

A BETTER ROUTE TO PROCUREMENT

Shaking up
the traditional
procurement model

Lighten your workload and
remove risk. Arming you with the
knowledge to choose the right
path for your business.

PUSHING THE BOUNDS OF TRADITION

PROJECTS WHICH ARE MANAGED USING TRADITIONAL MODELS ALMOST INEVITABLY EXPERIENCE DELAYS, FRUSTRATIONS AND COST-OVERRUNS. AND IT'S THE CLIENT WHO PAYS THE PRICE – QUITE LITERALLY.

Choosing a procurement model can be a confusing process. With the amount of options available, how can you decide what will work best for your business and ensure all your project goals are met?

We've laid out the traditional paths to procurement and Unispace's integrated model to arm you with the knowledge you need to make an informed decision.

Traditionally, delivering projects involves a dedicated in-house project management team who allocate a designer or architect and a construction firm. Alternatively, a company could hire an external project manager who would seek a designer or architect and a construction firm. There are various models of contracts each with their own flaws, but the underlying theme is that these models lay full risk on the client.

Unispace takes a different approach. Born from an entrepreneurial spirit, and a desire to do things differently, we gathered a team of integrated global strategy, design and delivery professionals who sought to create a model that could deliver high-quality, low-risk, low-hassle projects through an end-to-end path to procurement.

Our two-stage engagement process gives clients peace of mind by transferring the risk from their shoulders to ours. The first stage involves our strategy, concept design, design development and documentation phases. Proving our accuracy and efficiency, and our ability to meet or exceed KPIs in this stage, clients invariably instruct us for stage two.

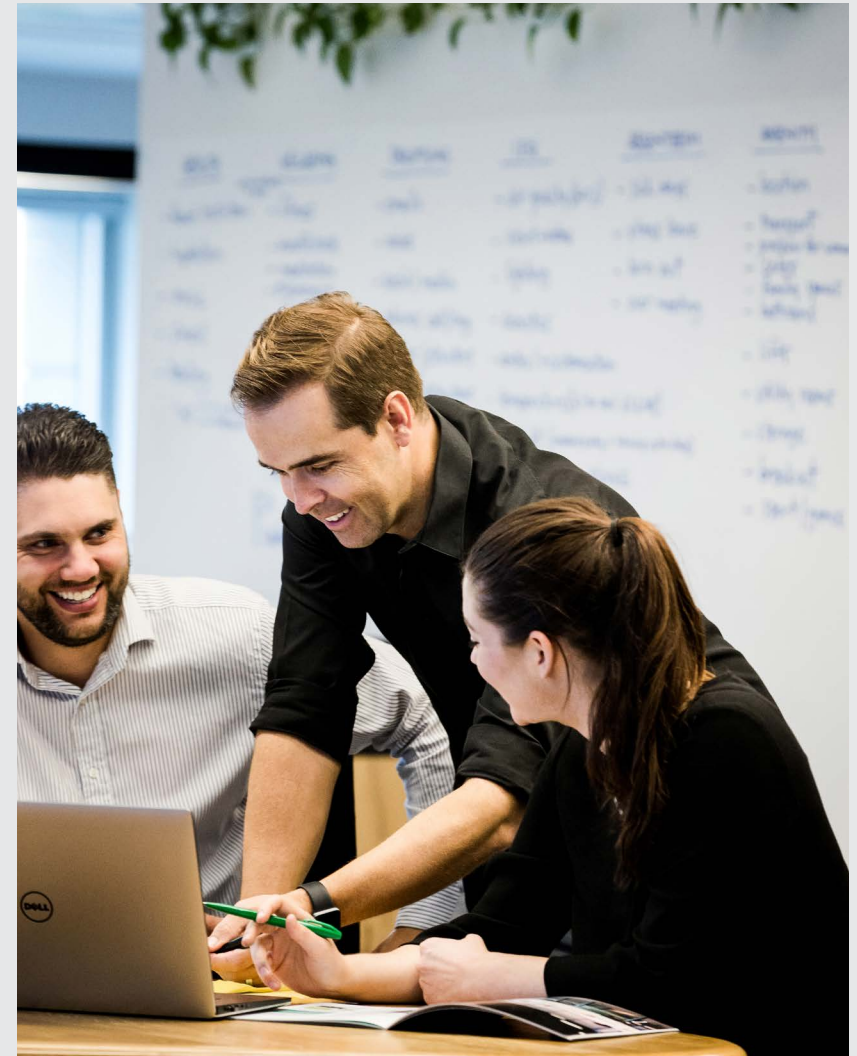
With offices on five continents, Unispace is trusted by clients around the world such as Airbus, Boeing, BP, Bupa, PwC, Emirates, PayPal and Virgin Media. And we can sign three-year MSAs guaranteeing cost-certainty anywhere in the world, all with the same account manager for embedded knowledge and consistency.

