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- > Prime contractor – Contract between the owner and the first direct contractor for construction of a project (i.e. performance stage of a project).
- > Job – The whole of a work of construction, or some individual part of it covered generally by the contract documents or by some part of an order.
- > Contract documents – The contract, the drawings, and specifications (incl. general, supplementary, and other conditions), and all addenda issued prior to execution of contract.
- > Backlog – the amount of contract work not yet performed.

1.1 Nature of construction industry

The faces of cities and countries as whole are constantly being renewed. As the economy expands, new replaces old; old is done over. The economic growth of our society is reflected in its construction: new corporate headquarters and office buildings stretch toward the sky; low, sleek facilities are developed for production; roads are built to take one there and back. No two structures are alike, yet all share a common purpose—to promote efficiency through change.

Construction is the process of organizing materials, labor, and capital resources to build edifices, roads, bridges, and the like. The rise and fall of construction activity signals the growth and renewal or, conversely, the decline of business.

With creativity and energy, thousands of construction entities continually remodel the appearance of the cityscape and the countryside. Those involved in the construction business range from the local contractor for whom thousands of dollars in sales is significant to the giant company with billions of dollars in sales; each contributes to the industry and creates its own special part of the overall change.

The construction industry is not only different from all others but is diverse from within as well. Tall buildings, superhighways, bridges, hydroelectric dams, and even entire cities are the products of this industry. Endeavors as simple as repairing a corporate parking lot, rehabilitating an old warehouse, or just installing a piece of equipment are also within its domain.

The most profound recent developments in construction are the increasing size of many of its projects and organizations, the increasing technological complexity of such projects, more complex interdependencies and variations in the relationships among its organizations and institutions, and proliferating regulations and demands from government. At the project level, management has just begun to integrate design, procurement, and construction into one total process. There are