



University of Wales
Trinity Saint David

PROCUREMENT PROCESS REPORT ACBA4026

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Procurement and Contract Selection

Procurement Routes and Tendering Strategy for a Construction Training Centre in Swansea (SA1)

Introduction

Selecting an appropriate procurement route is one of the most critical decisions in the early stages of a construction project. It determines the contractual relationships, the allocation of risk, the level of cost certainty, and the overall project delivery strategy (RICS, 2020). For a developer constructing a new centre of excellence for construction training in Swansea (SA1), the procurement decision becomes even more significant due to the project's scale and the requirement to deliver within a fixed externally funded budget. This assignment evaluates three major procurement routes commonly used in the UK construction industry, assesses their advantages and disadvantages, and recommends the most suitable option based on the client's priorities. It also outlines the key tasks involved in the procurement process and provides a justified recommendation for the most appropriate tendering method.

Procurement Processes Utilised in the United Kingdom

Procurement in the UK construction sector refers to the structured process of acquiring design, construction, and consultancy services to deliver a built asset (CIOB, 2018). The procurement route selected determines how responsibilities are allocated between the client, designers, and contractors, and influences the project's cost, time, and quality outcomes. The three procurement routes most widely used in the UK are:

1. *Traditional (Design–Bid–Build)*
2. *Design & Build (D&B)*
3. *Management Contracting / Construction Management*

Each route offers different advantages depending on the client's priorities, project complexity, and risk appetite.

1. Procurement Route 1: Traditional (Design–Bid–Build)

Traditional procurement is a well-established approach in which the client appoints consultants to complete the design before inviting contractors to tender (Masterman, 2002).

A key advantage of this method is the high level of design control it offers. The client can ensure that the project meets specific functional and aesthetic requirements before construction begins. Additionally, competitive tendering based on completed designs promotes transparency and can provide a degree of cost certainty at tender stage (Morledge and Smith, 2013).

However, this approach is inherently sequential, often resulting in longer project durations. The separation between design and construction limits collaboration, which may lead to buildability issues and cost overruns if design changes occur during construction (Royal Institution of Chartered Surveyors, 2013). For larger and more complex projects, this fragmentation can increase risk and reduce efficiency.

2. Procurement Route 2: Design & Build (D&B)

Design and Build procurement involves a single contractor taking responsibility for both design and construction, based on the client's defined requirements (Designing Buildings Wiki, 2023).

One of its main advantages is early cost certainty, as projects are typically delivered under a lump sum contract. This significantly reduces the risk of cost overruns, making it particularly suitable for projects with fixed budgets or external funding (Morledge and Smith, 2013). Additionally, the overlap between design and construction stages shortens the project programme, improving time efficiency.

Another important benefit is the single point of responsibility, which simplifies communication and reduces administrative complexity for the client (Masterman, 2002). This is particularly advantageous for clients with limited experience managing large-scale projects.

Nevertheless, Design and Build requires the client to relinquish some control over design. If Employer's Requirements are not clearly defined, there is a risk that quality may be compromised in favour of cost efficiency (Chartered Institute of Building, 2010). Therefore, careful briefing and professional oversight are essential to ensure that project outcomes meet expectations.

3. Procurement Route 3: Management Contracting / Construction Management

Construction Management involves the client appointing a construction manager to coordinate multiple trade contractors, who are directly contracted by the client (Masterman, 2002).

This approach offers significant flexibility and allows for fast-tracking, as design and construction activities can proceed concurrently. Early contractor involvement can also enhance buildability and innovation (Morledge and Smith, 2013).

However, this procurement route places a high level of risk on the client. There is no single point of responsibility, which complicates coordination and accountability. Furthermore, cost certainty is limited, as final project costs are only established once all trade packages are procured (Royal Institution of Chartered Surveyors, 2013). This makes it less suitable for clients seeking strict budget control.

In order to critically evaluate the suitability of each procurement route, a comparative analysis is presented in Table 1 below. (1= Poor and 5= Excellent).

