Index

Arup report
  on contracts as procurement systems, 13
  on core group, 108
  on early contractor appointment, 58–9, 206
  on letters of intent, 132
  on managing cost of change, 75
  on partnering adviser, 184
  on subcontractor and supplier selection, 90–1
  on two-stage pricing, 23
Association of Consultant Architects
  and Association of Partnering Advisers, 196
  introduction to pricing under PPC2000, 200
Association of Consultants and Engineers
  and early contractor involvement, 63
  on programmes, 117
Association of Partnering Advisers
  code of conduct, 300–301
Association of Project Managers
  appointment of project manager, 155, 157–8
  on programming, 157–8
  and services of project manager, 153
Banwell
  on changes to letting of contracts, 137
  on client involvement, 96
  on contractor design contributions, 59–61
  on early contractor involvement, 57
  on partnering, 161
  on programmes, 112
  on separation of design and construction, 6
  on two-stage pricing, 71–4, 76
behaviour
  and alignment of interests, 37
  commercial influences on, 25
  cooperative, 35, 37, 148 – 9
  and frameworks, 146–9
  and long-term relations, 36
  opportunistic, 33–4, 216
  and partnering, 165
Building Schools for the Future
  and early contractor appointments, 146, 207–8
  and frameworks, 145–6, 207–8
case studies
  Constructing Excellence, 209
  National Audit Office, 12–14, 62, 88, 199, 200
  NEDO, 11
  Strategic Forum, 208
  on use of framework agreements, 251–261
  on use of preconstruction phase agreements, 225–250
claims
  and building contracts, 51–5, 216
  causes of, 46–51
  and late contractor appointments, 7
  and preconstruction phase activities, 48–51
client
  need for involvement of, 95–8
  and preconstruction phase processes, 100–101
  and project manager, 152
  role of, 16, 95–8, 218–9
role under standard form building contracts, 98–100
slow response by, 48
under multi-party contracts, 100
under two-party contracts, 99, 100
communication
between individuals, 102–3, 218
by core group, 106–8, 218
by early warning, 108–11
by notices and meetings, 103–6
poor, 49
role of, 17, 102–11, 218–9
and teamwork, 109
under standard form building contracts, 103–4
conditional contracts
case studies of, 225–261
and choices, 31
concerns as to, 185–6
and consideration, 34–5
effect of number of parties on, 27
and unknown items, 32
Constructing Excellence
demonstration projects of, 209
industry membership of, 201
Construction Industry Council
consultant appointments, 63
on multi-party contracts, 40
on partnering adviser, 195
on partnering charters, 133, 174
on partnering contracts, 3, 170
Construction Industry Research and Information Association
on contracts governing early contractor appointment, 137–8
on contractor design contributions, 198
on partnering, 161
on payment for early contractor involvement, 12
on selecting contractors by value, 61, 72, 200–201
on two-stage pricing, 72, 75–6
construction industry support
for best practice bodies, 210
for client involvement, 203–4
for contractor design contributions, 198–9
for early contractor appointments, 222
importance of, 21, 197–8
for joint risk management, 202–3
for selecting contractors by value, 200–202
for two-stage pricing, 199–200
construction management
and early contractor involvement, 178
construction phase building contracts
incompleteness of, 42–3, 216
and lack of trust, 43
limitations of, 15, 16, 41–6, 217
standard forms of, 41–6
typical sequence of activities under Project Flowchart 1, 55
contracts
categories of, 25–6
clarity through, 220
conditional, 22
and conditionality, 31
evolution of, 13–14, 39–40, 216–7
and new procurement systems, 39–40
planning functions of, 29
coordination
and alignment of interests 36–7
multi-party contracts and, 29, 184–5
use of contracts for, 27–9
core group
contractual provision for, 106
decisions of, 107
dispute resolution by, 107–8
meetings of, 107
problem-solving by, 107–8
purpose of, 106
terms of reference for, 106–7
design
components of, 7
contractor contributions to, 15–16, 59–67, 217
deadlines, 115–7
inadequate, 47–9, 53
integration with consultants, 62–3
integration with subcontractors and suppliers, 64–6
and lead designer, 59–60
payment for contractor, 66–7
design and build
distinguished from joint design, 60–61
and early contractor involvement, 177–8
and risk premiums, 178
early contractor appointments
benefits of, 91–2
case studies of, 225–261
cost of, 11–12, 32, 66–7, 86, 183–4
and design, 59–67, 217
obstacles to, 176–192
and programmes, 113–5, 118–121
and project pricing, 8–9, 68–78, 217–8
and risk management, 78–86, 218
and risk transfer, 10–11
and sustainability, 92–4
early warning
and core group, 107–8
distinguished from records, 108
and duty to warn, 108–11
and project management, 154
and risk management, 109–111
economic downturn
and cost certainty, 210–12
effect on early contractor involvement of, 209–13
and origins of Constructing the Team, 214–5
Eden Project
case study, 257–9
and frameworks, 143
and risk sharing, 82
education and training
benefits of, 193–4
lack of, 194
need for, 188
Egan, Sir John
on client dissatisfaction, 46
on client leadership, 99
on cost of contracts, 3
on early appointment of subcontractors, 87
on integrated project teams, 223
on negative effect of building contracts, 135
on partnering, 204
on PPC2000, 263
on success of Rethinking Construction, 222–3
framework agreements
attraction of, 139–141
and behaviour, 146–149
case studies of, 251–261
forms of, 143–5
and partnering, 141–2
preconstruction commitments under, 18–9
preconstruction phase processes under, 142–3, 220
and private finance initiative, 145–6
GC/Works/1
communication under, 275
design development under, 263–5
early contractor involvement under, 126
integration of team under, 288
oral instructions under, 104
partnering under, 171
programmes under, 283
risk management under, 271
two-stage pricing under, 269
use of, 126
good faith
duty of, 172–3
government support,
for best practice bodies, 210
for client involvement, 203–4
for contractor design contributions, 198–9
for early contractor appointments, 222
importance of, 21, 197–8
for joint risk management, 202–3
for selecting contractors by value, 200–202
for two-stage pricing, 199–200
Highways Agency
case study, 244–6
and early contractor involvement, 61, 82, 93, 115, 123, 207
Nichols Report for, 91–2, 194
procurement strategy, 207
Housing Forum
on early contractor appointment, 12
on partnering, 169–70
incentives
to achieve better value in future prices, 69–70
to achieve savings, 75
to adjust behaviour, 25
Early Contractor Involvement in Building Procurement