UNDERSTANDING YOUR CONCERNS

We recognise our clients' genuine desire to deliver projects effectively and, above all, responsibly. But choosing the right path to procurement can be challenging due to legislation, regulatory frameworks, corporate governance, employees, the environment, society, the local community and more.

Across the board, Unispace is able to reassure clients that not only do we take procurement very seriously, but we can improve on traditional paths to procurement. We can meet your needs when it comes to sourcing design and construct services which offer:

- value for money
- minimal risk
- accountability
- transparency
- probity (integrity, honesty and ethical concern)
- sustainability
- global application
- non-adversarial dispute resolution



UNISPACE'S RADICALLY DIFFERENT APPROACH

Our global specialists already deliver the best in workplace strategy, design and delivery, including access to the latest and best in technology and sustainability.

However, it's not just the *what* that counts but the *how*, the *when*, and the *how much*. So if you thought we might be more expensive or work-intensive for you, let us reassure you.

We've developed an alternative route to procurement – with an array of business benefits, that makes life for your procurement team simple.

No longer do you need to closely control your office fit-outs in-house. Instead, we adopt your priorities, design to your budget through transparent and progressive costing, and assume all risk. All with a single point of contact.

"In the past, every time I started a project in a new location, I had to re-educate an entirely new team who had no knowledge of the work we'd done in other locations. Unispace's 'single project manager' approach means big savings in time, money and headaches for me."

Head of Procurement
Confidential Client in Finance Sector

SO, WHAT ARE THE BENEFITS FOR YOU?

This document outlines the Unispace approach to workspace procurement. And it's worth the quick read, because our methods offer significant business advantages:

1. We shoulder your project risks.
2. All costs are market-tested, and come with full transparency, fairness and value for money.
3. Our value engineering is done iteratively, from the very start, so there's no need for a time-consuming value engineering phase (and no financial shocks) later on.
4. Our proprietary technology gives you a 3D model that allows you to see your proposed workspace, and helps you understand the cost impact of design changes, in real time.
5. The process includes checkpoints along the way to keep you informed and involved, enabling us to your project accurately, technically ready and defect-free. Reviews by a third party cost manager you appoint are welcomed.
6. Flexibility and seamless application of changing project requirements.
7. Delivery efficiency: having all teams under one roof allows us to overlap phases, ensure all teams are well-informed during the process, and keep handovers in-house.
8. We complete within budget and on time.
9. Our methodology can be applied sustainably to projects worldwide.

THE DOWNSIDES OF TRADITIONAL METHODS

In an effort to control risk, the more traditional design and construction models demand far more input from the client. This means they must retain in-house teams of costly specialists. The models themselves adhere to rigid, sequential timelines, and are beholden to external cost estimators who typically value-engineer the design at the *end* of the construction documentation phase.

Responsibility can be a grey area too – resulting in unwelcome surprises and costs down the line.



EARLY CONTRACTOR INVOLVEMENT (ECI)

You get real value from your project when you get early contractor involvement (known as ECI). In principle any procurement method could do this, but only a few do. And yet Unispace *always* does it. We involve our project managers from the very start, which means you get value-engineering from the beginning, without compromising on quality or objectives.

