

# Whitechapel Gallery

## - Procurement

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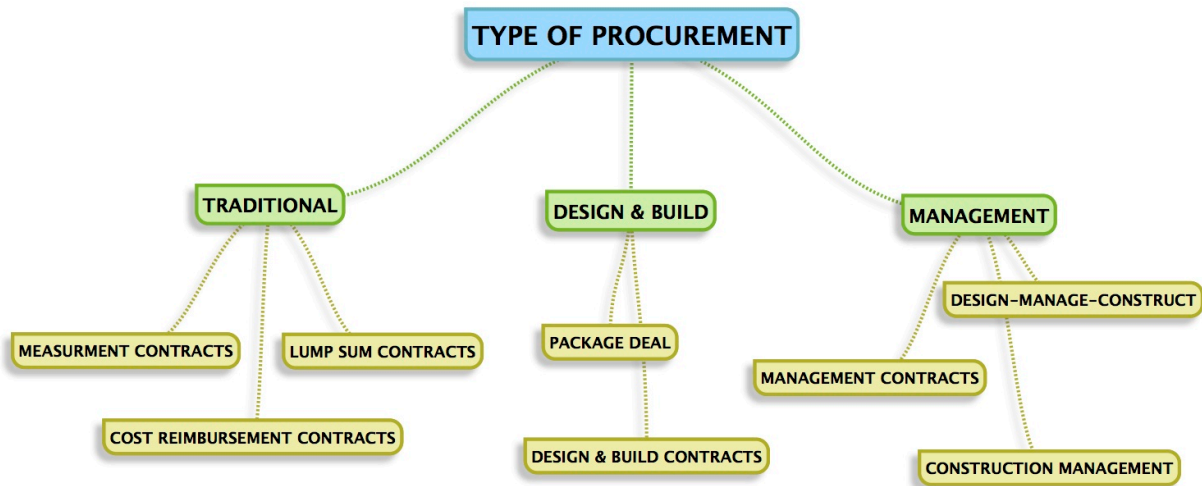


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## Type of Procurements

The type of procurement used for the development of a project could be of three different types, the traditional, the design and build and the management procurement.



## The Traditional Procurement

The traditional or conventional procurement method is usually the most common type of contract used.

There are two main features of the traditional method:

- The design process is separate from the construction
- Full documentation (i.e. drawings, work schedules, bills of quantities) must be supplied by the client before the contractor can be invited to tender for carrying out the work.

An important feature of the traditional procurement method is that a contractor is usually selected and appointed by competitive tender, but sometimes by negotiation. Also the client has control over the design through their appointed consultants (i.e. Architect) and generally there is no design responsibility on the contractor.

Since a full documentation is needed for the tendering process the traditional procurement is a time spending method especially because the design and construction are separate sequential processes what can increase the overall time of the project. Therefore, even-though this method suitable for projects at all types of scales, although, on larger projects it can become a very lengthy process.

A part from this, in the traditional procurement there is reasonable certainty on the cost of the project because the contract figure is usually known at the outset. The contract does have provision for cost to be adjusted later, if required and speculative risks are balanced between the parties.

In the traditional procurement method there are three main types of contract:



### Lump sum contracts :

With lump sum contracts, the contract sum is determined before construction work is started. A traditional lump sum approach in terms of design, quality and cost is relatively low risk procurement option for a client, however the time required for the project overall is likely to be longer than other procurement methods.

### Measurement Contracts:

The contract sum for measurement contracts is not finalised until completion of the project, where it is assessed on remeasurement to a previously agreed basis. This type of contract can arise where the works to be carried out by the contractor cannot for good reason be accurately measured before tender. The contract of this type with least risk to the client is probably that based on drawings and approximate quantities.

### Cost reimbursement Contracts:

Sometimes referred to as 'cost-plus' or 'prime cost' contracts, these work on the basis that the sum is calculated from the actual costs of labour, plant and materials to which an amount is added to cover overheads and profit. This type of contract is only generally used where the circumstances of the project preclude other alternatives, as it can be quite high risk for the client.



## The Design & Build procurement:

Design and Build procurement works on the basis that the main contractor is responsible for undertaking both the design and construction work on a project, for an agreed lump-sum price.

Design and build projects can vary depending on the extent of the contractor's design responsibility and how much initial design is included in the employer's requirements. Nevertheless, the level of design responsibility and input from the contractor is much greater on design and build projects than a traditional contract with a contractor's designed portion.

