

# RIBA



Royal Institute  
of British Architects

# Procurement policy

Building teams – achieving value

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## RIBA Procurement Policy

The RIBA is committed to construction procurement that:

- › provides the best value to the commissioning client, present users, future users, the public and society in general
- › provides for the process to be clear, collaborative and creative.
- › provides for an appropriate balancing of economic, social and environmental factors.
- › provides for an appropriate balancing of conservation and innovation.
- › results in a better designed environment.

## Procurement guidance

The key decisions in any building process will be made at a very early stage in the project's life, during and even before the briefing/feasibility work has been carried out. These will have an important impact on the successful outcome of the project and the full range of alternative ways forward need to be given active consideration before embarking on a project.

Matters for consideration:

- 1 Outcomes required from the project
- 2 Establishing the brief and scope of the project
- 3 Selection of consultants, advisers and contractors
- 4 The construction procurement process
- 5 Post-construction management of the project.

## Outcomes

The need to construct can only be established through studying the needs and requirements of the commissioning client, present and future users as well as the public and society in general. It should be noted that construction may not always be the best route to achieve the outcomes desired.

Outcomes required may include:

- › Functionality
- › Economic gains
- › Reduction in whole life costs
- › Service gains
- › Cultural and aspirational achievements
- › Social and environmental benefits.

Advice and costed options may well be necessary at this time to establish the optimum way forward including the creative input of designers and others to generate options for appraisal. The early involvement of a consultant team can help to establish the true aims of a project at an early stage and feed into the later stages of the development process.

A successful project requires continuity and all available parties should be involved with a project from as early as possible in its development to allow full evaluation, integration and co-ordination.

## Scope & brief

Once a set of aims has been established and a 'construction project' has emerged as the preferred solution, the scope and extent of the works required will need to be agreed. The scope of the work should be appropriate to achieve the agreed aims and be neither over-prescriptive nor over-extended. If the project is to have an outcome delivering best value it should be managed as an individual entity requiring the clearly defined, collaborative involvement of all parties in order to achieve success.

The brief for the works should be developed as a result of collaboration between the client, members of the design and construction team and if possible users and other interested bodies and persons. The brief should be developed as a set of outcomes to be achieved, whether functional, cultural, environmental, social or economic and should remain sufficiently open-ended to allow for creative and innovative solutions to emerge. The importance of a well-researched and appropriately developed brief should not be underestimated.

## Building the team

It is clear that the selection of who will design, manage and construct the project will have a defining influence over the nature of the outcome; the character, quality, functionality and lifetime costs of the built result, i.e. its 'value'. It will also have further knock-on effects for the local economy and companies selected, the development of a skill base and a general social, cultural and economic impact on all those involved. The selection of the team is therefore of great importance in any construction project.

### The importance of team working

In an effectively run project, all the parties should be working together as a team, including client, consultants and contractors. The process of selection for the project should seek not only individual levels of achievement but also create good and effective team working between members with separate skills and tasks. In the case of an integrated project process this team working is formalised; design and construction are tightly linked with the aim of offering best value and continual innovation is maintained to improve the performance of the whole team.

While each member of the team will have different job descriptions and responsibilities the essence of team working is a joint approach to problem solving and a cross-discipline commitment to achieving results. This means of working will require openness and trust from all parties and a willingness to share the rewards at the end of the process.

### The client

The client is the key member of any team engaged in a construction project and will need to establish means of acting efficiently within the team to ensure the success of the project.

Responsibilities of the client are both legal and contractual and include:

- › Appointment of consultant/s and contractor/s
- › Health and safety under the CDM regulations
- › Defining and specifying the outcome/s required from the project
- › Establishing the procurement route
- › Making appropriate decisions and giving approvals within a set time scale
- › Providing payment to contracted parties for services provided.

The client may also wish to consider at the outset of the project:

- › How many of the client's responsibilities they may wish or have to delegate to the design and construction team. e.g. through the appointment of a client's representative, the delegation of design or cost decisions or the entire transfer to others by means of a financing agreement to design, construct and manage the project.
- › The degree of openness of their organising and funding arrangements
- › The extent to which the rewards of best value may be shared by the project team and the mechanisms for arranging this.

The client should also ensure before any stage of a project is undertaken that they:

- › have the funds available to cover the extent of work commissioned (e.g. Concept phase, up to planning etc.)
- › have available (on board or hired for the purpose) people with the necessary personal experience and expertise
- › have defined (with consultant advice, as appropriate) the output requirements for the project
- › are committed to proceeding with the project to at least the extent proposed.

