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Table of contents

Introduction
Overview of the Three Main Procurement Routes.....
Comparing of Procurement Routes.....
Recommended Procurement Route: Design and Build
Rationale for Selection.....
Managing the Disadvantages of Design and Build.....
Why Not the Alternatives?.....
Recommended Tendering Strategy.....
Alternative Tendering Options.....
Conclusion.....
Reference List.....

Introduction

Developing a centre of excellence for construction training in Swansea represents a significant step up in scale, budget and complexity compared to smaller projects in the area. With external funding secured, the emphasis now shifts towards ensuring feasibility, cost certainty and effective delivery, operationally and commercially, central to this is the selection of an appropriate procurement route and tendering strategy. These decisions influence not only cost control, but also risk allocation, programme and design quality (Royal Institution of Chartered Surveyors, 2024).

My below response discusses three primary procurement routes—Traditional (Design–Bid–Build), Design and Build, and Management Contracting/Construction Management—before recommending the most suitable option considering the stated priority of budget control by the developer. It then considers the most appropriate tendering approach aligned with that recommendation.

Overview of the Three Main Procurement Routes

Traditional Procurement (Design–Bid–Build)

Under the traditional route, the client appoints consultants to complete a full design before inviting contractors to tender for construction, the contractor is responsible only for building what has been designed. This approach offers a high degree of cost certainty at the point of awarding the contract because the design is largely complete before pricing is obtained, it also enables the client to retain strong control over the design, ensuring that the final outcome aligns closely with their vision and requirements. Also, roles and responsibilities are clearly defined, which can reduce issues during project delivery (Morledge, Smith and Kashiwagi, 2006).

However, the traditional route tends to result in a longer overall programme because construction cannot begin until the design phase is finished, the lack of contractor involvement during design can reduce opportunities for buildability improvements and cost efficiencies. There is also a greater risk of disputes/ poorer relationships emerging if issues arise during construction, particularly where design information is incomplete or requires change. It's important to remember that any variations after the contract is awarded can be expensive and disruptive, which can affect budget control (Masterman, 2002).

Design and Build (D&B)

In a Design and Build contract, the contractor assumes responsibility for both design and construction, usually based on a set of requirements prepared by the client, this creates a single point of responsibility, which simplifies accountability and reduces the likelihood of disputes between designers and contractors. This method also allows for overlapping design and construction phases, which can significantly shorten the project programme (Ashworth, Hogg and Higgs, 2013).

Design and Build can provide early price certainty, particularly where a fixed lump sum is agreed, this is advantageous when working within strict funding limits. The integration of design and construction also promotes efficiency and can lead to more practical and cost effective solutions, a clear advantage to a client with a focus on budget and costs. Morledge, R., Smith, A. and Appiah, S. (2021)

On the downside, this route reduces the client's direct control over the detailed design unless robust employer's requirements are stated in the contract. There is a risk that contractors may prioritise cost savings over design quality if performance criteria are not clearly specified, it also places greater importance on the clarity of the initial brief, as any ambiguities can lead to disputes or variations thus increasing project costs. (Masterman, 2002).

Management Contracting / Construction Management

Management based procurement routes involve appointing a management contractor or construction manager early in the project, this person/s oversees the coordination and delivery of multiple trade contracts, while the client retains a more direct contractual relationship with those trade contractors.

This approach allows for early contractor involvement, which can significantly improve buildability and programme planning, it also enables design and construction activities to proceed in parallel, potentially reducing the overall project duration. The transparency of trade package procurement can provide greater visibility of costs and allow for more flexible decision-making throughout the project (Ashworth, Hogg and Higgs, 2013).

Despite these advantages, management routes offer less cost certainty at the outset because the final project cost is only established as work packages are let, this exposes the client to a higher level of financial risk, particularly in a market where costs rise and fall frequently. The approach also demands a high level of client expertise and active involvement, as well as strong project management capabilities, the complexity of coordinating multiple contracts can increase the likelihood of delays or disputes if not carefully managed, greater management means more people are employed hence further increasing costs. Morledge, R., Smith, A. and Appiah, S. (2021)

Comparing of Procurement Routes

When comparing these procurement routes, several key factors must be considered, Cost certainty is strongest in traditional and Design and Build approaches, whereas management routes provide flexibility but less predictable final costs. In terms of programme, Design and Build and management routes allow overlapping phases, which can accelerate delivery compared to traditional procurement. Clauses regarding financial issues, design, programme and so on are all outlined with the lawful contract signed by all parties. Adriaanse, J. (2016)

Risk allocation also varies significantly, with Design and Build transferring a substantial portion of risk to the contractor, while traditional and management approaches leave more risk with the client. In relation to design quality and control, traditional procurement offers the highest level of client influence, followed by management routes, while Design and Build requires careful specification to achieve the desired outcome. Finally, management routes are generally the most complex and place greater demands on the clients knowledge and resources (Masterman, 2002; Ashworth, Hogg and Higgs, 2013)

Recommended Procurement Route: Design and Build

Rationale for Selection

For a project of this scale, with external funding and a clear need for cost discipline, Design and Build represents the most appropriate procurement route. It provides a strong balance between cost certainty, efficient delivery and risk management.

