

PROCUREMENT PROCESSES

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Procurement

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Introduction

In this assignment, I will be explaining what are the procurement processes that I think would be a good fit for a project such as the 25 apartments south of Swansea city centre known for its beautiful marina and luxurious restaurants. The 3 types of procurement I think would be useful is stated below.

Tendering process

The tendering process will highlight the way that the client will pick out the best contractor for the construction project. They will send out enquiries asking you for your best offers for the project that meets the client views. This long process is called tendering. Once all offers have been submitted the client will then choose the best value for money. For example, they will consider the costs, the quality, and how well they will meet the requirements for the project.

Once a construction company has been chosen. The client will then send out a formal letter stating they accept the offer, they will then also send out a contract for the job, this highlights all the different rules that the company must follow, for example how the quantity surveyors pay a sub-contractor. These form of contracts can include NEC or JCT. The client will send one of these contracts out for the contractor to sign and return it. Once this has been completed, they can then make a start on site.

Different types of Procurement Routes

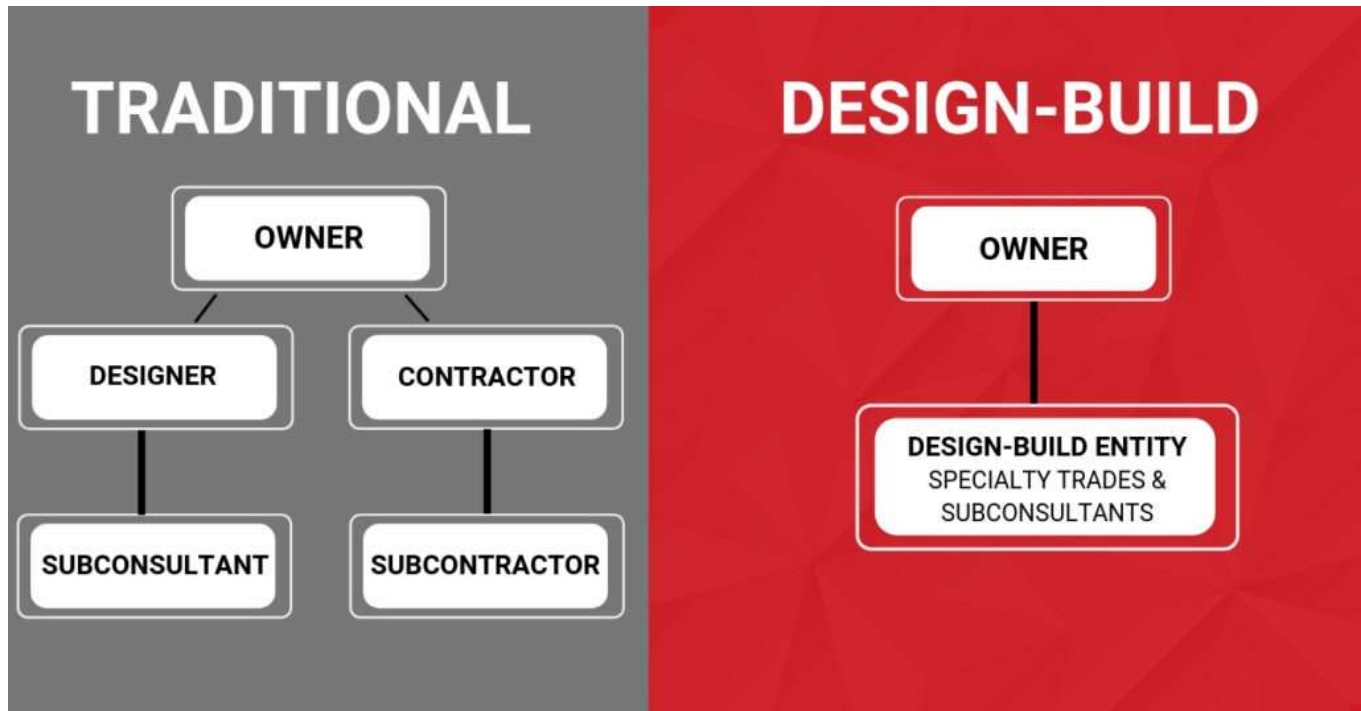
Traditional Procurement

The different types of procurement process can include the traditional way, this is one of the most common ways of procurement. It consists of the client hiring an architect for them to create a design of what they want and bring their idea alive. Once the design is complete the project is then put out to tender. The Client will then hire a contractor to execute the construction.

When using the traditional way of procurement, it comes with a number of advantages that can help the construction project run more efficiently and smoothly. These advantages can consist of a clear separation of design & construction. This means that the quality of the designs can be far greater than other designs used in the different procurement route. There are also advantages such as the client has a lot of control over the project compared to the other procurement routes.

Where there is up there is also a downside to this procurement route. As the client has a lot of control over the project there can be some it can create arguments across the contractor and the client this can lead to legal disputes. This route can also be known for its longer timeframe compared to the other procurement routes which then mean consequently key dates to be pushed back.

Design & Build



Produced by Raywest DesignBuild for Raywest DesignBuild, Produced on (8th July 2019) 5
Reasons to Choose Design-Build Construction [Online] Available at:
<https://www.raywestdesignbuild.com/5-reasons-to-choose-design-build-construction/>
[Accessed 12th April 2025]

Another form of procurement is design and build. In this case the client will hire a company that will handle both construction and the design processes. This is one of the quickest forms of procurement out there. Design and build procurement can be the most popular form of procurement. According to the table listed below, created by Designing Buildings Wiki. From 2019 to 2022 design and build procurement is more popular than the traditional way of procurement. From the table there is almost a 50 Percent increase in the popularity.

