

Contract implementation

Maximising project performance through the effective use of contracts

Mott MacDonald provides two interrelated contract implementation services, contract management and audit and compliance, to ensure that construction contracts are implemented to the agreed scope, functionality, quality, cost and time schedules.

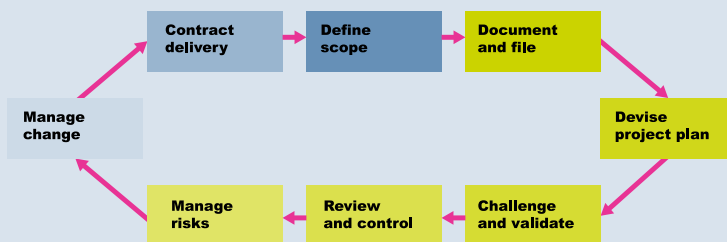
Contract management service

Mott MacDonald provides the organisation, management and necessary controls for any size of project from the initial concept to final takeover. This service has been established for many years within our practice and has been implemented to assist our clients to bring together the many different and sometimes complex strands of a construction project.

We apply the same contract management techniques, irrespective of the size of project, however, the more complex the project, the more important the application of contract management principles. In fact, the consequences of how well a project is managed will always be outweighed by the consequences of how well technical roles are performed.

Our approach

The stages in a typical contract implementation are shown below:



- **Defining the scope** This includes everything that the project encompasses and everything that must be achieved for the project to be completed successfully. The project may cover the entire construction process from inception through to completion, or simply just one aspect.
- **Documenting and filing** This provides transparency on decisions, changes, and records, such that any requirement stated in the contract can be traced from the contract through design, to construction, and to completion.

Our contract implementation support services are aimed at all sectors of the construction industry and cover all new constructions, major maintenance and repair work, renovations, and relocations.

- Contract management ensures that construction is implemented in accordance with the contract
- Compliance and audit establishes whether the contract was executed in accordance with standards and policies promulgated by management, with governmental laws and regulations and in line with the agreements and schedules contained within the contract



Getting the contract right at the outset will have a major influence on the cost, timescales and quality of any planned construction project.



Audit and compliance is a cost effective way of identifying potential overcharges, identifying opportunities for cost avoidance, and obtaining cost recoveries.

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- **Devising the project plan** This lists all the required tasks to achieve the development. A key document for the project manager, it establishes what is to be done, when it needs to be done, who is to do it and how it is to be achieved. A critical path should emerge identifying the minimum set of tasks that need to be achieved to reach completion.
- **Challenging and validating** The project plan needs to be challenged and validated in order to ensure the best result is delivered for the client in terms of scope, approach and timescales.
- **Reviewing and controlling** This is carried out through regular meetings with all key personnel and is fundamental in order to review progress, understand issues and agree actions. All such meetings are documented with any ensuing actions.
- **Managing risks** By preparing a risk management plan seeking to mitigate or eliminate the identified risks enabling the project to meet its cost, time and quality schedules.
- **Managing change** The nature of construction works means that change will be a realistic risk, which needs management. We assess the implication of potential changes and manage the impact of that change along with their associated risks.
- **Contract delivery** The final stage is the delivery of the project and the necessary sign off confirming the deliverables meet the scope, function, and quality specified in the contract.

Audit and compliance service

Construction projects are often the largest and most complex financial expenditures undertaken by many organisations. Construction contracts are complicated and include a variety of pricing mechanisms. Most overcharges result from misunderstandings, oversights, or misinterpretations and are due mainly to the level of detail involved in properly managing and administering a construction project.

Our audit and compliance service identifies actual and potential overpayments, overcharges, and reimbursable expenses that may occur due to the complex inter-relationships of contracts. Mott MacDonald's contract audit and compliance approach is as follows:

- **Planning** By meeting with our client to fully understand and agree the nature and scope of the compliance audit to be undertaken, agree the parties and individuals to be involved in the audit, understand the policies and protocols that are in place in relation to the construction process and agree the process, timescales and key milestones for the audit.
- **Obtain and analyse data** Obtaining and understanding all contracts and addendums to be audited, along with the related spend or sales data – invoices, purchase orders, and other related documentation and correspondence.
- **Review** All construction contract documents need to be reviewed to identify potential contract compliance shortfalls, following up questions and issues with all relevant parties and agreeing resolutions to problems, gaps, errors, and so on. Discussing audit findings and any follow-up questions with the client and agreeing courses of action to take with all parties involved in the construction process.
- **Reports and recommendations** By assembling and presenting a draft audit report, including executive summary, audit methodology, findings and recommendations to the client for review and comment before submission of the final audit report.