

STRATEGIC PLANNING & PLACE BUILDING CONTRACT DIRECTIVE

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REFERENCE

ENSURING BEST VALUE DURING THE DESIGN / IMPLEMENTATION OF SCHEMES

1. INTRODUCTION:

The Directive is applicable mainly to schemes in the Council's development programme although the principle of obtaining best value is relevant to all schemes.

2. PURPOSE OF THE INITIATIVE:

With ever increasing demands upon budgets it is essential to ensure that maximum value is derived from every pound spent. This is particularly relevant to the programme of building works which represents a significant part of the Council's annual spend. Building economics and sound financial management of the programme has always been considered very important. However, in discussion and agreement with Client Departments it is a continuing requirement that we reassess our methods and procedures for ensuring best value and at the same time reviewing construction techniques and the use of differing components and materials.

A determination to provide cost effective solutions and contain costs within predetermined limits is essential for the initiative to succeed. This requires the right attitude of mind on behalf of the design team, and all others involved with the project.

It is vital to ensure that the cost implications of every important decision made on a project at every stage of the design process has been thoroughly scrutinised and the implications known. This does not necessarily mean that the most economic solution will always be the one to follow. This is a choice to be made by the team as a whole in consultation with the client, but the cost effect of adopting alternative solutions needs to be analysed and a conscious choice made with cost and all other important factors known.

Most major decisions affecting cost are taken during the very early stages of the design process, often during inception and feasibility and the extent of influence over costs reduces as the design develops. For this reason it is vital to get any scheme off to a sound start.

The scope for making mid-course corrections constantly narrows as the design develops and the resultant effect becomes increasingly more disruptive. For this reason regular design reviews and cost checks during the early development of the design are essential, with appropriate action being agreed and acted upon to ensure that the project remains on course.

The completeness of the design and standard of drawings and information provided will have an influence upon the final prices, as also will the timescale for the work, the complexity factors involved, and the potential major areas of risk to the contractor.

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NOTE:

THIS DIRECTIVE IS APPLICABLE TO THE MAJORITY OF SCHEMES BUT IT WILL NOT NECESSARILY BE APPROPRIATE TO ALL WORKS AND THEREFORE ON EACH SCHEME IT WILL BE NECESSARY TO CHECK THE SPECIFIC REQUIREMENTS.

REFERENCE

3. **DESIGN AND REVIEW AND COST CHECKS:**

A number of design reviews and cost check meetings are to be included in the programme on all major projects at various stages during the development of the design, with a final cost check / pre-tender estimate being carried out prior to the preparation of final tender documentation. A "Project Cost Check – Form E100" has been prepared for this purpose. The design review and cost checks are a fundamental activity in the management of the project. It is essential that all members of the design team have an active involvement in assessing the current position on the project, that the client is fully informed and that appropriate action is taken or agreed where necessary to ensure that the project remains on course, and with the action agreed recorded in notes of the meeting.

[Form E100](#)

See BCD 20 for provision of furniture and equipment

4. **USE OF GENERIC DESCRIPTIONS:**

In order to ensure value for money it is advisable to allow tenderers as much freedom as possible to seek prices for alternative components and materials. Where reference to recognised acceptable standards or a performance specification will adequately define the requirements in the form of a generic description, this should be used. Generic descriptions will not be appropriate where compatibility needs to be retained with the use of similar components or installations elsewhere in order to avoid longer term maintenance problems.

5. **CONTRACTORS TO SUGGEST COST SAVINGS:**

Following the receipt of tenders, the contractor whose tender is being recommended for acceptance may be asked to suggest possible cost savings for consideration by the design team and the client. Cost benefits to both the contractor and the client may in some instances be achieved in this manner.

6. **COST CONTROL OF WORKS ON SITE:**

Financial control during the post contract stages of a project on site is equally as important as during the earlier stages, in ensuring that final costs remain within the monies approved for the scheme. Procedures to be followed during the financial control of works in progress are described elsewhere in BCD 11 and BCD 12.

See
BCD 11 & 12

7. **CO-ORDINATION OF DESIGN ISSUES:**

It is the responsibility of the Lead Consultant for the project to co-ordinate the approach to design issues, taking account of the above, and also to ensure the active involvement of other members of the team.

CONCLUSION