Have you had an inspection of the block for underground services that may have been pre-existing – do they exist, will they need to be disturbed or removed?

How will the building affect neighbouring properties, streets, footpaths etc. – Consider what is called a *Dilapidation Inspection* - take photos of existing buildings, paths, fences etc **PRIOR** to commencing the construction – prepare a written description of the surrounding buildings etc, their condition if there is any defects or damage. Keep the information in your Project File.

This is a precautionary activity in case you are accused of creating any damage due to the coming and going of machinery, changes in the slope of the property due to excavation etc. The original report and photos will determine if the damage was created by your building process or if it was pre-existing.

Are there any special Councils requirements?

If you want to know more contact your **Local Council – these requirements may have been determined at the Development Application Stage.**

Is demolition required?

If you want to know contact your **Local Council –** these requirements may have been determined at the Development Application Stage **– Contact WorkCover** if Asbestos is involved, and don‘t forget the Safety Issues.

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PRELIMINARY CHECKLIST

The following list is not exhaustive nor necessarily in the correct order – it is intended as a guide only.

NO.	DESCRIPTION ON TASK	DATE
1	Set up bank account for project	
2	Complete Owner Builder Course	
3	Prepare detailed budget for project	
4	Obtain preliminary finance approval	
5	Design/select house plan	
6	Obtain site survey and contour plan	
7	Provide design brief and final sketch to designer	
8	Obtain preliminary design drawings	
9	Choose a Certifying Authority	
10	Obtain soil test and foundation report	
11	Obtain engineer‘s drawings	
12	Complete working drawings	
13	Prepare copies for tender/quotes	
14	Prepare budget estimates for Trade Contractors	
15	Compile specifications for tenders	
16	Call prices from Trade Contractors and Suppliers	
17	Finalise construction schedule (RDOs and Public Holidays marked)	
18	Insurances	
19	Sight, record and file Trade Contractors insurance details	
20	Check Trade Contractors Licenses with Licensing Authority	
21	Sign contracts with Trade Contractors	
22	Obtain Work Method Statements from Trade Contractors	
23	Finalise Construction Workplace Plan for project	
24	Confirm account details with suppliers	
25	Erect Owner Builder sign on site	
26	Confirm starting dates with Trade Contractors – amend construction schedule if required	
27	Make arrangements (and pay deposits) for temporary services	
28	Finalise budget for project	
29	Finalise Site Diary from Project start date	
30	Send commencement notification to lender (if applicable)	
31	Set out building, check (and recheck)	

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The following areas of work can only be performed by properly licensed or certified professionals:

- Plumbing
- Drainage (sewerage, septic, sullage, etc.)
- Gas fitting
- Electrical
- Demolition
- Removal of hazardous substances (e. asbestos, lead-based paint)
- Scaffolding where a person can fall
- Pest control (installation of termite management systems)
- Waterproofing

SEQUENCE OF WORK

The following is the normal sequence of a project involving the construction of an entire home. The sequence could vary in detail but should be the same in general no matter what building system is adopted.

1st Prepare and clear the site
2nd Construct footings/subfloor
3rd Construct floor
4th Erect walls and roof structure
5th Install service pipes, wires, windows, etc. (this may need to be done at the same time as the item above or after the next item and some fixtures, such as a bath or spa, may need to be installed as well)
6th Install roof covering and roof drainage
7th Install Windows
8th Install external cladding, doors etc
7th Install internal linings
8th Install joinery and cabinets
9th Apply finishing coverings (paint, tiles, carpets, etc.)
10th Install and connect service outlets/fixtures
11th Clean up and move in

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STAGES OF CONSTRUCTION - THE BUILDING PROCESS

*It is important that you take **safety** into account in relation to each item below.*

1. **Foundation – Footings – be it piers, strip footings, slab on ground**
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.1.1 Earthworks. The Australian Standard is AS 2870 Residential Slabs & Footings. Don't forget the Safety Issues.

2. **Drainage – Surface Water Drainage, Subsoil Drainage, Stormwater Drainage**
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.1.2 Drainage.

3. Sub Floor Ventilation
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.4.1 Sub Floor Ventilation - The Australian Standard is AS 1684 National Timber Framing Code.

4. Concrete floors or bearers, joist and floor laid (if a platform floor is being used)
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.2 Footings and Slabs. The Australian Standard is AS 2870 Residential Slabs & Footings, AS 1684 National Timber Framing Code, AS 3600 Concrete Construction.

5. Damp Proof Courses (DPC's)
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Sections 3.2.2 Vapour Barriers, 3.3.4 Weatherproofing of Masonry. The Australian Standard is AS 2870 Residential Slabs & Footings, AS 2904 Damp Proof Courses and Flashings.

6. Termite Protection
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.1.3 Termite Risk Management. The Australian Standard is AS 3660 Protection of Buildings from Subterranean Termites.

7. Wall frames are erected, plumbed and braced (true and straight)
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.4 Framing (3.4.2 Steel Framing & 3.4.3. Timber Framing. The Australian Standard is AS 1684 – National Timber Framing Code or AS 4100 Steel Structures, NASH Residential and low rise steel framing, AS 3623 Domestic Metal Framing.

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8. Roof framing is construction plus fascia and barge boards fitted
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.4 Framing (3.4.2 Steel Framing & 3.4.3. Timber Framing. The Australian Standard is AS 1684 – National Timber Framing Code or AS 4100 Steel Structures, NASH Residential and low rise steel framing. AS 3623 Domestic Metal Framing, HB 39-1992 Code of Common Practice for Steel Roofing.

9. Roof drainage is installed
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.5.2 Gutters & Downpipes. The Australian Standard is AS 3500 National Plumbing & Drainage.

10. Roof sarking is applied and cladding attached
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.5.1 Roof Cladding. The Australian Standard is AS 2049 Roof Tiles, AS 2050 Installation of Roof Tiles, AS 1562 Design and installation of sheet roof and wall cladding. AS/NZS 4200 Installation of pliable membrane and underlay.

11. Windows and exterior doors installed
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.6 Glazing. The Australian Standard is AS 1288 Glass in buildings. AS 2047 Windows in buildings.

12. External wall cladding applied and soffits lined
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.5.3 Wall Cladding and 3.3. Masonry. The Australian Standard is AS 2269 Structural plywood cladding. AS 3700 Masonry Structures.

13. Tongue and groove strip footing laid if specified
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.4 Framing. The Australian Standard is AS 1684 National Timber Framing Code.

14. Ceiling battened and/or noggin
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.4 Framing. The Australian Standard is AS 1684 – National Timber Framing Code.

15. Plumbing pipes, sewerage – Gas may need to be considered
If you want to know the detail of compliance – Refer to NSW Code of Practice for Plumbing & Drainage (2006). The Australian Standard is AS 3500 National Plumbing & Drainage.

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16. Electrical Wiring
If you want to know the detail of compliance – Refer to the Australian Standard is – AS 3000 Wiring Rules.

17. Internal ceilings and walls lined
If you want to know the detail of compliance – Refer to the Australian Standard is AS 1530 (Insulation) –AS 2588 Gypsum Plasterboard, AS 2589 Gypsum linings in residential.

18. Bath, shower and kitchen cupboards are installed – Consider the wet area compliance issues
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.8.1 Wet Areas 3.8.3 Facilities. The Australian Standard is AS 3740 Waterproofing of wet areas within residential construction. AS1351 Kitchens.

19. Internal doors and all mouldings are fitted
If you want to know the detail of compliance – Refer to the Australian Standard is AS 2688 Timber Doors.

20. Stairs, Balustrades, Handrails
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.9.1 Stair Construction, 3.9.2 Balustrades.

21. Electrical Wiring finished off
If you want to know the detail of compliance – Refer to the Australian Standard is – AS 3000 Wiring Rules.

22. Plumbing finished off
If you want to know the detail of compliance – Refer to the NSW Code of Practice for Plumbing & Drainage (2006). The Australian Standard is The Australian Standard is AS 3500 National Plumbing & Drainage.

23. Electrical work finished off
If you want to know the detail of compliance – Refer to the Australian Standard is – AS 3000 Wiring Rules.

24. Finishes, Rendering, Floor & Wall Tiles, Painting and decorating carried out

25. Floors sanded if required

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26. Fire Resistance/Safety – Separating Walls, FFL Levels, Smoke Alarms, Bush Fire Zones
If you want to know the detail of compliance – Refer to the Building Code of Australia – Volume 2 Section 3.7 Fire Safety. The Australian Standard is AS 3786 Smoke Alarms.

27. Fencing

28. Swimming Pools
If you want to know the detail of compliance – Refer to the Swimming Pools Act 1992. Refer to the Building Code of Australia – Volume 2 Sections 3.9.3 Swimming Pool Access. The Australian Standard is AS 1926 Swimming Pool Safety.

2. COSTING AND ESTIMATING

“Estimating“ is the
technical process of predicting costs of construction.

AN OUTLINE OF THE ESTIMATE



It has been said that a builder requires only five resources. These are often referred to as the 5 M“s:

- Money
- Material
- Men or Labour
- Machines or plant *and* scaffold or equipment
- Method and management.

In reality, the client - in the case of the Owner Builder - provides the first „M“ in return for the provision by the builder/contractor of the remaining four.

The estimate then should be the prediction of the total net cost of these four resources consumed in the proposed construction.

In estimating, these four resources are referred to as the *four components of net cost* and are generally further separated into direct or indirect costs.

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Direct / Indirect Costs - Costs including materials, labour, machines and overheads

Gross Comparison - Comparing the project to another project costings, adjust for differences in size, time, and location

Parametric - Estimate based on parameters of individual systems or project elements, based on statistical relationship between historical costs and project variables such as size, capacity, etc

Composite - A combination of Gross Comparison and Parametric

Detailed - Based on detailed information from detailed planning

Job Costing - Tracking the costs for materials, labour and subcontractor costs and keeping track of actual costs against budget

Activity based Costing - Determine the cost of resources - cost per unit multiplied by amount used in the job equals total cost of materials. Then add direct labour and overhead costs.

Life Cycle Costing - Determines the costs of an asset (building) throughout its entire life.

The estimator's task would be lightly defined as simply listing, pricing and totalling all the components of net cost to a proposed project. This sounds simple enough, but can in fact be a gigantic task and a confusing one if the sequential steps are not carefully planned and understood to avoid the chaos, omission or duplication which can so easily creep into figure work.

The estimate is therefore subdivided into an orderly sequence of sections and subsections which, when brought together, will completely cover every aspect of cost involved. An estimate to larger works, for which bills of quantities are provided, is generally subdivided into trade areas and each trade is further divided into the various items of work within that trade.

In cottage estimating, it is a common and convenient practice to use a subdivision related more closely to the sequence of construction and expenditure to the trades or subcontractors or suppliers contributing to that construction and to the actual invoices and payments which will constitute the costing records of the completed job.

Methods of subdivision and consequent build-up of the estimate and the various formats and sheet rulings used will vary from office to office but it is most important that you understand this planned approach and gain a general overview of the whole estimate, before becoming blindly involved in some obscure part of it.

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The manner, in which contractors intend to perform the work themselves or sublet the work, will influence their build-up of the estimate, for the task of estimating is really shared by all involved in the contract, and the degree of figure work required of the main contractor will vary from trade to trade.

Examples could be used here to clarify this last statement, so taking a small builder who only employs 2 carpenters on a wages basis, the following four (4) different forms to trade estimate may apply:

1. To the trade of carpentry, this contractor will provide all materials, wages, labour, plant and scaffold, hence his estimate to this trade will be fairly involved and will include the following steps:

    - Take quantities of all materials required
    - Price materials
    - Estimate hours of labour
    - Establish hourly cost rate of carpenter
    - Price labour
    - List items of plant and scaffold and duration
    - Obtain charge-out of hire rates
    - Price plant and scaffold
    - Sum price of all components to establish total net direct costs to carpentry

2. To the trade of bricklaying, the builder will provide all the materials, use a team of subcontract bricklayers providing labour, plant and scaffold at agreed rates and a subcontract brick cleaner. This trade estimate must include the following steps:

    - Take quantities of all materials required
    - Price materials
    - Apply subcontract rates to labour, plant and scaffold
    - Apply subcontract rates to brick cleaning
    - Sum all costs to establish total net direct costs to brickwork.

3. To the trade of solid plastering, the builder will engage a team of supply and fix subcontractors who will provide all materials, labour, plant and scaffold for agreed rates per m2 for work in place. Here the estimate will include only three steps:

    - Take quantities of the various work in place
    - Apply respective sub contract rates to quantities taken
    - Sum all subtotals to establish total net direct costs to plastering.

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4. To the trade of roof tiling, the builder will engage a supply and fix subcontractor who will provide all materials, labour, plant and scaffold for a quoted lump sum figure. The estimate here will involve only two tasks:

    - Provide documentation and call for quotations
    - Receive, consider and select a quotation to cover all direct net costs to roof tiling.

By applying one or a combination of these approaches to each trade or section of the work, the total direct costs of all components to the main contractor's and subcontractors' costs to the *bricks and mortar* of the job is sometimes referred to as the *body* of the estimate.

This body of the estimate does not include the fourth and subsequently determined component of cost, the indirect costs of the main contractor. These indirect costs are further subdivided in the estimate plan.

Indirect Costs

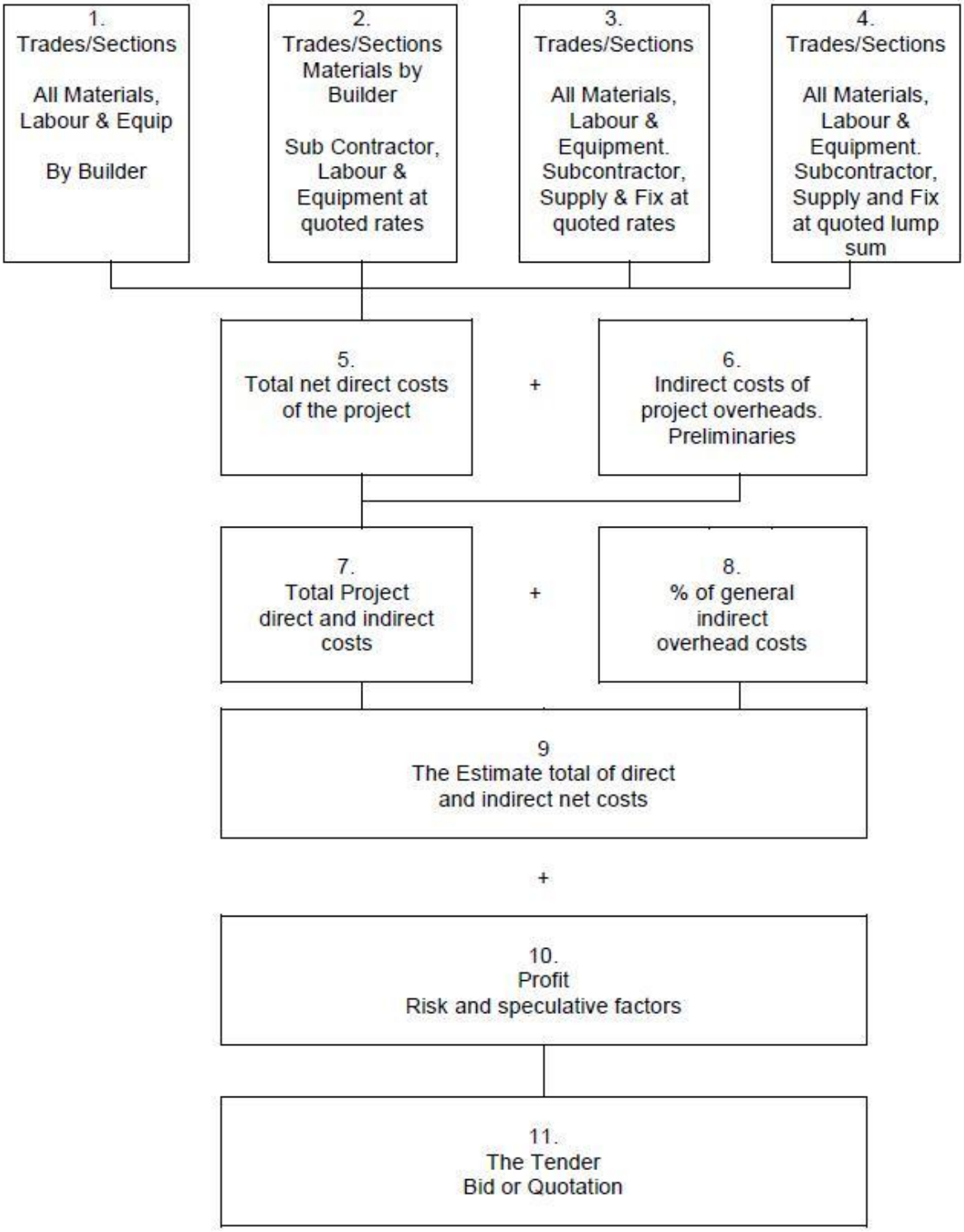
Projects overheads preliminaries
Relating directly to that particular project or contract.

