



DESIGN AND CONSTRUCT

THE SHIFTING NATURE OF
CONTRACTUAL OVERSIGHT

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ASSETWIZE



In the wide scope of building services, what has been the talk of the market in recent months?

Design and Construct (D&C) is a big feature of the industry. Level of detail in the construction environment is occasionally overlooked at the tender requirements stage. In the present climate, a lot of the responsibility and risk has been transferred to the builder.

What is meant by the term procurement in D&C?

In traditional procurement, the process involved a design team to design the whole building as per the clients requirements. Thereafter, the successful builder contractor was selected and the project would proceed to the build phase. The design team was generally managed by the Architect.

With D&C, there is a phase in the process assigned to the builder that includes a design component.

At a percentage earlier in the design, a package is released for pricing. For example, at 75% of the full design, when engineering is partially completed not necessarily onto paper, a performance design and a performance specification is created that the builder must adhere to.

The purpose of the specification is to ensure the level of quality that's required by the client, while also providing the builder a broad outline of the components that they must base their design on.

The design parameters are set around what type of equipment is to used etc. As there can be a lot of improvisation between what is designed and when it is actually finally built. The contractor can add value to this process as they are embedded in solving problems and making things work.



In comparison to the traditional approach, in D&C as soon as 75% of the design is finalised, a builder is procured. The idea is to finalise that design, so 25% of the detailing is handed over to the specialists to ensure correct install.

In recent times, lenders have been given extra leverage to undertake a peer review. Over the course of the construction, there are stage payments for fund release. If the quality requirements are not met in the reports, then the funds are not released.

This places pressure on the builders to do the right thing and it puts pressure on the developer to have a peer review consultant in place. Plus, it is beneficial for the builders to retain the peer consultant for their own process either in peer review stage or to manage their risk.

This is in particular what the VOS Group has seen in the last 12 to 18 months with our clients.

**"Power is shifting"
Builders are now taking into account their own risks and engaging specialists to help deliver quality projects.**



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