

Objective of the value management construction essay



The initial message from the city authorities is to have the new-build modern local government administrative headquarters consist with high quality specification, to replace the old & aged located government in various locations. Their investment is to integrate the public sector department to increase efficient administration. The aim of the VM study of the new project is to achieve the concept of the value for money aspect. Which is mean the stakeholder need and the objective in clearly identify.

OBJECTIVE of the VALUE MANAGEMENT

Value Management (VM) is a service that maximises the functional value of a project by managing its development from concept to occupancy through the audit of all decisions against a value system determined by the client. VM consist of the combined application of value methodologies and other methodologies at organisational level (from strategic to operational) in order to improve organisational effectiveness (G. Moris & Pinto).

Value methodologies included the process, tool and techniques from the Value analysis (VA). VA is aimed at the organised approach to the identification and elimination of unnecessary cost (J. Kelly & S. Male), The value methodologies include the concept of function, which is the basic need or must in term of preference, the concept of cross functional teamwork which is based on a multidisplinary team approach in the environment of workshop to enable a broad view and an increased knowledge of situation and the concept of a structured process, which is based on creative thinking, in the vertical or lateral thinking to approach solution or solving the problem.

VM Strategic Briefing Study

A VM in the strategic level is least appropriate given information and unclear basic need of the construction project at this stage. The client is clearly exposed to the high risk and danger of unclear objective. The critical mission here is to define the project function and make it clear, simple and understandable sentence to satisfy the client's objective has yet to be confirmed.

The VM at this stage is to analyse the initial information available and fully aware of the problem which may occur at surround the project and to develop the project objective that formally authorises a project and the strategic fit with the corporate aim of the client organisation. The strategic planning in stage is comprises with three processes, in the stage one: Orientation and diagnostic phase and the stage two: workshop phase. The final stage is the implementation phase.

Pre- Workshop Study – Orientation and Diagnostic phase

In initial phase is planning to discover the information and documents of the project that may use at the workshop phase. The value manage will meet the commissioning client, project sponsor and key stakeholder to conducting interview, briefing the value process and the reviewing documents.

Throughout the document analysis, the agenda of the workshop will be developed.

Identify the key stakeholder by interview is the first approach to define the need and expectation of the key stakeholder, to understand the organisational structures and corporate culture that is crucial for the

preparation of agenda at the workshop. Throughout the documents analysis, general information will be discovered like the existing size of the organisation, the location of project, the existing drawing of the project to review if there are any constraints of the underground services, if possible take a site condition survey and record the surrounding project environment that will help for the understanding of the risk that may impact the project.

Refer to quick review of the cost estimation, the construction estimated budget of 25 million which is mean the GBP 2000/m², reference from the “ Spon’s prices book 2008”, cost model for a high quality City office in the central of London was GBP 2004. 45 sqm (not include fit-out) in the year 2004, the estimation budget is meet the average satisfactory level. However the construction in the city is exposed in high risks and uncertainty such as the construction difficult, compensation for the use of title, delay on the site acquisition, and preservation of culture heritage building, volatility of the interest, exchange rate and prices escalating that may cause the budget over run and put the project in to the high risk. And to deliver the effective high accuracy cost estimation is require a substantial amount of time, cost and labour intensive. It is highly recommended for Private Finance Initiative (PFI) procurement route as it is preferred Government Construction Strategy. PFI is mean the private sector invest in the workforce to provide a service to the public sector, including capability and facilities, rather than the public sector acquiring the necessary assets itself through a traditional procurement process (C. Dale & G. Stephen), there way of arrangement also is budgetary benefit for the government.

Selection of Cross Functional Teamwork Member

The team member is greater in number at the strategic stage to generate idea or thinking and smaller when the technical detail of the project is being involved, the initial size of team tends to be large as 18-20. The client build team member composition should be selected from the multidiscipline to provide input relevant at the strategic stage. They should be architect, accountant, engineer, operator and maintenance. The involving with the design team is highly recommended at the initial stage. That design team can be proactive identifying a better way of proceeding throughout the project largely lost. The weakness of the independent review team overseeing the work of design team, there are totally independent, no preconceived ideas contributed during the workshop. There can be only a reactive or as audit team.

The tool of the selection of is recommended to be taken by the ACID test (refer appendix A). There are several factor need to take into account during the selection of the team members.

To avoid multiple representations from one discipline. To prevent argument in favour of the multiple represented organisation.

To provide the hierarchical mix within the team, the mix in team is generate creative & comprehensive thinking which is reflect from difference level rather than being control by few senior.

To understand the relationship between team member.

The completeness of team member need to be further with the client any apparently missing members.

Proposed Agenda for the VM Study to Focus

The main agenda of the local government is seeking for a new government office in the city centre for integrated all local government in the single location, to perform all function of local government administrative in the sustainable and high quality building that fulfil the socio-economic, recreational and spiritual of the residents and employees. The figure 1. 1 indicates the job plan and the sequential of the activity in the process of value management.

Figure 1. 1 the value management Benchmarked

Brainstorming

Brainstorming is a group of participants gathering idea. All ideas are recorded and none are discarded under the prioritisation exercise. The session duration is taken about thirty minute to an hour that produce ideas may resemble science fiction.

Client Value System

The Client Value System is to focus the client business to explore the place of structured value criteria within an existing quality environment. A client value system diagram will construct by the view of the client and decide the value criteria by the client. After complete the matrix diagram, the ranked value criteria in order that represented the satisfactory client value criteria.

Time Cost and Quality

Draw a triangle with the time, cost and quality at each angle. A dot placed within a triangle that describes the relative important of time, cost or quality in relation to the project as the team consensus.

Timeline

Timeline is a focusing technique or a simple milestone used to show duration of the project that will happen. The aim is to sensitising the team to the critical anticipated dates.

Function analysis system technique

The FAST is a method that helps to describe and to interpret complex system. Starting by a principal function that will be decomposed to component functions, further decomposed to element function. The objective at the strategic stage is to lay the foundation for the solution to the problems that offers the best value for money. FAST is the closing techniques that lead to the primary objective after the issue analysis.

Expected Output of the VM Study

After the event of the workshop, the anticipate deliver of the VM study will be robust business case with the project mission statement for the purpose of the project that clearly define the scope and the capital expenditure budget with the cashflow constrains and the whole life cost of the building. A high level risk has been registered that the project possible to process for the next project briefing study. Simple programmes include the phases of the project and organisational structures for the project delivery with the initial procurement strategy plan.

Recommendation of the follow-up VM Study

Project briefing study – VM

Concept design study – VE / RM

Final sketch / Scheme design workshops – VE / RM

Operation work shop. VE / RM

Fig Value Opportunity mapped out on a modified RIBA plan of work. Source :
Male et. Al (1998) The Value Management Benchmark

Despite of the value study, the OGM's Achieving Excellence in Construction " Framework for Construction Procurement" shall keep reviews in its gateway at all the relevant stages of the project. Project team should regularly measure the effectiveness of the process and outcome.

Conclusion

In generally the form of the modern building should in the characteristic by:

The concept of sustainable building, which is refers the structure and process using is environmental responsible & resource efficient throughout a building life cycle.

The concept of simplicity and clarity of forms & eliminates of unnecessary detail, which is focus on efficient and waste reduction.

" Form follow function" that the finish building design should derive directly for its purpose.

VM study should consider the whole life value generated to the business and community and not simply focus on minimising initial capital cost.

Does the building deliver social and economic benefit for the surround community?

Is the building design and construction of high quality, including detailing?