Having totalled all estimated direct, and indirect net costs of the proposed project, the estimate is complete. This estimate may then be converted into a firm price, a quote, a bid, or a tender after final additions or adjustments covering inflation, risk, profit and speculation.

The bid or tender is that document tendered by the contractor and stating, to a potential client, those monetary and other considerations required by that contractor in return for the construction of the proposed specified works.

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DIAGRAMMATIC LAYOUT OF ESTIMATE COMPILATION



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MATERIALS CONTROL

The control of materials can be twofold. First the owner builder is required to order the materials direct from the supplier and arrange for the delivery to the site. Second, the contractor is required to supply the materials as part of a supply-and-install contract.

When supply-and-install contractors are used the ordering and delivery of the materials is the responsibility of the contractor and the owner builder does not have to be concerned with the quantity of the material ordered, except if the contract is on a cost-plus basis.

To gain control over the materials used on the project owner builders should:

1. Separate the materials to be used on the project into those to be supplied by the owner builder and those to be supplied by supply-and-install contractors.

2. Carefully estimate the quantities of materials that the owner builder is responsible to purchase, check with suppliers to make sure that the method used is compatible with their methods and quantities, ie: timber is only sold in multiples of 300 mm. In most areas it could cost a lot more money if this fact is not understood.

3. Group all materials that can be purchased from the same supply source, ie: scantling timber, fixing timber, hardware and the like.

4. Get at least two prices for each group of materials from selected suppliers so that you have already eliminated quality variables and can choose the lowest price. It is very difficult to compare two prices where there are both quality and quantity variables to take into account.

5. Tabulate all material quantities / groups and shown preliminary estimates and quotations. As the project proceeds show a running total of the positive or negative state of the materials purchase account.

6. Note the advance warning suppliers need to assemble and despatch orders and make sure this advanced warning is given. Owner builders do not want either late or early deliveries.

7. Note the best discount and credit terms that are available from the suppliers and attempt to gain the most advantageous position. Take care when asked for payment in advance. Check whether this is an industry norm for that type of supplier.

8. Determine how the materials are going to be transported to site (will you or a contractor collect them, or will you need the supplier of a third party to use a large vehicle with a forklift to collect them), and whether you have paid for kerbside delivery (**nearest**

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access point possible to the delivery address), or delivery to the location onsite that is most convenient for your contractors.

9. Compare all delivery dockets with the load delivered to check against shortfalls in delivery, and then check the delivery docket carefully against the invoice to avoid over-charging.

SUBCONTRACTOR RELATIONSHIPS

Benefits of Developing Good Relationships with Subcontractors

Developing a good relationship with the sub-contractors has many measurable advantages. These advantages include:

- Improved performance and reliability.
- Greater commitment to quality standards.
- Reduced defects.
- Improved construction processes, which will assist in reducing waste and decreasing costs.
- An organised work-site.

Finding Good, Reliable Subcontractors

Finding good subcontractors can be a difficult task, especially in times of high industry activity when labour is short. Best practice companies will argue that time spent on selecting suitable subcontractors will save untold problems and your valuable time in the future. Having access to quality and customer focused subcontractors can be one of the builder's greatest assets.

Many builders rely on 'word of mouth' to seek out new subcontractors but there are also other ways of finding good subcontractors. You can contact your local building associations for a list of registered subcontractors; visit building sites and new housing estates to see which subcontractors are working; check with local suppliers to see who is doing the most business and, importantly, who gives attention to quality products; or consider placing an advertisement in the local paper and industry magazines which clearly specifies your requirements.

Consider the advantages and disadvantages of large and small subcontractors and determine which type best meets your business requirements. The list below provides some variations between small and large subcontractors. The subcontractor you choose

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should be flexible enough to fit in with your company's method of operation and share common goals and objectives.

Locating suitable subcontractors is best carried out well before you need them. During times of high activity you are at your busiest and usually cannot devote the necessary time required to make an informed decision. Likewise, quality subcontractors are also harder to find during these times. Keep a file of suitable subcontractors and try to have at least a few to choose from to complete specific tasks.

LARGE SUBCONTRACTORS	SMALL SUBCONTRACTORS
☞ Several crews	☞ Fewer crews
☞ Greater resources	☞ Lower overheads
☞ Financially stable	☞ Requires quicker pay
☞ Higher production rates	☞ May be specialised
☞ Management support	☞ 'Hands on' owner
☞ More accessible	☞ More responsive

Standards for Engaging Subcontractors

In determining which subcontractors meet your needs and objectives, it is important to adopt a systematic approach to engaging subcontractors and setting the standards you want them to meet. Best practice companies consider many factors in addition to „price" when selecting subcontractors with a view to achieving high product quality and total customer satisfaction.

Some important factors to consider are:

- **Financial stability**: Take time to establish how long the subcontractor has been in business: The longer in business the more likely they can satisfy this criterion. Ensure they give permission to check credit references and suppliers.

- **Construction skills:** Satisfy yourself that the subcontractor has the necessary construction skills to complete the task to a high standard.

- **Business skills**: Evaluate their business skills through their past record and through checking references thoroughly.

- **Attitude to service and quality**: Again follow up references and speak to customers to determine the quality and timeliness of the subcontractor's work to

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date. Check their ability to be polite and responsive with customers.

- **Meeting legal and administrative requirements**: Do they accept and use appropriate contract documentation? Do they have necessary insurance policies such as workers compensation, home warranty and public liability?
- **Commitment to improvement**: Find out if the subcontractor is actively applying the latest innovations and practices in their particular field.
- **Availability of equipment:** Do they have the necessary equipment to complete the task and is it maintained properly? Try to visit sites where subcontractors are working and see how they are performing.

When you have satisfied yourself concerning a subcontractor's competency and ability to meet your objectives, compare them using standard criteria.

When asking preferred subcontractors to quote on particular projects, consider what is 'value for money'. A low quote does not necessarily guarantee the lowest overall job cost. Time spent following up subcontractors, repairing defective or shoddy work or having to provide materials may turn a seemingly low quote into one that cost your company considerably more. Then there are the longer-term costs relating to customer dissatisfaction and the company's reputation.

Endeavour to ensure subcontractors make accurate, all-inclusive quotes by providing sufficient detailed information in the job brief. Provide drawings and job specifications where possible and at the very least describe the qualitative requirements of materials and workmanship for the project. If you use a formal contract provide a sample copy in your brief. Standardise the quoting process to allow for an equal comparison. Remember, if there is any ambiguity concerning the job tasks and materials required or information is vague, subcontractors will be inclined to adjust their quotes upwards to cover the unknown.

Time spent on qualifying subcontractors and providing sufficient detailed information in the bidding process will establish the framework for a good relationship with subcontractors who best fit your overall objectives and control costs.

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TRADE ORDER

A generally accepted Trade Order for compiling a *Builder's Take Off* would be:

- Preliminaries
- Excavator and labourer
- Concretor
- Bricklayer
- Metalworker
- Woodworker
- Roofer
- Internal linings
- Plasterer
- Wall tiler
- Plumber
- Drainer
- Gasfitter
- Electrician
- Glazier
- Painter
- Groundworks
- or provisional items

PRELIMINARIES

All projects undertaken have a number of *preliminary* requirements to allow the project to proceed in an orderly and manageable manner. These items are generally those that are either carried out by the builder or his representative on site or the builder is responsible for its provision e.g. Supervision/Cranage/Scaffolding.

Setting down all of the items associated with the start up of the project such as:

- Building fee.
- Long Service Corp fee.
- Road opening fee.
- Council Security deposit.

Temporary supply fees for:

- Water
- Electricity
- Telephone D.I R. Fees
- Hoarding fees
- Site sheds
- Security fences
- Hoardings
- Surveyors fees
- Setting out costs
- Temporary access etc.

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PRELIMS & SITE EXPENSES	HOURS	COST
Council fees on plans		
Council hoarding fee		
Council road crossing fee		
Water for the works fee		
Electric light and power		
Water connection		
Electricity connection		
Telephone		
Sanitary service		
Trade refuse		
Sheds & Storage		
Security services		
Fences & hoardings and protection of adjacent properties		
Notice boards		
Temporary access		
Plant & equipment hire		
Job insurance		
Fees to surveyor		
Site or foundation testing		
Handling sundry materials		
Interim site cleaning		
Cleaning for handover		
Maintenance		
Safety precautions		
Regulatory fees and subscriptions		
TOTAL		

SITE CONSUMABLES	COST
Abrasives	
Cleaning materials	
Filler	
First aid supplies	
Fixing materials (nails, screws, etc.)	
Explosive powered tool supplies	
Adhesives	
Protectives	
Protective clothing	
TOTAL	

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EXCAVATOR & LABOURER

Would allow for:

- Site clearing
- Bulk excavation
- Cut and fill
- Bank stabilisation
- Excavation for trenches
- Boring for piers
- Backfill
- Removal of soil

And other associated matters, such as tip fees, materials as found on site, type of equipment to be used, if pumping necessary etc.

CONCRETOR

Includes the supply and placement of concrete in:

- Footings
- Slab on ground
- Suspended slabs
- Stairs etc.

Reinforcement and formwork can either be included with the concrete or billed separately.

At the time of billing the work, all the necessary notes should be made about the method of placing, curing and testing requirements, type of formwork and the type of concrete face to be achieved.

BRICKLAYER

Includes the supply and laying of bricks and also includes:

- Mortar requirements
- Wall ties â Frame ties
- Arch bars and angles
- Damp proof courses
- Flashings
- Ant caps
- Expansion joints
- Caulking compounds
- Scaffolds
- Cleaning brickwork

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METALWORK

Includes the supply of:

- Structural steel
- Steel door frames
- Fire doors
- Ducts and flues
- Balustrade and handrail
- Security doors
- Ornamental grilles
- Roller doors
- Metal window frames and sashes

WOODWORKER

Builders often bill this section in two parts, first carpenter and second carpenter.

First carpenter includes supply and fixing of:

- Joists and bearers
- Framework
- Flooring
- Roof timbers traditional
- Trusses
- Fascias etc.

Second carpenter includes the supply and fixing of:

- Window frames
- Door frames and doors
- Fixing such as architraves
- Skirting etc Timber linings
- Cupboard fitments

ROOFER

Includes the supply and fixing of:

- Roof coverings
- Tile
- Metal
- Slate etc.

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INTERNAL LININGS
Includes the supply and fixing of plasterboard to ceilings, walls etc. including cornices and metal corner strips, W.R. board to wet areas.

PLASTERER
Includes the supply and application of:

Solid plaster work to brick walls, blockwork etc. it may be:

- Single coat work
- Two coat work
- Setting coat etc.

TILE SETTER – DO NOT FORGET THE WATERPROOFING
Includes for the supply and fixing of:

- Tiling to bathrooms, laundries, kitchens, patios, swimming pools etc.
- Fixed to brickwork, blockwork, W.R. board, compressed board etc.

PLUMBER
Includes the supply and installation of hot and cold water services, including:

- Lagging
- Stopcocks
- Pressure relief valves
- Wall cover plates
- Connection to main service
- Gutter and downpipes could be taken by plumber or billed separately.

DRAINER
Includes the supply and installation of soil and waste drainage and stormwater disposal, all in accord with authority requirements.

GAS FITTER
Includes the supply and installation of the gas service to various fittings, including stop cocks, main cocks, pressure limiting valves, bayonet fittings etc.

ELECTRICIAN
Includes the supply and installation of electrical services and the connection and testing of fittings and fixtures and should cover the determination of supply requirements, the switchboard and safety switches, point of entry brackets, switches, power points and special requirements for pool lighting etc.

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The Builder needs to define the extent of work for lighting and power requirements and should indicate the type of light fittings internally and externally, dimming devices and other special requirements.

GLAZIER
Supply and installation of the various glass requirements. Many items such as windows and doors are glazed before delivery to the site. There are a number of items such as decorative screens, mirrors and frameless window walls that will need glazing on site.

PAINTER
Includes for the supply and application of paints to internal and external surfaces and should note the type of surface being painted i.e. timber, plasterboard etc. type of paint to be used. Staining and polishing and other special treatments should be defined. Wall papering should be measured, clearly noting the type of paper and whether lining paper is required.

GROUNDWORKS
Includes paving, driveways, fencing, landscaping etc. Some of this work may be carried out by the Builder or it may be carried out by specialist sub-contractors. It should be carefully described and measured, particularly where surface and sub-surface drainage is required.

SUMS, PROVISIONAL SUMS & CONTINGENCY SUM
All the above sums should be listed with a clear description of the item and the amount of money allowed. These items will all require adjustment against the original allowance, at the time of serving the final account.

NOTE
Many of the foregoing trades will be carried out by specialist sub-contractors

The Builder in calling prices for the work, must clearly identify and advise on a number of pertinent items within the *scope of works.*

- The full extent of the work
- The type of fittings to be installed or finishes to be achieved
- Special requirements by approving authorities
- Who will supply hoisting and scaffolding for the works?
- What is the general construction program?
- Any other matters that will affect the pricing of the work.

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THE BUILDERS TAKE OFF

The Builders "Take Off" consists of four basic elements before the application of rates to result in a price. These basic elements are:

1. Item No or letter
2. Description of the item/activity or process including the calculation
3. The unit of measurement applied to the particular item/activity or process
4. The actual quantity measured

Each section of the „Take Off" should have a heading relevant to the Trade or process to be carried out.

These sections are generally listed in the same order, as the work would be carried out.

Under each of these headings finer detail is given to each and every item/activity or process to be carried out and can be broken down into individual areas for example particular rooms like kitchen, bathroom and bedroom areas.

