

Contractors dodging the fast lane because of full work load

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Principal architect for Burt Hill, Ivar Krasinski, discusses how fast-tracking construction contracts work and what it could mean for all parties involved on a project in the Gulf.

Can you define fast-tracking?

There is a misconception about what fast-tracking is, some less sophisticated clients assume that fast-tracking means having a shorter schedule and that's it. But actually fast-tracking requires a lot more coordination between the client, the consultant and the contractors from the very earliest stages of the project.

How should it work?

In an ideal situation the client approves the concept after it has already been brought before a contractor and the contractor is familiar with the range of options.

By the time the concept is finished, the contractor will have come up with a price, will have had discussions with the designer and client about potential value steering options and will have input on certain decisions that were made in the concept.

After that, everyone moves together into a schematic design phase where the contractor becomes a partner in the design and can help the client and architect make a project more efficient, quicker and cheaper to build.

At the end of the schematic design phase there's a second pricing set, the contractor sees how this affects the bills of quantity and so on; sees how the staging of the structure will be affected by the current state of design.

Then you move on to the other design phases and at every phase there is a price adjustment.

What this does for the client at the tender phase means you're not going to have a long period of value engineering or arguing with the contractor about details and specifics because the contractor was a partner in the design process.

Once the construction document set is out, the project is pretty much good to go and they can begin at that point. Everyone benefits from this, but all the three parties need to coordinate their schedules with a transparent flow of information between them.

What are the problems with fast-tracking in reality?

The reality in the Gulf market is that most clients expect a fast track but the contractors have no incentive to do it because they've got so much work on.

In other markets in Europe and North America, where fast-tracking really began, the idea made a lot of sense because contractors were relatively hungry and they were willing to take the risk to put in the time for a design that may or may not happen from the conceptual phase.

In Dubai the opposite is true, they are willing to wait it out, see if the project materialises and if they don't get the contract, they don't really mind. What tends to happen is that clients assume they will get a contractor on board at the end of concept but they don't.

Then the negotiations continue throughout the life of the project and the schedule doesn't get longer and the contractor doesn't actually come on until the very end.

This means all those benefits that were supposed to be there to make the schedule shorter didn't actually materialise and the schedule ends up being longer than it was originally intended to be.

Is this a common problem?

We don't pull our hair out about it, but it's something that we end up dealing with.

It could definitely be prevented on certain projects and if some clients were a little bit more pro-active and really understood the value of working with a fast track and sticking to their end of the bargain and making sure all the contractor agreements are in place as early as possible, they could really benefit a lot.

Can clients use a facilitator or management group to coordinate a fast track?

Absolutely, there are some construction managers out there that have fast-tracking contracts within their scope of expertise and experience.

The problem is that clients don't always want to use them, they just go out and get anyone who calls themselves a project manager and those people are not necessarily familiar with a two-stage tender or fast-track process.

This causes a lot of assumptions to be made that are not necessarily correct. By having a construction manager with fast-track experience the client can really gain a lot of time and avoid a lot of the pitfalls.

Also, if you get a construction company that is reluctant to take the risk, there are ways to structure a contract so that the risk is shared between the contractor and the client. That way you give them more incentive to actually enter into a fast-track programme.

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