

Procurement Strategy and Tendering Approach for a Construction Training Centre in Swansea SA1

Introduction

The development of a new Centre of Excellence for construction training in Swansea SA1 represents a significant capital investment with both educational and economic objectives. With external funding now secured, the immediate priority shifts from concept development to establishing an appropriate procurement and tendering strategy that will ensure successful project delivery.

At this early stage, procurement decisions are particularly important because they determine how risk, responsibility, cost certainty and design control are allocated across the project team. As highlighted by the Chartered Institute of Building, procurement strategy is one of the most influential decisions in construction project success, directly affecting cost outcomes, programme certainty and overall project performance (CIOB, 2010).

Given the scale of the development and the likelihood of fixed funding constraints, the selected approach must balance cost certainty, quality of output and efficient delivery. This report therefore evaluates the three primary procurement routes used in UK construction and identifies the most suitable option for this project, followed by an analysis of the most appropriate tendering strategy.

Overview of Procurement Routes in UK Construction

Procurement in construction refers to the method by which design and construction responsibilities are structured and allocated between the client and the supply chain. The three most widely used procurement routes in the UK are Traditional procurement, Design and Build, and Construction Management.

Each route carries different implications in terms of risk allocation, cost certainty, design control and programme efficiency. According to RICS, selecting the correct procurement route is essential to achieving value for money and ensuring that project objectives are met (RICS, 2021).

Traditional Procurement (Design–Bid–Build)

Traditional procurement is the most established form of construction procurement in the UK. Under this model, the client appoints consultants to complete the design in full before tendering the construction works to contractors. The contractor then builds strictly to the completed design.

RIBA explains that this approach provides strong design control for the client, as responsibility for design remains fully within the professional team appointed by the client (RIBA, 2020). This makes it particularly suitable for projects where design quality and aesthetic considerations are the primary drivers.

One of the key advantages of Traditional procurement is cost certainty at the point of contract award, provided the design is fully developed. Competitive tendering on a complete design can result in accurate pricing and clear contractual obligations. However, this certainty can be undermined if design development is incomplete or if changes occur after contract award, which often leads to costly variations.

A further disadvantage is the sequential nature of the process. Construction cannot begin until the design is fully complete, which can extend the overall programme duration. Additionally, contractors have limited input into the design stage, which may reduce opportunities for innovation or improved buildability (CIOB, 2010).

For the Swansea training centre, this route offers strong control but limited flexibility, and it may not provide the best balance between time, cost and risk.

Design and Build Procurement

Design and Build procurement involves a single point of responsibility, where the contractor takes responsibility for both design and construction. The client issues an Employer's Requirements document, and the contractor develops the detailed design and delivers the project. RICS identifies Design and Build as one of the most commonly used procurement routes in the UK due to its ability to transfer risk away from the client and improve cost certainty (RICS, 2021).

A major advantage of this approach is that it provides a single contractual relationship, meaning the contractor is responsible for both design and construction performance. This significantly reduces the client's exposure to coordination risks and disputes between designers and builders.

Cost certainty is generally improved because contractors price the entire project at an early stage, including design completion and construction risks. Programme efficiency is also enhanced because design and construction activities can overlap. However, a key disadvantage is reduced client control over detailed design. Although the Employer's Requirements define project expectations, the contractor retains control over design development. This can lead to value engineering decisions that prioritise cost reduction over quality unless carefully managed.

Despite this, the Construction Leadership Council highlights that modern forms of Design and Build, particularly two-stage tendering with early contractor involvement, significantly improve collaboration and cost predictability (CLC, 2022).

For a construction training centre, where functionality and adaptability of learning spaces are important, this method provides a strong balance between control, risk management and delivery efficiency.

Construction Management Procurement

Construction Management is a more flexible procurement route where the client appoints a Construction Manager to coordinate multiple trade contractors. The client holds direct contracts with each trade package, meaning there is no main contractor. According to CIOB, this method allows early works packages to begin before the design is fully complete, making it suitable for fast-track or highly complex projects (CIOB, 2010).

