

Application Research on Construction Project Management Contract Management

Fang Zheng

*School of Management Engineering, Zhengzhou University, NO.100 Science Avenue, Zhengzhou City, China
81375331@qq.com*

Keywords: contract management, project management, relief, law

Abstract: In the market economy, the transfer of property mainly depends on contracts, especially engineering projects, with large targets, long implementation time, and many coordination relationships. Contracts are therefore particularly important. Therefore, all parties in the construction market, including construction units, survey and design units, construction units, consulting units, and supervision units, must rely on contracts to establish mutual management. Under the conditions of market economy, the management of engineering construction should be carried out in strict accordance with the law and relevant regulations, and the contract management system in the construction field should be implemented. The relevant departments have done a lot of work. Contract management is the core of modern project management. The complete contract system is contract management. Form basis. As the main legal form of property transfer, once a contract is valid, it will inevitably produce a corresponding legal relationship. In a market economy, it is especially important to rely on contracts to regulate and determine each other's rights and obligations. The implementation of any construction project is achieved by signing a series of contracts. The importance of the contract is unquestionable, but the contract text was developed because of the state's concern about the construction contract. But are these contract texts really suitable for the unit? Is there really no risk? This paper intends to address the problems existing in the current domestic project contract management, and put forward some suggestions for personal improvement for reference.

1. Research background and significance

1.1 Research Background

On October 18, 2017, the 19th National Congress of the Communist Party of China was held in Beijing. The report of the 19th National Congress of the Communist Party of China pointed out that after long-term efforts, socialism with Chinese characteristics has entered a new era, which is a new historical orientation for China's development. Among them, reaffirming that the overall goal of promoting the rule of law in all countries is to build a socialist rule of law system with Chinese characteristics and build a socialist country ruled by law. [Nineteenth National Congress] Comprehensively administering the country according to law is the essential requirement and

important guarantee of socialism with Chinese characteristics. This is the further deepening of the understanding of the rule of law in the new era. At the same time, this report has accelerated the process of comprehensively governing the country according to law.

Contract management runs through the construction project management, is the basis for realizing the control objectives of construction project investment, progress, quality, safety, etc., and is the soul of project management. Through the regulation, adjustment, protection and restriction of the contract, the good cooperation relationship between the parties to the project construction can be maintained, the legitimate rights and interests of all parties can be guaranteed, and the project construction can be carried out smoothly. The modern engineering project system is becoming increasingly large, the structure is becoming more and more complex, and the technical standards and quality standards are continuously improved. All of this increases the risk of contracts and puts higher demands on contract management. In addition, due to the existence of many problems in the contract management of construction projects, the role of the contract has been restricted, which has affected the comprehensive benefits of the project. For example, in the face of increasingly fierce domestic construction market, more and more large central enterprises and state-owned enterprises are trying to reform, taking the road of internationalization and entering more overseas markets. China Railway Construction Corporation and China Railway Group, two railway industry giants, have set foot in the overseas high-speed rail market. While accumulating experience, they have also received painful lessons. Of course, after they encounter the so-called "lessons," the first remedy that comes to mind is the contract. Contracts, like their life-saving straw, are the most direct remedies (Huimin Li, 2012)

Therefore, it is very necessary to further clarify the main points of contract management of construction projects, and propose corresponding improvement measures for the problems existing in contract management.

1.2 Significance

Contract management is an emerging and important component of project management. It must be integrated into the entire construction project management. (Huimin Li, 2012) To achieve the objectives of project management, effective contract management must be implemented for all projects, the entire process of project implementation, and all aspects of the project and all engineering activities. Contract management is closely integrated with other management functions to form an engineering project management system. The contract determines the price, duration and quality function of the project, and stipulates the contractual rights and responsibilities of both parties. Therefore, contract management must be the core of project management. Broadly speaking, the entire implementation and management of construction projects can be included in the scope of contract management. Contract management runs through all aspects of project implementation and all aspects of project implementation. It serves as a guide for other work and provides overall control and overall assurance for the implementation of the entire project. In modern engineering, without contract awareness, the overall goal of the project is unclear and there is no contract management. It is difficult to form a system for project management, it is difficult to have high efficiency, and it is impossible to achieve the expected goal.