JCT CE
- communication under, 282
- design development under, 269
- early contractor appointment under, 129
- integration of team under, 290
- overriding principle, 172
- partnering under, 171
- programmes under, 287–8
- project protocol, 173
- risk management under, 275
- two-stage pricing under, 271

JCT Framework Agreement
- binding or non-binding, 293
- call off under, 29, 143–4
- duration of, 292
- information sharing under, 294
- partnering under, 171, 292
- supply chain under, 293
- and underlying contracts, 143–4, 292–3

JCT 2005
- communication under, 280–2
- design development under, 267–8
- early contractor appointment under, 128–9
- integration of team under, 289–90
- programmes under, 286–7
- risk management under, 274–5
- two-stage pricing under, 270–1

Job Centre Plus project
- case study, 254–6
- and frameworks, 141, 207
- and partnering, 205
- and preconstruction phase processes, 207
- savings under, 207

joint ventures
- and building contracts, 130
- and early contractor involvement, 130

Latham, Sir Michael
- on client dissatisfaction, 46
- on client role, 16, 95
- on contracts, 45, 262–3
- on cynics, 187–8
- on early contractor involvement, 214
- on economic downturn, 212
- on NEC, 45, 262
- on partnering, 204
- on PPC2000, 263
- on role of client, 16
- on separation of design and construction, 6, 62
- on standard form building contracts, 45
- on testing contracts in court, 189
- letters of intent, 130–2
- contents of, 131–2
- effect of, 130–1
- limits of, 131–2, 219
- purpose of, 130
- risk under, 131

main contractor
- design contribution of, 15–16, 59–67
- pricing contribution of, 15–16, 68–78
- programming contribution of, 113–5, 118–121
- risk management contribution of, 15–16, 78–86
- sustainability contribution of, 92–4

management contracting
- and early contractor involvement, 178

meetings
- of core group, 107
- cost of, 105
- excuses at, 105
- purpose of, 105–8

Ministry of Defence
- on partnering, 163, 165, 205

motivation
- behaviour and, 28
- influence of contracts on, 28

multi-party contracts
- coordination and, 28, 215
- integration and, 184–5
- partnering and, 40
- PPC2000 as, 184

