

# Direct Managed Delivery Model

## Construction Procurement Guidelines

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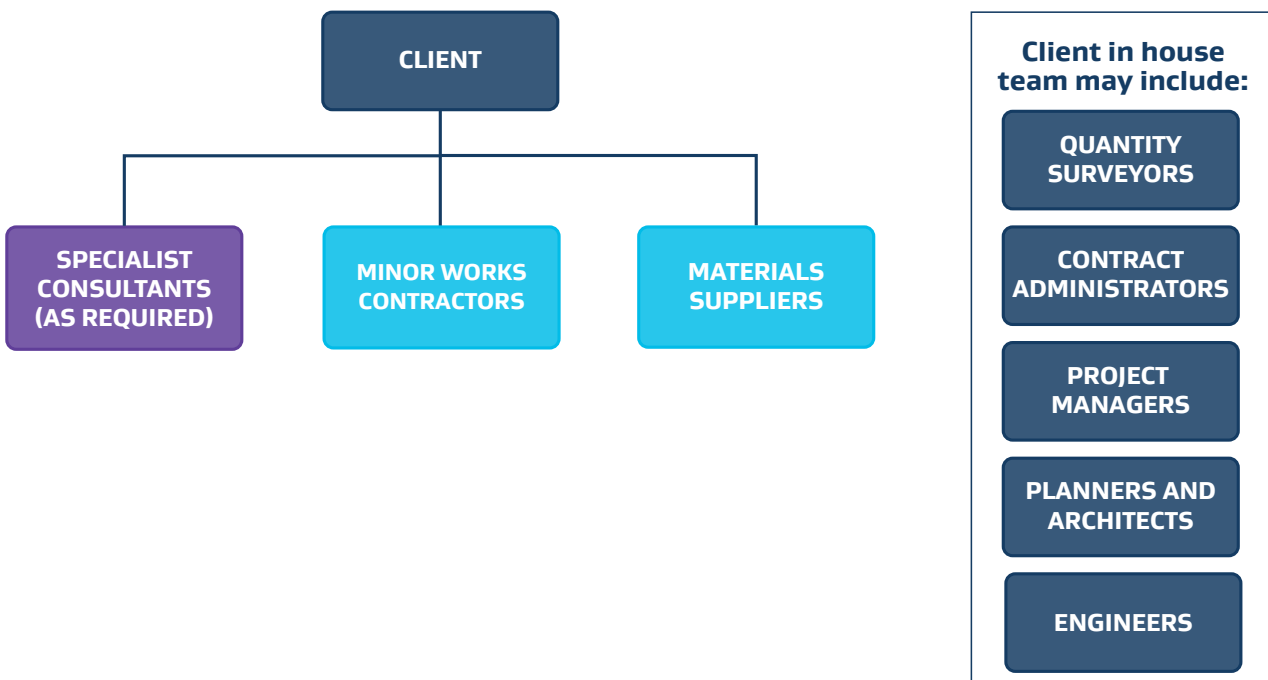
### Overview

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 (eg crane hire, site sheds and supervision services) and project management (eg 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.*



## 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.

### Potential benefits

- May result in efficient outcomes for small value works, where full procurement and contracting are not economical.
- The client may control all aspects of the project and directly manage non-performance.
- Flexibility of the model helps to manage any difficult coordination or interface issues.
- Can develop and/or retain the skills of client personnel.
- Useful where there are limited numbers of suitable contractors in the market to deliver the overall package of required works.
- Useful where the works cover different areas with little overlap.
- The design can be varied with relative ease after the construction contract(s) have been awarded.

### Points to note

- The client retains all the delivery and interface risks.
- There's need for a detailed work programme and schedule to manage trade package interfaces.
- It may be difficult to find skilled project managers with construction expertise to manage the works.
- The level of oversight can be resource intensive.
- There's considerable uncertainty about price, and lack of tender price competition for trade arrangements may result in inflated costs.