

**My Community**

# Community Buildings Roadmap Guide

## Part 3: Delivering the Project



locality

# Turning Plans into Reality

This section deals with the construction or delivery phase of projects. As mentioned previously, the delivery phase needs to be considered throughout the project development phase. The more thorough the project development process, the less likely it is that the project will run into difficulties.

## Project Governance

Before commencing on the construction of the project, it is important to determine how the project is to be administered within the organisation. There are likely to be several people involved in the project, including key staff and board members from the community organisation, as well as the architect and construction manager from the companies contracted to carry out the works.

**Alert:** Experience has shown that community organisations can often get into difficulties if the governance and responsibilities for the implementation of the project have not been properly considered and agreed.

Good practice would be to assemble a project board with approval to act on the board's behalf. The project board might include:

- the Chair of the Trust
- the Treasurer or lead finance trustee
- other board members
- the Trust Manager or Chief Executive
- the Architect
- the Contractor's Construction Manager

The project board would establish its own terms of reference. These might include:

- the frequency of meetings
- a communication strategy
- arrangements for monitoring progress
- arrangements for monitoring expenditure and finances
- sign off of completed works
- how delays or contingencies will be dealt with
- arrangements for ensuring quality and contractual standards

## Different Approaches

This section relates to the physical building stage of the project involving the selection and appointment of a contractor to carry out the works.

There are numerous ways to engage with the construction industry and these should be considered as part of the project's contracting strategy. This strategy needs to be agreed early on in the development of the project as it will have an impact on the costs for the professional team, the nature of the work they produce and the estimates of cost.

In broad terms there are three main routes to delivery of the project, each with varying levels of risk to the client organisation. They are:

**Trade Packages:** This involves developing the project in a series of packages of work such as joinery, electrical, plumbing and heating. These would be provided by different contractors or trades persons. This is the riskiest option for clients, requiring the appointment of their own construction project manager, who oversees and manages all works. It may be applicable in projects involving minor alterations or for client organisations with strong construction management skills and experience. For larger works it is generally disliked by funding organisations, which prefer the appointment of a single contractor.

**Traditional Contracts:** This involves the employment of a professional design team to produce full working drawings, with the appointment of a single contractor on a build-only contract basis. This is less risky than 'trade packages', but the client still retains an exposure to risk including, but not limited to, changes in design, errors of the professional team and certain other matters specified within the selected contract.

**Design and Build:** This method involves employing the professional designer to undertake a concept design, establishing the basic requirements of the client. This is then put out to tender to various contractors to provide the detailed design and construct the agreed scheme. This transfers most risk from client to contractor, but the client loses some control over the detailed design of the project and great care is required when selecting the contractor to ensure the submitted scheme meets the client's needs.

Standard forms of contract have been developed by the construction industry for all of the above by a variety of bodies including the Joint Contracts Tribunal (JCT), New Engineering and Construction Contract (NEC) and many others. See [www.jctltd.co.uk](http://www.jctltd.co.uk), [www.neccontract.com](http://www.neccontract.com).



Lyvennet Community Trust housing plans for the Stoneworks Garth site. Courtesy of Lyvennet Community Trust.

## Routes to Project Delivery: At a Glance

Delivery type	Arrangement	Construction led by:	Suitability
<b>Trade Packages</b>	Project broken down into a series of packages of work to be provided by different contractors or trades persons.	In-house or appointed construction project manager.	Minor alterations or for organisations with existing construction management skills and experience.
<b>Traditional Contracts</b>	Single contractor on a build-only contract basis, working to professionally produced full working drawings.	Appointed contractor.	Most developments, particularly those involving repair of existing buildings and where the organisation needs to retain control over design decisions.
<b>Design and Build</b>	Concept design is put out to competitive tender for detailed design and construction.	Professional designer and appointed contractor.	Most developments, particularly new build and where the organisation is prepared to let the contractor decide on construction details.

## Procurement

A contractor will need to be selected and appointed to undertake the actual construction of the project, in line with the approaches previously described.

It is normal practice to develop a project to a pre-determined point. The trade packages traditional contracts options require fully detailed working drawings for a contractor to build. The design and build option requires less design from the clients designer. In parallel with the design process, it is possible to commence identification of suitable contractors through a pre-qualification process. This involves offering a number of contractors the opportunity to express an interest in taking on the works. They should respond with an indication of their capability and suitability for the type of works involved.

Once the design is sufficiently developed for the chosen contracting strategy the project would then be offered to the short list established from the pre-qualification stage or to the open market to provide tenders for the required works i.e. their best price. Typically several (maybe up to 5 but often 3) organisations will be approached to provide prices to ensure impartiality in the selection process and to obtain bids in competition.

As with the selection of the professional team, selection criteria must be developed based on matters such as:

- capability
- capacity
- quality
- experience
- price

A suitable system of marking the contractor's responses is advisable when considering the alternatives and may be essential to satisfy certain funding bodies.

The appointment of the contractor may be left to the professional team or be undertaken directly by the client body, depending on the remit agreed with the professional team. In any event, the professional team should be involved in the process in an advisory capacity, given that they need to work closely with the selected contractor.

## Construction

If the trade packages or traditional contact options are adopted, the professional team will remain involved throughout the project, overseeing the construction works. Usually, there would be a project manager within the professional team with responsibility for managing the contractor's site activities, within the remit of the selected contracting method. This role requires them to work very closely with the client body's overall project manager. The interface would include reporting on progress, any problems or issues and any consequent changes to the scheme or budget.

**ALERT:** Importance of the project manager's role cannot be overstated, and is often the difference between the success and failure of a construction project in terms of any problems, issues or changes that impact on the budget.

Design and Build contracts are different. Once the scheme is designed sufficiently to appoint the contractor, the project then passes to the contractor, who is then responsible for completion of the design and management of construction. This involves a lower level of involvement by the client's representatives. The contractor will be required to report on progress and issues, which may not occur with the same level of transparency as in trade packages or traditional contracts.

**ALERT:** There can be advantages to Design and Build, especially in terms of lower client team costs. These include having a single point of contact for all things, overall speed of progress and having a set budget for construction. However, care is required over quality assurance, given that the design professionals are not as involved. This reduces a client's control over the project during the construction phase to varying extents depending on the attitude of the selected contractor. Many Design and Build projects have produced disappointing results.

On completion of the construction phase the building may be occupied, but it is not necessarily the end of all works. Building contracts generally contain a period beyond initial completion of works called the 'defects liability period' during which any defects in the works must be corrected at the contractor's expense. This period is typically six months, but can be up to two years depending on the nature of the works and the client's requirements. An appropriate period must be agreed at the outset.



The Brasshouse Project in construction.  
Courtesy of North Smethwick Development Trust.