Direct Managed Delivery Model

Construction Procurement Guidelines

Overview
In the direct managed delivery model, the client directly manages all aspects of the delivery of the project works. The client will usually:

- undertake and coordinate some (or all) of the design activities
- be responsible for all preliminaries (e.g., crane hire, site sheds, and supervision services) and project management (e.g., scheduling, coordinating, liaising, monitoring, and reporting)
- prepare the trade packages, conduct the tenders, and select and pay suppliers and sub-contractors
- hold whole-of-the-works quality control.

Direct managed delivery model contractual relationships

This diagram shows a typical contractual arrangement for the direct managed delivery model.

![Diagram showing contractual relationships]

Client in house team may include:
- Quantity Surveyors
- Contract Administrators
- Project Managers
- Planners and Architects
- Engineers
- Specialist Consultants (as required)
- Minor Works Contractors
- Materials Suppliers
At a glance - Direct Managed Delivery Model

**Guidelines for use**

This model is best used when:
- the client operates in an asset-intensive environment and can invest in developing the in-house skills required
- there’s a need for the client to control all aspects of the project
- there’s a desire for the client to remain informed and develop the skills of in-house personnel
- the project is for minor works contracts and/or emergency works
- there are uncertain or complex interfaces, and flexibility on scheduling and delivery is required.

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<tr>
<th>Potential benefits</th>
<th>Points to note</th>
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<td>• May result in efficient outcomes for small value works, where full procurement and contracting are not economical.</td>
<td>• The client retains all the delivery and interface risks.</td>
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<td>• The client may control all aspects of the project and directly manage non-performance.</td>
<td>• There’s need for a detailed work programme and schedule to manage trade package interfaces.</td>
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<td>• Flexibility of the model helps to manage any difficult coordination or interface issues.</td>
<td>• It may be difficult to find skilled project managers with construction expertise to manage the works.</td>
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<td>• Can develop and/or retain the skills of client personnel.</td>
<td>• The level of oversight can be resource intensive.</td>
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<td>• Useful where there are limited numbers of suitable contractors in the market to deliver the overall package of required works.</td>
<td>• There’s considerable uncertainty about price, and lack of tender price competition for trade arrangements may result in inflated costs.</td>
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<td>• Useful where the works cover different areas with little overlap.</td>
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<td>• The design can be varied with relative ease after the construction contract(s) have been awarded.</td>
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