

ACBA4026

PROCUREMENT PROCESS

Ross Montanari | Procurement Process | 22/04/2025

Table of Contents

- 1. Introduction Page 2**
- 2. Overview of Procurement Routes Page 2-3**
- 3. Design and Build Procurement Route**
 - 3.1 Key Features....Page 3
 - 3.2 Advantages.....Page 4-5
 - 3.3 Disadvantages...Page 6
- 4. Traditional Procurement Route Page 7**
 - 4.1 Features
 - 4.2 Pros and Cons
- 5. Construction Management Procurement Route Page 7**
 - 5.1. Features
 - 5.2. Pros and Cons
- 6. JCT vs NEC Contracts Page 7 -8**
 - 6.1 Key Differences
 - 6.2 Suitability for Inexperienced Developers
- 7. Additional Considerations For Implementation Page 9**
 - 7.1 Selecting the right contractor
 - 7.2 Use of Employer Agent
 - 7.3 Legal & Technical support.
- 8. Conclusion Page 10**
- 9. References Page 11**

Introduction

In this assignment we are asked to select our choice of the quickest procurement process for a new build residential area in Swansea SA1. The development will consist of 25 apartments with a mix of 1,2 and 3 bed room units, each designed with a mid level budget. With planning being permission granted, the focus is now on starting the works and the developer wants speed and efficiency. For a developer with limited experience, choosing the most appropriate procurement route is a critical factor for the success of the project. In this assignment I have recommended the Design & Build procurement route as the most suitable approach.

This assignment reviews the available procurement options, explains why the Design and Build route was chosen, and considers how well the JCT Design and Build Contract fits the project's needs. The contract supports the key priorities: delivering the project on time, managing risk effectively, and streamlining project management.

I will include both pros and cons to the Design and build route, and consider whether JCT is more suited to this project than alternatives such as NEC.

Understanding Procurement In Construction

Procurement in construction refers to the planning and implementation of the projects design, contracting and the way that is being built. The procurement process encourages every part of the project delivery from cost, quality and time which is using parts from the golden triangle, even to the level of control and responsibility that the client has. (Morledge, Smith and Appiah, 2021)

The main categories of procurement are

1. Traditional
2. Design and Build
3. Construction Management
4. Management Contracting
5. Public Private partnerships

Each method of procurement has its own strengths and risks. For a private residential project with a tight schedule and a developer with a small amount of experience, a route that simplifies risk management and accelerates progress is essential.

Design And Build

Design and build involves appointing a single contractor who has the responsibility for the design and the construction. This approach means that once the employer sets out the performance requirements or a pre-design, the contractor takes over the responsibility for finalising the design and deliver the building works to the correct standards (Morledge, Smith and Appiah, 2021) .

Key Features

One of the features of design and build is that the contractor is appointed early on. Another feature is that design and construction tasks are overlapped which saves time which will help with costs and single point of responsibility exists for design, quality and construction (Brook, 2016)

This method is different from traditional routes, its when the client first hires a design team and later appoints a contractor after competitive tendering based on completed designs (Brook, 2016)

Advantages of Design and Build

1. Speed Of delivery

The biggest need for the Sai project is speed. Design and build allows for overlapping design and construction stages, also known as fast tracking. While detailed designs are being developed the site preparation and ground works can start. This allows for earlier completions and a quicker return on investment (Morledge, Smith and Appiah, 2021b).

2. Single Point Of Responsibility

The Design and build route reduces splitting of responsibilities. The developer deals with one party (The Design and Build contractor), who manages the supply chain, sub-consultants and sub-contractors. This minimises the risk of disputes between the designer and the contractor. Which do happen more in traditional procurement routes (Ebekozen and Aigbavboa, 2024)

From a risk management perspective, this simpler approach is great for a developer who is just getting started. It cuts out the tricky coordination tasks and allows the client to focus on bigger decisions.

3. Cost Certainty

Design and build contracts typically involve a large deposit price agreed upon early in the process. The fixed price offers financial certainty and comes together with budget constraints, which are often a concern for the first time or small scales developers.

The contractor takes on the risk of cost overruns coming from errors or problems with the design, provided that the customer doesn't make big changes. This helps limit the clients financial exposure during the construction (Greenhalgh, Squires and Mahamadu, 2021b).

4. Communication and Project Management

With the contractor in charge of both design and construction. Internal coordination is their responsibility. This eliminates the need for the client go between the architect, engineers and contractors which can be intimidating with lack of site experience.

Clear communication can help resolve issues faster and improve accountability. For example, if a problem happens post-construction, there is no debate over whether the fault lies with the D&B contractor is solely responsible (Ashworth, 2023).

5. Fit For Mid-tier projects

The new residential area is going to be mid-tier apartments, which don't usually have bespoke design features. This is why the design and build route works well in this scenario, where standardised, modular or repeatable designs can be efficiently executed by experienced contractors.

This makes it for apartment developments like the one proposed in SA₁, which may also benefit from prefabricated systems offered by the design and build contractors (Baldwin and Bordoli, 2014) .

The Disadvantages And Risk Of Design And Build

While Design and Build is suitable for this project, it does have its draw backs.

1. Reduced Design Control

Clients have limited influence on designing decisions once the contractor is selected. The contractor may prioritise ease of construction or cost efficiency over aesthetics or performance. This may effect layouts or materials (Morledge, Smith and Appiah, 2021a).