Adequate time must be allowed to prepare the employer's requirements, as well as time for the contractor to prepare their proposal and tender price. It is vital that the proposal matches all of the employer's requirements before any contract is entered into. The employer has control over any design elements of the project that are included in their requirements, but once the contract is let responsibility over design passes to the contractor, so the employer has no direct control over the contractor's detailed design.

The contractor can carry out the design in a number of ways. Often they will appoint their own consultants or use their own in-house team. It is also common practice for the contractor to take on the employer's consultants and continue to use them to complete the detailed design under what is known as a novation agreement.

As design and construction can be carried out in parallel, the overall programme time of design and build projects can be shorter. However this depends on how much design the contractor is responsible for.

Design and Build is a relatively low risk procurement option for the employer, in terms of cost and time. There can be a risk related to design and quality, particularly if the employer's requirements were not properly gathered and if insufficient time went into examining the contractor's proposal.



## Management procurement:

Management procurement is a method where construction work is completed using a series of separate works or trade contracts which the main contractor is responsible for managing. The contractor does not actually do the physical work, but is paid a sum for managing the project through the various works packages.

The employer has control over design throughout the project through their professional team. The contractor is appointed by negotiation or tender, and interview.

Design can proceed in parallel with construction, which enable to reduce the time of the project since early starts of construction on site are often possible as well as design changes.

The final cost of the project will not be known until the final works package is let, however costs can be

monitored and controlled by the employer's professional team.

Risk is largely with the employer, in respect of costs and time. However this is a low risk option for the employer in terms of design and quality because of the control they have over the professional team. This differs to design & build, because although it is a fast process, the client is not involved in the design or construction.

Both design & build and management procurement are suitable for larger or extra-large scale projects, as it uses teams of people to delegate the workload to keep the project manageable.



## Whitechapel Gallery Procurement

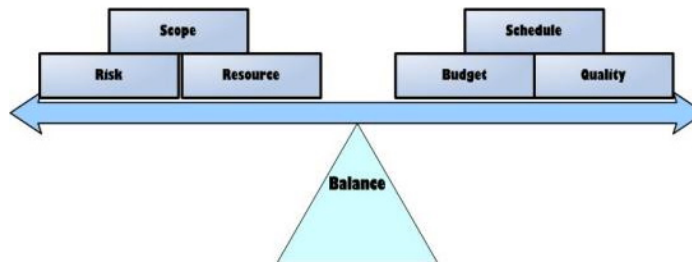
Therefore, since the expansion for the Whitechapel Art Gallery is a medium scale project, the type of procurement used for the project was the traditional procurement method which tends to be a long process started in 2007 followed by the initial construction phase after the design process was completed (2004 and 2007).

The type of traditional contract used for the Whitechapel Art Gallery was Lump Sum procurement since it is relatively low risk for the client who has been involved in the design process. The design and construction phases of the project were divided since the beginning of the project as the design process as started with the winning of the competition by Robbrecht En Daem in 2003.

Robbrecht En Daem was involved primarily in the design stages as they are based in Belgium. Our role throughout the development of the Whitechapel art gallery was of coordinating the project. Since we are an UK based practice, we were delegated to oversee the rest of the process, like administering the contract, tendering and management beforehand construction and to guarantee that the project was to be constructed according to the design until completion.

During the design phase our main task was to distribute the tasks between our studio and our contractors since the Whitechapel expansion was considered a large project for its substantial investment of £ 5.7 million. Our Project Manager / Team leader, Mott Macdonald had the major responsibility of coordinating the work within our practice as well as to organize the activity planning, the cost estimating, the resource planning, developing timelines and schedule, constructing a budget, risk analysis, managing risks and issues, business partnering, team leadership.

After the design process was concluded in 2007, our practice adequately prepared a full documentation of the project which was presented to Wallis Special Projects. They were appointed as contractors for the Gallery's major expansion as part of an ambitious £ 10 million development, due for completion in Spring 2009. Wallis won the £ 5.6 million contract following an open tender process on the strength of their previous heritage and cultural projects, especially in the area around the Whitechapel in East London.



Such procurement method guaranteed to the Project Manager the quality of the construction of the project which he was responsible for as well ensuring to the client the monitoring and reporting progress, and an appropriate documentation. As a full set of documents and the whole procurement process are completed the overall costs of the project is predicted before the construction process, and it would be slightly affected by any unforeseen problem occurred during the construction. This means that any difficulty would be harder to solve. Therefore, the time required for the project overall is likely to be longer than other procurement methods.

Once the construction stage had been completed, the role of our practise was to certify that the building relevant services and health and safety met the building's regulations. Apart from this building we had to show to the client the final result of 5 years work as well introducing him into the building.