Let’s compare
the benefits and
disadvantages of the
four most common
approaches to
procurement

LUMP-SUM CONTRACT

COMPARING PROCUREMENT METHODS

A COMMON AND TRADITIONAL METHOD FOR PROCURING CONSTRUCTION FOLLOWING A DESIGN-BID-BUILD FORMAT, THIS IS ALSO KNOWN AS A ‘STIPULATED SUM’ CONTRACT.

PROS	CONS
<ul style="list-style-type: none">• The contractor carries some risk (but not all)• There’s a degree of certainty about the final cost• One company manages all the sub-contractors for you	<ul style="list-style-type: none">• Due to the higher risk for the contractor, this may mean that better firms don’t bid• The contractor is likely to offset their risk with high contingencies• Every detail must be known in advance• Despite the name, there’s still no fixed or guaranteed maximum price• The contractor is unlikely to accommodate changing needs – or any change can be complex and costly• There’s little transparency about the skill levels of contractors or FF&E• There’s little transparency about line-item costs

DESIGN AND BUILD (D&B)

COMPARING PROCUREMENT METHODS

THIS IS ALSO KNOWN AS DESIGN AND CONSTRUCTION (D&C). HERE, A MAIN CONTRACTOR WILL DESIGN AND CONSTRUCT THE PROJECT FOR A FIXED SUM, RATHER THAN THE CLIENT APPOINTING CONSULTANTS FOR DESIGN AND THEN A CONTRACTOR FOR THE CONSTRUCTION PHASE.

PROS

- There's a single point of contact
- The client has early cost certainty, provided no flexibility is required
- The main contractor could bring in a third-party design consultant instead of handling the design themselves, for very technical issues
- The risk for the client is relatively low, provided no flexibility is required
- Elements of design and construction can proceed in parallel, which can ensure a faster process

CONS

- Main contractors don't have high-level design skillsets, so this is more unlikely to be suitable for complex projects and/or where design quality is a priority
- The client may not be able to rely on innovation or best design practice from the main contractor
- The client may have to put more effort into precisely specifying their design requirements for tendering, and tenders must be very carefully checked
- The client may also wish to appoint their own design advisor (at a cost)
- Going back into design at any stage will mean new costs
- There is little flexibility for design changes, and any extra costs won't be market-tested
- The client has no control over the work of design subcontractors

COST PLUS – CONSTRUCTION ONLY

COMPARING PROCUREMENT METHODS

SOMETIMES KNOWN AS A COST-REIMBURSABLE CONTRACT, THIS INVOLVES THE CLIENT REIMBURSING THE SUPPLIER FOR THE DIRECT AND INDIRECT COSTS OF THE PROJECT, WITH THE ADDITION OF THEIR PROFIT IN THE FORM OF A FIXED FEE OR COST PERCENTAGE.

PROS

- Can be useful when there is a need to move rapidly, eg a building emergency or threats to business continuity, since there is less need for certainty on scope or costs at the outset
- Can also be useful where there is not enough information for a detailed estimate, or when the design is not complete, or where the focus is on quality rather than cost
- Since costs are not locked down, there is flexibility to make changes during the project
- Clients can ask for full transparency on costs

CONS

- Final costs are not known in advance, so there is greater risk
- It may be difficult to ascertain the supplier's efficiency or commitment to cost control (eg excessive purchase of building materials, or not selecting best-value materials)
- The client must allocate resources to overseeing the quality of ongoing work and checking the associated costs
- Disputes may arise over the legitimacy of costs (including both direct construction costs and indirect costs such as rent, insurance and mileage)
- Projects can take longer than anticipated

SINGLE-SOURCE PROCUREMENT

COMPARING PROCUREMENT METHODS

THIS IS UNISPACE'S APPROACH – BUT WE ADD SO MUCH ADDITIONAL VALUE TOO. WITH THIS MODEL, THE CLIENT CHOOSES A SINGLE SUPPLIER TO FULFIL THEIR REQUIREMENTS BECAUSE OF THAT SUPPLIER'S SPECIALIST CHARACTERISTIC, BENEFITS AND/ OR COST ADVANTAGES.