Criteria / Procurement Route	Traditional Method: Design-Bid-Build	Design & Build (D&B)	Construction Management
Cost Certainty	4	5	2
Time Efficiency	2	4	5
Risk to Client	3	4	1
Quality Control	5	3	4
Flexibility	2	3	5
Management Complexity	3	5	2
Suitability for large projects	3	5	3

Table 1. Comparative Evaluation of Procurement Routes.

While Construction Management offers greater flexibility, its higher risk profile makes it less appropriate for this project.

Recommended Procurement Route: Design & Build

Given the client's primary objective of delivering the project within budget, Design and Build emerges as the most appropriate procurement route.

Its primary advantage lies in providing early cost certainty through a fixed-price contract, significantly reducing financial risk (Morledge and Smith, 2013). This is particularly important in externally funded projects, where budget overruns can have serious implications.

In addition, Design and Build facilitates effective risk transfer. Responsibility for both design and construction is allocated to the contractor, reducing the client's exposure to risks related to coordination, errors, and performance (Chartered Institute of Building, 2010).

Time efficiency further strengthens its suitability. Overlapping project stages can accelerate delivery and reduce indirect costs associated with delays (Masterman, 2002). The simplified management structure, with a single point of responsibility, also reduces administrative burden, which is beneficial given the project's scale.

However, the effectiveness of this approach depends on the clarity of Employer's Requirements. Poorly defined requirements may result in suboptimal design outcomes (Royal Institution of Chartered Surveyors, 2013). To mitigate this, the client should appoint an Employer's Agent to ensure compliance with project objectives.

Overall, Design and Build offers the most balanced solution in terms of cost certainty, risk allocation, and efficiency.

Key Tasks Within the Procurement Process

The procurement process consists of structured stages that guide the project from inception to completion (Royal Institution of Chartered Surveyors, 2013).

The pre-procurement stage includes feasibility studies, development of the client brief, and selection of the procurement route, all of which define project objectives and risk profile (Morledge and Smith, 2013).

During the design stage, the project progresses through concept, developed, and technical design. In Design and Build procurement, this stage overlaps with contractor involvement, making clearly defined Employer's Requirements essential (Masterman, 2002).

The tendering stage involves selecting the tendering method, issuing documentation, and evaluating bids based on cost, quality, and technical capability. This is particularly important in Design and Build, where contractor expertise directly influences outcomes (Chartered Institute of Building, 2010).

Finally, the post-tender stage includes contract award, mobilisation, and project monitoring, ensuring delivery aligns with cost, time, and quality objectives.

Recommended Tendering Method: Restricted (Selective) Tendering for Design and Build

Justification

In conjunction with the Design and Build procurement route, restricted tendering is recommended as the most appropriate tendering method.

Restricted tendering involves a two-stage selection process, beginning with a prequalification stage to assess contractors' suitability, followed by an invitation to tender issued to a shortlist of qualified bidders (Crown Commercial Service, 2022).

One of the primary advantages of this approach is the improvement in the quality of tender submissions. By limiting participation to contractors with relevant experience and proven capability, the client is more likely to receive realistic and technically robust proposals (Morledge and Smith, 2013).

Additionally, restricted tendering reduces the risk of contractor underperformance. Open tendering may attract inexperienced bidders who submit low but unsustainable prices, leading to potential disputes or cost escalation during the construction phase (CIOB, 2010). By pre-selecting contractors, these risks are significantly mitigated.

Furthermore, restricted tendering maintains a balance between competition and control. It ensures competitive pricing while allowing the client to retain confidence in the competence of the bidding contractors. This is particularly important in Design and Build procurement, where contractor capability directly influences both design quality and construction outcomes.

An alternative approach, such as two-stage tendering, could also be considered to allow early contractor involvement. However, restricted tendering provides a more structured and controlled process, which is better suited to a client seeking cost certainty and reduced risk exposure.