To address this, the employer should provide a detailed Employers Requirements document at the beginning. Defining performance criteria, design intent and quality standards.

2. Potential Quality Trade off

In certain cases, contractors who have taken a lump-sum contractors may try to reduce their cost by using cheaper materials and reducing the build quality. Close attention must be paid to the contractor selection other wise bad quality contractors known as cowboys can do a low quality job which will increase costs to rectify the work to avoid this.

Engaging a clerk of works or an employers agent to oversee quality can help ensure standards are met through out the build (Brook, 2016b)

3. Risk of over dependance On Contractor

The client becomes too reliant on the contractor competence. Any performance failure or unforeseen problems occur the contractor could significantly impact the project. This shows the importance of rigorous due to diligence and contractor prequalification during procurement (Ashworth, 2023).

Why Traditional Or Construction Management Routes Are Less Suitable

Traditional (Design & Build)

While the Traditional route allows for more design control, it is slower. As construction cannot start until the design is fully completed and tenders are evaluated. It also demands more project overciting as the customer must communicate between separate designers and contractors, not suitable for a developer with low experience and tight delivery dead lines (Forsyth, 2025).

Construction Management

This Route allows fast tracking and flexible changes, but it shifts most of the risk onto the client, who must manage multiple trade contracts and interfaces. This requires a lot of industry knowledge, careful cash flow monitoring, and professional construction management support. It is more suited for bigger and more complex projects managed by developers with more site experience or in house teams (Brook, 2016b).

The Case for JCT and Build Contract

1. Straight Forward And Industry Standard

The JCT Design and Build contract(2016) is used a lot around the UK for residential developments. It is well understood by contractors, consultants and legal teams. This ensures that all parties are familiar with its structure, reducing the potential for misunderstanding or delays (Chappell, 2018).

2. Fixed Price And Risk Allocation

JCT D&B Provides a clear framework for lump-sum pricing, supporting cost certainty. The contractor is responsible for design and building, providing the client with a single point of recourse in case of any problems (Ashworth, 2023).

In comparison, NEC contracts tend to use target cost mechanisms, shared risk allocations, require active contract administration. While this promotes collaboration, it demands more engagement from the client-less suitable for developers looking for a simpler route.

3. Dispute Resolution And Certainty

JCT Contract includes ways to resolve disputes through adjudication, arbitration or court. Unlike NEC which encourages collaboration, JCT takes a more structured and predictable approach when enforcing the contract. This can also be helpful for customers who want legal clarity or need to follow well established procedures if a problem arises (Chappell, 2018).

This can be an advantage when the client seeks legal clarity or needs to rely on established process in case of a conflict.

Additional Considerations For Implementation

1. Selecting The Right Contractor

The success of the Design and Build route depends on selecting a competent contractor. Prequalification based on experience, financial stability and past performance in residential scheme is a must (Chappell, 2018).

References, case studies and site visits to previous projects to show the capability of the selected contractor.

2. Use of Employers Agent

An Employers Agent can represent the customer throughout the project, managing the contract, monitoring the progress, checking payments and ensuring that the employers requirements are met. This is especially useful for developers who lack experience (Ashworth, 2023).

3. Legal And Technical Support

Through out JCT Contracts are simpler than NEC, Legal advice should be sought to tailor the terms to the specific project, especially regarding delay damages, insurance and warranties. A technical advisor can help insure that the ERs are complete and enforceable (Chappell, 2018).

Conclusion

For the 25 unit residential development in Swansea SA1, the Design And Build procurement route, delivered through the JCT Design and Build Contract provides the most balanced and practical approach. It goes with with the emphasis on speed, cost certainty and reduced managerial complexity.

While there are some limitations in design flexibility and quality control these can be sorted through thorough preparation, correct contractor selection and the use of professional support services. For a developer who lacks experience who is trying to complete the project efficiently and correctly. This route offers the right combination of reliability, simplicity and speed.

Similarly, while the NEC contracts offer a collaborative framework, they require an experienced client to manage the process smoothly. The JCT Design and build Contract remains the industry standard for residential development and is paricularly well suited for developers aiming for high quality finishing with short time lines with limited complexity.

References

- Morledge, R., Smith, A.J. and Appiah, S.Y. (2021). *Building Procurement*. John Wiley & Sons.
- Baldwin, A. and Bordoli, D. (2014). *A handbook for construction planning and scheduling*. Chichester, West Sussex, UK: Wiley Blackwell.
- Brook, M. (2016). *Estimating and Tendering for Construction Work*. Florence: Taylor and Francis.
- Brown, N.A. (2025). *FIDIC 2017*. Emerald Group Publishing.
- Chappell, D. (2018). *Understanding JCT standard building contracts*. Abingdon, Oxon ; New York, Ny: Routledge, An Imprint Of The Taylor & Francis Group.
- Ebekozien, A. and Aigbavboa, C. (2024). *Professional Practice for Quantity Surveyors in the 21st Century*. CRC Press.
- Forsyth, J. (2025). *The Residential Pathway*. Taylor & Francis.
- Greenhalgh, B., Squires, G. and Mahamadu, A.-M. (2021). *Construction Procurement*. Routledge.
- Morledge, R., Smith, A.J. and Appiah, S.Y. (2021). *Building Procurement*. John Wiley & Sons.