

Rapport

Solutions 

OFFICE FIT-OUT & REFURBISHMENT

A GUIDE
TO
PROCUREMENT

INTRODUCTION

The aim of this Guide is to provide clients background on the procurement methods that could be considered in any fit-out project.

As most clients tend to be end-users, they are not necessarily experienced or indeed have the time or staff to deal with major fit-out projects.

Five key considerations will broadly govern the nature of any fit-out project:

- Who does the client organisation serve and what are its corporate objectives?
- How does the organisation function and how is it structured?
- What is the condition of the base building?
- What is the client budget?
- When is the space required for occupation?

A successful fit-out is one that minimises business disruption; balances the business' current and future needs; revitalises the business by adopting improved working practices and creates a workplace environment at an affordable price.

Consequently, this market calls for experienced teams that can deliver to a fixed time and cost and a high-quality - with minimum direction or management from the client.

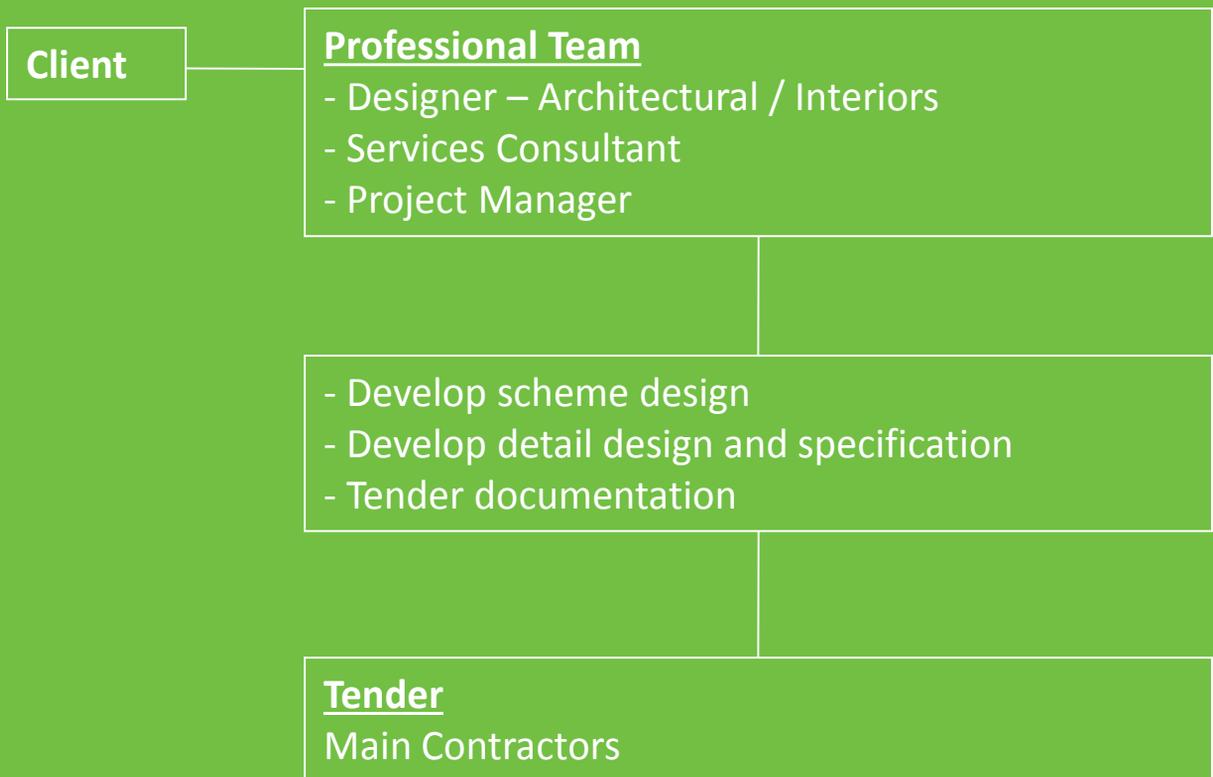
There are a number of procurement methods available. Each have their strengths and weaknesses - each has there place.

The aim of this guide is to provide you with a background brief on the procurement methods that could be considered to deliver a successful fit-out project.

Q. There are many procurement methods available from Traditional Contract to Design & Build - how do you make the right choice?

A. Rapport Solutions provide an independent assessment working with you to objectively evaluate and consider each option based on your project requirements of design, budget and programme.