	Design and Build	Traditional without Quants
2019 Survey	66%	22%
2021 Survey	56%	25%
2022 Survey	54%	32%

Produced by RLB for Designing Buildings Wiki, Produced on (20th February 2025) *Design and Build Procurement Route* [Online] Available at:

https://www.designingbuildings.co.uk/wiki/Design_and_build_procurement_route

[Accessed 11th April 2025]

This can be more popular as it is 100 times easier and faster than the traditional way of procurement. This process can not just save a lot of time but also a lot of money, as it consists of the contractor involved from the beginning. It also can reduce costs as there is a low percentage that the contractor and the client will go into a legal dispute. It can also reduce exposure to clients this means that hide information that does not need to be stated to the client. This can also be a disadvantage as if you hid information from the client there can be less of an influence over the design and construction process. This then will lead to the fully completed building that does not meet their expectations.

Furthermore, another disadvantage to this procurement process is that it can also cause the costs to rise a little than expected. This is due to picking a contractor out right and early, instead of taking the time for the tendering process to pro-long to see what prices the client can get. There could also be a risk of overloading work, which means that the contractor is not used to this much work and can affect the projects management and execution quality. It also requires complex contract management, it means that the contractor will need 100 times more concentration to get all client requirements inserted into the fully completed project.

Managing Contracting

Moreover, there is also a procurement process called management contracting this process will consist of the client hiring a management company who then oversees the project and will manage the different subcontractors based on the construction site. This method of procurement is ideal for its flexibility in the design and construction aspects of the project. As changes can be made without significant delays or costs discrepancies. It can also be very quick as construction work can begin before the design stage is fully completed, this can reduce the project programme by a lot. As this procurement process can allow for an early start it can also allow for early involvement of various specialist contractors. This then can lead to the project being more innovative, practical and can improve the overall quality and efficiency of the construction project.

Therefore, this procurement process also relies on the client's control. When the client retains its high level of control the project can also allow for adjustments and refinements as the construction project progresses. Managing contracting procurement can also be beneficial for its cost management. This means that the managing contractor can provide valuable inputs on the costs of the project, because of this it will then help keep the project in the budget that it was set out for.

There are also some disadvantages that come with this type of procurement this includes, it can also be time consuming even though the project can start early. This is because of detailed documentation and multiple stages of approval have to be put into place. It also has to have a compliance check which can be very complex. If the management company does not know how to run this type of project, there can be issues with mismanagement. This means that there will be cost overruns, that can have a serious impact on the project programme and delays. When ensuring that the contractors are keeping up their quality standards, it can be very difficult to keep on top of. There are always risks and requirements that have not been met in the final result of the project.

There is also a massive dependency on the contractors to succeed with the project. If the contractor fails to do so they will then be at fault on why the project programme and success of the project is so poor. This procurement route can also cause disputes between the client, managing contractor and the contractor itself. These disputes can be about the costs and even the different decisions that need to be made for the project success.

Opinion Procurement

When it comes to my opinion about what procurement route to go down with, I immediately will go to design and build. I think this is the best procurement to go down to build 25 apartments. This is because of its single point of responsibility this means that design and build procurement is one entity that is responsible for both design and construction. This can streamline communication and coordination, reducing the likeness of disputes between the designers and the builders.

As the client wants this project fully completed in a short period of time. This line of procurement is also one of the fastest as it reduces the clients time to look over the design and construction aspects it moves to the contractor to sort all of these decisions out. The client should trust the chosen contractor very well to make these decisions as they should have all the qualifications to do their job, the client will need to do their research before making any decisions.

This form of procurement is also ideal for the cost control, it can improve the collaboration between the design and construction teams, when the contractor is involved, each way there is more buildability and practical design solutions compared to the clients point of view. All of these points are what is ideal about design and build, it can create a more easier and efficient construction process for the client, contractor and even the site teams.

Contracts

JCT

When it comes to JCT contract they can provide a lot of features to the construction process, this includes standardization this can help with the consistency and fairness. It is also ideal for its clarity of roles, these JCT contracts can easily be allocate roles to different parties involved in construction project, this can also include the client, contractor and the subcontractors. It will help avoid disputes and misunderstandings.

Furthermore, it will also help the payment terms as you will have to follow rules on when how payments are to be made and when they have to be paid by. This will ensure that the contractors and subcontractors are paid on time. It also can be useful to allocate risks specifying who is at fault and responsible for what. These risks include delays, defects and unforeseen circumstances. The JCT contracts can also be helpful for resolving disputes that may arise during the course of the project. This can consist of mediation, adjudications and arbitrations. Moreover, they provide a mechanism for managing changes to the scope of work. These changes are how much changes are to be agreed upon and paid for.

However, these form of contracts can be very complex and require a lot of concentration to look over. It can also be very time consuming and will not fit every construction project to accommodate the specific needs of every project. When resolving disputes, it can also create a long period of time before it is resolved.

NEC

Advantages

The NEC Contracts are more modern than the JCT Contracts, the NEC Contracts can be more flexible and can be adapted to suit a wide range of projects and various procurement methods. Their mostly ideal for engineering projects such as putting new ducts into the ground. Some of the advantages include:

- Because of the flexibility it will make the contracts more suitable for both small and large projects
- The contracts also promote a collaborative approach to project management
- They encourage all parties to work together to achieve the project objectives, which then can lead to better outcomes
- It will also help the risk management
- Cost and time control
- Dispute avoidance
- It can create an early warning system for the construction project

Disadvantages

The disadvantages of this contract can consist of:

- Training requirements to understand the contracts
- Requires a lot of communication between parties involved in the construction project
- Potential for increased costs this is because of more frequent meetings and greater involvement of professionals that can drive up the initial costs
- Dependence on good relationships