EXPRO National Manual for Projects Management

Volume 7 , Chapter 2

Project Cost Coding Structures Procedure

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1.0 PURPOSE

This procedure provides instructions to Project Controls personnel regarding the development and integration of the project coding structure to provide a sound basis for collecting, monitoring, and reporting cost and schedule status and performance information on a project. This procedure applies to works performed under all Government construction projects executed throughout the Kingdom of Saudi Arabia.

2.0 SCOPE

The coding system and instructions contained in this procedure applies to all elements of the project, which must be followed to satisfy budgeting, monitoring, managing and reporting requirements for the project. Project-specific requirements dictate the level of integration, which includes facility structure; project resources such as labor, material, and contract costs; and job-hours and quantities. The project coding structure pertains to all cost elements associated with the design, procurement, construction, startup, administration and management of the project.

3.0 DEFINITIONS

Definitions	Description
WBS	Work Breakdown Structure - A WBS is a logical top-down structure that defines and displays the project scope for all of the work to be performed in accomplishing the project objectives
Commodity	Goods and contract services.
Commodity Code	A code allocated to goods and contract services in a standardized fashion for estimating, procurement, and material tracking purposes.
Cost Code	A cost code is composed of a facility and commodity code.
CSI	Construction Specification Institute
CSC	Construction Specification Canada
MasterFormat™	MasterFormat™ is a standard structure for organizing projects. It is developed by both the Construction Specifications Institute (CSI) and Construction Specifications Canada (CSC).
PCM	Project Controls Manager

4.0 REFERENCES

1. EPM-KR0-PR-000002 – Project Standard Document Numbering Procedure
2. Construction Specifications Institute (CSI) and Construction Specifications Canada (CSC) MasterFormat™
3. EPM-KP0-GL-000001 - Project Controls & Reporting Introduction Guideline

5.0 RESPONSIBILITIES

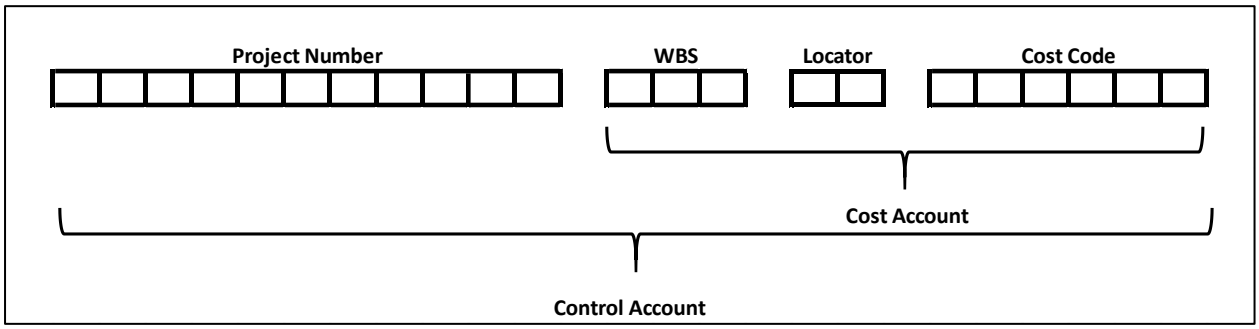
The Project Controls Manager (PCM) and the project controls team are responsible for establishing the level of detail and the interface points for cost and schedule integration for the project. The PCM develops a Project Controls Plan as described in the EPM-KP0-GL-000001 - Project Controls & Reporting Introduction Guideline, which will provide a high-level description of the cost-schedule integration requirements for the project. They will insure that the intent of the code is properly interpreted by all project and project support personnel and that changes to the code are properly processed and approved in accordance with changes instructions.

6.0 PROCESS

Project cost and schedule information is controlled at Control Account level. Control Account consists of cost account and project specific identifier (called project number).