One of the primary advantages of this route is the ability to establish a relatively fixed price at an early stage, this is particularly important where funding is capped and there is limited tolerance for cost overruns. Unlike management based approaches, where costs develop progressively, Design and Build offers a clearer financial framework from the outset Morledge, R., Smith, A. and Appiah, S. (2021)

Another important factor is the transfer of risk, by placing responsibility for both design and construction with the contractor, the client reduces their exposure to issues such as design errors, coordination failures and unforeseen construction challenges. For a developer undertaking a larger project than previously experienced, this transfer of risk is highly beneficial Greenhalgh, B., Squires, G. and Mahamadu, A. (2021)

Additionally, the potential for overlapping design and construction phases can lead to a shorter programme, this is advantageous where there may be time constraints associated with funding or operational requirements. The presence of a single point of responsibility also simplifies communication and reduces the likelihood of disputes, contributing to smoother project delivery, and reduced costs (Ashworth, Hogg and Higgs, 2013).

Managing the Disadvantages of Design and Build

While Design and Build offers significant benefits, its limitations need to be carefully managed to ensure project success, a key consideration is maintaining design quality, this can be achieved by developing comprehensive employer's requirements that clearly define admin duties/reporting and design expectations within the contract under the clauses section. (Masterman, 2002).

Another challenge is the reduced level of direct design control, it is important to invest time in developing a clear project brief and concept design before procurement begins. This ensures that the contractor's proposals align with the client's vision (Ashworth, Hogg and Higgs, 2013).

Why Not the Alternatives?

Traditional procurement, while offering strong design control and cost certainty, is less suitable due to its longer programme and lack of contractor input during the design phase, this can lead to missed opportunities for innovation, which are important for a modern training facility.

Management Contracting or Construction Management, although flexible and potentially faster, presents a higher level of cost uncertainty and requires a client familiar with this contract type, given the importance of staying within budget, I would not suggest this procurement route. (Masterman, 2002).

Recommended Tendering Strategy

Two-Stage Tendering

In conjunction with a Design and Build procurement route, I would recommend a two-stage tendering process as the most appropriate strategy, this approach begins with the selection of a contractor based on their experience, capability and pricing information. Rather than submitting a full lump sum at this stage, contractors are assessed on their approach, team and ability to deliver the project successfully.

During the second stage, the appointed contractor works collaboratively with the client and design team to develop the design in greater detail. This process involves refining the scope, pricing individual work packages and identifying opportunities for value engineering, the final contract sum is then agreed once sufficient design information is available and risks have been properly assessed, a highly popular work frame, ones which I have seen successfully executed across south Wales (Ashworth, Hogg and Higgs, 2013).

Justification for Two-Stage Tendering

Two-stage tendering offers several advantages in the context of this project, It enables more accurate cost control by allowing risks to be better understood and priced as the design develops, rather than including large contingencies at the outset. This can lead to better value for money and reduced likelihood of cost overruns Royal Institution of Chartered Surveyors, 2024).

The approach also facilitates early contractor involvement, which improves buildability and can result in more efficient construction methods, this is particularly beneficial for a specialised facility such as a construction training centre, where practical considerations are critical (Ashworth, Hogg and Higgs, 2013).

Furthermore, the collaborative nature of the second stage helps to reduce the risk of disputes, as key issues are resolved before construction begins. (Masterman, 2002). Procore (2025b)

Disadvantage of Alternative Tendering Options

Single-stage tendering provides a simpler and quicker procurement process, but it often results in higher prices due to the inclusion of risk premiums, it also limits opportunities for contractor input and value engineering . Negotiated tendering may be appropriate in certain circumstances, particularly where there is an existing relationship with a contractor, but it lacks competitiveness and may not deliver the best value for money Morledge, R., Smith, A. and Appiah, S. (2021)

Overall, two-stage tendering provides a balanced approach that combines elements of competition and collaboration, making it particularly well suited to a Design and Build procurement route.

Conclusion

The successful delivery of the centre of excellence for construction depends heavily on selecting the right procurement and tendering strategies, among the available options, Design and Build offers the most appropriate balance of cost certainty, risk allocation and programme efficiency, making it well aligned with the priority of delivering the project within budget.

When combined with a two-stage tendering process, this approach allows for early contractor involvement, improved cost accuracy and enhanced project quality. Together, these strategies provide a robust and aligned framework for managing the complexities of a large scale development while ensuring that financial and operational objectives are achieved.

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