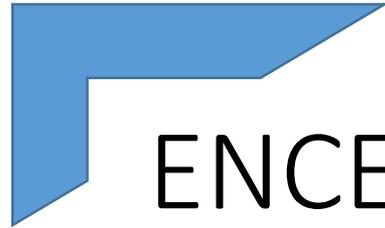
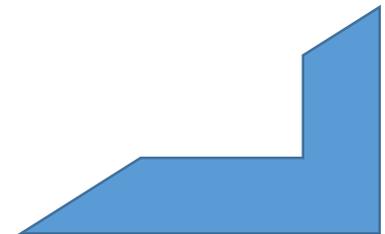


Contracts, Specifications and Quantity Surveying



ENCE421:

Contract Strategies/ Delivery Methods



Today's Presentation Outline

- Revisit previous lecture
- Technopark example (Designer Contract)
- Contract strategies/ delivery methods

Revisit previous lecture

✓ TOR

✓ Designer selection

Contract strategies/ Delivery Methods Cont'd

➤ Traditional Contract

- The most widely used approach in construction
- It is commonly used for projects that have a well-defined scope (have no unusual features)
- A 3-party arrangement (owner, designer, and contractor)
- Two separate contracts are awarded, one to the designer and one to the contractor

Contract strategies/ Delivery Methods Cont'd

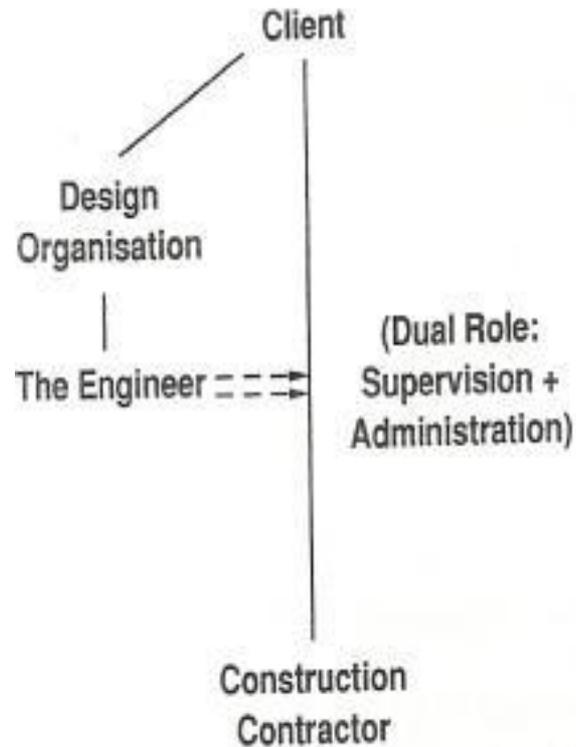
➤ Traditional Contract

Pros and Cons:

- The owner knows the project's configuration and approximate cost of the project before commencing construction
- Considerable time can be required (each step must be completed before starting the next one)
- Very limited flexibility for changes during construction (can be expensive) because the award of the construction contract is usually based upon a lump-sum (fixed-price) bid
- Design does not benefit from construction experience

Contract strategies/ Delivery Methods Cont'd

➤ Traditional Contract



Contract strategies/ Delivery Methods Cont'd

➤ Design and build

- Often used to shorten the completion time
- A two-party arrangement (owner and design-build firm)
- A single organization is responsible for both design and construction