National Audit Office
- case studies, 12, 14, 62, 88, 199, 200
- on contracts as an incentivising force, 206
- on early appointment of integrated project team, 87–88, 199, 202
- on early supplier involvement, 64
- and improved results, 208–9
- on partnering, 163, 204–5
- and payment for early contractor involvement, 11
- on programmes, 112
Index

National Economic Development Office
on client involvement, 96–8, 203
on contractor design contributions, 198
on partnering, 163
on payment for early contractor involvement, 11
on single-stage pricing, 179–80
on two-stage pricing, 199–200

NEC3,
communication under, 275–8
design development under, 265
ever contractor appointment under, 126–7
integration of team under, 288
and partnering, 171
programmes under, 283–4
risk management under, 272
two-stage pricing under, 269

NEC Framework Contract,
call off under, 145, 294–5
duration of, 296
and partnering, 296
problem solving under, 296–7
work packages under, 295

negotiation
use of planning to minimise, 30
use of presentation phase agreement to minimise, 23–4

non-binding protocols, 132–3
partnering charters as, 133
risks of, 132–3, 219
under JCT CE, 173
under JCT Practice Note 4, 133

notices
receipt of, 104
verbal, 104
written, 103–4

obstacles to early contractor appointments, 20–21, 176–196, 221–2
and education and training, 193
and industry conservatism, 188–90
and the partnering adviser, 195
personal, 186–193
procedural, 181–186
project-specific, 176–181

Office of Government Commerce
on client leadership, 203–4
on communication, 103
on early contractor involvement, 206
on integrated teams, 199
on joint risk management, 203
on partnering, 204
procurement award to Job Centre Plus, 255
on selection by value, 202

opportunism
and late contractor appointments, 216
and negotiation, 34
and preconstruction phase agreements, 34
risk and fear of, 32–4

overheads
agreement of lump sum or percentage, 75
separate pricing of, 74–5

partnering
and behaviour, 165
benefits of, 162–4
and building contracts, 168–172, 221
challenges to, 166–8, 221
and commercial cooperation, 164–6
corns as to, 192–3
construction industry views on, 204–5
and confidentiality, 174–5
definition of, 160–161
and estoppel, 173–4
and framework agreements, 141
and good faith, 173
government support for, 204–5
long-term, 162
and preconstruction phase, 19–20
and preconstruction phase agreements, 20, 160–162, 220–221
project, 162
and project management, 24
roadblocks to, 167

partnering adviser
Arup report on, 184
and best practice, 195
code of conduct of, 196, 300–1
role of, 195–6
under PPC2000, 195

partnering charter
limits of, 133
risk under, 132–3
Perform 21,
communication under, 279–80
design development under, 266
ever contractor involvement under, 128
integration of team under, 289
partnering under, 171
programmes under, 285–6
risk management under, 273
two-stage pricing under, 270
planning
to avoid negotiation, 30
to demonstrate a business case, 30
and two-stage agreements, 31
use of contracts for, 29, 215
power
bilateral, 33
unilateral, 33
PPC2000
communication under, 278–9
design development under, 265–6
early contract appointment under, 127–8
form of partnering timetable, 299
form of risk register, 298
integration of team under, 288–9
introduction to pricing under, 200
partnering under, 171
programmes under, 284–5
risk management under, 273
two-stage pricing under, 270
use of, 205–6
preconstruction phase agreement
and alignment of interests, 36–8
case studies of, 225–50
and clarity, 137, 219–220
conditional, 22–5, 31
construction industry experience of, 208–9
cost and time to create, 32, 183–4
and economic downturn, 209–13
forms of, 125–9
freestanding, 22, 31
government views on, 205–8
and incompleteness, 23–4
machinery of, 24
and negotiation, 23–4
and long-term relations, 35–6
as neoclassical contract, 26
as project management tool, 38
as relational contract, 26
role of, 18, 57–9, 215–6
typical sequence of activities under
Project Flowchart 2, 56
preconstruction phase processes
and claims, 48
and design, 59–68
neglect of, 8
and pricing, 68–78
and programming, 113–5
and risk management, 78–86
pricing
accuracy of, 69
and contractor selection, 70–2
main contractor contributions to, 68–78,
217–8
and new information, 69–70
two-stage, 72–8, 199–200
private finance initiative
and early contractor involvement, 180–1
and frameworks, 145–6
process contract
as hybrid of relational and neoclassical
contract, 31–2
and opportunism, 32
potential of, 215–6
preconstruction phase agreement as, 31–2
as procurement system, 13–14
profit
lump sum or percentage, 75
separate pricing of, 74–5
programme
and consultant designs, 115–7
contents of construction phase, 119–121
contents of preconstruction phase, 113–5
as contract document, 122–3
early agreement of construction phase,
58, 118–9
Gantt charts and, 157
model form of preconstruction phase,
299
as planning tool, 157, 219
preconstruction phase, 113–5
remedies for non-compliance with,
123–4
and risk management, 118
risk of failure to agree, 112
SCL protocol and, 121–2
and unrealistic targets, 50
project management
- definition of, 151
- and integration of team, 155–6
- and pre-construction phase agreements, 159
- and procurement strategy, 153
- and programmes, 156
- purpose of, 151–2
- and risk management, 154
- and role of client, 152–3