Example: *Concrete*

Item	Description	Unit	Qty	Rate	
A	*Supply, place and finish 20 MPa concrete to 0.6 x 0.4 strip footings in ground in brick courses to required levels.*				
	*4.0 x 6.0 + 4.0 + 6.0 = 20 x 0.6 x 0.4 = 4.8*	M^3	4.8		

The traditional method of measuring quantities is to manually write the entire take off figures on standard ruled quantity surveying paper. Unfortunately, there is no national standard ruled paper, and each office has its own customised ruling. To further complicate the issue, a growing number of practices no longer use paper but input the take off figures directly into a computer. Nevertheless, this text adopts a vertical format quantity survey paper with a traditional manual set out of take off figures. Whilst individual offices may vary, the measurement principles involved should be the same including where computerised methods are employed.

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Refer the following page for a sample of the quantity surveying paper used in this text.

The paper is divided into six major vertical columns. The first column, “ITEM" is used for the description reference; the second column, “DESCRIPTION” is used for the billing; the third column, “UNIT” is used for the filling unit; the fourth column, “QUANTITY" is used for the billed quantity; the fifth column “RATE” is used for the estimated unit rate (i.e. cost per billing unit); and the sixth column is a money column.

ITEM	DESCRIPTION					UNIT	QTY	RATE	$	¢
1			2			3	4	5	6	

The second column, “DESCRIPTION” is subdivided into five vertical sub-columns which are used for the measurement process. The first sub-column is used as a factor column, the second for take off figures, the third for extensions, the fourth for locations, and the fifth for side casts.

DESCRIPTION				
1	2	3	4	5
Factor	Take-	Extensions	Location	Sidecasts
	Off			
	Figures			

The paper also has facility for the project name, trade and page number to be listed on the top right hand corner. This is important as it acts as a control to avoid missing or misplaced pages and confusion with other projects. It is essential that this information is filled in on every sheet when measuring and quantities.

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PROJECT _____
TRADE _____
PAGE _____

ITEM	DESCRIPTION	UNIT	QTY	RATE	$	¢

Example

PROJECT *'A' Three Bed Home*
TRADE *Concrete*
PAGE *3*

ITEM	DESCRIPTION					UNIT	QTY	RATE	$	¢
A	*Supply, place and finish, 20 MPa Concrete to 0.6 x 0.4 strip footings inground stepped in brick courses (etc)*									
	2/4.0	*8.0*								
	2/6.0	*12.0*								
		20.0	*x 0.6 x 0.4*							
					= 4.8	*M³*	*4.8*	*$135*		

Source: Basic Building Measurement – Paul Marsden

GST CONSIDERATIONS

- Subcontract prices should be submitted "net", i.e. exclusive of GST, with the 10 per cent ***shown separately*** as a percentage of the contract price.
- Individual prices used in the tender should not include GST. This will enable you to build up a final quotation price and add 10 percent GST on your final price.
    - Educate your subcontractors to provide a trade price ***plus*** GST.

A sample contract tender may look like this (e.g: electricians)

Electrical work	$21,100	
Overhead/profits	$ 2,100	(Not always shown separately)
Total	$23,200	This is the price to include when pricing your job.
Plus GST (10%)	$ 2,320	
Total Subcontract Tender	**$25,520**	

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SUBCONTRACT WORK IN RELATION TO THE TAKE OFF

A good proportion of work in the building industry is carried out on a sub-contract basis.

CALLING SUB-CONTRACT PRICES

Having prepared a "Take Off" for the project, the Owner Builder should be in a position to clearly define the amount and type of work to be performed.

A simple written request setting out the details of the work is preferred to a phone conversation discussing the work to be executed.

The request should define the nature of the work and give sufficient detail to allow the sub- contractor to prepare a price for the work. This approach allows quotations for the same work to be better compared and adjudicated.

A typical request for a price for slab on ground work could contain the following information.

- The site has been brought to trim level.
- Allow for setting out the slab with the Builder.
- Allow for the supply and erection of all necessary formwork.
- Allow for the supply and placement of all reinforcement and the vapour barrier. Reo. to be approved by Engineer.
- Plumbing work to be co-ordinated with the Owner Builder and Plumber.
- Allow for the supply and placement of concrete (20 Mpa 80mm slump) and include for surface finish (steel trowel).
- Allow for concrete curing.

This information clearly establishes the basis for the preparation of a subcontract price.

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EXAMPLE

DATE

NAME
ADDRESS 1
ADDRESS 2

Dear _____

NOTICE TO TENDERERS

You are hereby invited to submit a Quotation for the Sub-Contract works forming part of the Works at

_____

_____

Being tendered by <insert your name>.

1. The Sub Contact Works are

_____

_____

2. The Tender Documents are

_____

_____

The following documents are available for your inspection at <insert address/location where documents can be inspected>

_____

_____

_____

3. The proposed conditions of Sub Contract (Parts A & B) are available for Inspection at <insert Address / location where documents can be inspected>

Attached are the following:

1. Tender Form
2. Sub Contract Front Page, Schedule 1 and Schedule 2 (As applicable)
3. Scope of Works
4. Drawings (if applicable)

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(ii) TENDER FORM

_____

_____

_____

OF _____

PHONE _____ FAX _____

HEREBY TENDERS TO PERFORM THE FOLLOWING SUB-CONTRACT WORKS.

_____

_____

_____

_____

_____

_____

IN ACCORDANCE WITH THE FOLLOWING TENDER DOCUMENTS

_____

_____

_____

_____

_____

BEING PART OF THE WORKS BEING TENDERED BY <INSERT THE OWNER BUILDERS NAME> OF _____

_____

PHONE _____ FAX _____

AT _____

_____

FOR THE FIRM LUMP SUM OF _____

_____

ANY TENDER INCLUSIONS/EXCLUSIONS/QUALIFICATIONS ARE ATTACHED TO THIS TENDER FORM AND MARKED AS SUCH. THE ABOVE FIRM LUMP SUM PRICE REMAINS CAPABLE OF ACCEPTANCE FOR A PERIOD OF _____

_____

TENDERER _____

DATED THIS _____ DAY OF _____ 19 _____

SIGNATURE _____

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TENDERER'S DECLARATION

In the preparation of and submission of this tender I/we declare that I/we have:

(a) Become conversant with the "Sub-Contract Works" and the "Works".

(b) Become familiar with the site of the "Sub-Contract Works" and the "Works"

(c) Examined and understood the Tender Documents.

(d) Examined and understood items 3 and 4 of the "Notice to Tenderers".

(e) Examined and understood items (I), (ii) and (iv) of the "Notice of Tenders"

(f) Have made all reasonable inquiries

(g) Have given regard to circumstances, risks, possible contingencies which may arise.

(h) Have no conflicts of interest.

(i) Have the qualifications, knowledge, ability and resources to successfully complete the Tender.

(j) Am available and can readily apply the qualifications, knowledge, ability and resources to successfully complete the Tender.

I hereby Tender to undertake and complete the requirements of this Tender for the consideration Tendered:

Tenderer

_____

Dated this _____day of _____20 _____

Signature _____

Witness _____

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CONDITIONS OF TENDERING

The conditions of tendering do not form part of the proposed Sub-Contract.

The Tender will be an offer, which will be capable of acceptance.

The Company reserves the right to reject non-conforming tenders.

This Company is not bound to accept the lowest tender.

Tenderers are required to complete the attached Tender Form and Tenderer's Declaration.

Tenders are required to be submitted by

_____

Tenders are required to be lodged at

_____

Tenderers will be deemed to have fully informed themselves of the documents Sub-Contract (items 3 and 4) on the attached "Notice to Tenderers". No claims will be recognised by this Company for a Tenderers" failure to fully comply with this condition.

Any inquiries during the Tender period are directed to

_____

_____

At

_____

Any addenda to Tenders during the Tender period will be issued to all Tenderers.

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THE CONTRACTOR'S QUOTATION

It is absolutely VITAL the quotation is accurately and professionally prepared.

Talk to the Sub Contractors and Suppliers, CHECK AND CHECK AGAIN that all the prices you have received are firm. Check the starting and completion times. Are they realistic?
Can they make a reasonable guarantee the works can be completed in that time?

The information supplied in the quotation is not only meant to inform you how much it will cost to carry out the works, it should also include as much detail as possible to protect the contractor.

The quotation must show the business name and address, telephone numbers, facsimile numbers and most important the contractor's Licence Number/s.

Include the site details, drawing/specification numbers if applicable. Copies of drawings where applicable.

There should be as much detail of the scope of work as possible. It should also include what is NOT included in the price.

A List of conditions, for example:

- Safety provisions and conditions
- Removal of Debris
- Council Fees etc.

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CONTENT OF A QUOTE

The way a quotation is presented reflects the way that subcontractor will do business.

Basic information/features you need to identify from the quotation are:

1. Quote Number

2. Business Name and address of Sub Contractor. e.g. logo letterhead, pre-printed forms.

3. Contact names and telephone numbers, licence numbers of the Sub Contractor.

4. Full names and address of person receiving the quotation along with a contact name and position.

5. Reference to (where provided):
   (i) Drawing Numbers
   (ii) Specification Reference Numbers (if applicable)

6. Reference to scope of works: *eg Construct a 3 bedroom brick veneer (style number or name if applicable) (state site) on Lot.....Pleasant Place, Dreamsville*

7. The full quotation price on first page, showing it in figures and words, and if GST is inclusive or separate (it is always wise to show the GST amount separate eg.

Subtotal	$135,000
GST	$13,500
Total Price	$148,500

8. Outline of inclusions – as detailed as possible.

9. List exclusions in detail.

10. List of Prime Cost items.

11. Information relating to the deposit if and when it is required.

12. Fees associated with amended drawings etc.

13. A payment schedule and when payment is expected to be paid.

14. Variations – (where it applies) a set out of the terms and conditions relating to the process of variations and the method of paying the variations.

15. The name of the contract they intend to use.

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16. DO NOT allow the contractor to note on the quotation ‘in accordance with contract terms or conditions’ – at this point you do not have the contract and would not know what the terms and conditions are. Ask for the terms and conditions to be explained or set out in detail OR ask for a copy of the contract they wish to use.

17. A validity date – How long is the price valid for - it is recommended that an actual date rather than 14 / 30 days be stated. An actual date does not allow for any confusion relating to what are working days or calendar days.

18. Any customer conditions eg. Access to your site after hours, during construction, safety issues, inspections, etc.

19. Your ability to pay eg. confirmation from lending body – if it is applicable

20. An attached acceptance form.

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ACCEPTANCE FORM

I/we

.....

.....

....

Accept the terms and conditions set out in quotation number.....dated.....

To..... (scope of work)

.....

.....

.....

At ..... (address of site)

.....

.....

For the sum of $.....(figures) ....

.....(words)

Signed.....Date .....

Print name .....

Signed.....Date .....

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NOTES TO TENDER
(Attachment to the Quotation)

1. Please note we UNCONDITIONALLY guarantee that all FIXED SITE COSTS included in your tender will remain firm. Under no circumstances will you be required to pay any additional charges.

2. No allowance has been made for possible variations by you and please be aware that if any are made they are an extra to the contract and must be verified in writing, signed for by yourselves and paid for before such variations are commenced.

3. Upon acceptance of this tender we will require a deposit of $.....for planning costs and approvals.

4. When plans have been approved (without modification) we will draw up contracts and arrange with you for their completion. Before we can commence construction we will require confirmation (in writing) from your Lending Authority and you will have made your final choice of selections, colours etc.

5. We have included in our Tender all costs for:
Plans, Council Fees, Water Authority Fees, Dept Fair Trading Fees, Underground Power Supply, All Water Sewer and Drainage Connection, Engineers Fees, Surveyor Fees, Temporary Power and Builders Toilet Fees.

6. Allowance has been made for concrete piering through the filled areas to natural ground level only.

7. Guaranteed no more to pay - full price held firm for term of contract. This excludes if:

   a) Rock or shale should be encountered during any part of construction and by any trade, any removal of same necessary to complete the works will be charged as an extra to the contract.

   b) In the event of there being excess soil from a standard cut and fill for slab floors any excess soil will be at owner's expense and subject to a contract variation.

8. All banks created by excavation and/or filling by the builder in preparing the site will be the responsibility of the owners. If such excavations and/or filling require retaining walls, dish drains etc., to be erected either for the builder to continue his works or for any inconvenience that may be caused by adjoining property owners or for any reason that the local authorities may require, then the cost of same will be at owner's expense.

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9. During the course of construction we will require progress payments and they are as follows:

   a) Initial Deposit with Tender Acceptance of $.....

   b) 1st. Progress Payment of $.....when slab is laid.

   c) 2nd Progress Payment of $.....when tile roof is laid.

   d) 3rd Progress Payment of $.....when fit out is complete.

   e) 4th Final Payment of $.....on practical complete and subject to contract variations. This is the final payment (Total of .....)

Upon receipt of your deposit we will proceed with the drawing of plans, submission to local council authorities and procedures required to enable us to commence construction. In the event of a building agreement not being entered into, the deposit will be refunded less costs and expenses incurred.

Thank you for your enquiry and we look forward to the opportunity of building your new home.

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KEY FACTORS TO CONSIDER IN A QUOTATION FROM A SUBCONTRACTOR OR A SUPPLIER

	Check ☑
Quote Number	
Reference to:	
Drawing Number	
Specification Reference	
Tender Number (If applicable)	
Reference to Scope of Work:	
Full Quotation Price in words and figures	
GST shown separately (If not what is the break up of the figures)	
$ (Price) $ (GST) $ (Total)	
Inclusions (Detail Provided ☐ - Not Provided ☐)	
Exclusions (Detail Provided ☐ - Not Provided ☐)	
P.C's Included (where applicable)	
Deposit to commence if required	
Conditions of the deposit – is it refundable Yes ☐ No ☐ Not Applicable ☐	
Payment schedule – how and when is payment expected	
Is there provision for Variations Yes ☐ No ☐ Not Applicable ☐	
If Yes what are the provisions:	
What are the payment conditions for variations?	
Name and Type of Contract	
How long is the Quote Valid for	
Are there any special conditions Yes ☐ No ☐ Not Applicable ☐	
If yes what are the conditions:	
Do you have to provide proof of ownership of the property	
Do you have to provide confirmation from a lending body that you are able to pay	
Do you have to sign an acceptance form	

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DOCUMENT AND VERIFY COSTS AND CALCULATIONS – BEST PRACTICE

1. When you receive an invoice for payment in connection with goods, products, materials, and / or services, check the relevant quotation to verify:

   (a) that the goods, products, materials, and / or services to be supplied are the same as those that were quoted;

   (b) that the costs / charges for the goods, products, materials, and / or services to be supplied are the same as those which were quoted.

2. Upon verifying the above, document the details contained within each invoice for future reference in an Excel Spreadsheet as follows:

   (a) **Category:** i.e Goods / Products / Material / Services

   (b) **Type:** e.g: Outdoor Pavers

   (c) **Characteristics:** e.g: Travertine Natural Stone 400 x 400 x 30mm

   (d) **Quantity:** 50 square metres

   (e) **Price:** $73.00 per square metres plus GST

   (f) **Delivery:** $350.00

   (g) **Total Cost:** $4,365.00

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DEVELOPING THE PROJECT CASH FLOW



Cash flow projections are an integral part of project planning. Many projects run out of money because they are under-financed. In other words, the Owner Builder underestimates the amount of money needed to complete the project.

By doing a cash flow projection, you are trying to establish the cash needs of the project over a period of time. Only by having some idea of when draw downs (your cash injections - money deposited into the projects account) occur can you properly plan the use of those funds over the timeframe of the project.

SECTIONS OF A CASH FLOW

In a typical cash flow there are a number of sections relating to specific groups of cash income and outgoings. These sections are...

Total Income (Your Cash Injections) - Total income of the project over the timeframe the project is expected to run.

