ACHIEVING EXCELLENCE WITH GC/WORKS/1

The purpose of this Information Note is to announce the publication of Amendment 1 to GC/WORKS/1. This Amendment introduces new Conditions into the GC/WORKS/1 Design and Build variants in support of ‘Achieving Excellence’ – the construction procurement initiative championed by the Government Construction Clients Panel.

Users should incorporate the amendment into their Design and Build Contracts by reference in the Abstract of Particulars.

‘Achieving Excellence’ has set Departments challenging targets to become best practice clients in construction procurement by March 2002. The initiative was developed by the Governments Construction Clients’ Panel in 1999 and sets out a three-year route map with clear targets for improving Government’s performance. This has far-reaching implications for how construction procurement is carried out within Government and inter alia covers:

- integrated supply chain routes such as Design and Build, Prime Contracting and PFI;
- value for money based on whole life costing and value management rather than lowest purchase price.

Further details on the initiative can be found on the GCCP Website at www.hm.treasury.gov.uk.gccp.

PACE currently publishes two versions of the Design and Build variant of the GC/WORKS/1 contract. These are:

GC/Works/1 Single Stage Design and Build (1998)

GC/Works/1 Single Stage Design and Build (1998) is a lump sum form of contract, intended to support a single stage tendering process, which integrates the design and construction process. The form of contract is sufficiently flexible to allow varying amounts of design input from the Contractor. The Employer specifies in output terms of his requirements
to which the Contractor responds with proposals, and then subsequently develops the
design on the basis of these proposals and the Employer’s requirements.

Single Stage Design and Build is a method of procuring fast track projects, where the
Contractor does the majority of the design work during the tender period. This design
is based on the client’s output specification. It is an approach that is ideally suited for the
procurement of what might be termed ‘standard’ buildings such as offices. It is well
established however that this approach is less than ideal when it is planned to construct
more complex buildings such as laboratories. With such new construction the Contractor
clearly needs a longer time to adequately develop the design in partnership with the
client. This is where a two-stage process is likely to be more appropriate with a post
tender design phase (Stage 1) and a construction phase (Stage 2).

GC/Works/1 Two Stage Design and Build (1999)

GC/Works/1 Two Stage Design & Build (1999) is intended to support the two stage
process. Unlike the Single Stage, the Contractor’s tender does not include a lump sum
price for the Construction phase. This is because the design is not sufficiently advanced
to enable a realistic bid to be produced. Instead a design fee is submitted together with
a schedule of rates. This is used to quantify the construction price at the end of the
design phase, based on the quantities identified by the design.

To align these forms in relation to ‘Achieving Excellence’ the new Conditions included in
the Amendment have been developed to import the concepts of:

• whole life costing which enables procurement decisions to be based on the total
cost of ownership of a building over its expected life is established (including
original construction costs, maintenance costs and eventual demolition costs)
rather than simply the construction costs;

• value management that provides a structured approach to the examination and
development of a project that will increase the likelihood of achieving the
employer’s requirements as optimum value for money; and

• risk management where the risks associated with any construction project are
identified at the start of the project and effectively managed to minimise their
effect and maximise value for money.

Adopting these amendments will enable departments to make progress towards the
‘Achieving Excellence’ targets.

The Amendment costs £5.50 and is available from:

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Recipients of this Information Note should consult adequately within their department to ensure that any action taken is at the appropriate delegation level and complies with their own departmental policy and procedures.