

## **Briefing Document**

### **Construction Client Protocols – Official Launch**

The Construction Client's Group (CCG) was established in New Zealand in May 2005 as a peer group for public & private sector clients of construction, both vertical & horizontal. Membership covers over 100 organisations and Members share a common goal, to both lead and encourage performance improvement across the industry in areas such as cost reduction cost predictability, programme certainty, improved quality, project safety and a profitable, sustainable supply chain. The CCG works, at national and strategic levels, with Government through, for example, NZTA, Dept. of Building and Housing and BRANZ.

The Auckland Construction Clients' Group (CCG) is a sub-group of Constructing Excellence NZ, an organisation whose principle aim is to achieve a step change in construction productivity by encouraging the sharing of knowledge amongst suppliers and clients. Constructing Excellence began in the UK in 1998 and is fast becoming a centre for a world wide network of knowledge sharing organisations.

A working group of the Auckland CCG recently completed preparation of a document which aims to establish an industry recognised protocol that advocates 'best value' by fostering strong relationships between clients; and the supply chain. A high profile launch is being planned to present the protocol to the wider construction industry, to encourage dialogue, feedback and hopefully contribute to the step change we strive for.

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### **Introduction:**

A common and recurring challenge in the construction and property industry is achieving best value. Best value for one client or project will likely differ from that for another. There is no industry-wide formula nor is there an established process to follow to ensure that best value is achieved. The Auckland CCG has set out to establish a framework for dialogue within the industry and between clients and the supply chain to address this issue. The Construction Clients' Protocol is proposed as the basis for that framework.

The protocol has been developed using as a basis the best practice guide established in the UK as part of their construction industry's commitment to preparation for the 2012 Olympic Games. The UK "Clients' Commitments Best Practice Guide" has been formally endorsed by Government and was adapted to be more aligned to the New Zealand environment making reference to other national and international good practice guides and publications.

### **Essential Elements**

In principle the protocol supports the six key drivers in the UK guide but takes the view that in the New Zealand context there are four essential elements to achieving best value:

- a strong foundation of integrated procurement and delivery,
- a commitment to people
- a commitment to quality, and overarching them
- constant involvement, clear and positive leadership from the client.

The protocols are a dynamic set of guidelines, we expect them to encourage dialogue and generate debate so the concept of effective leadership in the construction and property industry may advance and the protocols evolve and ultimately develop wide acceptance and respect in the industry.

### **Best Value**

'Best value' is the outcome achieved when strong client leadership is combined with mobilising successful procurement strategies, a commitment to people and a commitment to quality.

It needs to be understood that lowest price is not always best value; best value has been defined as the most advantageous trade-off for the client between price and performance. Clients can most readily achieve best value therefore, through a process that compares strengths, weaknesses, risk, price and performance against pre-determined selection criteria.

The tools, behaviours and priorities set out in the Construction Client Protocols provide for clients a robust framework for achieving best value in project delivery. Collaboration is paramount as is leadership that is outcomes focussed. The New Zealand property and construction industries need clients to take a more active role in projects they sponsor, to take ownership, to provide better leadership and ultimately to drive best practice. These actions will go a long way to delivering the long term gains we all seek, increased productivity and cost reduction in our industry and towards achieving 'best value' outcomes.

**End**