#### Clarity & simplicity

The size and make-up of the design and construction team will differ for each project, depending on the nature of the work required, but the make up of the team should always, ideally, be close to the minimum necessary for the satisfactory implementation of the project. Relationships between the parties working on the project need be kept as straightforward as possible, with clarity as to the activities of any of the team members at each stage of the project being maintained. A project overlaid with an over-complex management structure is unlikely to deliver the creativity or innovation necessary for a truly successful outcome.

#### Selection methods and criteria

The primary considerations in the selection of the design and construction team should be the suitability of the firms/companies for the specific project to be undertaken and their ability to work together as a team. Selection should be made on the basis of skill, reputation, rapport, past performance, technical competence, commitment to the client's interest and delivering best value on the project as well as cost.

Selection should be made in a fair and open manner, and if necessary in accordance with European requirements, with the intention of appointing the best and most appropriate persons and companies to work on the project. The criteria of selection should be made available to all those under consideration. The RIBA, together with the Construction Industry Council, publishes a separate booklet of Guidance for Clients to Quality Based Selection.

If the selection is to be by a competitive method, consideration should be given to minimising the expense to possible team members or reimbursing them for the costs of making a bid or preparing the materials required. The criteria of any competitive selection method should be published and be designed to deliver best value rather than lowest cost.

#### Design consultants

Selection of design consultants should follow the above criteria but consideration should also be given to:

- › The designers' approach to the project and their grasp of its requirements
- › The designers' methodology and creative approach
- › The ability of the designers to bring fresh ideas and solutions to the project
- › How quality is to be addressed
- › The resources and capacity the designers have available or can arrange to provide
- › The individuals who will be working on the project through all of its stages
- › The commitment of the designers to the project

#### Management Services

The management of the project may be undertaken by existing members of the design team or specialist consultants, depending on the make up of the team and the complexity of the project. The management roles are essential parts of the team build up and ability and willingness to collaborate with other team members should be a primary consideration in their selection.

#### Contractors

The selection of a contractor or contractors will have a major impact on the quality, timing and cost of the completed project as well as on the financial risk during the works period, health and safety, the immediate environmental impact of the project and the initial reputation of the works. All these issues should be taken into account in making an appropriate selection.

Competitive tendering as a means of selection does not address many of these issues and if possible consideration should be given to other means of contractor selection that permit a more balanced assessment. Negotiation of fair prices understood by all parties and allowing a reasonable level of profit to contractors will generally be preferable to the inherently expensive process of tendering.

Involvement of the contractors in the early design stages of the project may also create opportunities for an integration of the design with the construction techniques and materials available, resulting in improved efficiency, shorter construction periods and reduced waste. Against this should be set the difficulties in establishing costs and contractual agreements before a design has been developed.

#### Suppliers

Suppliers will often be vital members of the construction team and should generally be selected on the same principles laid out above. The ability to deliver products, whether standard or purpose designed and made, to an appropriate quality and on programme, will invariably be more important than a tendered price.

Suppliers will frequently need to be included in the team very early in the life of a project and will need to be team players, willing to contribute their skills, creativity and expertise for the benefit of the project together with other members.

### Previous working relationships

Members of the team may well have worked together on previous projects and established good working relationships and effective means of achieving results. Such previous experience is potentially of great value in achieving high quality, rapid and efficient working and ultimately better value. However such relationships need to continue to seek improvements to working methods and prevent complacency seeping in.

New members for teams and new teams should also be sought and brought on to initiate fresh approaches and thinking as well as allow for diversity and difference.

### Resources and skills

The level of resources and skills on offer should be the primary criteria in selecting members of a team. But they should not be the only issues as resources in particular can be readily made available to augment a shortage and skills will frequently be built up to match the requirements of a project. Investment in team members may be as valuable to future success as investment in the project itself.

### Responsibilities

Although the team will, ideally, fully collaborate on the project and suggestions and advice may at times come from unlikely quarters, team members (and their insurers) will need to be sure where the limits of their responsibilities lie. This will be especially true when there are differently sized and resourced members of the team needing to act together on an equal footing.

In the assembly of a team, consideration needs to be given to the apportionment of responsibilities for elements of the works. Appointment and contract documents will need to make these responsibilities explicit, while encouraging all members of the team to contribute beyond their specific remits for the benefit of the overall project.

### Fees and Profits

The allocation of fees and costs should be intended to allow all parties to the construction project reasonable levels of income and profit. There is little to be gained from expecting work at or below cost price – companies may either be forced to cut corners or simply be driven out of business and not be available for future projects.

