

Overview of the Construction Industry, Chapter 2



Overview of Construction Industry

The construction industry is the second largest industry in the United States, behind health services, and the largest product producing industry.

Overview of Construction Industry



Overview of Construction Industry



Overview of Construction Industry



Overview of Construction Industry

It employs more that 6 million people.



Overview of Construction Industry

**The industry is broken down by
type of construction**

- Residential
- Commercial building
- Heavy civil & highway
- Industrial

Overview of Construction Industry

**The industry is broken down by
type of construction**

– Residential



Overview of Construction Industry

**The industry is broken down by
type of construction**

- **Commercial building**



Overview of Construction Industry

**The industry is broken down by
type of construction**

- **Heavy civil
& highway**



Overview of Construction Industry

The industry is broken down by type of construction

- **Industrial**



Overview of Construction Industry

It is further broken down by public works (government) or private construction.



Build Your Future

- **Construction is the business of building things**
- **The most important thing you will ever build is your own reputation**
- **Building your reputation = personal ethics**



Ethics



- **Best working definition of ethics is:
“Doing the right thing”**
- **Bid shopping...>> bid depositories**
- **Under the table payments (bribery)**
- **How will you know if it is right or wrong?**

You will know!!!

Could you consume the gift in one day?

Constructor Code of Conduct

I. The Constructor shall maintain full regard to the public interest in fulfilling his or her professional responsibilities to the construction industry.

Constructor Code of Conduct

II. A Constructor shall not engage in any deceptive practice, or in any practice that creates an unfair advantage for the Constructor or another.

Constructor Code of Conduct

- III. A Constructor shall not maliciously or recklessly injure or attempt to injure the professional reputation of others.**
- IV. A Constructor shall insure that when providing a service that includes advice, such advice shall be fair and unbiased.**

Constructor Code of Conduct

- V. A Constructor shall not divulge to any person, firm, or company, information of a confidential nature acquired during the course of professional activities.**
- VI. A Constructor shall carry out responsibilities in accordance with current professional practice.**

Constructor Code of Conduct

VII. A Constructor shall keep informed of new concepts and developments in the construction process relative to his or her responsibilities.

American Institute Of Constructors

<http://www.aicnet.org/>

The Construction Industry

Engineers and architects who complete studies and designs for clients are **providing a service.**

The Construction Industry

Construction is a goods producing industry

- Different than manufacturing
- Custom designed
- One-of-a-kind product
(structure/building/bridge)
- Easy-in and easy-out (few barriers)

Organization of the Industry

- **Residential**
- **Commercial**
- **Highway & heavy civil**
- **Industrial**

Organization of the Industry

- **Owners**
- **General Contractors**
- **Construction Managers**
- **Subcontractors or Specialty Contractors**



Organization of the Industry

- **Designers**
- **Trades**
- **Insurance companies**
- **Suppliers**



Organization of the Industry

- **Public Works**
 - **Federal**
 - **State**
 - **Local government**



Usually awarded to the lowest responsible, responsive bidder

Organization of the Industry

- **Private Work**
Golden rule



Organization of the Construction Business

- **Vertical Construction**

**Design by
architects**



Organization of the Construction Business

- **Horizontal Construction**

**Design by
engineers**



Construction Company Jobs

- **College graduates who begin their careers by working for a construction contractor normally start as a project engineer**
- **Estimators**
- **Schedulers**
- **Project managers**



Assignment

**Chp. 2 Review Questions due next class:
2.2, 2.3, 2.5 and for your state describe the
construction industry: size (\$), type of
contractors, number of employees, etc.**

**Read the ENR cover story of Dec. 2, 2002,
“Leaders Come in all Shapes and Sizes
But the Great Ones Focus on People.”**

**Write a one page paper on your personal
leadership philosophy.**