

Delivering Successful Construction Projects

This Loss Prevention Standard discusses how project owners can influence the successful delivery of construction projects

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Introduction

Construction projects complex, are requiring coordination of multiple disciplines, stakeholders, and timelines. The project owner/Client, has a major role in influencing the success of a project by incentivising collaborative working, setting realistic expectations and embracing proactive risk management.

This Loss Prevention Standard provides guidance on the behaviours and tools for delivering projects successfully. Clients



should also be aware of their legal duties under specific regulations, such as the **Construction (Design and Management Regulations) 2015** (CDM) in the United Kingdom.

Leadership, Procurement and Contract

The client should:

- Lead the project's safety culture through incentivising and demonstrating good behaviours.
- Foster a proactive risk and health and safety management culture.
- Appoint contractors based on their ability/track record of delivering projects safely, as well as their record of achieving cost and programme delivery targets.
- Work collaboratively with stakeholders such as architects, designers, critical suppliers, the principal contractor, etc.
 - ✓ Early engagement with the supply chain encourages active participation with the project and highlights problems early.
- Contract terms should reflect that change is inevitable, establishing a collaborative, honest and fair approach.
 - ✓ Standard forms of contract (JCT, NEC, FIDIC) have established change management processes and should be followed where possible.

Programme, Cost and Scope

- Successful projects require balancing programme, cost and scope. Changing one inevitably impacts the other two variables.
- Ensure time and budget expectations are aligned with safe delivery, avoiding undue pressure on the supply chain.
- Avoid making unrealistic programme demands or aggressive cost targets which can incentivise contractors to take shortcuts or create higher levels of risk.
- Where the programme cannot meet the commercial needs of the project, consider reducing the scope of the project, increasing the budget or implementing sectional completions over accelerating the programme.



- Make allowances for unexpected events, e.g., unforeseen ground conditions, delays by third parties, bad weather, etc., which can cause unavoidable delays.
 - ✓ If allowances haven't been made for these, it may be preferable to delay a project and tackle the issue safely rather than forcing the contractor to meet the preagreed deadlines and increase the risk.
- Do not demand low-cost delivery or create conditions where the contractor has to cut corners or is incentivised to find ways to increase the budget through claims.
- Ensure the budget includes adequate provisions for health and safety, quality and security.

Scope and Change Management

- A stable, well-defined scope enables contractors to plan and sequence work safely and efficiently.
- Avoid making frequent or late changes to the project scope, which can disrupt planned activities and lead to safety and quality compromises.
- Where changes are necessary, these should be managed through a formal change management process that includes risk assessments and mitigations.
- Instructed changes should be accompanied by changes to the programme and budget to ensure the contractor has sufficient resources to carry out the change safely.

Refer Aviva Loss Prevention Standard - **Managing Change - Property** for further guidance.

Key Actions

- If you opt to appoint an agent or representative, they should be empowered to make project decisions balancing programme, costs and quality.
- Ensure your role and responsibilities as the client under CDM are fully understood.
 - ✓ Professional CDM Consultants can assist with compliance and managing construction projects where required.
- Appoint experienced and competent Principal Contractor and Principal Designer.
- Ensure suitable arrangements are in place to manage the project time, resources and coordination.
 - ✓ Construction project software solutions exist to improve reporting and performance across different areas of project and risk management.
- Formalise regular meetings with the project team to review plans, safety performance, lessons learned and continuous improvement.
- Promote a positive safety culture through leading by example.

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Sources and Useful Links

- HSE The Construction (Design and Management) Regulations
- HSE CDM Regulations Commercial Clients: Roles and Responsibilities
- HSE INDG411 A Short Guide for Clients on the CDM Regulations

Note: Whilst UK standards and legislation are referenced in this document, other international standards and legislation should be referenced where applicable.

Additional Information

Relevant Aviva Loss Prevention Standards include:

- Zero Fall Roofs Considerations (RIBA 0 to 6)
- Managing Contractors
- Escape of Water on Construction Sites

To find out more, please visit <u>Aviva Risk Management Solutions</u> or speak to one of our advisors.

Email us at riskadvice@aviva.com or call 0345 366 6666.*

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