project manager
- as representative of client, 156
- impartiality of, 156
- influence of, 19, 220
- role of, 151–6

provisional sums
- pricing of, 70
- and standard form contracts, 42–3

public procurement regulations
- and early contractor appointment, 181–3
- and frameworks, 182–3
- risk of challenge under, 22
- and selection criteria, 183

risk
- allocation, 43–4
- assessment, 52, 58, 80–81
- in ground, 82–3
- and opportunism, 33
- premiums, 10, 178
- reduction, 78
- sharing, 82–4
- transfer, cost of, 10–11

risk management
- and contracts, 84–6
- cost of, 86
- early, 78–9
- ground risk and, 82–3
- main contractor contributions to, 78–86, 218
- and pricing, 10–11
- purpose of, 83
- separate or joint, 79–82, 218

risk register
- model form of, 298
- under JCT CE, 275
- under PPC2000, 273, 298

Royal Institute of British Architects
- appointment of project manager, 154–5, 158
- on client involvement, 101
- on early contractor involvement, 2, 62–3
- on partnering, 169, 205
- on programmes, 117

Royal Institution of Chartered Surveyors
- survey of building contracts in use (2001), 126, 205–6
- survey of building contracts in use (2004), 126, 206

selection by value,
- for early contractor appointment, 8, 72
- of main contractors, 72, 200–202
- of subcontractors and suppliers, 73, 87

single-stage pricing
- attraction of, 4, 179–80
- exploitation of, 44, 249–250
- incomplete information in, 68–71
- in economic downturn, 210–12
- and gambling, 54
- government and, 223
- and lack of trust, 43–4, 179
- results under, 179–80
- and risk premiums, 10
- risks of, 68
- weaknesses of, 4, 8–9, 33, 68

site investigation
- inadequate, 49
- and risk management, 83–4

standard form building contracts
- and complete information, 42–3, 216–7
- criticism of, 45
- evolution of, 13
- origins of, 43–45
- role of, 41–2

subcontractors
- barriers to early appointment of, 88
- competitive pricing by, 8–9, 90
- design contribution of, 63–6, 86–8
- early appointment of, 60, 64, 86–8, 218
- joint selection of, 89–91
- nomination of, 89
- sustainability contribution of, 92–4

suppliers
- barriers to early appointment of, 88
- competitive pricing by, 8–9, 90
Early Contractor Involvement in Building Procurement

design contribution of, 63–6, 86–8
early appointment of, 58, 60, 64, 86–8, 218
joint selection of, 89–91
nomination of, 89
sustainability contribution of, 92–4
sustainability
and early contractor appointments, 92–4
and single-stage procurement, 94
and site waste management plan, 93
tenders
incomplete information in, 50
gambling and, 54
main contract, 52, 58
subcontract, 52, 58
time constraints under, 9
trust
and communication, 26
and exchange of information, 26, 69
and influence of contracts, 26–7, 135
lack of, 43–4
two-stage pricing 72–8
case studies of, 225–261
concerns as to, 75–8
and criteria for main contractor selection, 72
process of, 70, 72–75
profit and overheads under, 74–5
under GC/Works/1, 269
under PPC2000, 270
unknown items
and limited efficiency, 32, 216
and preconstruction phase agreements, 27
and risk management, 78–86
and uncontrollable events, 50, 215
unwritten understandings, 134–7
bad faith and, 134
and partnering, 135–7
and reliance on personal relationships, 26, 191–2
risks of, 134