In the process of China's economic development, the project is gradually complicated, and it is easy to appear in various types during the construction period. Problems, therefore, in terms of contract formulation and signing, if the rights and obligations of both parties are not clear, will lead to contract disputes, can not guarantee the management effect of construction quality and progress, and even lead to both sides. The effect of the constraint is affected, and it is difficult to fully exert the management role of the contract. (Wenlei He, 2017) Under normal circumstances, the contract

management work is more complicated. At the beginning and end of the project, if the contract is established and effective, the two parties must fulfill their own responsibilities and obligations, and at the time of signing, they must conduct comprehensive research and analysis on the contract terms to ensure that they can Meet current job requirements. At the same time, in the project management work, it is also necessary to combine the contents of the contract management work, manage the obligations and powers of both parties reasonably, ensure the smoothness of the management work, and clarify whether there are influencing factors, for example, in the case of contract management, Responsibility and obligations in the contract, and pay attention to the management content and scope of the contract, in the case of strict control, improve the overall project management work, to meet the current project management and control needs. This paper intends to analyze the problems existing in the contract management in construction projects, and gives corresponding suggestions to ensure the relevant interests of the parties to the contract and the interests of the company. (Wenlei He, 2017)

2. Management of construction projects

2.1 Contract is the core of construction project management.

The implementation of any construction project is achieved by signing a series of contract award contracts. Through the formulation and implementation of contract terms such as contract content, scope, price, schedule and quality standards, the owner and contractor can regulate the operation status of the construction project under the contract environment. Through the decomposition of the contract management target responsibility, the internal functions of the project management organization can be regulated, and the project management work can be carried out closely around the contract terms. Therefore, whether it is the management of the contractor or the internal management of the project owner itself, the contract is always the core of the construction project management. The construction contract is the legal basis for the contractor to perform the obligations and enjoy the rights. (Dongsheng Wang, 2017)

2.2 The construction contract is the legal basis for the contractor to perform the obligations and enjoy the rights.

In order to ensure the smooth implementation of the construction project, by clearly clarifying the duties, rights and obligations of both parties, it is possible to reasonably share the liability risks of both parties. The construction contract usually defines the basic requirements of both parties.

Rights and obligations. If the contractor must pay the progress of the project on time, participate in the concealed project acceptance and intermediate acceptance in time, and timely organize the project completion acceptance and settlement and completion settlement. The contractor must organize the construction according to the construction drawings and the approved construction organization, and provide the building products that meet the agreed quality standards. The rights and obligations expressly stipulated in the contract are the highest standard of conduct for both parties to the contract and the legal basis for the parties to perform their obligations and enjoy the rights. (Wenlei He ,2017)

3. Problems in contract management in current domestic project management

3.1 Project contract management lacks supporting laws and regulations

The domestic project management system is still in a perfect period. The project project contract management system is not perfect, and there is no corresponding contract management laws and regulations. Some laws on contract management of engineering projects are only scattered in the

general contract law. Because of the lack of supporting laws and regulations, the system did not receive sufficient legal support, which caused the backwardness of the project contract management system. Although China has successively promulgated some laws on construction projects, such as the "Construction Engineering Contract Management Measures" and the "Construction Engineering Design Contract Regulations", the management regulations in these laws are relatively general, and the specific problems are not elaborated and regulated. Some problems that arise in the project contract management cannot find an appropriate management basis, which makes the contract management of engineering projects lack standardization.

3.2 Both parties to the contract have weak legal awareness

The formulation and implementation of relevant engineering contracts is the fundamental protection mechanism for realizing the economic interests of the parties to the contract. The construction project contract was formulated so that both parties established relevant responsibility for project management and a clear legal relationship. A legitimate and legally guaranteed contract can be enforced firmly by both parties and can also reduce unnecessary disputes. Reducing the occurrence of risks and avoiding unnecessary claims can effectively prevent the occurrence of legal risks in the project.

In the field of modern engineering projects, the parties to the contract do not pay much attention to the legal binding force in the project contract management, and there is a problem of weak legal awareness, which leads to some misunderstandings and behaviors in the performance of the contract. First of all, due to the weak legal awareness of the parties, the contractual terms formulated may be unfair and bring unfairness to one of them. Secondly, the parties to the contract do not have a clear understanding of the law. In order to evade supervision, they use the self-made contract model to sign the contract. When the project is completed, the contract is re-submitted. Once there is a problem in the construction, it will bring serious losses to all parties. In addition, in the field of engineering projects, "Yin and Yang Contracts" often appear, forming illegal contracts, seriously violating national laws, laying a hidden danger for contract performance, and causing serious losses to relevant stakeholders.(Yihan Wang,2014)

3.3 Lack of engineering project management professionals

Contract management in project management requires professional talents to carry out management work. However, because the contract management work involves a wide range of content, it requires management personnel to integrate knowledge of construction, management, and law, and is familiar with laws and regulations. Therefore, the quality of talents is very high. The current college education is to train talents according to the profession, and there is a serious shortage of compound talents in the market. As a result, the technical personnel in the construction enterprises are mostly single professional technical talents, and the comprehensive management ability of engineering projects is lacking. Only a few experienced and experienced technicians can master the core content of contract management. In order to save costs, some units do not consult or invite professional organizations to manage project contracts. They simply mobilize some personnel from the project to form a management team, and carry out simple training to get on the job, so that no contract disputes can be solved in the fut. (Dongsheng Wang, 2017)

3.4 Do not pay attention to the construction of contract management system and system

The contract management and authorization management mechanism is not perfect. One-sided thinking is that who can sign a contract, contract management. The procedures are not clear enough,

and it is often the case that the system of implementation and the obligations of performance are not completed according to the contract. The signing of the internal contract of the enterprise has not been established by the project department, the legal department, the headquarters and other series of rights and responsibilities, resulting in the contract randomness and poor standard. In the process of contract management, the supervision and examination system is lacking, and the monitoring mechanism in contract management is lacking.

