

## Overview

This unit is concerned with procurement and contract procedures and processes. It is about establishing or operating your procurement strategies.

You must have a deep knowledge of procurement method procedures and be able to secure the resources you need. You must demonstrate through your interpersonal and negotiating skills that you can put successful partnerships together.

You must have a deep knowledge of relevant contracts, and be able to produce an agreed form of contract with your fellow stakeholders. It is about concluding a design contract with others. You must be able to negotiate fairly, confidently and ethically with other parties so that all best interests are served.

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## Performance criteria

You must be able to:

### **Select and agree a procurement procedure with stakeholders**

- 1 identify key requirements with stakeholders, resolve any conflicting demands between them, review their relative importance and risks, and confirm the priorities
- 2 identify management methods which are suitable for monitoring and controlling priorities
- 3 identify and agree feasible and realistic procurement objectives and criteria
- 4 identify procurement methods which are capable of meeting the procurement objectives and evaluate them against selection criteria
- 5 select and recommend the most effective procurement methods which meet stakeholder constraints and relevant legal requirements and ethical considerations
- 6 agree and record the selected procurement methods and appropriate implementation procedures
- 7 confirm the project team with the stakeholders

### **Recommend and agree a form of design contract**

- 8 identify clearly the stakeholders and the purpose of the contract
- 9 identify with the stakeholders significant criteria for selecting the form of design contract
- 10 select and recommend a form of design contract which is appropriate to the type of project work
- 11 give clear and accurate information and advice and provide clients opportunities to comment and ask for clarification
- 12 agree a form of design contract which is capable of being put into effect

### **Negotiate and conclude a design contract**

- 13 ensure that the obligations of the parties to the design contract are identified and obtain valid, written proof that they are able to meet the obligations
- 14 negotiate design contracts ethically using a style and manner which maintains good long term relationships with all the parties to the design contract
- 15 negotiate and agree the best possible supply position, design contract terms, conditions and amendments
- 16 record the results of negotiations accurately and pass the information onto all the parties to the design contract promptly and in accordance with legal requirements

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17 ensure that accurate copies of the final design contract documents are prepared and checked to meet legal requirements and arrange for them to be signed

18 ensure that adequate insurance cover to safeguard the design contract is in place

## Knowledge and understanding

You need to know and understand:

### **Select and agree a procurement procedure with stakeholders**

- 1 what to identify as the stakeholders' key requirements (understanding)
- 2 how to resolve conflicting demands between stakeholders' requirements (synthesis)
- 3 how do review the relative importance and risks of conflicting demands (analysis)
- 4 how to confirm the priorities for key requirements with stakeholders (application)
- 5 what to identify as management methods which are suitable for monitoring and controlling the priorities (understanding)
- 6 what to identify as feasible and realistic procurement objectives and criteria (understanding)
- 7 how to agree feasible and realistic procurement objectives and criteria (evaluation)
- 8 what to identify as procurement methods which are capable of meeting the procurement objectives (understanding)
- 9 how and why to evaluate the procurement methods against the selection criteria (evaluation)
- 10 how to select the most effective procurement methods which meet stakeholder constraints and relevant legal requirements and ethical considerations (evaluation)
- 11 how to recommend the most effective procurement methods which meet stakeholder constraints and relevant legal requirements and ethical considerations (synthesis)
- 12 how to agree the selected procurement methods and appropriate implementation procedures (evaluation)
- 13 how to record the selected procurement methods and appropriate implementation procedures (application)
- 14 how to confirm the project team with stakeholders (application)

### **Recommend and agree a form of design contract**

- 15 what to identify as the stakeholders (understanding)
- 16 what to identify as the purpose of the design contract (understanding)
- 17 what to identify with the stakeholders as significant criteria for selecting the form of design contract (understanding)

- 18 how to select a form of design contract which is appropriate to the type of project work (evaluation)
- 19 how to recommend a form of design contract which is appropriate to the type of project work (synthesis)
- 20 how to give clear and accurate information and advice (application)
- 21 how to provide clients with the opportunities to comment and ask for clarification (application)
- 22 how to agree a form of design contract which is capable of being put into effect (evaluation)

### **Negotiate and conclude a design contract**

- 23 how to ensure that the obligations of the parties to the design contract are identified (application)
- 24 how to obtain valid, written proof that the parties to the contract are able to meet the obligations (application)
- 25 how to negotiate contracts ethically using a style and manner which maintains good long term relationships with all the parties to the design contract (synthesis)
- 26 how and why to negotiate the best possible supply position, contract terms, conditions and amendments (synthesis)
- 27 how and why to agree the best possible supply position, contract terms, conditions and amendments (evaluation)
- 28 how to record the results of negotiations accurately (application)
- 29 how to pass the results of negotiations onto all the parties to the design contract, promptly and in accordance with legal requirements (application)
- 30 how to ensure that accurate copies of the final design contract documents are prepared and checked so that they meet legal requirements and arrange for them to be signed (application)
- 31 how to ensure that adequate insurance cover to safeguard the contract is in place (application)

