

Five Top-of-Mind Questions (and Answers) About Mega Projects

Learn more about the ins and outs of mega projects and how Oracle Textura supports setup and execution of these complex projects

1. What is a mega project, and what are the most common challenges for mega projects?

A mega project, by definition, is any construction project that costs \$1B or more. These projects can be anything from new high-speed rail lines, airports, stadiums, towers, hospitals, or smart cities. The possibilities are endless. But projects of this nature tend to be very complex to execute and typically have some type of public sector involvement. Public and public-private mega projects require an exceptional amount of transparency. When tax dollars are at work, project owners are under more scrutiny and may feel a heightened pressure to reduce risks and avoid negative publicity.

Most common challenges for mega projects:

- More complexity because more individuals are involved in the project
- Higher volume of project data management including a higher number of draws
- More coordination is required so the project is completed on time and within budget
- Higher chance of risk that must be managed correctly
- More complexity with contractor management
- Managing costs, schedule, and payment information is more difficult
- Longer completion timelines than typical projects

2. How are mega projects typically set up, and how does Oracle Textura support this setup?

Typically, mega projects are set up as joint ventures with at least two or more general contractors supporting the process, each managing multiple subcontractors. With joint-venture arrangements, roles and responsibilities for mega projects must be more clearly defined given the project's complexity. Everything from identifying who will approve invoices, disperse payments, and manage compliance is more crucial than a typical project because more people are involved.

A mega project may also have to follow specific policies around using locally produced materials and/or hiring regional or local contractors that fit certain diversity, equity, and inclusion (DEI) requirements. For example, a mega project contract might require that 15% of contractors on the project be DEI hires. This percentage can be met either through the hiring of general contractors or subcontractors, but it's important to meet that percentage requirement.

Setting up the payment process for a mega project is equally important. One way to prevent payment issues on a mega project is to set up a cloud-based payment solution with ERP integration that helps owners, general contractors, and subcontractors simplify and automate the draw process. Oracle Textura provides a shared accounting platform that can integrate into an ERP. Through a bank account set up for the joint venture, the funds from that account can be drawn for that mega project so subcontractors can be paid on time. When payments are dispersed quickly, owners avoid risk, reputational harm, and litigation; and political figures associated with the project can potentially avoid negative blowback.

3. How does Textura ensure public fund requirements are met on mega projects?

Textura reinforces transparency because the solution creates visibility into how the payment process system is working against the budget and the forecast. This is particularly important since certain public funds are required to be repurposed and redistributed within a specific number of days from the date the owner receives the public funds for the project. When this process is done manually, details can get overlooked resulting in late redistribution of funds.

With Textura, predefined reports can also be generated automatically for auditing purposes. With audit reports at the ready, joint ventures supporting mega projects can show exactly where and how public dollars are spent, leaving nothing ambiguous.

4. How does Textura improve sub-tier management on mega projects?

Complex projects like mega projects draw on as many labor sources as they can, creating a deep supply chain of subcontractors. And in recent years, a labor shortage has been hurting the industry. Managing the sub-tier framework for a mega project all while maintaining compliance and other requirements can be complicated without the right tools.

To help improve sub-tier management on mega projects, Textura supports three key areas:

Predictable cash flow

Textura addresses sub-tier challenges by accelerating cash flow through the different levels of the supply chain, something that can be particularly challenging on a mega project. With Textura, the draw process is simplified and automated so subcontractors know when they'll get paid.

Diversity requirements support

In Textura, projects can be set up with supplier tracking programs to support diversity initiatives and meet DEI requirements. Categories and classifications can be created to automate compliance reporting, further supporting transparency for a project with public sector involvement.

Lien waiver management

Sub-tier waiver management is crucial since an unproduced waiver could delay the turnover of the commissioning of a public mega project. With Textura's automated compliance workflows, lien waivers can be collected and managed more efficiently, preventing legal disputes.

5. Where can I learn more about managing payments on mega projects?

Hear from industry leaders about how Oracle Textura Payment Management has helped them rethink their approach to mega projects. [Watch the webinar on demand here.](#)

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