Direct Costs - These are costs incurred and include such items as labour, freight, materials, subcontractors etc.

Indirect Costs - These are the costs of the project that support the project. For instance the costs of telephone, rent, electricity, insurance, stationery, general administration costs. They can be substantial for any project and can be often ignored or seriously underestimated by the owner builder.

Role of each section of the cash flow - The role of the different sections present a clear and definitive account of the incomes and costs incurred on the project over a period of time. By separating each section in this way, you can gauge where costs are likely to arise.

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EXAMPLE LAYOUT OF CASH FLOW

DETAILS	MONTH	MONTH	MONTH	MONTH	MONTH
SALES OTHER INCOME LOANS					
TOTAL INCOME					
DIRECT COSTS (Cost of Goods Sold) Labour Materials Freight INDIRECT COST Project overheads Fees, Insurances etc					
TOTAL OUTGOINGS					
BAL CARRIED FWD					
TOTAL INCOME					
SUB TOTAL					
TOTAL OUTGOINGS					
BALANCE					

THE PROJECT CASH FLOW PROJECTION

The same cash flow format can be used to set up a cash flow projection for a particular project. First you must determine when each trade will carry out and complete the works. The Topic Bar Charts/Scheduling in Section 4 Project Management will assist you to determine the timing of each trade activity.

The Cash Flow Chart is the Owner Builders number one weapon in protection from extending past their financial capabilities of the project.

Following is an example of a construction schedule for a three bedroom home. The same method can be used to schedule any project whether it be a private dwelling or a commercial project. The main points to remember when scheduling work:

- Always break tasks down first. Eg: List all tasks that will take place in the course of the construction (not necessarily in order at first). Ensure that you have not left any trades out.

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- List tasks by each trade and then beside them list materials required for that trade to complete their section of the works. This may include other trades e.g: Bricklayer will include possibly the Brick cleaner. You may choose to set the Brick cleaner as a separate item.
- Try and keep tasks in time groups of the work that can be completed in each 4 weeks and in order of Construction.

CONSTRUCTION TIME TAKE 16 WEEKS

FIRST 4 WEEKS	*NEXT 4 WEEKS*	*NEXT 4 WEEKS*	*NEXT 4 WEEKS*
Council Application	Roof Tile Delivery	Gyprocker	Painting Internal
Preliminary Costs	Roof Tilers	Fixout Timbers	Plumbers Fit-Off
Survey Block	Bricks Delivered	Fixout Carpenter	Electrical Fit-Off
Excavation	Bricklayer Hardware	Fixing Hardware	Shower Screen/s
Slab Pest Control	Bricklayers	Kitchen Installed	Door Hardware
Drainage To Slab	Lock Up Materials	Wet Seal	Carpenter Fix-Off
Concrete Slab	Lock Up Carpenter	Floor/Wall Tiles	P.C Items
Frame & Trusses	Garage Door S & Fix	Floor/Wall Tiler	Internal Clean
Frame Carpenter	Plumbing Rough In	Painting External	Final Pest Control
Windows	Electrical Rough In	Bath, Tub & Vanities	Final Site Clean
Fascia Gutter	Check Survey	1st Site Clean	Sundries
Structural Steel	Brick Cleaner		

Once the works schedule has been completed the builder can proceed to create a cost breakdown for each four weeks. NOTE!! This cost breakdown does not cover the same time frame as areas of the "construction schedule" as there are variables to be considered, such as, materials that could have been ordered, delivered and used in one month, but will not be utilised until the following month.

The total of all the 4 week periods are added together to arrive at the total construction cost.

Now that you have a clear indication of work that will be completed each month you are able to calculate when you will need ‘draw downs’ into the account from your own resources or the finance company to supplement the cash flow.

You should try to structure the income of the project so as to cover the costs when they fall due as each stage is completed.

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PROJECTED CASH OUTGOINGS – EXAMPLE ONLY

Note – The figures shown below are purely an example and do not reflect the true costs of construction OR the actual timeframe of the construction.

JOB NAME: Job Management, 35 Some Street, Builderville

MONTH 1	COST	MONTH 2	COST	MONTH 3	COST	MONTH 4	COST	MONTH 5	COST
Prelimin	1888	Bricklayer	4891	Bricks	3285	F & W Tiles	1905	Door Hwr	270
W.C	442	Carpenter	1665	Plasterer	6829	Painter	6357	Stove	1400
Surveyor	815	Roof Tiler	7280	F & W Tiler	2363	Bath	123	HWS	522
Excavation	2200	Plumber	2000	Carpenter	1341	Vanity	470	Bath Fittings	808
Termite	1036	Windows	2615	Wet Area	603	Kitchen	4439	Fencing	2697
Concretor	10105	Frame & Truss	12426	Lock Up Mat	433	Shower Scn	875	Misc	180
Carpenter	2011	Frame Hwr	540	Garage Doors	810	Carpenter	550	Tapware	518
		Electrical	2000	Extern'l Doors	600	Internal Clean	350	Sundries	800
		Frame Timber	674	Sandstone	415	Extern'l Clean	900	Kitchen Sink	348
		Cavity Units	140	Treated Pine	316	Fixing Timber	1514		
		Fascia/Gutter	1222			Intern'l Doors	449		
						Fixing Hwr	173		
						Plumber	1290		
						Electrical	1313		
						Laundry Tub	205		
						Brick Clean	233		
Contingency	4500	Contingency	4500	Contingency	3500	Contingency	3500	Contingency	2500
Total Outgoings	**22997**	**Total Outgoings**	**39953**	**Total Outgoings**	**20495**	**Total Outgoings**	**24646**	**Total Outgoings**	**10043**
Draw Down 1	**25000**	**Draw Down 2**	**40000**	**Draw Down 3**	**22000**	**Draw Down 4**	**25000**	**Draw Down 5**	**8000**

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CONSTRUCTION CASH FLOW

Using the example shown on the previous page, a Construction Cash Flow could look like this.

	Month 1	Month 2	Month 3	Month 4	Month 5	TOTALS
Surplus C/Fwd	Nil	→ 2003	2050	3555	3909	Nil
Income Draw	25000	40000	22000	25000	8000	120000
Cash On Hand	25000	42003	24050	28555	11909	120000
Outgoings	22997	39953	20495	24646	10043	118134
Total Expenditure	22997	39953	20495	24646	10043	118134
Surplus + or (-)	**2003**	**2050**	**3555**	**3909**	**1866**	**1866**

This Cash Flow Chart sample only shows one house over a construction period of 16 weeks and an outgoing cycle of 20 weeks.

Note the use of a contingency figure built into the cash flow. This allows room for unforeseen costs and variances.

There is no allowance for rain or any other hold ups in the calculations and many would say that because of this the cash flow chart will be out of date within a short time. This would be true if the construction schedule was not constantly updated.

Simply moving the income and expenditure line totals forward by the number of weeks the delay has caused, you now have an updated Cash Flow.

The Cash Flow Chart is the window to the project and from it you can obtain the following information.

- The Monthly Costs
- The Monthly Income
- The Cash on Hand

By reviewing the cash flow chart it can help you assess:

- When cash is required to commence and continue the works.
- Critical periods of the construction path. Eg: When draws are due.

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JOB COSTING



Reviewing the costs and the cash flow regularly is critical. The information gained from a job costing analysis is VITAL. DO NOT WAIT until the job is finished to start costing. Cost the job as each section is completed. Compare the variance to your budget (bill of quantities/estimate/take off). Explore the reasons for over runs; is it related to labour, material costs, bad weather or a variation? Could it have been avoided? How can it be improved during the next section of the project?

Keep a running record of the costs associated with each section of the project.

You could set up job costing sheets for each section or trade related to the project.

For example:
JOB COSTING SHEET

JOB DETAILS.....
TRADE.....
BUDGET COST .....
SUB CONTRACTOR/SUPPLIERS NAME.....
TRADE COMMENCEMENT DATE.....

MATERIALS			LABOUR			OTHER		
DATE	REF.	TOTAL	W/E	REF	TOTAL	REF	TOTAL	RUNNING BALANCE
TOTAL		$			$		$	$

REF = The invoice number/Supplier Name W/E = Week Ending or Date

Variance (if applicable) .....
.....
Comments.....
.....

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The totals of these Job Costing Sheets can be compared to the original Cash Flow Projection – Refer below.

COMPARISON OF ACTUAL COSTS AGAINST ORIGINAL BUDGET - EXAMPLE

JOB NAME: Job Management, 35 Some Street, Builderville

MONTH 1	BUDGET	ACTUAL	MONTH 2	COST	ACTUAL	MONTH 3	COST	ACTUAL	MONTH 4	COST	ACTUAL	MONTH 5	COST	ACTUAL
Prelimin	1888		Bricklayer	4891		Bricks	3285		F & W Tiles	1905		Door Hwr	270	
W.C	442		Carpenter	1665		Plasterer	6829		Painter	6357		Stove	1400	
Surveyor	815		Roof Tiler	7280		F & W Tiler	2363		Bath	123		HWS	522	
Excavation	2200		Plumber	2000		Carpenter	1341		Vanity	470		Bath Fittings	808	
Termite	1036		Windows	2615		Wet Area	603		Kitchen	4439		Fencing	2697	
Concretor	10105		Frame & Truss	12426		Lock Up Mat	433		Shower Scn	875		Misc	180	
Carpenter	2011		Frame Hwr	540		Garage Doors	810		Carpenter	550		Tapware	518	
			Electrical	2000		Extern'l Doors	600		Internal Clean	350		Sundries	800	
			Frame Timber	674		Sandstone	415		Extern'l Clean	900		Kitchen Sink	348	
			Cavity Units	140		Treated Pine	316		Fixing Timber	1514				
			Fascia/Gutter	1222					Intern'l Doors	449				
									Fixing Hwr	173				
									Plumber	1290				
									Electrical	1313				
									Laundry Tub	205				
									Brick Clean	233				
Contingency	4500		Contingency	4500		Contingency	3500		Contingency	3500		Contingency	2500	
Total Outgoings	**22997**		**Total Outgoings**	**39953**		**Total Outgoings**	**20495**		**Total Outgoings**	**24646**		**Total Outgoings**	**10043**	

Source: © Back to Basics. Business Training Pty Ltd

Enter the actual costs against each budgeted amount. Compare the actual costs against the budgeted figure. Are there savings? Are there overruns? Do you need to control the costs in the next section? Will you require to draw down more money? Have you underestimated your costs?

If there are savings – especially in the Contingency Allowances – do not just spend it – you may need it further down the track. Overall savings could be utilised in higher quality fittings, landscaping etc.

OR AS A FURTHER EXAMPLE:

Item	Original Cost Estimate (a) $	Subcontract/Supplier Name	Order Number	Actual Costing			Total Cost Incurred (b) $	Job Cost Analysis (a-b) Profit/ (Loss)
				Materials $	Labour $	Plant $		
1. Site Survey								
2. Site Excavation								
sundries								
3. Rock Excavation								
4. Concrete paths								
floors								
steps								
thresholds								
piers / footings								
labour								
sundries								
5. Brickwork face								

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DEFINITION OF TERMS USED IN ESTIMATING

Billing

The description of the works being measured into language adopted from the plans and specification to conform to the A.S.M.M.B.W.

Bill of Quantities (B of Q or BOQ)

A list of numbered or coded items describing quantities and materials required to carry out the contract work that is divided into sections corresponding with their usual building trade classification in accordance with the A.S.M.M.B.W.

Bonus

Opposite to above, the builder is rewarded for the early completion of a project.

Brief

Detail in writing of the proposed work, giving general details of site, services available, requirements, function and purpose for which the building is required.

Building Contract

The document or articles of agreement and general conditions binding two or more parties together.

Bulking

Increase in volume due to dislodgement from its natural state.

Clerk Of Works

Normally employed by the Architect to supervise the works for the client.

Client

Person or persons to whom the builder contracts to do the works.

Contingency Sum

Is a monetary sum allowed in the tender/contract for unforeseen expenses and is adjusted in the final account.

Contract Documents

All documents related to the construction as stated in the Articles of Agreement and order of preference:

a) Condition of Contract,
b) Specification,
c) Drawings, and may include
d) Bill of Quantities.

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Contract Variation

Contract variation is the term used to describe additional work, omissions, alterations and substitutions to the work as documented in the contract documents. The term also includes the adjustment of a specified monetary provision where the actual amount expended varies from the specified amount. In commonly used builders ' jargon, a contract variation is called an extra. Of course, this is not technically correct as extra work results in additional cost and omitted work may result in a deduction.

Contractor

Person or persons who, by agreement under a contract, are required to perform certain works.

Costing

Collating relevant information and calculating the actual cost of construction.
Information obtained is analysed and directed to provide: a) Cost control on projects. b) Data for future estimating.

Ditto

'Ditto' (often abbreviated to 'do') is commonly used to abbreviate descriptions. That is, the word 'Ditto' is the substitute for repetition of a word or portion of the preceding description.

For example:
1. a) Excavate trench for strip footings not exceeding 1.00 metre total depth.
b) Ditto but exceeding 2.00 metres and not exceeding 3.00 metres total depth.
c) Ditto but exceeding 1.00 metre and not exceeding 2.00 metres total depth.

2. a) 130 x 300 mm Grated surface inlet pit 400mm deep to invert having 110 mm
thick concrete (20 MPa base and sides and 125 mm thick x 760 x 760 mm dished apron with 300 x 300mm standard cast iron grate including all necessary excavation and backfilling, planking and strutting, forming dishing in top, formwork, forming rebates for grate and building in the end of one 100 mm vitrified clay pipe.
b) Ditto, but 600 mm deep to invert.

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c) Ditto, but 900 mm deep to invert.

3. a) 100 mm Pipe laid in trench including excavation not exceeding 1.00 metre and average 0.50 metre deep.
b) 100 mm Ditto and average 0.75 metre deep.

It is recommended that the use of the word ditto be discouraged as incorrect usage in practice is the cause of many claims for extra costs.

Direct Labour

Site labour employed directly by the builder.

Draft Bill

A bill of quantities prepared without insertion of rates or monetary amounts.

Estimating

Forecasting the cost of construction.

Extend

The physical computation of all measurements into a total quantity. This quantity then transferred to the quantity column of the bill. (The estimator then places rates alongside this total quantity arriving at a price for each item in the bill.)

Extra Over (E.O.)

Is a term used in a bill of quantities to indicate an extra cost will be incurred for either labour, material or both over an item that has already been measured. For example, in drainage, the overall length of straight pipe would firstly be given without any deductions for junctions or bends in one item of the bill; and then secondly, an item for extra over for bends or the like would be given.

The estimator would make suitable allowances/deductions for the straight pipe measured in the first item when calculating a rate for the second item.

Extra For

As above

Head Contractor

The contractor is referred to as the Head Contractor in dealings with sub-contractors.

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Item

The word 'item' is used as the billing unit, mainly for preliminary or preamble activities that can't be quantified, that involve the builder in a cost.

For Example:

Preliminaries

Any damages to services or property shall be made good immediately by the contractor at his own expense. [Item]

Preamble Concretor

Allow for sampling and testing of concrete as specified. [Item]

Labour Constant

The average estimated time for a unit of work to be completely calculated in terms of one average man under normal conditions and a reasonable quantity of work and expressed in man hours.

Liquidated Damages

Monetary charge imposed upon the builder under the terms of the contract if the works are not completed by the date fixed in the contract, with allowances for extension of time.

Measure

The physical taking off of quantities from plans in accordance with guidelines of the A.S.M.M.B.W., i.e., the working out.