Contract strategies/ Delivery Methods Cont'd

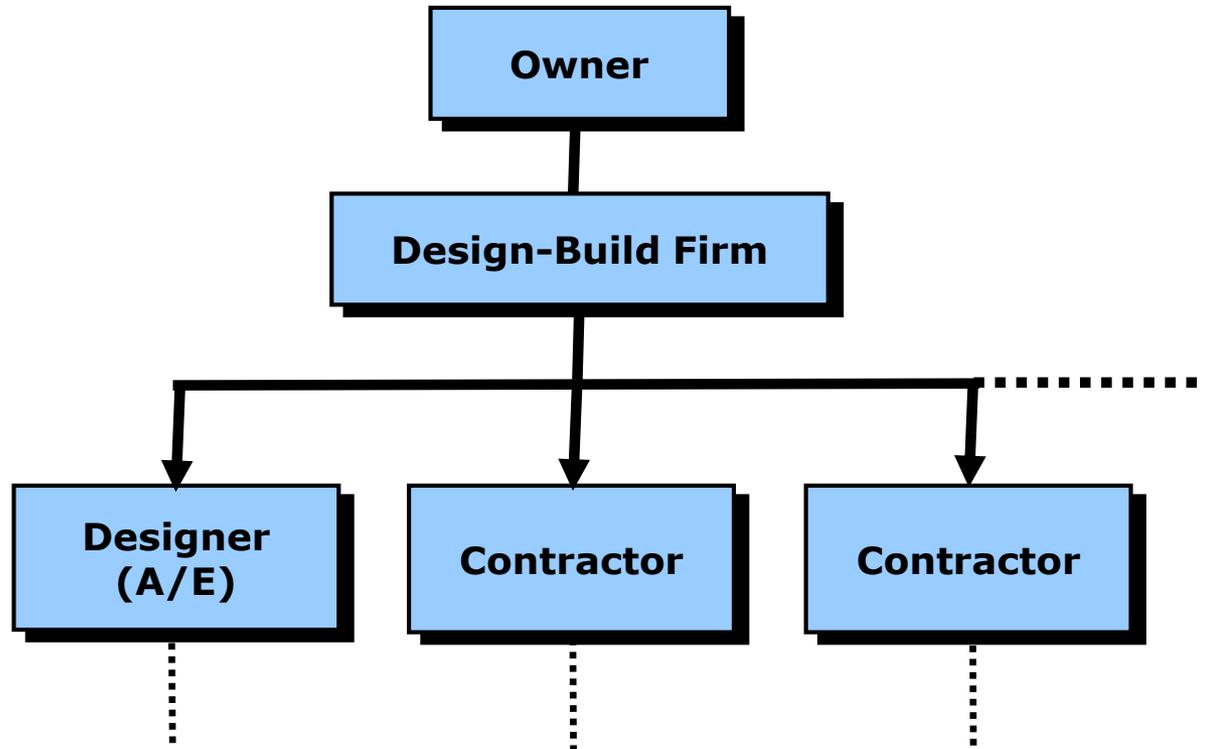
➤ Design and build

Pros and Cons:

- Requires extensive involvement of the owner (for decisions that are made during the selection of design alternatives and the monitoring of costs and schedules during construction)
- The design benefits from construction experience
- Better coordination between design and construction
- High risk to contractor
- More cost to owner
- Design-build company may reduce quality to save cost

Contract strategies/ Delivery Methods Cont'd

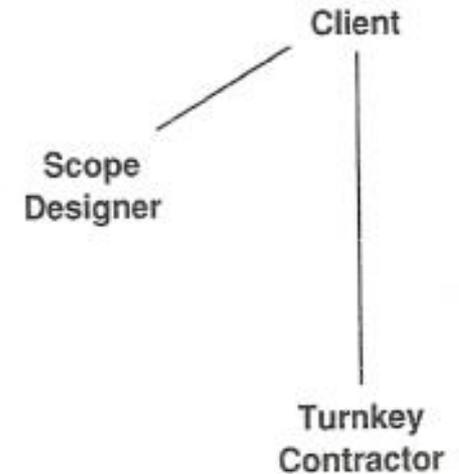
➤ Design and build



Contract strategies/ Delivery Methods Cont'd

➤ Turnkey

- Similar to the design-build approach but the organization is responsible for design, construction, and project financing
- Owner payment is made at completion



Summary

- ✓ Technopark example (Designer Contract)
- ✓ Contract strategies/ delivery methods

Next ---> Contract Strategies Cont'd

Any Questions??