Mechanisms for rewarding higher levels of achievement, whether through cost savings, reduction in energy consumption, lower through life costs for the project or other stated aims should also be considered.

## Procuring the building

### Best value

The primary consideration in the choice of a procurement strategy should be the need to obtain overall value for money and resources during the whole life of the service/facility. Value should be judged against all the specified outcomes, some of them more quantifiable than others.

### The Design

Achieving excellence in design is essential in order for a project to deliver best value. Design is both a creative and a technical process and should include the following components, each of which must be addressed appropriately:

- › The functional design of the facility to meet the needs of its users and its operations. This should result from a detailed assessment of the needs of the users and operations and how they may change over time as well as how the facility will need to be altered to meet those changing needs.
- › Design of the complete facility to address the environment for those that use, enjoy, operate, maintain or are otherwise affected by the facility, including aspects that impact on their health and safety. The design should address the impact on the external global environment as well as the aesthetic, cultural and civic values of the facility.
- › Detailed design of each assembly and component whether manufactured on site or in a factory, and whether a standard product or purpose-made or adapted for the facility.
- › Design of the entire construction process addressing how each component will be manufactured, transported and assembled to complete the facility. The maintenance of the facility including details of how components can be replaced and or repaired should be addressed as well as its ultimate disposal.

Health and safety as well as environmental requirements are likely to become increasingly more important with time and hence it would be prudent to consider what changes might become necessary during the life of the facility.

### Procurement Mapping

A mapping of the overall procurement process from first inception to asset disposal should be undertaken, by the organisation best placed to do so, at the earliest opportunity. The process should be iterative so that greater detail is added as the project progresses.

Procurement mapping should seek to achieve better value by:

- › Identifying elements of the process that add more or less value
- › Improving the flow of the procurement process and removing potential blockages (e.g. by unnecessary bureaucracy or interventions)
- › Identifying opportunities for delivering the desired outcome by more effective means
- › Improving forward planning and management

### Procurement and project management tools

The procurement process should be made explicit to and be accepted by all members of the project team. A consistent set of project management tools and procedures should ideally be made available and be adopted by all members of the team. This set of tools should be capable of being transferred and developed from one project to another in order that improvements can be made to the process, lessons learned and performances compared.

Note that project management may be carried out by the client or be transferred by the client to a member of the design and construction team and on appropriate projects to a dedicated part of that team.

Mechanisms and procedures should be adopted to ensure the accurate, fast and up-to-date sharing of project information. Electronic means of storing project files are now available with appropriate levels of access and capacities to amend information. Such systems should be considered on larger and more complex projects and the need to establish compatibility of information systems is essential to allow smooth transfer of information.

### Linking of Design and Construction services

The implementation of a fully developed design can only derive from the collaborative working of a team of designers, manufacturers and constructors bringing different skills and disciplines to the process. However the contributions of individuals given the opportunity to develop new thinking and solutions must also be recognised and utilised.

The design process should be given appropriate time and resources in the construction programme to deliver the best results against the requirements of the output specification.

### Quality – cost – timing

Quality, cost and timing of the works should be clearly defined in the brief as some of the required outcomes for the project. These three essential elements of any construction project are clearly inter-linked and will impact on each other. The requirements for these should be made explicit and outputs regularly checked to see whether they are being delivered as required. Post project evaluation is recommended as the final and continuing part of this checking and reporting procedure.

Clients may require or wish for certainty in some or all of these elements. This should be taken into account in selecting the most appropriate arrangements for determining where responsibility is to be placed for the design and construction of the project and deciding on the appropriate procurement route.

### Whole life performance

Costing of projects should include full life-cycle costings of the facility as well as more immediate construction and project costs. The quality of both design and construction has the potential to greatly reduce whole life costs, including costs-in-use and the eventual disposal of the built facility.

### Procurement routes

The construction industry has developed many different contractual arrangements and procurement routes for carrying out construction works. These include:

- › Single stage tender (the ‘traditional’ route)
- › Multi-stage tender
- › Negotiation with preferred parties
- › Management contracting
- › Design & Build
- › Construction management
- › Design, construct & maintain/maintain & operate
- › Design, build, finance and operate
- › Prime contracting
- › Project team partnering

Each of these routes places the responsibilities for delivering the project with different parties or arrangements of parties and have benefits accordingly. They also place primacy on different aspects of the quality-cost-timing relationship and range from the legally adversarial to the formally collaborative.