Net Bill

A bill of quantities prepared with the insertion of “net rates" alongside each quantity.
This bill priced by the builder is for his sole use and is considered a confidential document not available to the client or his representative.

Nett Rate

A rate which includes materials, labour (including on costs), and builder’s plant. (Overheads and profit are not included.)

Nominated Subcontractor

A sub-contractor/s who is/are nominated by the client to perform a separate or specialised section of the work, the cost of which is allowed as a provisional sum in the contract.

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Note

The word 'note' is used as the billing unit, where it is necessary to make the builder aware of an activity that has been allowed for elsewhere in the bill, or what has been specified, etc., that does not normally involve a cost to the builder.

For Example:

Concretor

Refer to the specification for detailed descriptions of materials and workmanship. [Note]

Generally

All concrete work is to be carried out in accordance with the A.C.S.E. Concrete (Specification Document 1 - Third Edition and notes on Structural Engineer's drawings. [Note]

Concrete Strength

The concrete strength shall be as specified by the Engineer. [Note]

Roofer and Roof Plumber Flashing to wall has been measured in "Bricklayer". [Note]

On Cost On Labour

Charges payable by the builder directly attributable to his employment of site labour.

Overheads

Charges payable by the builder not directly attributable to his employment of site labour.

Preamble

At the beginning of each trade/section in a Bill of Quantities, there are general clauses that specify the type of material and workmanship. This information helps to eliminate long and repetitive descriptions for each item.

For example. - For instance, the Brickwork bill will have preamble clauses as to type and quality of bricks, composition and mixing of mortar, etc. so that a reference to cement mortar or lime mortar in the body of the bill will be fully understood without further description.

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Preliminaries

Section in a Bill of Quantities which lists general requirements of building and site requirements (normally, the last section estimated).

Priced Bill

A bill of quantities prepared with the insertion of "unit rates" alongside each quantity. This bill is presented to the Architect and becomes a contract document to the extent set out in the Conditions of Contract and may be used for variation adjustments.

Prime Cost Item (P.C.)

A monetary allowance for net trade price of articles (supply only) of a tentative nature at the time of tender. Articles may be completely stated (brand, type, quality, etc.) or left for the selection by owner or architect.

Principal

Is a term used in building contracts in lieu of the word client.

Profit

The amount by which the tendered costs exceed the actual cost of the project. The object of all business is to obtain a profit in building or in estimating particularly. We can only "anticipate" a profit margin as they will depend on the accuracy of the estimator and the control on the project.

Provisional Sum

A monetary allowance which the tenderer is directed to include in his tender to provide for the cost of work, usually labour and materials, i.e.: special fitments, air conditioning, etc.

Provisional Quantities

A monetary allowance for certain components of the works when the exact quantities are unknown at the time of tendering and adjusted according to agreed rates on performance of the work.

Retention Monies

A monetary sum retained by the client from progress payment to the builder for the client security.

Schedule of Rates

A list of unit rates used by the Architect to adjust builder's claims for variations. Can also be used in cases where no final drawings are available at the time of tender. The client would be given a schedule of rates on which final costs would be verified on completion of the works.

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Subcontract

Portion of the main contract performed by others (subcontractors) and can be for:
a) supply material only
b) supply and fix material
c) supply labour only

The Head Contractor retains the full responsibility for completion of all work.

Tender

The sum of money, time and other conditions required by the tenderers to complete the specified building work.

Tender Figure

The sum of money forming part of the tender.

Unit Rate

A rate which is the combination of a Net Rate plus the builder's allowance for overheads and profit.

Waste

The difference between the quantity required to be supplied and the net measured quantity, i.e.: cutting waste, spillage, shrinkage, breakage, culling or selection of material.

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3. PROJECT SCHEDULING

ESTABLISH A PLAN

Another of the duties that a Site Supervisor would be responsible for or at least involved in is establishing the “Construction Plan”.

In developing a plan we usually adopt simplistic approaches and rely on diagramatical charts, graphs and sketch drawings to predict the expected outcomes for the project. The charts most commonly used in this process are known as ‘Gantt’ or ‘Bar’ charts, they usually are constructed based on the time frame allocated for each of the trades involved throughout the construction process, indicating order of precedence of trades activity and process.

The construction plan must be realistic and achievable, which will require some key considerations such as the provision of:

- Adequate time to complete each activity or process
- Adequate and acceptable material to complete the task
- Adequate and suitably qualified people to complete the task
- Financial capability to provide the resources required

The ‘Plan’ usually follows the sequence of works conducted throughout the project and is commonly known as the ‘Trade Order’. If we consider logic for one moment the defining of the ‘Trade Order’ or ‘as built’ approach gives value to overcoming omissions or errors in the process.

PROGRAM MANAGEMENT

The importance of Planning

Good planning is essential to successful project management. This means planning the work in sufficient detail so that all functions are carried out in time to meet the required completion date in the most cost – effective manner possible. Projects that are inadequately planned will most invariably suffer cost and time over-runs, and give rise to disputes.

Programming the work depends on first carrying out planning and then setting times against activities or sections of work proposed. Planning is concerned with work-method, construction technique and sequence of activities and not primarily with time.

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Once the work-method has been decided the times for activities are determined and the program developed and optimised.

Types of Programming Techniques

Bar Chart Programming

The simplest type of programming tool, useful for small and short term projects, is the bar chart. With this technique the various activities on a project are listed on the vertical axis of the chart while the horizontal axis comprises the time base.

A solid horizontal bar is drawn on the chart representing the time for each particular activity. As with all programming tools it is essential that realistic estimates of time be employed. Where it is desired to show a greater number of activities than can be done by utilising 'milestones' of each activity line to further break that activity into sub activities.

Bar charts are particularly useful for planning simple projects, for summarising detailed information derived from network planning, and for recording progress on the work. Since they are readily understood, bar charts simplify communication and understanding of the overall project. The disadvantages of bar charts are that they do not show dependency relationships, ie what depends upon what, they do not show the critical path and they are cumbersome to change since any alteration has to consider both sequence and timing of the activities.

When the drawings for a building project have been completed, it is helpful to present it in a format which is easily understood and may be used by all personnel on a building job.

Bar Charts are drawn up with the activities shown down the left-hand side and the time periods shown horizontally.

Often the activities are shown only as a number or coded letters but most often by the full name of the activity.

Times to complete each activity are shown by means of bars, which may be open or coloured in. Often the bar charts are coloured in to show the work completed to that date also indicating the percentage of work completed, this allows the actual progress of the job to be compared to the scheduled program.

For larger projects there are more than one bar chart. There is a chart for each section of the project and a master program is drawn up to co-ordinate all sections of the job.

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A typical bar chart, as shown in our example, should include:

- Expected start, duration and completion dates
- A method of controlling or monitoring the progress

This can be achieved in the suggestions listed below:

- Colouring in the bars
- Drawing parallel bars
- Coloured pins
- Highlight markers etc.

There is no set design of a bar chart, however a chart should include the minimum information as set out below:

- Project name
- Time scale (eg. daily, weekly, monthly etc)
- Dates
- Activity description (in order of progress on site)
- Activity to activity which supports each other or is dependent on each other.
- Method of showing the time elapsed
- Method of recording the progress of each activity
- Completion date (contract date/established date of completion)

In the second example a chart is drawn up using the method of working days only, omitting weekends yet showing all holidays.

The time estimated to complete a specific activity or trade on the site is marked in either line or box section (see third example), starting from when the activity starts to when it is finished.

Using an example of three activities or trades which must be carried out in sequence, and the duration times are:

- Trade / Activity A, 1 day
- Trade / Activity B, 1 day
- Trade / Activity C, 2 days

This would be shown on the chart as our third example demonstrates.

This shows quite clearly how work should progress. Note that the lines of dependency/support show the interrelationship of the trades, for example...

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Trade B cannot commence until Trade A has been completed. Likewise Trade C follows Trade B.

Taking the example further, if the project has been running for three weeks (15 working days) and the bar chart has been used to monitor progress then it may look like the fourth example shown on the following pages.

The information may be extracted from the bar chart includes.

- Activity A should be complete, and is complete;
- Activity B should be complete, and is complete;
- Activity C should be complete, and is complete;
- Activity D should be complete, and is complete;
- Activity E should be complete, and is complete;
- Activity F should be complete, and is complete;
- Activity G is only 60% complete but should be complete;
- therefore, as Activity G is on the critical path the project may be seen to be behind by two working days

The job of the site foreman/supervisor is now to determine what action needs to be taken to bring the project back on schedule.

To be realistic a construction program is only as good as:

- The initial intent of the planners
- The accuracy of information available
- The knowledge of the contract drawings & documents
- The experience of the team
- The number of updates that the program undergoes
- The lines of communication.

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CONSTRUCTION PROGRAMME
SITE: 123 BRISBANE ROAD BRISBANE

WEEK	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
ACTIVITY																		
Clear & Level Site																		
Excavate for Flooring																		
Concrete Flooring																		
Concrete Frame																		
External Brickwork																		
Roof Construction																		
Roof Plumbing																		

The Programming Process

The programming process on a project may include:

1. Planning refers to activities and resources and includes decisions on the relation and sequence of activities. Planning should:

   (a) Identify the required selection of work-method.
   (b) Identify the order of work to be adopted.
   (c) Assist to optimise the work procedure overall.

2. Estimating the time required to complete each activity or group of activities.

3. Scheduling, which involves determining the timing of the operations making up the project and of the overall project completion time. Scheduling depends on accurate planning, ie determination of work-methods.

4. Monitoring, which includes assessing the current situation on the project, comparing it with what was expected, and deciding on corrective action;

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5. Rescheduling where necessary to allow for changes in conditions affecting the program of the work;

6. Controlling, which requires execution of corrective action to bring the work back onto program.

Progress Monitoring and Reporting

Progress monitoring and reporting is essential on any project except perhaps the very smallest contracts. Progress monitoring is generally carried out against a program of work, usually presented as either a bar chart or a critical path diagram. Often, actual progress is marked up on the program so that an original program and a work-as-executed program are conveniently shown on the one presentation.

FINE TUNING THE PLANNING PROCESS

Introduction to the Construction Schedule

From the acceptance of the project the Project Manager will need to take the conceptual Bar Chart and identify the components of each trade section into activity based segments. This process is the first step in Construction Scheduling.

Once the activities have been identified, the next step is to clearly establish the sequencing of the activities in each trade section. Concurrently, with the sequencing the third step is to match the time frame of the segmented steps with the overall time frame outlined in the conceptual Bar Chart.

The fourth step is to link the activities of each trade section with those of other trade sections in an attempt to inter-link the processes. The final step is to link the required delivery time of the material / activity or process with the lead up time required to make it happen to affect “just in time” delivery.

The benefits achieved by implementing the Construction Scheduling process can be identified as:

- Project time efficiencies
- Project cost efficiencies
- Effective resource management
- Effective Cash Flow management

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Although a strict regime should be set in developing the Construction Schedule, it must be clearly understood that at some stage throughout the building process a level of flexibility must be available to allow for changes in the Project.

Processing Job Changes

The Nature of Job Changes

'Job changes' is a general term covering any change to the nature of a contract. It covers:

1. Changes to the way work is executed, and are generally described as 'variations'.

2. Scope changes requiring additional work or obligations over and above those quoted for a tender, generally described as 'extras'.

3. Reductions in workscope, often described as 'negative variations' or credit variations.

4. Changes to the program of work.

5. Changes to the conditions under which the work is carried out, including changes to site conditions, and changes in accessibility.

6. Changes made necessary due to failures by the principal contractor/owner manager.

When there are any changes to the contract, or to the conditions under which the contract is executed, these must be recorded by the site supervisor. You should examine claims for variations critically and require detailed substantiation from the sub contractor. Even where additional variations have been incurred you should check the contractual responsibility before approving payment. Claims for additional work should be received as soon as it is possible to quantify them, rather than leaving them until the end of the contract.

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Mechanism for Approving Job Changes

The mechanism for processing job changes should be agreed between yourself and the sub contractor as early as possible, preferably at the coordination meeting at commencement of the contract. Items to be resolved may include:

1. The person nominated to direct changes.

2. The mechanics of executing variations, extras and changes to the contract program.

3. Time bar restrictions and any limitations on giving notice and advising of claims.

4. The time of variation to critical items which may delay the sub contractor or in other ways disrupt the program of work.

All notices in regard to job changes must be issued in strict accordance with the conditions of contract. Generally these include specific requirements as to timing and the need to advise that they are issued under a specific contract clause. For the owner builder the receipt of a proper notice provides advice that there could be an impact upon the cost, or timing, (or both) of the contract.

Types of Program Changes

Changes to the program of work will almost always have an effect on contract costs. Such program changes commonly include:

- Extensions of time for completion of work
- Changes to the sequence of work
- Acceleration of the contract program
- Prolongation of the contract program
- Combinations of change to the work sequence with acceleration or prolongation.

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4. COMMUNICATION, NEGOTIATION AND MEETINGS

COMMUNICATION

In the construction industry you are likely to have the following the personnel/organisations that you will need to communicate with

- Supervisor / Manager
- Designers/Architects /Engineers
- Safety Officer
- Co-workers/sub-ordinates/trades people
- Client/customers
- Suppliers and sub-contractors
- Office support staff
- Statutory and regulatory authorities

To communicate effectively you will need to tailor your methods to suit each audience. For example, when speaking with other construction workers it may be appropriate to speak informally and use industry jargon as they will understand what you mean. Whereas when you are speaking with a client, a formal language and plain English words are likely to be more appropriate.

Communication can be grouped into four main types – verbal, non-verbal, written and visual. The list below provides these methods of communication you are likely to encounter on a construction site:

Type	Method
Verbal	• Speech • Industry terms and vocabulary • Abbreviations • Two-way radio • Telephone/Mobile Phone • Voice messages Instructions
Written	• Work instructions • Work schedules/trade sequences • Bulletins • Time sheets • Notices • Charts

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	• Agreements/contracts • Specifications • Orders • Delivery slips/cart notes • Australian Standards • Manufacturer's specifications and instructions • OH&S requirements • Company procedures • Emergency procedures • Induction procedures • Regulations • Quality requirements • Industrial agreements • Checklists • Workplace policies • Text messages • Material Safety Data Sheets (MSDS) • Memos • Letters • Emails
Visual	• Hand signals • Gestures • Mime • Para-language • Tags, labels and stickers • Signs using symbols • Plans/diagrams/sketches • Maps
Non-verbal / Audio	• Emergency alarm • Machine alarm (Reversing truck crane swivel) • Whistle • Bell • Buzzer

When you work in the construction industry you are a member of a team involving many different job roles on site. For a project to run smoothly, there must be effective communication so that everybody does what is required, at the right time, in the right way and with the right materials.

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Verbal Communication

Verbal communication, also known as speaking, is an important form of communication in the construction industry. Planning and organizing your thoughts is a critical part of verbal communication. This involves thinking about who will receive the message and what you want to convey. Making notes before a phone call, having an agenda for a meeting, or researching information you wish to give to someone in advance are all methods you can use to ensure clear communication.

The giving and receiving of verbal instructions are a fundamental part of work in the construction industry and as a beginning worker it is particularly important that you learn to listen, understand and respond to them effectively as well as give your own instructions to others.

