

Project: Lowering construction costs by application of innovative procurement procedures

Bundesministerium für Verkehr, Bau- und Wohnungswesen

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Summary of the Researching Report

In Germany construction costs are more expensive, as comparisons with the European countries show. One reason could be found in the procurement procedures used in present. These procedures are: traditional method, design and build, turnkey. The research work shows that the activation of the market mechanisms is too late for optimizing structural, mechanical and finishing design.

Above all the commission report of BMBau "Reduction of costs and decrease of regulations in housebuilding" recommends a combined procurement procedure concept, which already integrates all members of the design and construction process beginning in an early planning phase. These procedures e.g. the simultaneous engineering, are already successfully established for several time in other branches of industry. In Germany these innovative models of procurement procedures were little examined so far. The development of special models for the German construction market is missing, in order to activate the contained cost lowerings for the building industry. In order to support this development, in this research project first the situation relating to market conditions of the German construction market was regarded as an indication for the necessity for a structural change of the building industry. Thus the German construction market and the market mechanism as a basic conditions for the conversion of models for procurement methods has been examined in detail. The basics for an evaluation of models for procurement procedures are the driving forces, which contribute to lowering cost and increase of productivity. Their knowledge makes the development of differentiated valuation criteria possible with economical, legal and management-theoretical aspects.

Further on the procurement procedures and forms of contract established at present have been presented as well as the innovative models of contract and procurement procedures. These have been then regarded by an analyzing view according to various single aspects and their cost-lowering effects were fathomed. After the detailed analysis of the procurement procedures related to individual aspects they were in summary compared and confronted in a context. As in particular procurement procedures, which integrate partnering aspects, offer a large chance for lowering construction cost, the methods of partnering were lit up more intensively.