Procurement Process Flowchart

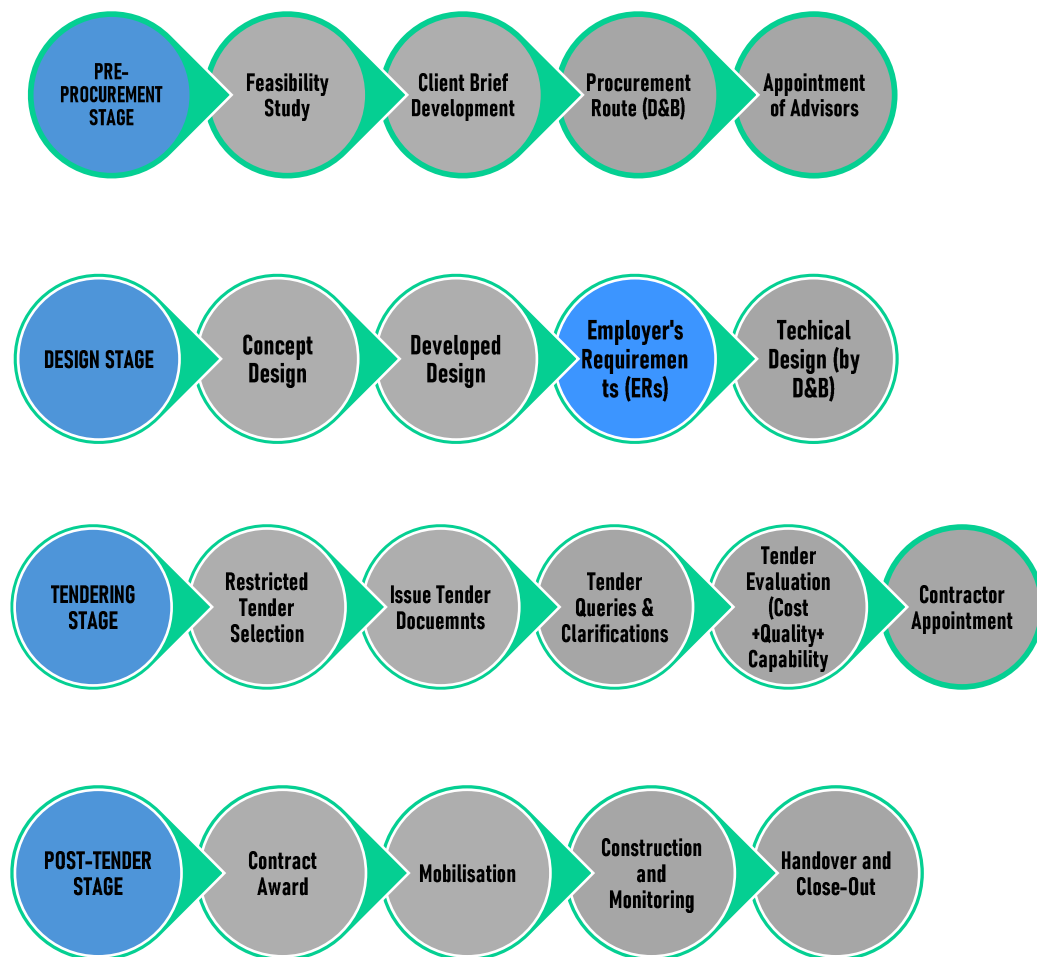


Figure 1. Procurement Process Flowchart (Adapted from RICS, 2013)

Conclusion

The selection of an appropriate procurement route and tendering strategy is fundamental to the successful delivery of construction projects, particularly those of increased scale and complexity. This essay has examined three principal procurement routes, Traditional Procurement, Design and Build, and Construction Management, highlighting their respective advantages and limitations.

Based on the client's priority of maintaining strict budget control, Design and Build is identified as the most suitable procurement route. It offers significant benefits in terms of cost certainty, risk transfer, time efficiency, and simplified project management. While it requires careful preparation of Employer's Requirements, this can be effectively managed through professional support.

In support of this strategy, restricted tendering is recommended as the most appropriate tendering method. It ensures the selection of competent contractors, enhances the quality of tender submissions, and reduces project risk while maintaining competitive pricing.

Together, these approaches provide a robust framework for delivering the proposed centre of excellence efficiently, within budget, and to the required standards.

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