

Procurement process assignment

As a developer with a site in Swansea SA1, I am embarking on a new-build residential development comprising 25 apartments of varying sizes, including 1, 2, and 3-bedroom units, all with a mid-level specification.

Having just secured planning permission, my immediate focus is now on the site works, aiming to complete the project within the shortest possible timeframe. I have not yet decided on the final procurement route or strategy for the project and seek your advice on the top three procurement routes available, including their respective pros and cons.

1. Given my focus on delivering the project quickly, what would be your advice on the best procurement route to choose and why? (75%)

2. Considering the above and my inexperience as a developer, would it be better to choose the JCT suite of contracts as the standard form of contracting for this project, rather than NEC? (25%)

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Introduction.

Throughout this report it shows the highlights of each procurement path and evaluates them for a newly built housing development in Swansea, with 25 apartments of different sizes and dimensions. We know that planning permission is granted, the goal is to finish the project efficiently, while making sure that efficiency and quality are prioritised. Knowing the developer's inexperience, we must select a procurement strategy and contract form which is crucial for lowering risks and allowing for smooth project delivery. This report will outline three procurement paths; their positives and drawbacks, recommending the best approach for the client. It will also examine whether the JCT or NEC contract would be more appropriate for this project.

Procurement Routes.

Traditional.

Traditional procurement usually involves a two-stage process where the design phase is completed before the construction phase begins. The client first chooses a designer to produce a detailed design, and then the project is looked at by contractors based on that design. This procurement route is perfect for projects that need a high level of design control and quality, as the client can see and approve each design stage before construction starts. Once the design is finished, contractors put in a bid, typically under a fixed-price or measured contract, providing cost certainty for the construction phase (NEC, 2013; JCT, 2016).

Although, Traditional procurement has some negatives, especially when speed is a prioritised. Since construction can't begin until the design is fully completed, the project timeline is lengthened, whilst any changes to the design once construction starts can lead to delays and more costs. This strategy needs involvement from the client and project manager to oversee the process, which is a challenge for an inexperienced developer. Traditional procurement also limits flexibility compared to routes like D&B, where design and construction can overlay to lower project duration (Designing Buildings, 2023).

Design and Build (D&B)

Design and Build is another procurement route that can be used where one person is responsible for both the design and construction of the project. The client chooses one contractor to streamline design and construction. The client provides a brief, the contractor takes on the responsibility of producing the design, managing the construction, and delivering the project to the agreed-upon specifications. This route is better when time is a priority, making space for an overlap between design and construction phases, reducing the project timeline (NEC, 2013; JCT, 2016).

One of the key benefits of D&B is the single person of responsibility. Since the contractor looks at both design and construction, the client only deals with one party, reducing any risk of arguments between the designer and contractor and improving communication, smoother project management and quicker fixing of issues. Also, D&B can offer no changes in cost as the contractor can provide a more reliable price based on their design (Designing Buildings, 2023).

However, there are limitations. The client has less power over the design process since the contractor is responsible for both design and construction. This sometimes leads to compromises in design quality if the contractor focuses more on cost savings during the design phase. If the design is not finished, the client may not have a full understanding of the final product until construction begins, which can allow risks of dissatisfaction with the project. While it reduces timelines, it can also result in a less detailed design upfront, making it less suitable for projects that require complex design elements (NEC, 2013; JCT, 2016; Designing Buildings, 2023).

Construction Management CM.

Construction management is another procurement process which involves the hiring of a construction manager early to assist in the management of the project whilst trade contractors are hired separately. It includes the finding of tools, suppliers, negotiation of terms and conditions and materials needed for a construction project whilst also overseeing the project (Oboloo 2023). The contract shows a direct collaboration between the client and trade contractors which are managed by the construction manager (Swift 2025).

This process is effective for challenging projects that will benefit from having professional advice from the beginning saving time and money. It is also good for deadlines, promoting timely completion of the project. A concern of choosing this route is that the client has all the responsibility as they manage the contracts contributing to pressure on the client to get everything correct.

There is also the risk of bringing in the construction manager too late this can mean their input not being considered (ProjectManager2022)

Risk management.

Choosing the correct procurement route involves making use of time with proper risk management. Given the developer's inexperience, lowering any exposure to

contractual, financial, and construction related risks is vitally important. D&B procurement has more advantages in this case, as it transfers design and construction risks to the contractor under a single contract. This lowers the likelihood of disputes over design responsibility or cost overruns. Risks still exist, particularly in terms of design control and contractor performance. To lower these risks, the developer should clearly define project requirements in the Employer's Requirements document, ensuring quality standards are met without cost inflation (RIBA, 2020). Choosing a contractor with a strong record in D&B residential projects will help lower any risk of delays or poor work.

Methods such as liquidated damages for late finishing and Alternative Dispute Resolution clauses can provide further protection (JCT, 2016). Average progress monitoring and the hiring of an independent Employer's Agent will help manage risks throughout the project (Potts, 2018). These strategies ensure the project can be delivered efficiently with speed while safeguarding against unexpected challenges.

Time Management and Financial Risk & Cost Control

When a project must finish quickly, the client needs tight control over both time and money.