PROS	CONS	UNISPACE
<ul style="list-style-type: none">• The client doesn't need to start tendering processes – they've already selected a supplier – and a lower ongoing purchasing workload• The supplier takes responsibility throughout the contract term and is fully accountable• Usually leads to a beneficial long-term relationship with strong rapport and consistently higher quality• Operations are joined-up and more efficient, and it's easier to trace the source of any problems• Costs are lower due to expertise and economies of scale• Clients can negotiate favourable terms, but change vendors if one does not meet their expectations	<ul style="list-style-type: none">• Without a traditional bidding process, it can be difficult to ensure you are getting value for money• The client may face risks if the supplier has a catastrophic event, is taken over, or has financial difficulties• Any problems with the supplier can lead to greater cost, risk and dissatisfaction• It can be difficult to prove quality of workmanship• Opting for one single-source could mean the client is not getting design or delivery field experts	<ul style="list-style-type: none">• A single point of contact throughout• Our strategy team explores the client's culture, brand, business drivers and occupancy needs• Our designers engage all consultants and develop the design based on strategy, budget and schedule. Our 3D modelling software shows clients the cost impact of design decisions in real time• Our technical team develops the project budget in parallel with the development of drawings, to ensure affordability• Our construction team engages early to provide constructability guidance and acquire familiarity with the design• When the design, budget and schedule are approved, Unispace delivers a fixed price/ fixed duration contract

THE BENEFITS OF THE UNISPACE PATH TO PROCUREMENT

1. Efficiency

The Unispace model was designed because we saw how traditional procurement methods left clients with delays, lower quality, and/or costs they hadn't anticipated.

2. Single-point of contact

You work with a single supplier to manage your strategy, design and construction. This is not only simple, but it will ensure there is no breakdown in communication.

3. We take the risk

You give us the budget, that's your fixed price. We offer a fixed-duration contract, shouldering all the project risk at the appropriate points, so your budgets and deadlines are protected. We obtain the necessary insurance and will defend you against any subcontractor claims.

4. Transparency

We'll share our costings with you from the outset, and we encourage you to use your own quantity surveyor. Plus, aside from any changes to the initial brief, the price we quote is the price you'll pay.

5. Costing from the start

Every week, we'll use progressive budgeting to evaluate your line-by-line costs. So you will never see a proposal which would be rejected simply because it is too expensive.

6. Market-tested prices

Once our designs are complete, we approach even more subcontractors for quotes. This means that our costs are clearly competitive.

7. Early Contractor Involvement

Our project managers are involved from the very start, which means you get value-engineering from the get-go, without compromising on quality or objectives.

8. Earlier subcontractor engagement

We elicit feedback from our construction subcontractors sooner, walking them through the designs and taking them to see the space. So, from very early on, we can resolve our contracts, lead times, and best ways to build.

9. There are no shocks down the line

We anticipate and build in our own contingency for overtime and extras, so we won't be coming back to you for additional spend.

10. Continual value-engineering

We continually review your project requirements, material options, construction methods and site limitations. In constantly evaluating our progress, processes and our costs, we can resolve any potential for overspend before it happens.

11. Global consistency

We can assign the same account manager for all your locations around the world.

12. Cost savings

Our own in-house furniture, fittings and equipment manager can procure at very competitive prices.

13. Smoother transitions

A more streamlined process; handovers between design and delivery (and between subcontractors) are managed by us, so nothing falls between the cracks, causing unnecessary delays.

14. Meeting your objectives

Our strategists and designers will align themselves with your business objectives from the start. We're also happy to be accountable, which is why we do post-occupancy studies to evaluate our performance and continually improve.

15. Billing the way you want it

Your final invoice can be as simple as a single line or itemised by construction code. No more monthly payment requisitions that are 2" thick.

THINK. CREATE. MAKE.

More and more clients are turning to the Unispace procurement method to achieve the best possible end goal - an intelligently designed workplace which is more productive, more enjoyable, and even iconic.