Effective communication involves much more than choosing the right words. The five rules to incorporate while conveying a message, known as the 5 Cs of Communication:

1. **Clear** - Speak in black-and-white terms to clearly state your message. Allow questions from the recipient of your communication to ensure you are understood.
2. **Concise** - Do not ramble. Your important message can be lost in the nonessential information you include—get to the point.
3. **Consistent** - Make the message consistent at all times. If you are telling your supervisor about an incident that you have observed, do not change your story to make it more dramatic. Report your findings in a consistent, accurate manner. Do not tell one person what you saw and later change your observations as you retell the story to another person.
4. **Credible -** People can tell if your words are insincere — make sure your message is real. Do not heap praise on someone just because you want to win their favour. It is important that you mean what you say.
5. **Courteous -** Words and phrases such as “hello,” “thank you,” “please,” “excuse me,” and “I’m sorry” are easy, effective ways to demonstrate respect. Being courteous when you communicate sets the right tone and attitude. Courtesy is mandatory in the workplace, even if you are interacting with someone you dislike. Keep your personal feelings out of your work interactions.

Having an open mind during verbal communication is also very important. Making assumptions about what someone is going to say before he or she speaks might cause you to miss the essence of the message. If you have had disagreements with the speaker, you might negatively translate a message into your assumption about what you are hearing. Keeping an open mind and listening respectfully without emotion is critical to open, clear communication.

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Written Communication

Many employers consider written communication skills to be one of the most important job skills an employee can have. Studies have indicated that the ability to write well seems to be diminishing among students. Therefore, if you can write a message clearly and accurately, that skill will benefit you in the working world. As you study to become a construction worker, you must practice using clear, concise writing in your assignments. Composing written communications can be done effectively if you possess good writing skills. Written communication requires the presentation of clear, logical thoughts.

Today, few written communications are actually written by hand, except quick notes like telephone messages. The vast majority of written communications are prepared electronically. As a result, keyboard skills are essential in today's healthcare world. The way you communicate with your client/customer through written instructions helps to minimize confusion and lead to better understating.

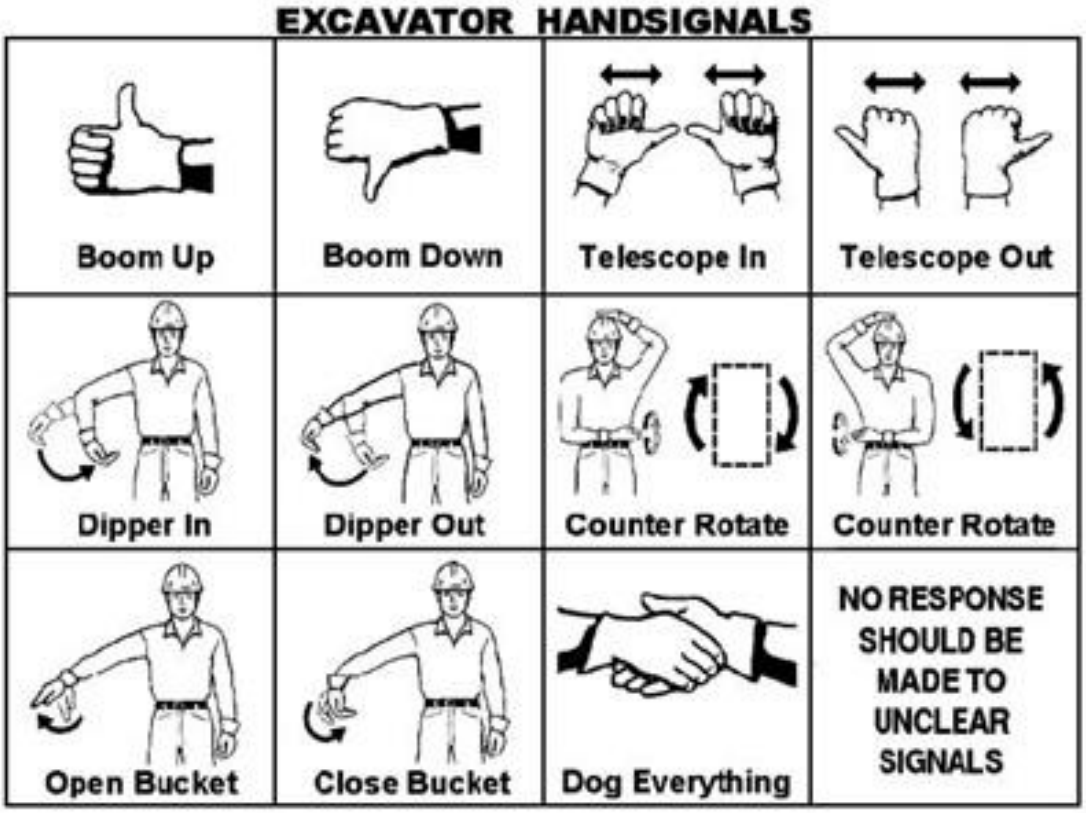
Written communications offer an excellent opportunity to make a good impression on others, but developing these skills takes time and effort. Writing requires thought, preparation, skill, and confidence. Throughout your career as a builder or tradesperson, you might be asked to write a variety of communications such as original letters, memos, responses to information requests, telephone messages, e-mails, construction drawings and specifications, invoices and purchase orders etc. You will also fill out a variety of forms on a regular basis. Of course, to obtain a job you may be asked to present a cover letter, job application, and a résumé, all of which will require you to possess good writing skills. Good writing means using several key elements to get your point across. Those elements include using grammar correctly, recognizing and correctly using the parts of speech, spelling and punctuating properly, and using clear, concise words.

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Hand Signals

Hand signals are used in the construction industry where two or more people need to communicate with each other in a manner other than verbally or in writing, possible due to the physical distance between them and / or due to loud and noisy environment that surrounds them.

Hand signals are common when a person is operating a crane or large plant, and he or she needs visual guidance from a second person.



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NEGOTIATION

Negotiation is a process that requires two or more people with a common or conflicting interest who have a need to resolve an issue or business transaction. Negotiation is the process of reaching an agreement. This process may include competition, collaboration, compromise, the need to accommodate or to walk away at any stage of the process

In the initial stages of negotiation, it is necessary to have clear objectives to achieve the optimum results. Planning the objectives and having an understanding of the negotiation process, its scope and boundaries will help you achieve the desired outcomes.

Strategies of the negotiation process
Throughout the negotiation process the needs of both parties are essential. To achieve optimum results a level of honesty is essential. Honesty builds trust, manipulation or coercion creates an atmosphere of mistrust. It is vital to maintain a *level playing field* by treating each other as an equal.

The effectiveness of the negotiation will be shown in the outcome and may not always end in agreement. Consider the differences between the following three strategies.

1. Win-Win Strategy
2. Win-Lose or Lose-Win Strategy
3. Lose-Lose Strategy

Each strategy has a different result. In the first, both parties win, and in the second, one wins and one loses, and in the third, both parties lose.

Win-Win Strategy
A win-win strategy occurs when both parties are satisfied with the settlement negotiated.

Consider the following situation.

> THE SCENARIO
>
> The drywall plasterer is notified of a change to the ceiling alignment of a unit in a medium density development yet to be completed. His contractual arrangements require him to provide a schedule of rates for his works. When the supervisor notifies the subcontractor of the impending change he ends the conversation with “we need to sit down and discuss this.” The subcontractor checks his schedule of rates and identifies the variation would be worth $800 but is aware of the impending discussion with the supervisor.

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The supervisor has also checked the schedule of rates and identified the cost of $800 prior to the suggestion for the need to discuss the variation. The supervisor also establishes that the subcontractors bottom line is most likely $500.
The subcontractor enters the meeting suspecting by the tone of the supervisors suggestion to discuss the variation there was an error in the original calculations. After establishing his bottom line of $500 his intent was to ask for $600.

THE MEETING:
The supervisor briefly outlines the scope of works relating to the variation and introduces the benefit of notice of prior to commencement on this particular unit. The supervisor suggests that costs could be reduced and it is his estimate the sub contractors bottom line is $500.

Whilst outlining his case the supervisor identifies the reason for the discussion being he had submitted a variation to the client without checking the measurements and has since found an error in his calculations. His offer based on this information is $650 to the subcontractor to complete the works.

The subcontractor considers his original intention of requesting $600 and subsequently agrees to the offer of $650.

SUMMARY
The subcontractor is satisfied with the offer. The supervisor is pleased with the outcome. A *win win* situation.

Similar strategies apply in any negotiation situation. If you are negotiating the sale of a vehicle, your purpose is to achieve the best possible price, therefore, you may ask for more, knowing that you can fall back to a lower price. The buyer offers a lower price and negotiates upwards until the selling or market price is met. Each party is satisfied.

Successful negotiation is achieved when both parties concentrate on strategies that solve the problem and communicate effectively to achieve a win-win result.

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Win / Lose or Lose / Win Strategy
A win-lose/lose win situation is created when one party is satisfied and one is dissatisfied. As you can see in this situation the supervisor initiated the negotiation and this will determine the relationship of the outcome. Using our example the supervisor in the following scenario is in a lose win position and the subcontractor is in a win lose position. The same situation suggested above can be negotiated to a win-lose result.

Lose / Win
The subcontractor's position could be affected by the need for him to engage more employees to complete the works and is not prepared to negotiate down from his schedule of rates outlined in the contract and therefore after receiving the supervisors offer of $650 refuses to complete the works for less than his contract agreement.

The supervisor has no alternative but to accept the situation as it is. A *win lose* situation

Lose / Lose Strategy
The lose-lose situation is created when neither of the parties are willing or able to compromise. The supervisor needs to advance his program forward 2 weeks to avoid liquidated damages from accumulated circumstantial losses. To achieve this gain it is evident that only one trade provides the opportunity for this to occur. The supervisor approaches the subcontractor (A) to negotiate a time gain. The subcontractor (A) is unable to provide the manpower necessary to achieve the result. The supervisor is then forced into a position to reorganise the contract to the subcontractor (A) to allow the engagement of another subcontractor (B) to complete a portion of the works in conjunction with the original contract and therefore gain time. Subcontractor (A) has now lost part of the contract.

In this negotiation the supervisor was required to pay a premium over the original budget to engage subcontractor (B). Although the supervisor may have maintained rapport with his client for finishing on time his loss was financial against the project.

Throughout the negotiation process it is recommended that you are aware of the other persons objectives and expectations and should always try to avoid a lose/lose situation

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NEGOTIATION OUTCOMES

Collaboration	Win - Win
Competition	Win - Lose
Accommodation	Lose - Win
Withdraw / Avoidance	Lose - Lose
Compromise	Any of the above possible

POSITIONAL VERSUS INTEREST-BASED NEGOTIATION

Position negotiators (or bargainers) attempt to solve a problem by beginning with solution or demand and trying to convince the other party or parties to the negotiation that their solution is the best of all possible solutions. The objects of the positional bargainer include:

- Winning
- Maximising the benefit to them
- Avoiding compromise
- Giving less than the other parties to the negotiation.
- Settling for as little below the initial demand as possible.

Interest based negotiators begin with the problem and focus on the needs which must be satisfied in order for a solution to be reached. The basis of principled negotiation is that negotiation is an opportunity for joint problem solving rather than an opportunity for one side to “win”. By focussing on the needs of each party to the negotiation it is possible

The objectives of the interest-based negotiator include:

- Finding a mutually satisfactory solution to the problem
- Maximising the benefit to all parties
- Compromising only if to do so is the best of many options
- Satisfying their needs (and the needs of the other parties)
- Exploring all possible solutions until the best solution is apparent and can be chosen.

Negotiations can be conducted directly between the parties.

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FISHER'S SEVEN ELEMENTS OF NEGOTIATION

ELEMENT	DESCRIPTION	GOAL
1. Interests	The needs, concerns and fears which motivate the parties	To satisfy **our** interest well, **theirs** acceptably and **others** tolerably.
2. Options	**Possible** solutions to individual issues identified by the parties	To find many possible options which satisfy interests. To find solutions which minimise waste
3. Alternatives	Possible actions that do not require agreement between the parties. I.e. what we can do elsewhere to solve this problem	To identify our (and each party's) Best Alternative to a Negotiated Agreement (BATNA). To identify our (and each other party's) WATNA (Worst Alternative to a Negotiated Agreement) and MLATNA (Most Likely Alternative to a Negotiated Agreement).
4. Legitimacy	The criteria by which the fairness (or otherwise) of the agreement will be assessed.	To identify independent and objective standards with which to compare options.
5. Commitment	What is each party prepared to do in the future?	Commitments should be well planned, realistic and operational.
6. Communication	The messages and the method of conveying information between the parties	To find a means of communication which is efficient, clear and which will avoid misunderstanding (now and in the future).
7. Relationship	The way in which the parties interact with each other within and outside the negotiation	To develop the type of relationship that the parties desire – may be a good working relationship or may be one which allows these negotiations to proceed efficiently and productively.

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Avoid Confrontational Negotiation
What you say in the first few moments of a negotiation often sets the climate of the negotiation. The other person quickly gets a feel for whether you are working for a win-win solution, or whether you're a tough negotiator who's out for everything you can get.

So, be careful what you say at the beginning. If the other person takes a position with which you totally disagree, don't argue. Arguing always intensifies the other person's desire to prove himself or herself right. You're much better off to agree with the other person initially, and then turn it around by letting them know that you know just how they feel and that if they take a closer look at the offer they will find they it really is a good offer.

Respond with: "I understand how you feel about that. Many other people have felt exactly the same way as you do right now. (Now you have diffused that competitive spirit. You're not arguing with them, you're agreeing with them).

BASIC PRINCIPLES

A) Get the Other Side to Commit First
You will usually be better off if you can get the other side to commit to a position first. A couple of reasons are immediately obvious:

- Their first offer may be much better than you expected.
- It gives you information about them before you have to tell them anything.

The less you know about the other side or the proposition that you're negotiating, the more important the principle of not going first becomes.

If both sides have learned that they shouldn't go first, you can't sit there forever with both of you refusing to put a number on the table. But, as a rule, you should always find out what the other side wants to do first.

B) Acting Dumb is Smart
In negotiation, smart is dumb and dumb is smart. When you are negotiating, you're better off acting as if you know less than everybody else does, not more.
The dumber you act, the better off you are unless your apparent IQ sinks to a point where you lack any credibility.

There is a good reason for this. With a few rare exceptions, human beings tend to help people that they see as being less intelligent or informed, rather than taking advantage of them.

Of course, there are a few ruthless people out there who will try to take advantage of weak people, but most want to compete with people they see as brighter, and help

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people they see as less bright. So the reason for acting dumb is that it diffuses the competitive spirit of the other side.

Negotiators who understand the importance of acting dumb will retain these options:
- Requesting time to think it over so that he can thoroughly appraise the dangers of accepting, or the opportunities that making additional demands bring.
- Deferring a decision while he or she checks with others.
- Asking for time to let legal or technical expert's review the proposal.
- Pleading for additional concessions.
- Using Good Guy/Bad Guy to put pressure on the other side without confrontation.
- Taking time to think under the guise of reviewing notes about the negotiation.

Be careful that you're not acting dumb in your area of expertise. A carpenter should not say that he doesn't know the difference between F4 and F8 graded timber - the other side might start to smell the rat!

MEETINGS

An effective workplace meeting relies upon the participants having a clear understanding of the purpose of the meeting and its procedures. Meetings vary between informal meetings of employees, to semi-formal meetings on site regarding work procedures, to formal meetings involving managers, developers, architects and regulatory officials.

An effective meeting is one that takes a minimum time to achieve its objectives and satisfies all participants.

