

# TALL STORIES

Tall buildings are shooting up all over Britain. This raises the question - which procurement route should be used to construct them? Engineering & Construction Group partner Cecily Davis considers the question...

Economic good times have contributed to a surge in the construction of tall, iconic buildings. These allow big corporations to house all their staff in one place and ensure that they are well served by transport. The relative absence of size constraints in London's Canary Wharf has made it the location of choice for the head offices of some of the world's largest banks. In the City, space constraints have increased the need to build upwards.

As fascinating as the political and planning issues surrounding tall buildings are, far more interesting are the considerations that arise from the procurement routes chosen for tall structures and the question of how, in a market at full throttle, the volume of buildings now at planning and procurement stage will get built.

Many organisations involved in tall building projects consider construction management their preferred procurement method. This now well-established system is thought to be especially suited to fast-track construction on large projects and the benefits of this model are well-documented. The construction manager's responsibilities generally include providing advice on the practical implications of design. Perhaps its main advantage is that "buildability advice" is delivered early on, which steers the methodology and, therefore, influences the time, cost and quality implications of the design.

Another advantage of construction management is that it allows delivery to start well before the design is fully worked through. This is both good and bad; it can mean greater flexibility, which is, of course, welcome, but only until it turns into chaos and ill discipline. Some old school project managers do not welcome the use of the "F" word at all, fearing that greater flexibility will mean the client will take longer to make decisions.

However, even the most conservative of project managers will appreciate that only a small minority of tall buildings will be entirely pre-let when construction starts, and so the building process needs to allow change and evolution without cost or value being affected.

On many iconic tall building projects, the signature architect will, understandably, want some control over the choice of procurement route. The architect will prefer a route that does not affect its control over the design – in simple terms, it will want to prevent the contractor from dumbing it down. Accordingly, design and build is rarely, if ever, favoured on iconic tall buildings. All but the most profligate of employer will want a process that allows cost control. This, of course, need not be the same as cost certainty, although this is also desirable.

Critically, on most tall building projects, the shell, core and fit-out need to be delivered simultaneously, typically by a third party. The skills that an experienced

construction manager can deliver to this part of the process are where much of the value of this procurement route can be realised.

Complex projects do not lend themselves well to guaranteed maximum price procurements. Price certainty might be attractive but is unlikely in the extreme to offer the client value for money. High-rise projects have most of their risk buried in the ground and it is hard to find a way to pass that risk to the contractor. Above ground, it is a different story as that part of the project is built in a repetitive way, so the greater part of the risk is gone.

There is a perceived wisdom that with high-rise projects, the organisational charge and risk should be, at worst, no greater than those encountered on low-rise projects. Anecdotally, it would seem that contractors will probably seek to charge a similar premium.

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