TRADITIONAL PROCUREMENT



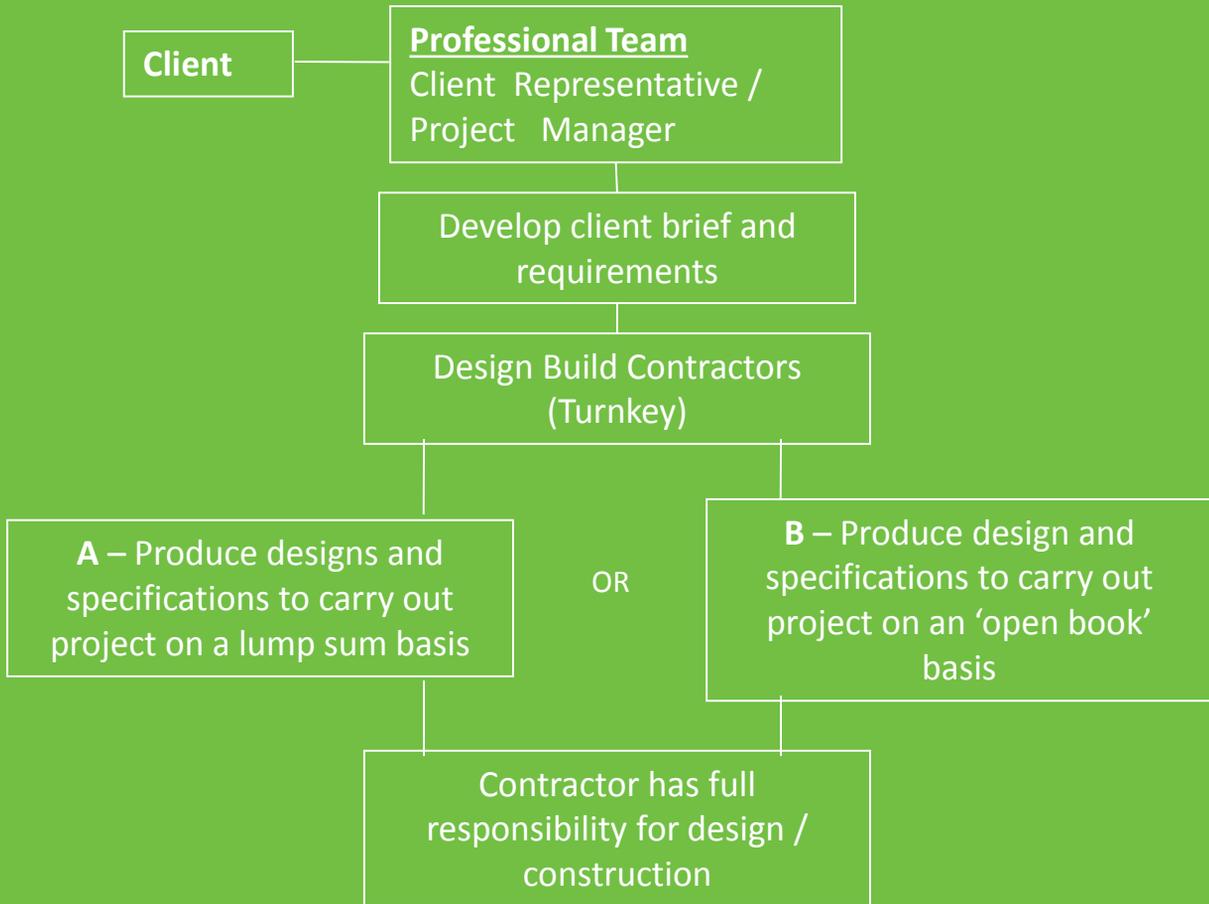
STRENGTHS

- Professional team employed directly by client – no conflict of interest - full control of design and procurement process.
- Professional team can monitor specifications and performance of contractors independently.
- Competitive and clear contractor pricing – “apples for apples” comparison more easily made.
- Suited to major projects – purchasing to higher volumes.

WEAKNESSES

- No single point of responsibility - grey areas - client ‘managing’ team of consultants.
- Reliant on accuracy & completeness of tender documentation to represent client requirements.
- Higher fees commitment – typically up to 15% in total - can offset potential savings on contract costs.
- Longer project programme - due to extended design and procurement stages.