Workplace meetings are held for a range of reasons, including:

- hearing opinions
- discussing concerns
- problem resolution
- discussing schedules
- information gathering
- decision making
- accident investigation
- progress reporting
- policy development

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Participating in a Meeting

During a meeting it's important that all members participate actively in the process. This means that you listen to each topic being discussed and put forward your opinion about it. There is no point complaining about a decision made at a meeting if you didn't give any input. Here are some simple rules to follow – whether you're meeting with one other person or a group.

- Be prepared – Read through the agenda and plan your questions and contributions. Research any additional information you might need.
- Listen – Pay attention to the details being conveyed and to the opinions of the other person or participants.
- Participate – Ask and answer questions and voice your opinions when it's appropriate to make a contribution.
- Be constructive – Don't be afraid to oppose other people's ideas and opinions but be positive and practical. Stay on topic and avoid distractions.
- Avoid conflict – Steer clear of aggressive language or behaviour, as this does not help resolve problems or find solutions.
- Take notes – There may be a lot of information to remember or tasks to be completed and it can be easy to forget details. It's also helpful to have a record of what has been discussed if circumstances change later on.
- Follow up – If you've volunteered or been asked to do something, make sure you complete the task as soon as possible and let others know that you've done so.

Meeting Agenda - At the very least, it's important to get a copy of the meeting agenda and use it as a guide or outline for taking notes and preparing the minutes – with the order and numbering of items on the minutes of meeting matching those of the agenda. In addition, the agenda and/or meeting notice also provides information that will need to be included in the minutes, such as:

- the names of all the meeting attendees, including guests or speakers
- documents that are sent out with the agenda or handed out in the meeting – copies (digital or hard copy) of handouts should be stored with the meeting minutes for future reference and for sharing with those who were unable to attend the meeting (and others as determined by the meeting's Chair).

Holding meetings on site enables the stakeholders to see progress for themselves (rather than relying on a report for another party) and to look at problem areas, discuss quality issues, assess mock-ups and so on.

Construction progress meetings are a specific sort of site meeting during which the contract administrator receives progress reports from the contractor and consultant

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team, cost reports from the cost consultant and other more specific information such as sub-contractor reports, progress photos and so on.

In order to be able to provide the correct information at construction progress meetings, the contractor may previously hold a progress meeting with sub-contractors sometimes called a production meeting.

Meeting minutes should be prepared, with a requirement that any disagreement with the items recorded in the minutes is raised within a pre-defined period (perhaps one week). Progress meetings may also result in the preparation of a construction progress report for the client.

On construction management projects, the construction manager holds regular construction progress meetings with trade contractors to discuss on and off-site progress against the programme and to co-ordinate the release of information. It may sometimes be appropriate for these meetings to take place at the trade contractor's premises. On large projects the construction manager may hold a daily logistic meeting on site with trade contractor foremen to organise, schedule and co-ordinate on-site shared services such as deliveries and off-loading, hoists and craneage, scaffolding, safety issues, rubbish clearance etc.

Similar meetings may be held on management contract projects between the management contractor and the works contractors. An advantage of conducting this meeting on-site is that you can actually see what you are talking about. These types of meetings are informal and do not have an agenda or minutes. Other meetings held on site might include safety briefings and toolbox talks which are held to ensure that workers properly consider health and safety issues on site.

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SAMPLE MEETING AGENDA

Project:	New Home Construction – 123 Brisbane Road BRISBANE QLD 4000				
Date	3 February 2020	**Time**	7:30am	**Location**	Onsite
Attending	Robert Carpenter – Owner Builder John Livingstone – Site Supervisor Carpenters and Apprentices Bricklayers and Apprentices Electrician Plumber				

AGENDA - MEETING GOALS:

1. To discuss and resolve Safety Issues, including:

   (a) Workers have been observed smoking onsite
   (b) Access and egress areas are commonly obstructed by left-over materials and rubbish / debris
   (c) Workers are not wearing hard hats under scaffolding

2. To discuss and resolve complaints made to the local council about parking, rubbish and work performed outside of permitted hours on Saturdays.

3. To discuss a revision to the structural plans that will result in a number of variations needed in the work to be performed.

4. To notify workers that the delivery point for all deliveries has been moved from the front of the site to the side driveway.

5. To discuss the work to be performed and materials to be delivered in the coming week.

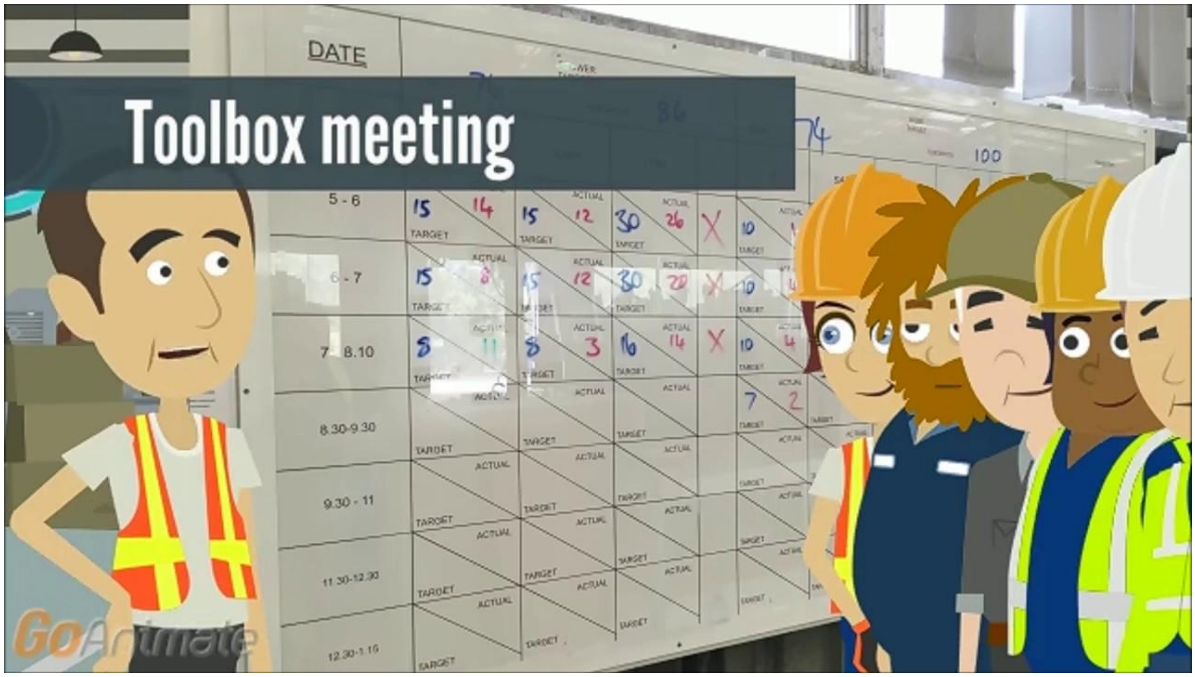
6. Any other matters to be raised.

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Tool-Box Meetings

Tool Box meetings tend to focus on WHS issues and tasks for the day. These are short meetings which are attended by all the employees working at the time and are held regularly prior to commencement of the shift work.

Tool Box meeting got its name from the fact that construction workers traditionally sat on their tool boxes, on-site, to discuss the job with their supervisor.



When conducting a Tool Box meeting you should remember that the purpose is to keep workers informed of potential hazards, any safety and reporting procedures as well as offer training. Try not to overwhelm the workers with lots of information. Instead, have shorter and more regular meetings, leaving the workers with a couple points to absorb each meeting.

Regular toolbox meetings will alert workers to potential workplace hazards, prevent accidents, illnesses and prevent on-the-job injuries. It also nurtures a safety culture, involving workers in all aspects of workplace health and safety at an informal level, encouraging open communication and solidifies the supervisor's authority

When conducting a toolbox meeting, ensure that you have an agenda. Record the Date and time of the meeting and who was present at the meeting

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Ensure to record the meeting discussion-points, any action items, including what is going to be done, when and by whom. If you use a recording device, still type out the minutes and keep both print and audio on file.

Examples of general topics that can be discussed during the Toolbox meeting could include:

- Accident / Incident / Hazard reporting
- Fire and evacuation procedures,
- Personal Protective Equipment (PPE)
- New tools or equipment
  Ensure that you research the information and plan the delivery

You should tailor the topics to your industry and current trends in your workplace. For example: If one your workers had slip / fall incident recently, then that would be a good topic to choose at your next meeting.

To conduct the meeting, the supervisor should hold the meeting somewhere everyone can sit, won't be disturbed and can concentrate on what is discussed (perhaps the staff room).

If you conduct training during the toolbox meeting, it is important to record who have completed, ensuring that each person signs a training sheet.

Encourage worker participation by asking their opinion; they often know best what and where the dangers are.

To help transfer learning among employees, you could provide a one-page handout about the topic, the procedures, who to contact and any other important information discussed.

If there are any workers that were absent at the meeting, ensure that a copy of the minutes are given to each person and that they receive individual instructions and training as soon as possible; this to avoid segregation and keep everybody at the same level.

Kick-off Meeting / Pre-construction Meeting

Held prior to any works beginning these meetings help to ensure that all parties understand what is to be done and how it is to be done. Preconstruction meetings are typically attended by the client, the head contractor/project manager and other contractors.

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During the construction stage, the contract administrator (sometimes referred to in different forms of contract as the 'architect/contract administrator', 'project manager', 'engineer' or 'employer's agent') holds regular (often monthly) construction progress meetings attended by the contractor and if necessary members of the consultant team.

The client, client representative or project manager may also wish to attend these meetings. Construction progress meetings may require decisions to be made and so it is important that they are attended by sufficiently senior individuals if delays are to be avoided.

Construction progress meetings are an opportunity to:

- Receive progress reports from the contractor (the contractor may hold a progress meeting, sometimes called a production meeting, with sub-contractors prior to the construction progress meeting).
- Receive progress reports from the consultant team.
- Receive cost reports from the cost consultant.
- Receive records of sub-contractors and labour on site.
- Receive progress photos (which may be required from the contractor if included in the preliminaries, or may sometimes be commissioned separately by the client)

They are also an opportunity to discuss major issues raised, such as:

- Any special circumstances which may affect the contract at any stage
- Testing regimes
- Mock-ups
- Quality issues
- Weather reports
- Issues that may impact on costs
- Health and safety issues
- Issues with neighbours (such as noise, dust, vibrations, rights of light, access, safety)
- Off-site fabrication and off-site payments
- Earned value analysis
- Design issues
- Warranties
- Look ahead to the next period (including specific requirements for progress photos during the next period, which may include off-site fabrication photos)

Meeting minutes should be prepared, with a requirement that any disagreement with the items recorded in the minutes is raised within a pre-defined period (perhaps one week).

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The progress meetings will also result in the preparation of a construction progress report for the client.

On construction management projects, the construction manager holds regular construction progress meetings with the client and consultant team, however, they will also hold regular construction progress meetings with trade contractors to discuss on and off-site progress against the programme and to co-ordinate the release of information. It may sometimes be appropriate for these meetings to take place at the trade contractor's premises. Construction progress reports will then be prepared for the client.

On large projects, the construction manager may hold a daily logistic meeting on site with trade contractor foremen to organise, schedule and co-ordinate on-site shared services such as deliveries and off-loading, hoists and craneage, scaffolding, safety issues, rubbish clearance, etc.

Similar meetings may be held on management contract projects between the management contractor and the works contractors.

When participating in meetings ensure that you:

- familiarise yourself with the agenda (if there is one)
- take any required documents with you
- arrive on time
- actively listen
- contribute constructively to the discussion
- ask questions appropriately
- Follow up promptly on any action items you have been assigned.

Sometimes, instead of full minutes an action list is the outcome of a meeting. Whereas minutes record a summary of what was discussed, action lists simply list what has to happen (the actions) with who is responsible for actioning it and the date by when it must be completed.

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Minutes of the Meeting

Minutes, also known as minutes of meeting (abbreviation MoM), protocols or, informally, notes, are the instant written record of a meeting or hearing. They typically describe the events of the meeting and may include a list of attendees, a statement of the issues considered by the participants, and related responses or decisions for the issues.

Minutes are the official written record of the meetings of an organization or group. They are not transcripts of those proceedings. The minutes should contain mainly a record of what was *done* at the meeting, not what was *said* by the members. The organization may have its own rules regarding the content of the minutes. It is important to capture the essence of the meeting, including details such as:

- decisions made (motions made, votes, etc.)
- next steps planned
- identification and tracking of action items

Minutes are a tangible record of the meeting for its participants and a source of information for members who were unable to attend. In some cases, meeting minutes can act as a reference point, for example:

- when a meeting's outcomes impact other collaborative activities or projects within the organization
- minutes can serve to notify (or remind) individuals of tasks assigned to them and/or timelines

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SAMPLE MEETING MINUTES

Project:	New Home Construction – 123 Brisbane Road BRISBANE QLD 4000				
Date	3 February 2020	**Time**	7:30am	**Location**	Onsite
Attended	Robert Carpenter – Owner Builder John Livingstone – Site Supervisor Carpenters and Apprentices Bricklayers and Apprentices Electrician Plumber				
Apologies	None				

MINUTES – MEETING OUTCOMES:

1. Safety Issues

John advised that workers had been observed smoking onsite. The Glazier asked where workers were and were not permitted to smoke, and John responded that because there were flammable liquids in areas throughout the site, there was no smoking permitted anywhere onsite, and those that wanted to smoke needed to leave the site completely.

John advised that access and egress areas are commonly obstructed with rubbish / debris and material that had not yet been used, or left over materials. It was explained that not only is this a safety issue, it slows the progress of the project. Some of those present advised that at times it is impracticable to stop work to continually keep those areas clear, particularly if the task you are performing involves the continual generation of rubbish / debris and left over materials.

John advised that workers should 'do their best', but that it was now a general rule that all rubbish / debris is to immediately be disposed of in the provided Skin Bin throughout each day, and that unused or left over material must immediately be moved away from access / egress areas and either disposed of or relocated to unused parts of the site.

John advised that a number of younger workers (mainly apprentices) had been observed not wearing hard hats when passing underneath scaffolding areas. Given the obvious safety risks, John instructed all those present to ensure that hard hats are worn at all times whilst onsite, where the person is inside or outside.

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2. Council Complaints

Robert advised that neighbours had made the following complaints to the Local Council:

(a) Workers are parking partially across driveways – workers were advised to refrain from doing this, because they would likely receive a fine from Local Council officers.

(b) Some rubbish was being left on the nature strip, and not disposed of in the Skin Bin – workers were advised that this practice was to stop, and that all rubbish had to be disposed of appropriately.

(c) Workers were carrying out work onsite past the 1:00pm time limit on Saturdays. Robert advised that all work must immediately cease at 1:00pm every Saturday, and that workers were likely to be fined by Local Council officers if found to be working after this time.

3. Revision of Structural Plans

Robert advised that certain changes had been made and approved which would result in the plans changing. Although the exact nature of the changes for each trade had not yet been finalised, the purpose here was to advise that instructions previously provided would change, and those changes would be confirmed in a further meeting in 2 weeks' time.

4. Change of Delivery Point

John advised that as the projected had progressed, it was no longer practicable to continue having materials delivered to the front of the house. Given this, a decision had been made to arrange for all deliveries to now be made to the side driveway on Little Sydney Street. The Carpenter queried whether suppliers had been notified, and John indicated that each supplier would be notified upon confirmation of the pending delivery.

5. Work to be performed and materials to be delivered

Work to be performed – Internal Carpentry work and internal / external brickwork to continue for the week, with the electrician and plumber attending as needed.

