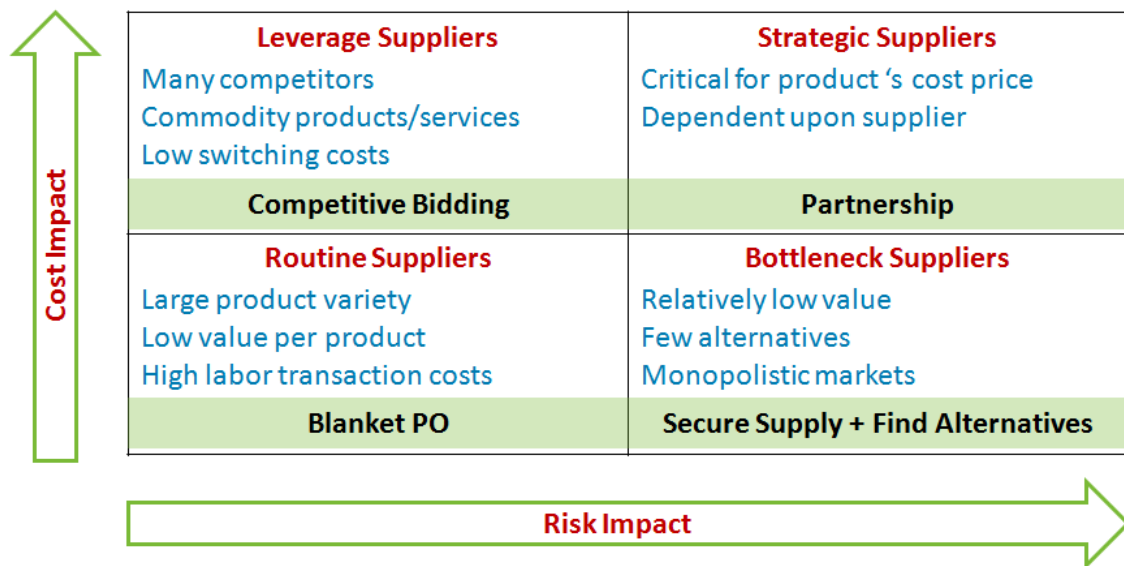


PROCUREMENT STRATEGY



The procurement strategy for the construction project therefore also needs to take into account where and how the construction project sits in relation to that wider picture.

An appropriate procurement strategy will help ensure that the client obtains the right project at the right price in the right time.

Various factors, relating to the strategic fit of the project within the client's business and financial structure, will underpin the project. These may include:

- **Funding:** both the total funds at the client's disposal for the project, and the availability or readiness of these funds as the project progresses, with regard to contractual obligations to make payments
- **Time:** the required completion date, any important interim milestones when certain stages must be achieved, and any flexibility between the desired completion date and the absolute last delivery date.
- **Performance:** the required functional performance of the final product and any indications of standards of quality
- **Capital versus operational costs:** whether a balance is to be struck between capital and running costs or whether initial capital cost is the primary factor
- **Risk :** the likely impact to the client organization of risks inherent in the project processes associated with time, cost and function; and
- **Type of the project:** the nature of the project may influence the procurement strategy.

In addition, public-sector procurement displays different characteristics to procurement in the private sector when value for money could be a prime criterion.

Some routes select the design and construction teams separately and provide little opportunity for integration or collaboration during the design process. Other strategies enable the design and production processes to be closely integrated. It is likely that there will be more than one route that can be adopted to achieve the aims of the client and the

requirements of the project. It is advisable carefully to consider each option, as each will address the various influencing factors to a different extent.