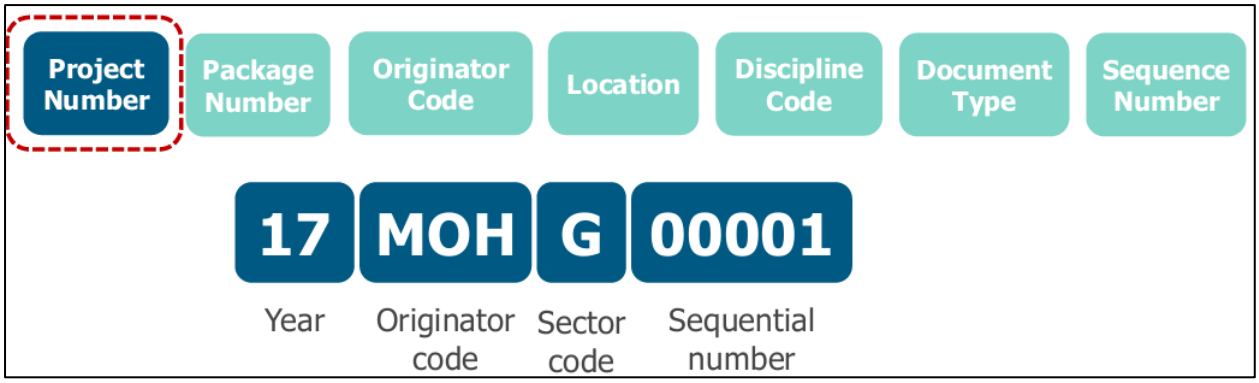
The cost account is made-up of both WBS- Work Breakdown Structure code and a cost code together. In other words, it enables easy identification of location and commodity in one number. As shown below, the location part consists of WBS code for the level of control required, and locator code.

The cost code (for commodity) is based on industry standard coding structure (Master Format) which is adopted by both CSI (Construction Specification Institute) and CSC (Construction Specification Canada).



6.1 Project Number

Project number is a unique identifier for projects curried out by the different entities (consist of 11 digits). Project number is a combination of year number, entity code, sector, and sequential number (please see below).



Further details of project numbers and standard numbering scheme is available under Project Standard Document Numbering Procedure - EPM-KR0-PR-000002.

6.2 WBS Code

WBS Codes break the project down into major facility groups, such as building in a buildings complex project, units in a power project, or trains on product lines in a petrochemical or mining project as per project established WBS. WBS Codes are three digits in length.

6.3 Locator

Locator Codes refer to physical areas of the project such as a facility, plant, zone or other name as applied by the industry unit.

6.4 Cost Code (Commodity Code)

Commodity Codes identifies the primary and secondary classifications, respectively, of materials and equipment in the direct accounts.

The degree of project code detail is variable and is established per specific project circumstances to most effectively implement job control.

Industry standards such as the MasterFormat can be used to organize and structure quantities on the project. The primary MasterFormat commodity classification is as follows.

02 - Existing Conditions
03 - Concrete
04 - Masonry
05 - Metals
06 - Wood, Plastics, and Composites
07 - Thermal and Moisture Protection
08 - Openings
09 - Finishes
10 - Specialties
11 - Equipment
12 - Furnishings
13 - Special Construction
14 - Conveying Equipment
21 - Fire Suppression
22 - Plumbing
23 - Heating, Ventilating, and Air Conditioning
25 - Integrated Automation
26 - Electrical
27 - Communications
28 - Electronic Safety and Security
31 - Earthwork
32 - Exterior Improvements
33 - Utilities
34 - Transportation
35 - Waterway and Marine Construction
40 - Process Integration
41 - Material Processing and Handling Equipment
42 - Process Heating, Cooling, and Drying Equipment
43 - Process Gas and Liquid Handling, Purification, and Storage Equipment
44 - Pollution and Waste Control Equipment
45 - Industry-Specific Manufacturing Equipment
46 - Water and Wastewater Equipment
48 - Electrical Power Generation

These MasterFormat codes are further detailed by the secondary classification. As an example, the primary classification 03 for Concrete Works is further detailed in its secondary classification below.

03 00 00 Concrete

03 11 00 Concrete Forming
03 11 13 Structural Cast-in-Place Concrete Forming
03 11 16 Architectural Cast-in Place Concrete Forming

03 21 00 Reinforcement Bars
03 21 11 Plain Steel Reinforcement Bars
03 21 13 Galvanized Reinforcement Steel Bars
03 21 16 Epoxy-Coated Reinforcement Steel Bars
03 21 19 Stainless Steel Reinforcement Bars

03 31 00 Structural Concrete
03 31 13 Heavyweight Structural Concrete
03 31 16 Lightweight Structural Concrete
03 31 19 Shrinkage-Compensating Structural Concrete
03 31 23 High-Performance Structural Concrete
03 31 24 Ultra High-Performance Structural Concrete
03 31 26 Self-Compacting Concrete

Note: It is important that specified quantity's units of measure be used and are consistent for reporting and recording of the data for meaningful use in cost analyses and in the development of estimates.