

Experienced in renovation of buildings construction essay



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Here we are undergoing the process to analyse and recommending the appropriate procurement route for the Client, Cinnamon Grand, which will be chosen by analysing both the Client's background and objective.

The Client is a reputable in the hotel industry which owned vastly private hotels chain across the United Kingdom and provides comfortable accommodation. They are experienced in renovation of buildings which shown in each of the hotel chains outlooks where they have built magnificent hotel from a forgotten and neglected landmark.

Introduction

Client's Objective

Three of " Cinnamon Grand" hotel chains in South East United Kingdom located in the town settings were badly affected and destroy due to the recent bad weather and severe storms. The Client has decided to seize this opportunity as to revamp and improve these three hotels both the quality and the facilities in the hotels.

The Client has obtain finance from Commercial Bank estimated £120 million. The revamp work of these three hotels will undergo 2 phases. The overall design solution of these three hotels will be similar to the existing hotels.

Phase 1 of Construction

Timeline is critical as the buildings required to be handover by 28th February 2015.

Planned start work will be 1st March 2014.

The handing over of key areas (Roofs, Guest Room, Restaurant and Swimming Pools) will be faster. Schedule plan to reopen for business will be 1st April 2015.

Required to carry out rapid reconstruction but without neglecting the overall quality of work. Priority will be given to the key areas.

Phase 2 of Construction

To construct newly facilities in these 3 hotels (Dance Studios, Health Facilities and lastly a Conference and Meeting Room).

The service to the hotel guests must not be neglected even the construction of these new facilities are still on going.

The Conference and Meeting Room requires a high technology multi media.

Important Issues to consider

The appointed Contractor will have the full the responsibility to the revamp work as the Client does not have any experience executive.

Risk avoidance is most importance. Cost overrun and delay in the completion time are to be avoided.

Maintaining good service to hotel guest while undergoing the construction in Phase 2 is a must

The quality of the building must be high

Key Procurement Issues to consider

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Client resources - Will there be any people/staffs with experience within the organisation that can be liaise or interact with during the project phase.

Project Characteristic - What is the complexity of the construction work and the scenario/possibility which can lead to both cost/time overruns.

Risk Management - To ensure that risk distributed to the organisation so that excessive cost is avoided.

Cost Issues - What is the cost certainty of the entire project or in progression stage.

Timing - Is the project will be able to be completed and handed over as whole entity or in stages.

Quality and Performance - Focusing on the need to ensure the building provides the required functionality and is not over or under specified.

Assumption

As the Client is an experienced in renovations and has a reputation of revamp old landmarks into a magnificent hotels, the Client will be fully aware and firms on the requirements and design that required for the three hotels.

Procurement Route:

' Design and Build': In this procurement route, the tender document describes the Client's requirement but the fully developed design solution will only be out when a Contractor has been appointed. The appointed

Contractor will undertake and responsible for both the design and construction.

Employer

Project Manager

Client's Consultant

Design & Build Contractor

Supplier

Design & Build Contractor's Consultants

Subcontractors

Advantages

A known and firm sum of the project prior to the construction.

Project duration will be reduce.

Nature of system promotes creation of integration of an integrated design and construction team.

Contractor's design liability can be extended to include fitness purpose.

Disadvantages

Client need to appoint Contractor before design is completed.

Comparing of bidding price to the project will be difficult.

Variations to the projects will be costly.

The design will entirely depend on the reputation and capability of the appointed Contractor.

Level of Risks

Low on cost risk as contract will be lump sum.

Low on time risk as both the design and build Contractor will have a fix schedule plan.

High on design/quality risk as when the design and build Contractor controls the design there will be risks related to both design suitability.

Variation of “ Design and Build”

Turnkey Solution

Employer has minimal involvement in design development; the responsibility will be hand over to the appointed Design and Build Contractor. The Contractor will be responsible to fully furnish and fit out the new entire facility.

Competitive Design and Build (two-stage tendering)

Initial tendering was made for the design in response to the Client’s requirements. The tendering will be awarded to the Contractor which meets the Client’s need and from there the design will be adopted and then will be completed by the appointed Contractor from the second tendering outcome.

‘ Traditional’: This procurement route will have the Client appoint consultants for which they will be responsible for both design and cost control. The design will have the drawing specifications and tender documents which are to allow in selecting the Contractor for the project.

Employer

Consultant

Architect

Contractor

Listed Subcontractors

Subcontractors

Supplier

Advantages

The bidding competition is transparent and fair.

Low bidder will usually be awarded.

The ‘ Traditional’ route is widely known and practice in the construction industry.

Any changes can be easily arranged and valued.

Disadvantages

The actual construction work on site will be slow to start due to the procurement process.

The appointed Contractor is not involve both in design and planning stage which can creates confusion and will affect the quality of the work.

Level of Risks

Low on cost risk as contract will be lump sump.

Medium on time risk as contract date will be fix

Low on design/quality risk as majority of the design work will be made by an appointed consultants.

Variation of “ Traditional”

Traditional Sequential

Bidding to the project are made base on completed design and cost document which will enable the Client to know the costing at the tender stage. But there are times, when time is not as essence, there are bids base on design not fully completed which lead to variation and increase in costing.

Traditional Accelerated

This route is whereby a Contractor is appointed base on partial information on the project. This preceding can be thorough either competition or negotiation.

“ Management Contracting”: This route will have the Client appoint a Management Contractor which will undertake the contractual risks and to guarantee the deliverable of the project without any overrun. The works will be carry out by packages. The appointed sub-Contractor for a specific work will be made jointly by both designer and Management Contractor.

Employer

Client’s Consultant

Project Manager

Management Contractor

Work Contractor

Sub-Contractor

Work Contractor

Work Contractor

Supplier

Supplier

Advantages

Able to save time on overall project.

There will be no adversarial barriers among Contractor with Consultant/Client.

Any changes can be easily arranged.

Disadvantages

Required a good quality brief of the project.

Price certainty is relatively poor.

Need a good and solid project team to oversee the progress of the project.

Recommendation

The Client has vast experience in building renovation and the intention is for the 3 hotels to have an equal or better quality and standard on the outcome. This means that we can assume that the Client will have the requirement and the design for the project that they want. The procurement route of Design & Build variant (Turnkey solution) is recommended for this project as work can be carried out by Contractor as soon as the design is acquired which means the project duration will be shorter as there is a need for quick handover for the key areas of the hotels. Also the route will have the place fully furnished and fit out the new facility which is also required for these key areas so that the hotel visitor will be able to use these facilities once the Contractor has handed over. Cost is always an issue for any projects; this route will have the Client make known their financial commitment prior to the construction. The appointed Contractor will be fully responsible for the entire course of the projects which means there is no need for an in-house executive.

Also importantly, Client will have a direct contact with Contractor which means the Client can easily go to the Contractor straight for any issue need to be raise.

Conclusion

Choosing procurement is not as easy as it seems. To fully understand and aware of the Client's requirement and the project is the key in getting the right procurement route. As a Client, we know that they will want everything to be consider (. e. g. time, cost, quality) which is hardly can be achieve due to certain nature of the project but as a Consultant we will have to assess and advice the Client.

Choosing a simply wrong route can be a painful experience for the Client as it can cause losing a lot of money and time. Selecting a correct route to fit a certain project will make the project successful.