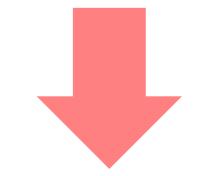
The Market Position and finding successful interventions

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INDUSTRY SNAPSHOT

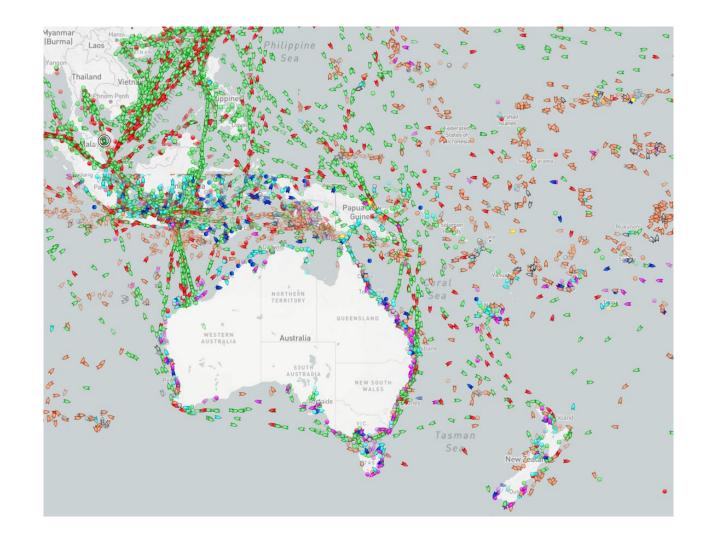


PUBLIC WORKS - CENTRAL + LOCAL SOCIAL INFRASTRUCTURE / HEALTH HOUSING AGED CARE MIXED USE INDUSTRIAL



COMMERCIAL OFFICE RETAIL HOSPITALITY + TOURISM TERTIARY EDUCATION

SUPPLY CHAIN DISRUPTION



DESIGN / CONSTRUCTION DISRUPTION

- Limited access to high quality contractor / consultant teams, limited skilled resource across the industry impacting productivity and cost.
- Linear Design (NZCIC) and approval process has changed due to early Procurement and Consent requirements
- Programmes becoming heavily tagged around material supply, passing the risk to the client. Uncertainty in programme impacts costs / funding and approval.
- Contractors reluctance providing Fixed costs. Tender Tags containing detailed escalation and exchange rate clauses
- Risk of main and sub-contractor failures

INTERVENTIONS

FESO / BUSSINESS PLAN

Clear brief and review of whole delivery model early (not just design) Robust Development and Construction Budget Programme and Market resource testing required

DESIGN

Early Engagement ECI + Critical Sub Trades. Commercial terms negotiated early. Open negotiations on risk allocation – makes more attractive. Quality Documentation Relevant to Delivery Strategy Remove limitations of previous convention Open Specifications and consider alternatives don't be too prescriptive Clarity on Design packages (aim to limit multiple iterations)

PROCUREMENT / TENDER

Flexible and agile procurement plans. Clarity on responsibility and ownership under ECI

Consider SoQ on selected trades, allowing trades to fix prices on the measured scope

CONSTRUCTION

Clear understanding and agreement on Programme

Limit site restrictions

Commercial terms agreed early

Communication and openness between Contractor and Principal. This is where relationship and trust overcomes.

DESIGN Vs PROCUREMENT Vs PROGRAMME

Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct

