

# **Assignment Title: Procurement Process**

## **Module: Procurement**



**Prifysgol Cymru**  
Y Drindod Dewi Sant  
**University of Wales**  
Trinity Saint David

Prepared for:

D. Hughes

Created by:

H. Johal

Date completed:

08<sup>th</sup> May 2025

## **Table of Contents**

|                                                                            | <b>Page Number</b> |
|----------------------------------------------------------------------------|--------------------|
| <b>Executive Summary</b>                                                   | <b>3</b>           |
| <b>1.0 Findings</b>                                                        | <b>4</b>           |
| <b>1.1 Design and Build Procurement Route</b>                              | <b>4</b>           |
| <b>1.1.1 Advantages</b>                                                    | <b>4</b>           |
| <b>1.1.2 Disadvantages</b>                                                 | <b>4</b>           |
| <b>1.1.3 Suitability to the Scenario</b>                                   | <b>4-5</b>         |
| <b>1.2 Traditional Procurement Approach</b>                                | <b>5</b>           |
| <b>1.2.1 Advantages</b>                                                    | <b>5</b>           |
| <b>1.2.2 Disadvantages</b>                                                 | <b>5-6</b>         |
| <b>1.2.3 Suitability to the Scenario</b>                                   | <b>6</b>           |
| <b>1.3 Management Contracting</b>                                          | <b>6</b>           |
| <b>1.3.1 Advantages</b>                                                    | <b>6-7</b>         |
| <b>1.3.2 Disadvantages</b>                                                 | <b>7</b>           |
| <b>1.3.3 Suitability to the Scenario</b>                                   | <b>7</b>           |
| <b>2.0 JCT (Joint Contracts Tribunal) – NEC (New Engineering Contract)</b> | <b>8</b>           |
| <b>2.1 Overview of JCT</b>                                                 | <b>8</b>           |
| <b>2.2 Overview of NEC</b>                                                 | <b>8</b>           |
| <b>3.0 Conclusion</b>                                                      | <b>8</b>           |
| <b>4.0 References</b>                                                      | <b>9</b>           |

**Executive Summary**

This report explores the most appropriate procurement strategy for a new-build residential development in Swansea SA1, consisting of 25 mid-specification apartments ranging from one to three bedrooms. With planning permission recently secured, the developer's primary focus is on initiating site works and delivering the project in the shortest possible timeframe.

Three procurement routes have been identified for analysis: Design and Build, Traditional, and Management Contracting. Each is evaluated based on its suitability in terms of speed, risk allocation, cost control, and the level of involvement required from the developer. The report also considers the developer's limited experience in construction procurement and assesses whether the JCT or NEC suite of contracts is better suited for managing the project under the chosen procurement route.

## 1.0 Findings

### 1.1 Design and Build Procurement Route

Design and Build (D&B) is a procurement method where a single contractor is responsible for both the design and construction of a project. This integrated approach allows for overlapping design and construction phases, potentially reducing the overall project timeline. The contractor's early involvement can lead to improved buildability and cost efficiency and programme certainty. The contractor may undertake design work in-house or engage design consultants, but in either case, they carry the full responsibility for delivering the project in line with the client's requirements. This approach is widely used for residential developments where speed, cost control, and reduced client risk are key priorities (Designing Buildings Wiki, 2025).

#### 1.1.1 Advantages

- **Time Efficiency:** Design and construction can overlap, reducing the overall duration of the project and allowing early commencement on-site (Designing Buildings Wiki, 2022).
- **Single Point of Responsibility:** The client deals with one entity for both design and construction, simplifying communication and reducing the likelihood of disputes between parties (RICS, 2016).
- **Cost Certainty:** Costs are typically agreed upon early in the process, allowing for better budget control and less exposure to variations (Designing Buildings Wiki, 2022).
- **Simplified Client Role:** The contractor takes on a lead role in coordinating the design and construction processes, which benefits clients with limited construction knowledge or experience (RICS, 2016).

#### 1.1.2 Disadvantages

- **Limited Design Control:** Once the contract is signed, the client has reduced influence over the development of the design, potentially affecting quality or aesthetics (Designing Buildings Wiki, 2022).
- **Potential Quality Concerns:** There is a risk that contractors may prioritise cost and time efficiency over construction quality if strict performance requirements are not defined early on (Designing Buildings Wiki, 2022).
- **Inflexibility to Changes:** Post-contract variations are more difficult and expensive to implement, as changes may disrupt the integrated programme and commercial arrangements (Designing Buildings Wiki, 2022).

