

Building construction procurement strategies overview

Fully Designed and Documented, Construct Only	Design and Construct - single stage	Design and Construct - two stage	Construction Management	Alliance	Public Private Partnership (PPP)
<ul style="list-style-type: none"> • Design, documentation and construction are carried out in sequence and design, documentation and approvals must be completed and obtained prior to commencement of construction. • Initially, the principal completes the design and documentation (in full) for the project either by engaging design consultants (for example an architect, engineers and other technical specialists), either directly or as subconsultants to a principal consultant, or having the work performed in house. • Then, following tendering of the project on the basis of the principal's design and documentation, the principal engages a contractor, who may in turn engage subcontractors and suppliers, to construct the project in accordance with the documentation prepared by the principal. • The principal's consultants generally retain responsibility for design and documentation, with the contractor generally responsible for construction only. The contractor should not ordinarily be required to retain its own design consultants under this delivery method. • Suitable for projects where government seeks to retain design and quality control, and has the capability to ensure consultants produce good quality documentation. • Not suitable where the project would benefit from a contractor's input into the design. • Success is dependent on completeness, accuracy and adequacy of design and documentation. • Can deliver great price certainty when the design and documentation are complete, accurate and adequate. • Well known and understood method of delivery. 	<ul style="list-style-type: none"> • Design and construction stages overlap. • Initially, the principal may document the principal's requirements for the project (also referred to as a project brief), and preliminary design, if applicable, by engaging design consultants (for example an architect, engineers and other technical specialists), either directly or as subconsultants to a principal consultant, or having the work performed in house. • Then, following tendering of the project on the basis of the principal's project requirements/ project brief, the principal engages a contractor, who in turn engages design consultants, subcontractors and suppliers, to design, document and construct the project in accordance with the principal's requirements for the project. • There are options in relation to the extent of the design carried out by the Principal. • Suitable where the project would benefit from a contractor's input into the design. • May be suitable where a more fast-tracked delivery of the whole project is required, as this delivery method allows construction to progress ahead of full design documentation. • Not suitable where government seeks to retain design and quality control. • Success is dependent on completeness, accuracy and adequacy of the principal's project requirements/ project brief. • Can deliver great price certainty where the principal's project requirements/ project brief is complete, accurate and adequate. • Well known and understood method of delivery. 	<ul style="list-style-type: none"> • Design and construction stages overlap. • Initially, the principal may document the principal's requirements for the project (also referred to as a project brief), and preliminary design, if applicable, by engaging design consultants (for example an architect, engineers and other technical specialists), either directly or as subconsultants to a principal consultant, or having the work performed in house. • Then, following tendering of the project on the basis of the project brief prepared by the principal, the principal engages a contractor who, during Stage 1, works collaboratively with the contractor's design consultants and the principal to revise the project brief and refine the design to meet budget and time constraints and provides a Stage 2 offer to the principal based on the revised project brief. • If the offer is accepted, Stage 2 proceeds and the contractor completes and/or manages the design, documentation and construction of the project. • Provides a potential opportunity for early works to be carried out during Stage 1 (while design is being finalised). • Best suited to complex, high risk or significant projects. • Suitable where early contractor involvement is beneficial. • Success is dependent on completeness, accuracy and adequacy of the project brief and cost estimates. 	<ul style="list-style-type: none"> • Design, documentation and construction are carried out in sequence and design, documentation and approvals for the respective trade works must be completed and obtained prior to commencement of construction. • Initially, the principal completes the design and documentation (in full, in trade packages) for the project either by engaging design consultants (for example an architect, engineers and other technical specialists), either directly or as subconsultants to a principal consultant, or having the work performed in house. • Separately, the principal engages a construction manager (or performs this role in house) to package, procure, manage and coordinate the construction work. • Then, following tendering of the project on the basis of the trade package documentation prepared by the principal, the principal engages contractors and suppliers under individual trade specific contracts to undertake the construction of the project. • Involves numerous contracts and related procurement activities. • The majority of the risk, including overall time and cost, remains with the Principal. • Suitable for projects where the principal needs to maintain control of the scheduling and performance of the trade works. 	<ul style="list-style-type: none"> • Government forms an alliance with key project participants, including the principal and contractor, and works collaboratively with alliance partners/project participants (such as designers, contractors, and suppliers) to collectively make unanimous, best-for-project decisions on all aspects of the delivery of the project, including agreeing performance targets and target costs. • There are various alliance model options, but alliances are generally structured so that all commercial risks and rewards are shared by the alliance partners. • Expert advice should be sought prior to committing to this strategy due to considerable risk and complexity. • Refer to Queensland Treasury Project Assessment Framework – Alliance establishment and management document. 	<ul style="list-style-type: none"> • A PPP is a procurement and financing solution for public sector infrastructure, where private sector investors contract with government to design, build, finance and maintain the social infrastructure necessary for government to deliver its services. • Regular payments are then made to the private sector consortium for the availability and use of the asset. • Refer to Queensland Treasury Project Assessment Framework – Queensland public private partnership supporting document.