

## Chapter Three : The Construction company

**Introduction:** Construction companies are often established for the purpose of investment, creating a source of money and wealth, having a statute, operating in a specific field or activity (i.e. for the purpose of establishing them) and most importantly, the main objectives of the company are clear as they define the company's framework externally (with customers and suppliers) and internally (with employees).

### **1- Definition of the construction company:**

In general, a company is a meeting of a group of persons (workers) and material means in order to achieve the goals set. As for the construction company, it is a contracting company specialized in building, construction and finishing works on demand through construction workers, architects, civil engineers, management, follow-up, maintenance and other fields. It depends on the organization and implementation of different projects, and may be a large enterprise or a small company.

### **2- Partners of the construction company**

#### **A. Binding partners**

- ✓ **Owner of the Project (Le maitre d'ouvrage) :** It is the client or customer, private or public, on whose behalf the works are carried out (buildings, roads). Often he is not a construction specialist, he can delegate his skills to an authorized project owner or use a

project management assistant. The contracting authority shall determine a practical program and a financial envelope for the budget.

✓ **Project Manager Team (L'équipe de maitre d'œuvre)** : It is an integrated team consisting of:

- **Architect (Designer or designers of the project)**: He is assigned by the project owner in order to design the work, according to the functional program, while respecting the budget. It offers architectural and technical solutions, formalized through plans. It also accompanies the client (project owner) throughout the completion of the work.
- **Technical Studies Offices**: They are responsible for studying the dimensions of technical structures and equipment, knowing that their skills also allow them to participate in design.
- **Economic construction expert**: his role is to code and describe the work designed by the architect. He is a versatile technician, who evaluates the estimated cost, and writes descriptions that complement and define the blueprints.

**Note:** Some construction companies have a design office within their functional structure.

- **Safety and Health Protection Coordinator (Le coordonnateur SPS)**

It is appointed by the contracting authority, and from a safety point of view all simultaneous or consecutive activities of the construction company at the construction site are regulated.

SPS: Safety and Health Protection (Sécurité et protection de la santé)

- **Control office (Le bureau de contrôle) :**

Which ensures the prevention of risks related to the safety of the structure and people, from the beginning of the design to the end of the project:

- ✓ Rigidity of structures: foundations, load-bearing frame
- ✓ Personal safety: fire, electricity, elevators

- **Coordinator of the follow-up of various actions (Le coordonnateur des travaux) :** He is primarily responsible for the good conduct of work and respect for deadlines: i.e. scheduling and planning work. It regulates the relations between all partners in the project.

## **B. Auxiliary partners**

**Bank:** The company uses it to provide financial credit, often at the beginning of the business.

**Suppliers:** Organizations that supply the construction company with materials or equipment (whether selling or renting).

**External contractor (or subcontractor):** The construction company resorts to him when it does not have certain internal skills necessary to achieve the work, due to lack of time or lack of cost.

**Accountant:** He sets the annual accounts of the company. He can also advise on tax law, or draw up wage slips (important for craftsmen). He is a permanent advisor to the owner of the company.

**Insurer:** It is the insurance company that is considered a key partner for the construction company's insurance against its professional civil liability. The insurance company may also provide legal assistance.

Note: The State and local authorities act as both supportive and binding partners:

- ✓ As binding partners: such as the project owner, and legislative regulations.
- ✓ As supporting partners: infrastructure and grants.

### **3- Classification of construction companies**

Construction companies are divided according to the type of works they carry out from the stages of completion of the project (Corps d'état) where when the company is established, its field of activity is determined in advance (the purpose of establishment). They are classified according to the following table :

<b>Type of works</b>		
Leveling Special Foundations Reinforced concrete construction Wooden and iron roof frames	<b>Structure</b>	<b>Major works</b>
Coverage Cladding Waterproofing	<b>Building protection works</b>	<b>Medium Works (First Class)</b>
Exterior woodwork Interior woodworking Partition walls and insulations Wall and floor cladding Paint Door locks and handles Facades	<b>Architectural lots</b>	<b>Medium Works (Class II)</b>
Strong and weak electric current Plastering works Heating and air conditioning Elevators Roads and various networks VRD	<b>Technical and development lots</b>	

#### **4- Source of activity of the construction company**

During its activity, the construction company relies on two sources to obtain projects, namely:

- ✓ **Private source:** In this case, the construction company implements projects owned by individuals or private companies such as residential projects or utilities, and small construction companies usually specialize in this type of activity. These projects can also be owned by the company itself in the form of an investment, where it undertakes the study and completion for its own benefit.
- ✓ **Government source:** In this case, the higher authority assigns the contracting company to implement infrastructure projects, such as: bridges, tunnels and planning residential cities, and due to the high costs of infrastructure projects, large contracting companies often control this type.

#### **5- Stages of obtaining the construction company projects**

The construction company's access to projects goes through a number of steps to be followed, which ensure equal opportunities between advanced construction companies, and at the same time ensure that the project owner obtains the best quality in implementation at the best price:

- **The first stage:** In the beginning, the owner of the project determines all its specifications, prints these specifications in the project's term sheet, and then announces a tender for the implementation of this project.
- **The second stage:** The construction companies wishing to implement this project purchase the term sheet of the project, and work to study

all the details related to it, in order to prepare the company's financial offer, which includes details, such as: price, deadline and other details.

- **Third Stage:** Upon the expiry of the period specified for the submission of the proposals of the construction companies wishing to implement this project, these offers are studied to choose the best one.
- **Fourth Stage:** After completing the study of the proposals, the project is assigned to the company with the best offer from the point of view of the project owner.
- **Fifth stage:** An agreement contract is signed between the two parties, which stipulates that the project owner pays a specific amount in exchange for the contracting company to deliver the project on time, and according to the specifications specified previously.

## **6- Construction Company Success Criteria**

There are a number of factors that must be followed by the construction company, in order to succeed the company in its work and ensure its credibility and continuity in the field, for example:

- **Commitment to delivery dates:** It is one of the most important factors that the construction company must adhere to in terms of setting an accurate timetable for the implementation of the project and delivering it within the agreed deadlines.
- **Providing reserve capital:** A reserve balance must be provided to face any emergency circumstances that may pass on the company during the period of completion of projects.

- **Providing specialists in the field of construction:** The company must provide an appropriate number of consulting engineers, commensurate with the number and size of the projects it implements (civilian, architects, irrigation, electricity, construction.....)