#### 1.1.3 Suitability to the Scenario

For a time-driven residential development in Swansea, Design and Build is highly suitable. The ability to fast-track the project by overlapping design and construction

aligns well with the developer's aim to deliver quickly. Additionally, the single point of responsibility provides a more manageable structure for an inexperienced client, reducing the risk of coordination failures and project delays.

## **1.2 Traditional Procurement Approach**

The traditional procurement method, also known as design-bid-build is a well-established approach where the design phase is separate from the construction phase (RICS,2019). In this model, the client hires a designer or architect to develop the project design, and once completed, the project is tendered to contractors for construction. The contractor is selected based on the bid provided for the construction work (RICS,2019).

### **1.2.1 Advantages**

One of the major advantages of the traditional procurement method is the clarity and detail in the design phase. Since the design is fully developed before construction begins, the client has a clear understanding of the finished project (RICS,2019). This is particularly beneficial for complex or bespoke projects, where a high degree of design precision is required.

The traditional method also provides clients with more control over the design, they can work closely with the architect or designer to ensure that their vision of build is achieved and that the project meets their specific functional or aesthetic needs (Gann and Salter, 2018). This level of client involvement is valuable for projects where customisation is a priority, as clients can approve the design before construction begins.

Additionally, the competitive bidding process in the traditional approach often leads to cost savings. Since contractors bid for the work based on the completed design, they can provide more accurate cost estimates, and the client can select the best value contractor (RICS,2019). This competitive process ensures that the client receives value for money.

### **1.2.2 Disadvantages**

Despite its advantages, the traditional procurement method also presents several challenges. One of the most significant drawbacks is the extended project timeline. Since the design phase must be completed before construction can begin, there is no overlap between design and construction, which can lead to longer project durations (RICS,2019). This is particularly problematic for clients who need the project completed within a specific timeframe.

Moreover, the traditional approach can lead to cost overruns. If the design is not fully detailed before bidding, the contractor may encounter unforeseen issues during construction. Resulting in additional costs. These issues may include design errors,

unforeseen site conditions, or changes in the project scope (Gann and Salter,2018). As a result, the final cost may exceed the initial estimate, leading to budget overruns.

Another challenge with the traditional approach is the potential for disputes between the designer and contractor. Since the design is completed before the contractor is selected, the contractor may have limited input into the design process, which can lead to problems with constructability or discrepancies between the design and the contractor's ability to execute it (Chappell and Willis, 2016). This can result in delays and additional costs if these issues are not addressed early on.

### **1.2.3 Suitability to the Scenario**

For the construction of the specified new build domestic two storey house described, the traditional route is suitable where the client values design control and wishes to ensure the final product meets specific visual and technical standards – particularly with the use of external materials like stack bonded brick and render. The high level of design detail possible with this route ensures that features such as underfloor heating and triple – glazing are properly specified. However, the longer programme and potential for poor coordination between design and construction teams could make this route less desirable for clients with tight timeframes or limited construction oversight capabilities.

## **1.3 Management Contracting**

Moving onto the final procurement route, Management Contracting. Management contracting is a procurement route where the client appoints a management contractor to oversee and deliver the construction project through multiple trade contracts, known as 'works packages'. The management contractor does not carry out physical construction work but manages the process and trade contractors on behalf of the client (RICS,2024). Unlike construction management, in management contracting the management contractor is contractually responsible for all trade contractors and assumes more project risk.

### **1.3.1 Advantages**

a key advantage of management contracting is early contractor involvement. The management contractor is appointed during the design phase, allowing them to contribute buildability advice and programming expertise, which can help avoid costly design issues later on (NBS,2021). This is useful for projects involving technical systems.

Another benefit is the fast-track potential. As design progresses, the management contractor can begin procuring and managing individual trade packages, enabling an earlier start on site compared to the traditional route (Morledge et al,2021). For instance, groundworks and raft foundation installation can begin while the remaining packages are still being designed.

Furthermore, management contracting provides flexibility for changes. Because works are split into separate packages, the client has more freedom to revise specifications or make late design decisions for features like facing brick, smooth render or triple glazed windows (RICS,2024).