DESIGN & BUILD



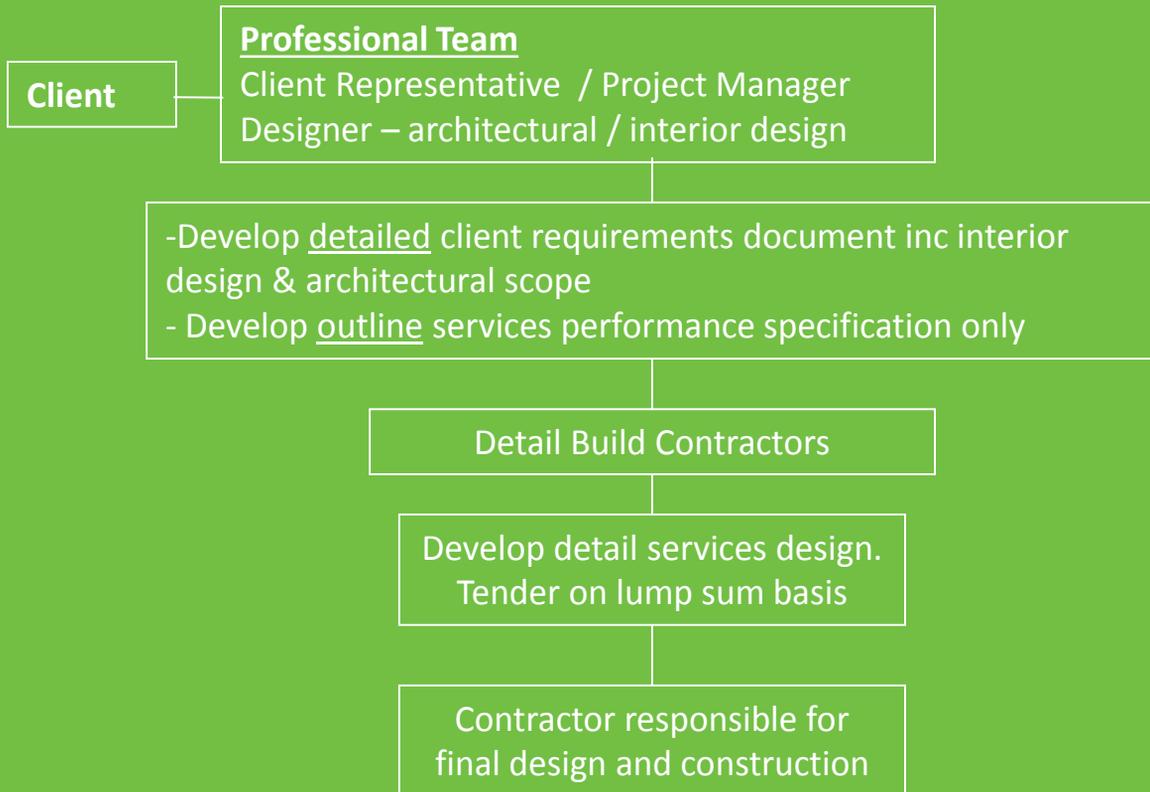
STRENGTHS

- Turnkey solution – single point of responsibility for both design & construction
- Fast track programme – integrated approach tends to produce faster project programmes as design/costing/construction processes can overlap.
- Specialist Service Providers are involved at early stage providing valuable 'buildability' and cost advice leading to savings. Limited Professional fees commitment by client (fees typically up to 5% of final contract sum)

WEAKNESSES

- Difficult to make “apples for apples” comparisons as each turnkey contractors bid & design is different in scope & cost.
- Client committing to contractor at early stage with no defined scope or cost – risk!
- Design team is employed by contractor - subject to 'commercial' pressures.
- Contractor base cost more expensive than traditional main contractors.

DETAIL & BUILD



STRENGTHS

- Design team retained on client's side – independent auditing and vetting of contractor's proposals and workmanship etc.
- Greater level of design pre-tender enables closer control by client of final solutions, as well as enabling 'apples for apples' comparisons to be made.
- Procurement style allows contractor expertise and input to services design, forces greater competitiveness from contractors – no hidden costs – limits variations inside contract period.
- Detail Build Contractors – closer to Main contractor mark-ups & overheads.
- Lower fees for professional teams (typically up to 10% of final contract sum)
- Single point of responsibility for design and construction.

WEAKNESSES

- Experienced Professional team required to deal with this more 'sophisticated' procurement route.
- Careful selection of broad base contractors required.

SUMMARY

Rapport Solutions are completely independent, we use our market knowledge and expertise to source appropriate services and negotiate the best terms on our client's behalf - our independence guarantees that our clients get the best possible service and support within their set parameters with no hidden costs.

Our focus is to look after your costs – not to maximise our profit.