To achieve this, we seamlessly bring together our outstanding global skills and experience in workplace strategy, design and construction:



Think

WORKPLACE STRATEGY

Our global strategy teams deliver the research and insights you need to achieve the right workplace for your business, your people, your sector, and your location. It's the essential intelligence and evidence behind your new build or refurbishment – often saving you money which could be reinvested in your project.



Create

WORKPLACE DESIGN

It's not just about how your new offices will look; they must also work hard. If they don't deliver business results, what's the point? A well-designed workplace gives people everything they need, in all the right places, for everything they need to do. They're ready for anything; they may even rise to greater levels of creativity than ever before. And it becomes easier to attract the talent that can help you meet your most ambitious targets.



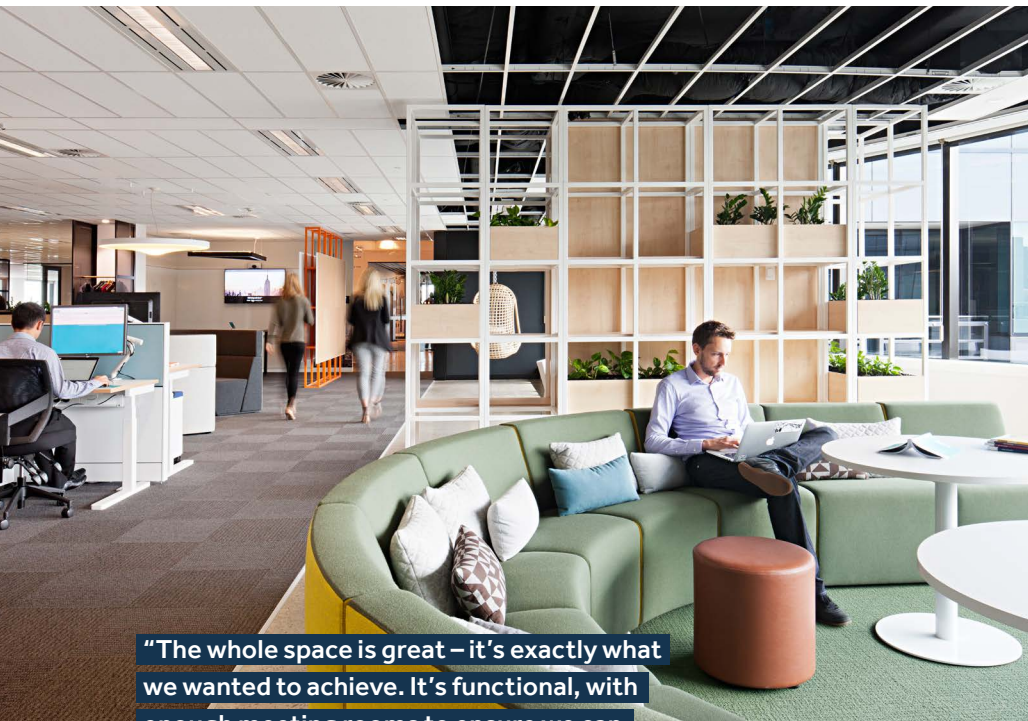
Make

WORKPLACE DELIVERY

When you're ready to hand your design over to the build team, you need it to be straightforward. Our project managers work hand-in-hand with our strategy and design teams, so they'll already know the project inside-out. Which means no misunderstandings, no delays, and no sudden extra costs. Although translating design to the built environment has traditionally been problematic, with inevitable delays and cost-overruns (borne by the client), Unispace does it differently – with superb cost-control and no risk to the client.