**Scope/range**

**Select and agree a procurement procedure with stakeholders**

1 Stakeholders:

- 1.1 the client
- 1.2 own organisation
- 1.3 the client's financial advisers
- 1.4 design consultants
- 1.5 potential contractors
- 1.6 potential subcontractors and suppliers
- 1.7 potential investors
- 1.8 funding agencies
- 1.9 independent client adviser
- 1.10 user groups

2 Management methods for:

- 2.1 selection and appointment of advisors and consultants
- 2.2 internal or self monitoring
- 2.3 project management
- 2.4 value management
- 2.5 risk management
- 2.6 process analysis

3 Procurement objectives and criteria:

- 3.1 type and form of contract
- 3.2 definition and coverage of required project services
- 3.3 alignment of interests and benefits
- 3.4 early participation of key suppliers
- 3.5 risk allocation
- 3.6 integrated project insurance
- 3.7 Building Information Modelling protocols
- 3.8 economic, political and social context
- 3.9 funding sources
- 3.10 degree of commercial and financial risk
- 3.11 agreed payment procedures
- 3.12 whole life principles
- 3.13 best value
- 3.14 timescales/sequencing
- 3.15 environmental benefits and sustainability
- 3.16 community benefits

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4 Procurement methods:

- 4.1 managed forms of construction
- 4.2 design and build
- 4.3 traditional
- 4.4 Public, Private Partnership
- 4.5 prime contracting
- 4.6 partnering
- 4.7 early contractor involvement
- 4.8 sole source/single negotiations
- 4.9 competitive tendering
- 4.10 open book accounting

5 Legal requirements:

- 5.1 common law
- 5.2 contract law
- 5.3 EU directives on procurement
- 5.4 codes of practice and procedures

6 Implementation procedures:

- 6.1 tendering process
- 6.2 tender evaluation
- 6.3 award recommendation
- 6.4 contract award

**Recommend and agree a form of design contract**

7 Stakeholders:

- 7.1 the client
- 7.2 client's advisors
- 7.3 own organisation
- 7.4 designers
- 7.5 potential contractors
- 7.6 project management
- 7.7 facility/asset managers
- 7.8 partners
- 7.9 third parties

8 Criteria for selecting:

- 8.1 client's needs and requirements
- 8.2 form of procurement
- 8.3 degree of risk

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8.4 technical complexity

8.5 project partnering

8.6 sector practice

9 Form of contract:

9.1 standard

9.2 non standard

10 Type of project work:

10.1 design

10.2 construction

10.3 overall project management

10.4 services

10.5 operation

10.6 maintenance

10.7 decommissioning

**Negotiate and conclude a design contract**

11 Obligations:

11.1 insurances

11.2 bonds

11.3 warranties

11.4 statutory

11.5 financial guarantees

11.6 competence of people

11.7 deliverables

12 Parties to the contract:

12.1 client

12.2 main contractors

12.3 sub-contractors

12.4 consultants

12.5 third parties

12.6 management contractor

13 Contracts - type:

13.1 main contract

13.2 sub-contract

13.3 lump sum

13.4 design and construct

13.5 schedule based



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- 13.6 prime cost based
- 13.7 firm price
- 13.8 fluctuating price
- 13.9 labour and materials
- 13.10 labour only
- 13.11 goods and material supply only
- 13.12 service contracts
- 13.13 open book forms linked to outcomes
  
- 14 Amendments:
  - 14.1 contract conditions
  - 14.2 allocation of risks and responsibilities
  - 14.3 structure of contract
  - 14.4 key instructions
  - 14.5 legal factors
  - 14.6 information management
  
- 15 Legal requirements:
  - 15.1 statutes
  - 15.2 contract law
  - 15.3 EU Directives
  - 15.4 codes of practice and procedure
  - 15.5 common law
  
- 16 Contract documents:
  - 16.1 invitation to tender
  - 16.2 forms of tender
  - 16.3 returns procedure
  - 16.4 specifications
  - 16.5 survey reports
  - 16.6 drawings and schedules
  - 16.7 bills of quantities
  - 16.8 health and safety plans
  - 16.9 scope of services
  - 16.10 terms and conditions
  - 16.11 schedule of rates
  - 16.12 environmental plan

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**Relevant Occupations** Architects; Architectural Technologists; Architecture; Associate Professionals and Technical Occupations; Civil engineers; Construction Project Manager and Related Professions; Production Managers and Directors in Construction

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**Suite** Built Environment Design and Consultancy Practice

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**Keywords** Project team; contract; form of contract; procurement

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