Advice should be sought as to the most appropriate route to suit the size and scope and, above all, achieve the agreed outcomes of the project. The advantages of team working have already been stated, and for smaller and less complex projects can be achieved under a range of contract agreements, including the traditional small and intermediate works forms, particularly if augmented by a suitable statement of project objectives.

### Contract agreements

A wide range of standard forms of contract for construction works is available from recognised bodies and they have been designed to cover a variety of contractual arrangements. Standard families of contracts are published, covering the full range of project sizes and complexities, different variations of responsibilities for carrying out the works and formalising means of collaborative working. Forms of contract addressing the recommendations of the ‘Constructing the Team’ and ‘Rethinking Construction’ reports (e.g. the ACA’s PPC2000 Project Partnering contract) are the latest additions to the range of contracts available.

In addition, a number of forms or wordings for concordats, pacts and charters have been published to supplement common forms of contract (e.g. The Construction Industry Board (CIB) Project Pact or the Joint Contract Tribunal (JCT) non-binding Partnering Charter).

Following the choice of procurement route an appropriate form of contract should be selected for each project being undertaken with regard to its: size, complexity, procurement route, the nature of the ‘team’ and the outcomes required.

Advice should be sought if necessary and a decision made at an early stage, on both the procurement route and the form of contract agreement to be used for the project.

### Individual/Series project procurement

Projects may be considered individually, or alternatively, be bundled into larger contract packages. Prior to deciding how to proceed the client should consider the following:

#### Individual project working

For procurement of projects on an individual basis, including fresh assembly of teams, better value may result from the following:

- › A fresh, motivated approach to each project
- › Learning brought to each project from a wide range of previous projects
- › Opportunities to commission projects from appropriate teams of consultants and contractors where their skills can be best utilised or developed
- › The use of appropriate procurement methods for each project
- › Involvement of all sectors of the construction industry in projects including small to medium scale businesses within a local area, resulting in the greater sustainability and vibrancy of local economies.
- › Consideration of each project in its own right, including the context, local opinion and the requirements of the brief for that particular project
- › Attention to detail by members of the construction team for whom the project may be a greatly valued part of their workload
- › The facility to reward successful projects with repeat commissions or contracts leading to virtuous circles of achievement.

Procurement of projects on an individual basis may also result in the following:

- › The need to build a new team afresh for each project and to implement new working processes
- › Higher client management costs with each project requiring purpose developed briefs and direct client involvement, including the need to deal with a large number of suppliers and contracts
- › More one-off solutions and a tendency for the wheel to be re-invented for each project
- › Slower implementation periods
- › Uncertainties of workflow

#### Series project working

For series procurement a single agreement with one or a limited number of teams or team members may be considered to offer better value as a result of:

- › Improvement of team performance from transferring learning from one similar project to another
- › Potential reduction in confrontation and wasteful activity including re-bidding
- › Appropriate repetition of design and construction elements
- › Reduced design and construction periods
- › Economies of scale and ordering
- › Continuous workflow

Series procurement may also result in the following:

- › Restricting the number of team members and suppliers to a few larger companies, frequently not local to the project
- › Reduction in the range of options available, with fewer new or innovative ideas emerging from fresh teams
- › Less incentive to maintain high standards in all projects during a lengthy series agreement
- › Repetitive buildings or structures being imposed on dissimilar environments or contexts
- › Reduced opportunity for user/public involvement, consultation and brief development to suit particular needs and requirements.

#### Risk apportionment

There is always risk in any procurement process and steps should be taken to ensure this is minimised rather than just shifted elsewhere. Apportionment of risk should be dealt with openly and reasonably to ensure that it is dealt with in the most appropriate fashion and by those best equipped to do so.

#### Continuous improvement

During and following all projects consideration should be given as to how the process of design and construction (and the interface between the two) may be improved and strengthened, so that performance can be continually upgraded and better value delivered. Ideally this information should be widely shared and disseminated throughout the construction industry to improve performance across the whole sector.

## Completion and post-construction management

### Completion

Few projects reach a definitive end as the built project will go on to be occupied and used and will require continuing maintenance, adaptation and re-evaluation. However, at the end of the construction stage it is appropriate to recognise the contribution of all parties involved in its realisation and to credit them appropriately.

Post-construction management of the facility should be considered as part of the overall procurement strategy from the outset. This may involve a continued involvement by the team in maintaining the property or a full briefing and induction of a maintenance team before completion and handover.

Arrangements for post-occupancy evaluation should also be in train at this stage to supply suitable information feedback to the team and beyond to allow everyone to procure better value projects next time around.