TRIPADVISOR'S #1 GLOBAL SITE

CASE STUDIES



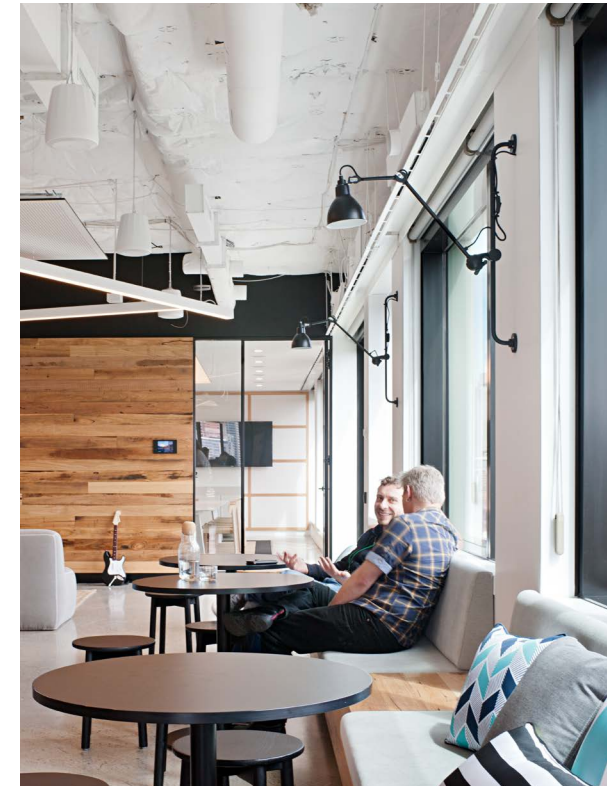
"The whole space is great – it's exactly what we wanted to achieve. It's functional, with enough meeting rooms to ensure we can connect whenever we need to. And it's fun – we work hard, but it's a social and inspired creative culture."

Jeff Lewis
Vice President Engineering, Viator

TRIPADVISOR SYDNEY, AUSTRALIA

Unispace had just five months in which to design and fit 3,400 sqm (37,000 sqft) of new office space for TripAdvisor's new Australian headquarters. We completed a high-end design, and all internal construction (with significant custom engineering) on time and under budget, and with no variations required.

We were able to meet TripAdvisor's tight timescales because we planned for construction during the design phase, and because we procured items early on in the process.



After completion, TripAdvisor surveyed all of its staff about the quality of their local offices, and Sydney came in at #1 in the world. Their Global Head of Experience came out to Sydney to see what lay behind the success of this project.

INTEGRATED PROCESS RESULTS IN REAL ESTATE COST SAVINGS

CASE STUDIES

COCA-COLA AMATIL SYDNEY, AUSTRALIA

Unispace engaged in a two-stage process with Coca-Cola Amatil. Stage one included strategy, concept design, design development and documentation, and then for stage two we were asked to re-engage for the construction contract, construction and post-occupancy work.

Our delivery team was involved from the very earliest stages of the strategy – so even as the design was being perfected and finalised, our delivery team was producing programmes and progressively budgeting

so that when stage two came around, we were ready on-site. We knew exactly what needed to be done, and we completed on time and on budget.

A traditional procurement route would have cost Coca-Cola Amatil a lot more. They wouldn't have achieved their deadline, and they would have taken on risk during the delivery phase.

"This has achieved what we wanted to as far as team engagement. It's been a great financial success. We've given back a whole floor to our landlord, which has saved us millions of dollars in rent each year...so we've ended up with this wonderful new working space, which has been a cost neutral arrangement for Amatil, so it's a win/win for us."

Matt Toohey
General Manager, Group Property,
Coca-Cola Amatil



INCORPORATING STRATEGY MEANT A STRONGER RESULT

CASE STUDIES

BUPA

MELBOURNE, AUSTRALIA

We were asked to undertake an in-situ refurbishment of 13,000 sqm (140,000 sqft) over nine floors at Bupa's Australian headquarters. Bupa had previously always used traditional procurement methods.

This was a complex project, not least because a large, interconnected staircase was added after the project was awarded – demonstrating our methodology's flexibility and our ability to meet tight deadlines. And since we were invited to look at the workplace strategy before we considered the design and construction, we were able to do what a traditional firm could not.

For example, as part of our strategy work, we investigated how and where people worked best, and how we could carry out the works while employees remained in the building. We ran multiple scenarios at a very early stage, such as whether it would be most effective to do half a floor at a time, or a whole floor or two at a time.