Materials to be delivered – The external windows are scheduled for delivery on Wednesday, and they are to be kept inside the site in a safe place until they are installed, which is scheduled for Friday.

6. Any other matters to be raised

None.

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5. PROJECT ADMINISTRATION

PROJECT RECORDS

The ordering, receiving, and payment of products / materials and services during a construction project all produce records which should be maintain by the Owner Builder.

Below is a simple flow chart, follows by some sample document records:

FLOW CHART – Ordering, Payment and Receipt of Goods / Materials

ORDER
A request to supply and deliver goods and/or services

DELIVERY DOCKET
Proof of delivery of the goods and/or services

TAX INVOICE
Charge for the goods and/or services

ADJUSTMENT / CREDIT NOTE
Adjustment to the charge for the goods and/or services (where the quantity or type of goods / services changes after ordering)

STATEMENT
Summary of all the transaction for a month

PAYMENT
Payment for the goods and/or services

RECEIPT
Proof of receipt of the payment for the goods and/or services

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Delivery Docket

Date: 09.04.16 **Docket No:** 150

Delivery to:

At this address
In this town
At this area code

Supplied by:

At my address
In this City
With this area code

Customer PO#: PO5032
Order Date: September 3, 2016
Delivery Date: September 4, 2016

Tel No: 12456789
Reference:

Date	Description	Quantity		
		Ordered	Shipped	Backorder
09.04.16	Hats	100	50	50
09.04.16	T-Shirts Size M	100	100	
09.04.16	T-Shirts Size L	100	100	
09.04.16	Shorts	200	280	20

Please retain this delivery docket as proof of purchase.

Comments:

Backorders expected delivery date 20.04.16

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1 Tax invoice

2 Windows to Fit Pty Ltd
ABN: 32 123 456 789 3

15 Burshag Road
Festler NSW 2755

4 **Date**: 1 August 2013

To: Building Company 8
254 Burshag Road
Festler NSW 2755

Qty	Description of supply	Unit price	GST	Total
5 50	Window frames	$150	$15	$8,250
10	Deadlocks	$40	$4	$440
			6	
TOTAL AMOUNT PAYABLE				$8,690

The total price includes GST 7

Cash Receipt

Date: _____ **Receipt Num:** xxxxxxxxxxxxx

Amount Received From: _____

Address: _____

_____

Amount: _____

Purpose of Payment: _____

_____

Account	
Total Amount Due	
Amount Paid	
Balance Due	

Payment Made BY	
Cash	
Cheque	
Others	

Amount Received By: _____

_____
Authorized Signatures

_____
Authorized Signatures

Business Name Here
Business Address
City, State and Zip Code
Phone, Fax
Website: www.websiteaddress.com

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[Your Logo] [Your Website]

CREDIT NOTE

[Customer Name]
[Customer Address 1]
[Customer Address 2]
[Customer Town]
[Customer City]
[Customer Postcode]

Date:
1st October 2015

Credit Note Number:
CN-0001

VAT Number:
GB123456789

[Your Company Name]
[Address 1]
[Address 2]
[City]
[Town]
[Postcode]

Description	Quantity	Price	Amount
Wrong product on Invoice INV-0001	1	50.00	50.00
Product #123 - Partial Refund	3	10.00	30.00
		Subtotal	80.00
		TOTAL	**80.00**

Thank you for your custom

CREDIT ADVICE

To: [Your Company Name]
[Address 1]
[Address 2]
[City]
[Town]
[Postcode]

Customer: [Customer Name]
Credit Note #: CN-0001
Amount: 80.00

Please deduct this credit from your next payment to us.

[Your Company Name], [Registered Address], [Company Number] [Your Email]

It is absolutely vital the correct procedures are followed when ordering, receiving, using and returning materials and plant to and from a site.

Record the purchase or request for materials and plant by using:

- An Order or Requisition System.
- Record the receipt of the goods, materials and plant.
- Record the use of goods, materials and plant.
- Record the accounting functions necessary to process the paper work to final payment.
- Record the return of unused materials, plant, etc., to store or the supplier.

The Site Supervisor will record the coming and going of materials and plant on the Daily Report Sheet. A separate records system must accompany the details shown on the Daily Site Diary.

Begin with the Order System.

When there is a need for large quantities of bulk materials (eg concrete) a contract for the supply of these bulk quantities of materials, at a negotiated discount rate, form an integral part of the order system. The quantities are confirmed at the time the order is placed by raising a purchase order for each portion as it is required. Eg. One project may have 400m³ plus of concrete, and any one slab may only be a maximum of 80m³. These contracts ensure the negotiated rate remains throughout the project.

The system begins with an order book. This book can be either a standard duplicate or triplicate book with consecutively numbered pages which can be purchased from any newsagent or stationery outlet.

It is extremely important that the sheets are consecutively numbered and kept in strict numerical order. The whole system is centred around these numbers and keeping them in order is VITAL.

All referral questions, job costing, invoicing, filing etc., would start with the order number. By keeping these numbers in order, you make the finding and tracking of information very easy.

It is the same as finding a letter in a file by having the files in alphabetical order.

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THE ORDER SYSTEM

1. When ordering goods it is best to get into the habit of writing out the order form first. Using the form, you then either phone the order to the supplier or pick up the goods personally and give the order form to the supplier.

   (a) ORDERING BY TELEPHONE
   First quote the order number.
   Then present the details of the order giving the supplier the list of goods you require.
   If and when possible, obtain a price for the order from the supplier and write this price on the order form.

   This price is then used as a check against the value given on the corresponding invoice sent to you by the supplier. It also helps with any job costing you may need to process before the invoice arrives.

   Give PRECISE delivery instructions.
   Send the original copy to supplier.

   (b) PERSONAL COLLECTION OF GOODS
   Always keep an order book with you at all times.
   Follow the same procedure as a telephoned order.
   Ensure that the order form is completed with as much detail as possible.
   Give the original copy to the supplier.

4. On receipt of the goods, check off the delivery docket to see that all goods listed on the docket have actually been delivered. Check prices as well (if possible).

5. Once found to be correct, enter the stock on the relevant stock cards. (if applicable)

6. If your order book is in triplicate, then the copies are distributed as follows....
   ORIGINAL COPY Given/sent to the supplier.
   DUPLICATE COPY Attached to invoice or delivery docket upon arrival.
   This copy may also be filed in the job file for job costing purposes.
   TRIPLICATE COPY Remains in order book as backup/permanent copy.
   Attaching the duplicate copy to the delivery docket/invoice would only save you the time of referring to the book if a query were to arise between you and the supplier (or delivery to a sub-contractor).

7. The delivery docket is then married up with the invoice when it arrives and checks against the goods listed, values and pricing, additions of the invoice.

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(Always check the additions. Mistakes are often made here and it can pay to double check them).

8. Job costing can now take place.

9. File the invoice under the suppliers/subcontractors name.

Each day the goods, materials and plant are delivered to site. The receiver (usually the Site Supervisor) of the goods must check the delivery against the original Order and the Delivery Docket. If there is a discrepancy a request for an adjustment to the Invoice / Delivery Docket must be made.

In the case of a short delivery, the receiver will ring the supplier immediately and organise a replacement. A record of this request must be in writing in Memo form, and a copy kept for your records OR if the supplier cannot replace the missing goods a Credit Request Form must be completed.

SITE DIARY

The most important record of all is the **Site Diary**, which can be kept by the Owner Builder and / or the Site Supervisor.

The Site Diary records the Progress of the Contract and the day to day activities, and should include:

- A report of the delays eg Weather Details, Weather Implications
- Applications for Extension of Time if applicable.
- Variation Requests
- Costing and Follow up.
- Safety Issues, Incidents and if required Accidents.
- Special Deliveries - Problems with supply of goods or trades.

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PROJECT FILE

It is essential to have an individual job file set up for each project. The file itself can be as small as a manila folder, in the form of a lever arch file with separate sections, a concertina file with a pocket for each section of the project, or as large as a filing cabinet drawer with handing files for each section.

SETTING UP THE FILE

In the front, or attached to the inside cover, place a "Job File Index". See example.

Job File Index
A. Sub Contractors/Suppliers Quotes (active)
B. Sub Contract Agreements
C. Statutory Requirements
D. Plans, Specifications, Schedule of Works
E. Correspondence and Faxes to
F. Correspondence and Faxes from
G. Site Minutes
H. Memos
I. Variation Submissions
J. Variation Approvals
K. Progress Claims
L. Council Information
M. Engineering
N. Surveyor
O. Trade and Costing Information
P. Trade Costing Information - variations
Q. Guarantee
R. PC Information
S. Extension of Time
T. Certificate of Practical Completion
U. Authority for Final Payment
W-X-Y-Z: Site Files and General Data

Separate each section with a cardboard dividers, (or strong backing paper), marked clearly on each tabulator what each section is called. Each section has a specific task. Some projects will not need all the sections. Design the sections to meet the needs of the project.

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JOB FILE SECTIONS

Plans, Specification, Schedule of Work
A copy of the plans and specifications and the schedule of works should be kept on file. Where some plans and specifications can be too cumbersome to place in a file a reference to be placed here as to where the plan copies are located. For example (1) Office (2) Site, etc.

Sub Contractors and Suppliers Quotes (Active)
A copy of the successful sub contractor or supplier quotations should be kept on file and comparison made against each claim made or invoice issued by them.

Subcontract Agreements
A copy of the Sub Contract agreements with all the details of the sub contractor and the terms of their contract are essential.

Statutory Requirements
Permits and certificates required to start as well as during a project. For example Development Application, Consents, Water Authority, Mine Subsidence, Home Warranty Insurance, etc.

Correspondence To and From
It is imperative that an original or copy of any form of written correspondence or instruction be kept on file. A back up copy of each form should also be kept in the correspondence file in your general filing system.

Site Minutes
A minuted copy of every meeting held on site along with a copy of every site inspection should be kept on file, supported by any reports or instructions issued on site by the, inspectors, trades, etc.

Memos
These are usually brief internal reports from site to your office. It is wise to keep a copy of all memos on file.

Variation Submission
A copy of any variation submission must be kept on file in variation order.

Variation Approvals
It is absolutely necessary to have a copy of the variation being approved. Either a formal variation approval (see examples in Contracts Section 3) or letters of confirmation.

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Progress Claim
A copy of each progress claim along with any supporting documentation. For example trade break up, variation approvals.

Council Information
During the course of any project various forms of correspondence, instruction, certificates, etc. are acquired. It is important to keep all this information in one place for easy reference

Engineering
During the progress of any site several forms of engineering reports are necessary. Copy of the requests and actual reports are kept in this section.

Surveyor
As with "Engineering" during the progress of any site several forms of surveyor reports are necessary. Copy of the requests and actual reports are kept in this section.

Trade and Costing Information
A copy of the Bill of Quantities, Original Budgets, Job Costing.

Trade Costing Information - Variation
A copy of the Bill of Quantities trade costing for any Variation in progress.

Guarantees
Several guarantees are required through a project. For example, Pest Control. These guarantees are vital for the Certificate of Completion.

Preliminaries & PC Information
A copy of all the preliminary and PC inclusions and their costs allowed must be kept on file. Any variation of supply must be approved.

Extension of Time
Any claim for extension of time must be signed as approved and kept on file as proof against legal complaint or penalty clauses in the contract.

Certificate of Practical Completion

Authority for Final Payment

-x-y-z Site Files and General Data

At the completion of each project several items of correspondence, reports, etc, relating only to the site are accumulated. All this data should be kept on file for future reference.

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SAMPLE JOB FILE - FRONT SHEET

Site Address	
Site Foreman	
Client Name and Contact Details	
Local Council Details	
DA Details	

Job File Index

A. Sub Contractors/Suppliers Quotes (active)
B. Sub Contract Agreements
C. Statutory Requirements
D. Plans, Specifications, Schedule of Works
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F. Correspondence and Faxes from
G. Site Minutes
H. Memos
I. Variation Submissions
J. Variation Approvals
K. Progress Claims
L. Council Information
M. Engineering
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O. Trade and Costing Information
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W-X-Y-Z: Site Files and General Data

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Prepare the Job File from the outside of deciding to build. Set up a Preliminary File using the same categories. A Lever Arch File is recommended. (Depending on the size of the project it may be necessary to have several files for any one job.)

Keep records of all the discussions, quotations etc from subcontractors, suppliers - begin confirming all the details collated in the original estimate. eg: Full Trade Breakdowns, Bottom Line Costs etc.

When the estimate has been approved refine all the bottom line costs, include a contract file in each trade category.

Obtain final confirmation of all the data, scheduling, sub contractors, materials equipment and council requirements eg: construction zoning and permits.

At this point it is vital the Sub-Contract Contracts are in place before they commence the works.

The Job File is a living document and is constantly changing and always increasing in size. You can never have enough information. **Document everything**, the information may be needed as proof in a dispute or settlement.

On larger projects the Construction Manager may involve an assistant to help process the paper work.

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DOCUMENTATION SUMMARY

Note: The documents shown in this summary are very comprehensive and should be used as a guide only - the type and size of your project will determine what documents will be required.

Type of Document	Description and Purpose
Site Inspection Report	To be completed at the initial site inspection prior to tendering
Short Term Construction Program	To be constructed prior to project commencing - keep in mind this document is constantly changing
Drawing Register	A list of all the drawings and revised drawings relating to the project
Site Instruction Report	This is not a variation report but the confirmation of any verbal instruction issued during the construction
Request for Information / Confirmation of Instruction	A written confirmation for the request for information or confirmation of verbal instruction received
Document Transmittal	A record of all and any documents sent or received during the construction
SubContract Payment Record	A record of each payment made to each Sub Contractor - a separate form is required for each Sub Contractor
Progress Payment Application	Progress Payment Claim as works are completed to the agreed terms of the contract
Progress Payment Schedule	To be completed and supplied at the signing of the Contract as a record of when the Progress Claims will be lodged
Contract Variation Advice	A record of the variation advice, including final costings and approval by the client or their agent to proceed - The variation is not to commence until this form is duly signed by the Owner Builder / Agent
Revised Contract Value	A summary of the new contract price after variations and provisional sum adjustments - This form must be completed for each change to the Contract Sum

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Extension of Time	A record for the application to extend the practical completion of the works noted in the Contract. This is usually needed when unforeseen delays occur. Refer to the Contract conditions – each contract may vary regarding the conditions regarding extension of time.
Notice of Practical Completion	A formal notice that the works have reached the stage of Practical Completion and that responsibility for the Works passes to the risk of the Owner, including damage, loss or theft of the structure, fittings and fixtures
Notice of Termination	A formal notice to terminate the contract under the conditions of the contract, noting clearly how the notice was served and the details as to why the contract has been terminated
Job Costing Analysis	A detailed cost analysis of the project comparing the original budget against the actual costs, determining a profit or loss
SubContract Agreement	An agreement between contractor and subcontractor
Notice of Suspension of Works	A formal notice to suspend the works under the conditions of the contract, noting clearly the details as to why the works have been suspended. eg delay in payment of progress claims
Authority for Final Payment	Formal authority signed by the Owner/Agent to make the final claim in accordance with the Contract conditions
Notice of Overdue Final Payment	A formal notice to state the Final Payment is overdue. This notice must be lodged before formal action can be instigated
Schedule of Works	A detailed scope of works or Bill or Quantities
Time Sheet – Day Labour	Day Labour (Wages Book A record of each personnel time and activity for each day, job or week.
Site Diary	Usually kept by the Owner Builder and / or Site Supervisor. The Site Diary records the progress of the Contract

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