For enterprises, we should pay attention to the improvement of contract management systems and systems. However, there are still many companies that don't know enough about this issue and ignore the importance of it. Therefore, they can't grasp the clues in the specific contract management process, and only regard it as a simple management of documents. Regarding the supervision and review process of contract performance, it is felt that the work will be finished after the contract is signed, and there is no effective control over the settlement of the contract. In the process of execution of the contract, which links are completed and which are not executed, which part of the contract has been settled, and which links have been changed or cancelled, as the contract management personnel of the enterprise do not know, in the long run, Serious impediment to the smooth development of the project is not conducive to the completion of the contract on time.

4. Suggestions for problems in the current contract management system

4.1 Improve the laws and regulations of project contract management

Project management is inseparable from the support of laws and regulations. Under the rule of law, the construction industry must rely on the improvement of the legal system to improve the quality of the industry, further improve the contract management system, and promote the improvement of contract management. The formulation of China's contract management laws and regulations needs to proceed from the actual construction market in China and meet the actual needs of all parties to the contract. This will be a long-term task. The formulation of contract management laws and regulations needs to be considered comprehensively, and no links can be ignored. Only in this way can we ensure the healthy and sustainable development of the domestic construction market (Dongsheng Wang, 2017)

4.2 Improve the legal awareness of both parties

In view of the fact that the parties to the contract do not attach importance to the legal binding force, it is necessary for the relevant departments to carry out propaganda and education on the legal awareness of contract management, strengthen the contractual awareness of the parties to the contract, and avoid the problem of unfairly problematic contracts. Construction enterprises should also regularly educate and train contract management staff, legally sign contracts in accordance with the law, reduce contract disputes caused by subjective reasons, and avoid behaviors such as “yin and yang contracts” and opportunistic. (Dongsheng Wang,2017)

4.3 Attach importance to personnel training and improve the quality of contract management personnel

Contract management requires the support of professional talents. Only by selecting a high level of contract management talents can the level of contract management be improved. Therefore, it is necessary to strengthen the construction of the contract management talent team. At present, it can be combined with China's qualification examination system for practicing engineers in the field of construction market to ensure the professional skills and qualifications of talents in the field of

contract management, to ensure that contract management staff are certified to work and have contract management capabilities. (Meihua Liu, 2017)

4.4 Establish contract management principles and enhance contract management methods

The backwardness of contract management is an important reason for restricting the improvement of contract management. In practice, because there are many violations of contract management principles, there are many loopholes in contract management. Therefore, contract management methods should be actively proposed to improve the status of contract management. It is possible to use the file management method to sort out the contract documents, strengthen the control of the contract management personnel by archiving management, and promote the smooth implementation of the contract. Contract file management is not a single sorting and recording. Professionals should be responsible for the use of computer equipment to timely record the contents of contract management in engineering projects to improve the efficiency of contract management.(Meihua Liu,2017)

5. Conclusion

Scientific and standardized contract management is conducive to ensuring the progress and quality of the project, and is conducive to the cost control of the project. In order to obtain higher economic benefits, it is necessary to pay attention to contract management. (Peter Drucker, 1954)The state needs to strengthen the construction of laws and regulations. Construction enterprises should cultivate professional contract management talents, attach importance to the implementation of advanced contract management tools, and promote the improvement of project project management.

References

- [1] Baoku Qi. 2017, *Project Management*, Dalian University of Technology Press, Dalian, 6th edition.
- [2] Dongsheng Wang. *Problems and Countermeasures of Contract Management in Construction Engineering, Contracts and Management*, 2017(6):pp64-65
- [3] Huimin Li, 2012, *Construction Engineering Economics and Management*, Metallurgical Industry Press, Beijing, 5th edition.
- [4] Meihua Liu. *On the Contract Management System of State-owned Large Construction Enterprises*, *Building Economy*, 2017(3): pp77-79.
- [5] Wenle He. *Dynamic Management of Engineering Project Contracts*, *Contracts and Management*, 2017(6):pp61-62.
- [6] *Interim Measures for Construction and Installation Engineering*, 1955
- [7] Yihan Wang. *Problems and Countermeasures of Construction Engineering Contract Management in China*, *Building Economy*, 2014(11):pp27-28.