We also explored what the various impacts would be as people transitioned from the old workplace to the new. Then we set up a 'swing' (pilot) space which examined people's behaviours at work, ensuring that we learned everything we needed to know up-front. This helped us to schedule and sequence our work.



"We valued the way Unispace designed to our budget. It's really tedious to go through an entire design phase only to find that implementing it would cost 25% too much – so not only do you have to go back into design, but you have to pay for the privilege!"

Rachael West

Head of Property Leasing & Fitouts A&NZ
Bupa

EXPERT GUIDANCE FOR A BUSY FIRM

CASE STUDIES



ANCHOR CAPITAL BOSTON, USA

Due to major renovations at their existing workplace, Anchor Capital had a sudden need to relocate. Since they hadn't been involved in any workplace design projects for over 30 years, and they needed to focus on core work, they wanted to keep all processes simple—even though they wanted a top-quality design. They sought a single point of contact and support with decision-making.

Unispace was engaged at an early stage to explore three potential locations, including a different floor in their current building plus two other sites. We costed up what would be required at each site, and assessed the risks in the existing mechanical systems at each.



We helped Anchor Capital negotiate an all-important tenant improvement allowance from their new landlord, supplementing their own fixed budget. We were involved in drawing up the wording of the work letter, and engaging with the attorneys to get the best deal for our client.

We then went straight into design, providing Anchor Capital with line-by-line detail on costed requirements. The client brought in an independent project manager to double-check our pricing, who agreed with all our costs. At that point, we locked down the design, providing Anchor Capital with early cost certainty. The entire project was delivered on time and within budget.

UNDER BUDGET, DEFECT-FREE AND ON-TIME – AGAINST THE CLOCK

CASE STUDIES

BANK OF NEW ZEALAND (BNZ) AUCKLAND, NEW ZEALAND

When the Kaikoura earthquake struck New Zealand, BNZ's headquarters were damaged beyond repair. Suddenly, 1,800 employees were working out of 15 cramped, makeshift bases across the city and the hunt was on for a new home as a matter of urgency.

Although BNZ had always used traditional procurement methods previously, in the circumstances, the Unispace methodology was agile to their procurement needs, and the fast timeframes required to get their people back into quality accommodation. Our cost efficiency was also an added bonus: our tender came in under

budget. This was verified through an independent quantity surveyor, which we recommended to give BNZ cost surety.

Despite the considerable challenges of BNZ's situation, Unispace achieved a fast, smooth and seamless transition to the bank's new HQ at RICOH House. Since our methodology delivers ongoing accurate and detailed project information, BNZ were able to make key design and budget decisions within quick timeframes, which accelerated the completion.

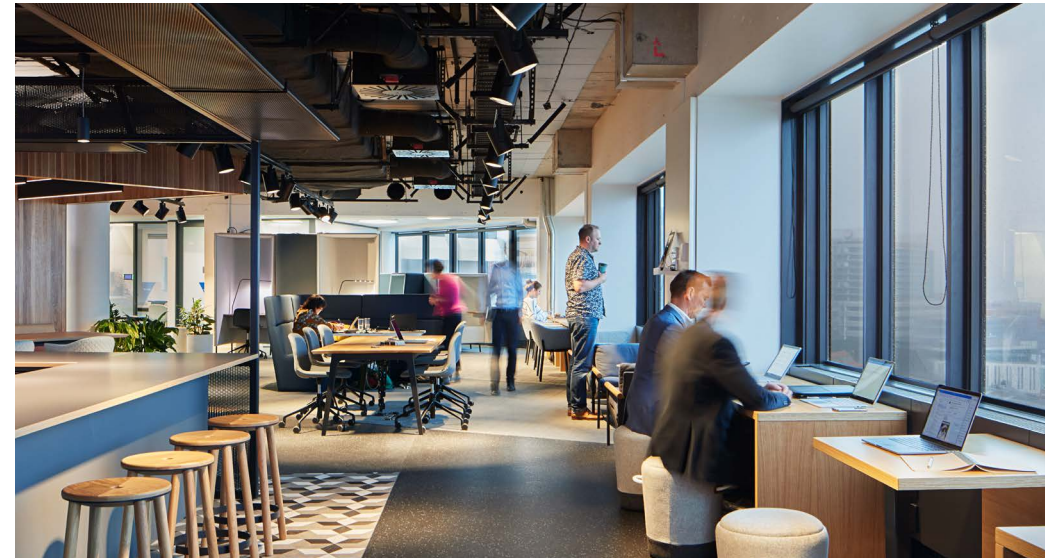
Throughout the project, BNZ had cost certainty with a single point of accountability. They found our professional fees to be competitive