The main advantage of Construction Management is flexibility. It allows overlapping design and construction phases, enabling faster project delivery. It also provides transparency in cost breakdown, as each trade package is competitively tendered. However, this route places significant risk on the client. There is no single point of responsibility for time, cost or coordination, meaning the client carries the risk of delays, cost overruns and interface issues between trade contractors.

RICS notes that Construction Management requires a highly experienced client team with strong commercial and technical capability, as the client effectively assumes the role of risk manager across the entire project (RICS, 2021). Given the fixed funding and budget sensitivity of the Swansea project, this level of client risk exposure is unlikely to be appropriate.

Recommended Procurement Route and Justification

Considering the three procurement routes, Design and Build emerges as the most suitable option for the construction of the Centre of Excellence in Swansea SA1.

The primary reason for this recommendation is its ability to provide cost certainty and risk transfer, which is critical where external funding is fixed. Unlike Traditional procurement, where cost certainty is only achieved after full design completion, Design and Build allows early price establishment with reduced exposure to post-contract variations.

In addition, the single-point responsibility structure reduces the likelihood of disputes between designers and contractors, which can often lead to delays and cost escalation in more fragmented procurement systems. Although client design control is reduced compared to Traditional procurement, this risk can be effectively managed through a detailed Employer's Requirements document. If well prepared, this document ensures that functional, spatial and performance requirements are clearly defined before contractor engagement. Furthermore, the use of a two-stage Design and Build approach allows early contractor involvement while maintaining competitive pricing pressure. The Construction Leadership Council supports this approach as it improves buildability, reduces waste and enhances cost predictability (CLC, 2022).

Overall, Design and Build provides the best balance between cost certainty, risk allocation and programme efficiency for a project of this scale and funding structure.

.Tendering Strategy

Tendering is the process through which contractors are selected and appointed to deliver the works. The choice of procurement route directly influences the most appropriate tendering method.

For this project, a selective tendering process combined with a two-stage tendering approach is recommended.

Selective tendering involves inviting a shortlist of pre-qualified contractors who have been assessed for financial stability, technical capability and relevant project experience. The UK Government procurement guidance supports selective tendering where quality and value are priorities, as it ensures only competent contractors are invited to bid (UK Government, 2023).

This approach is particularly suitable for a construction training centre, where technical complexity and long-term usability are important considerations. It avoids the risks associated with open tendering, where inexperienced or unsuitable contractors may submit low-cost bids that ultimately compromise quality or lead to disputes.

A two-stage tendering process further enhances this approach. In the first stage, contractors are appointed based on preliminaries, overheads, fees and initial proposals. This allows early contractor involvement during design development.

In the second stage, once design information is more developed, a final contract sum is agreed based on improved cost certainty. This method improves collaboration, reduces risk and enhances price accuracy. This hybrid approach is particularly effective under Design and Build procurement because it supports early engagement while maintaining competitive tension throughout the process.

Conclusion

The development of a Centre of Excellence for construction training in Swansea SA1 requires a procurement strategy that balances cost certainty, risk allocation and delivery efficiency. After evaluating Traditional procurement,

Construction Management and Design and Build, it is clear that Design and Build offers the most appropriate solution for this project.

Its ability to transfer risk to the contractor, improve cost certainty and streamline delivery makes it particularly suitable for projects funded through external sources with fixed budgets. While some design control is relinquished, this can be mitigated through a detailed Employer's Requirements document and careful client involvement at early stages.

In terms of tendering, a selective two-stage tendering process provides the best alignment with the chosen procurement route. It ensures that only capable contractors are engaged while maintaining competitive pricing and encouraging early collaboration. Overall, this combined approach provides a balanced and commercially robust framework for delivering the project successfully within budget and programme constraints.

- References

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