With D&B, the builder starts on site while the last parts of the design are still being drawn. That saves weeks or months, but any late design change can still cause delays. A clear, step-by-step programme is vital (NEC, 2013). The NEC3 Option A contract lists every activity with a fixed price and deadline, so everyone can track progress and cost easily (NEC, 2013). Because the contractor handles both design and construction, a single lump-sum price gives the client more cost certainty than a Traditional contract—if the Employer's Requirements are crystal-clear. Clauses for liquidated damages penalise the contractor for finishing late (JCT, 2016). On tricky jobs, using earned-value management lets the team spot budget or schedule overruns early and fix them (Potts, 2018).

Sustainability and environmental factors.

Sustainability is now a priority in construction projects especially in residential developments. There is pressure to produce energy efficient and low carbon housing. For development projects like Swansea the integration of environmental considerations early in procurement is important for long term ability and cost efficiency.

The D&B route can support sustainability if clear Employer's Requirements outline goals like high performance insulation, air source heat pumps, and solar PV (JCT, 2016).

CM can give flexibility for any ideas. Project upgrades can be done but demands strong client involvement and control to avoid fragmented outcomes (Swift Construction, 2023; Oboloo, 2023).

The Traditional route enables detailed sustainability planning such as passive solar design and lifecycle costing during the design phase (RIBA, 2020), though risks arise from value engineering during construction (Designing Buildings, 2023). Potts (2018) emphasises lifecycle cost planning and early supply chain collaboration. Under NEC Option A, sustainable outcomes depend on additional elements early in the activity schedule (NEC, 2023).

To ensure sustainability across procurement routes, clients should have clear goals in line with benchmarks like EPC B or SAP scores, and adopt practical strategies, locally sourced materials, waste reduction, and energy-efficient services.

Recommended Procurement Route.

When looking at the newly built residential area in Swansea SA1, the three most prominent procurement routes are shown in the JCT 2016 guidance these include Traditional, D&B, and CM.

In the Traditional route, the client chooses designers to complete the design before giving out the work to a contractor. While it offers clear responsibility and high-quality outcomes, it is typically slower as construction cannot begin until the design is finished (JCT 2016).

The next route is CM this allows overlapping of design and construction phases. A management contractor is chosen at the start to coordinate works packages, improving delivery but increasing the client's involvement and early-stage cost uncertainty (JCT 2016).

The option of D&B adds both design and construction under one contract, enabling faster delivery and improved cost. Even though it reduces the client's control over design, it is effective for developers looking for speed and efficiency. (JCT 2016).

By looking at the aim of what is needed from the project with focus on completing the project quickly, the Design and Build route most *preferable*. It meets the final goal well by simplifying the contractual structure and enabling early contractor involvement, helping the timely move from planning to completion.

Contract Choice: JCT vs NEC.

There are two main contracts used in the UK: the Joint Contracts Tribunal (JCT) and the New Engineering Contract (NEC). Both have different approaches to project management (Veritas Surveying 2022). For example, the JCT contracts are traditional and focus on each role to be clear in terms of responsibilities for each party (Dortech). However, on the other hand NEC contracts demonstrate forward thinking with a flexible approach encouraging shared risks and responsibilities between parties (Sypro). Knowing these differences is vital for choosing the right contract for the job and its final goals.

As the developer is inexperienced with contracts, I would suggest the JCT rather than the NEC contract for this project; JCT contracts allow more structured, easy to follow approach to construction, with clearly defined roles and responsibilities for each party involved there is less legal issues for the client. This makes it easier for inexperienced developers to understand what each party is doing to reducing confusion (JCT 2016, Veritas Surveying).

JCT contracts are common in the UK construction industry; they are familiar to every party involved such as contractors and legal advisors etc. This is a clear advantage for inexperienced developers incorporating the knowledge and experience of others. Having more resources and guidance makes it easier to navigate any challenges throughout the project. (Sypro, Designing Buildings, 2023).

Furthermore, JCT contracts are usually more predictable with costs and meeting deadlines. Fixed prices improve budget management reducing the chance of unexpected bills.

Although NEC contracts are much more flexible and have shared responsibilities, reducing risks for the developer, it may be too complex for someone without experience (Potts, 2018). With NEC contracts a level of negotiation is needed to determine shared responsibilities which an inexperienced developer may struggle with (Dortech).

To justify my recommendation, whilst NEC contracts offer more modern approach, the JCT clear and simple structure with its predictability through the project clearly make it the better choice of the two contracts for someone who may still be learning. The more familiar framework of the contract will provide support to deliver the project without any added challenges such as shared risks such as in NEC (JCT, 2016. Designing Buildings, 2023).

Conclusion

Throughout this report I have evaluated the best procurement process for a 25-unit residential development in Swansea, focusing on speed and efficiency for an inexperienced developer. This report compares three procurement routes; Traditional, Design and Build and Construction Management.

In summary Traditional offers strong design control at the cost of speed, D&B improves speed by having one contractor responsible for the design and construction which reduces risk and improves coordination but limits design ideas, Construction Management offers flexibility with early input but risks on the client.

To conclude that to meet the goal of timely delivery, D&B would be the recommended choice for its ability to speed construction, manage risks effectively and provide fixed costings through Employer's Requirements with proper contract clauses like liquidated damages. Though sustainability is prioritised in all strategies, Design and Build support it with performance goals. Therefore, for an inexperienced developer a Design and Build procurement route with a JCT contract offers balance of efficiency, simplicity and reliability for a smooth project delivery.

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