### **1.3.2 Disadvantages**

Despite these benefits, management contracting has several drawbacks. Firstly, it can involve overall project costs. The management contractor charges a fee, and the lack of a single lump sum contract price can expose the client to cost escalation (Chappell and Willis,2016). This uncertainty may be unsuitable for clients with fixed budgets.

Secondly, there is greater client risk and complexity. Although the management contractor assumes contractual responsibility for trade contractors, the client remains heavily involved in approval, decision making and funding design development during construction (Morledge et al, 2021). This demands a knowledgeable and well-resourced client.

Thirdly, coordination issues can occur if the management contractor fails to effectively oversee package contractors. For a domestic-scale project with bespoke elements like raised tie rafters and high-performance windows, any error in timing or sequencing could lead to inefficiencies or quality compromises.

### **1.3.3 Suitability to Scenario**

Management contracting is generally more suitable for large scale or complex commercial projects rather than a small domestic two-store house. The nature of this procurement route involves appointing a management contractor early who then oversees multiple works packages. For a domestic dwelling, this structure can introduce unnecessary complexity and additional costs (Designing Buildings, 2023).

## **2.0 JCT (Joint Contracts Tribunal - NEC (New Engineering Contract)**

When choosing a standard form of contract for a new-build domestic two-storey house, the decision between the JCT (Joint Contracts Tribunal) and NEC (New Engineering Contract) suites of contracts is crucial. As an inexperienced developer, the contract needs to be clear, risk-averse, and easy to manage. This section will evaluate the suitability of both options and justify why JCT may be more appropriate in this scenario.

## **2.1 Overview of JCT**

The JCT suite is widely used in the UK construction industry, especially for private residential developments. JCT contracts are well-structured and offer distinct versions for different procurement routes, including Traditional and Design & Build. They clearly define the roles of all parties involved and assign risks in a conventional way — typically placing design risk with the architect or contractor, depending on the route used (JCT, 2023).

The language of JCT contracts is considered more user-friendly and familiar to many industry professionals, which is beneficial for developers without a legal or technical background (RICS, 2021). JCT contracts also rely on strict adherence to drawings and specifications, which aligns well with a domestic project where scope changes should be minimal.

## **2.2 Overview of NEC**

The NEC contract suite is structured around the principle of collaboration and flexibility. It is written in plain English and promotes proactive management of time, cost, and quality through its Early Warning and risk management processes (NEC, 2023). However, NEC contracts require active contract administration and a deeper understanding of its clauses and procedures.

NEC is often favoured for larger, complex infrastructure projects where flexibility, real-time decision-making, and collaborative risk-sharing are necessary (Designing Buildings, 2023). The administrative burden may be too high for a small-scale residential project and for a developer with little experience in contract management.

## **3.0 Conclusion**

In conclusion, the design and build procurement route supported by the JCT design and build contract is the most suitable option. This route offers a single point of responsibility, reducing the complexity of managing multiple parties. The JCT contract is widely used, clearly written, and better suited to my lack of technical knowledge, offering greater certainty over cost, time and responsibilities. It strikes the right balance between control and simplicity for a domestic two storey project of this nature.

## 4.0 References

Designing Buildings Wiki, 2025

[https://www.designingbuildings.co.uk/wiki/Design\\_and\\_build\\_procurement\\_route](https://www.designingbuildings.co.uk/wiki/Design_and_build_procurement_route)

Last Accessed 29/04/2025

RICS,2019

<https://www.rics.org/profession-standards/rics-standards-and-guidance/sector-standards/construction-standards/black-book/developing-a-construction-procurement-strategy-and-selecting-an-appropriate-route>

Last Accessed 29/04/2025

Gann and Salter, 2018

<https://global.oup.com/academic/product/the-construction-industry-9780198701101>

Last Accessed 01/05/2025

Chappell and Willis, 2016

<https://www.routledge.com/Understanding-JCT-Standard-Building-Contracts/Chappell/p/book/9781138017381>

Last Accessed 01/05/2025

RICS,2024

<https://www.rics.org/profession-standards/rics-standards-and-guidance/sector-standards/construction-standards/black-book/developing-a-construction-procurement-strategy-and-selecting-an-appropriate-route>

Last Accessed 03/05/2025

JCT,2023

<https://corporate.jctltd.co.uk>

Last Accessed 03/05/2025

NEC,2023

<https://www.neccontract.com/About-NEC/NEC-Contracts>

Last Accessed 03/05/2025