and there were no unexpected cost escalations (with the only variations at their own request). Delivery was not only defect-free but also on-time – no small feat, given that it took just eight months from the start of our strategy phase to handing over the completed construction of 6,000 sqm (64,600 sqft). BNZ were able to move into their new building just a year after the earthquake.

On completion, BNZ said they found our methodology to be impressive and they were struck by the speed at which we work. Working with a turnkey provider

still enabled them to achieve the full complement of high-quality strategy, design, project/cost management and construction.

As a result, Unispace continues a strong relationship with the Bank, with on-going projects across the country and recently completed premises in Wellington's The Terrace and Auckland's Queen Street headquarters.



BRINGING SPIRALLING COSTS BACK WITHIN BUDGET

CASE STUDIES

BMW

CHICAGO, USA

The BMW Technology team in Chicago needed a larger space, delivered quickly and efficiently, while maintaining their strict design and branding standards. Corporate purchasing requirements led to the decision to hire separate design and construction firms for the new space.

Unispace was chosen as the design team. As they progressed through schematics and then more detailed design, the external contractor's construction estimates continued to rise – until at lock-in time, they were 30% over budget. Time was critical, to meet lease commitments, and hard decisions would have to be made to value-engineer significant components of the design. This would entail sacrificing the intent of the project and the design standards laid down by BMW in Munich.

When BMW asked Unispace to examine these costs, it became clear that the general contractor was holding far too much contingency, thereby inflating the budget. Unispace were able to work closely with the design team and subcontractors to remove inflated contingencies and costs, and present an amount that met the design intent, the branding guidelines, and the original budget.



The integrated Unispace design and construction teams then worked closely to make up the time that had been lost through this exercise.

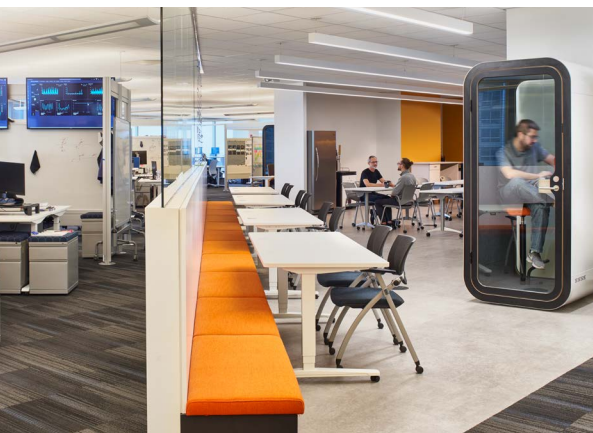
The space was delivered on time, to the original budget, and meeting the stringent design and brand guidelines that were laid out at the outset of the project.

Kristin Fries, head of architecture and construction planning and consulting for BMW Group in America, said: "Thank you for your hard work in quickly completing the design and construction for our BMW Technology offices at 540 West Madison in Chicago. Unispace provided a single

point of accountability by having the necessary disciplines in-house, and this meant that our communication was clear throughout the project.

"Design and construction being integrated into one company made it much easier to react to our cost engineering and quickly handle any challenges that we faced during the design and construction phase."

"This was a pleasant experience and we look forward to future projects working this way. We're proud of the space that we were able to create together in Chicago."



WHY UNISPACE'S PATH TO PROCUREMENT IS RIGHT FOR YOUR BUSINESS

CONNECT WITH A MEMBER OF
OUR TEAM TO LEARN MORE

Get in touch

