



Rijksgebouwendienst
*Ministerie van Volkshuisvesting,
Ruimtelijke Ordening en Milieubeheer*

How to get what we
want?

Compliance and
contract management
within the Rgd

Dr.ir. Marleen Hermans
Head of Centre of Procurement
Expertise





Content

- Rgd is a RE purchaser
- DIY or buy? That is the question
- Compliance at arm's length
- New contracts, new ways of managing
- What can we learn from you?





Rgd is a key RE buyer in NL

- Rgd is largest RE-owner in NL
- Responsible for 5% of Dutch construction market in non-residential building
- Around 5000 – 7000 work-related contracts per annum, 600 mill. – 1 bilj. worth of value
- Project organisation: project managers are procuring officers – we procure and make contracts on a project-by-project basis
- 95% of tenders is awarded on the basis of price; only a few on the basis of **economically most advantageous tender**
- Compliance (delivery up to specs) appears to be in decline: (unwanted number of) shortcomings at completion or shortly after



Contract management

- Making sure that we control the work of our suppliers in such a way that the quality, costs and risks of outsourced activities are as agreed
- Careful not to take over responsibilities that should stay with supplier
- Assessing our CM-results as part of Quality Management
- Adapting CM-practice due to changes in 'core business'



Challenges

- Contracting and managing is our core business
- Integrated contracts are our future:
 - Master contracts / framework agreements (maintenance & services)
 - Integrated contracts (Design, Build, Maintain, Finance, Operate)
- Output specs rather than technical specs
- From in-house to outsourcing



Menu for integrated contracts

		Development			Operation		
		Initiative to definition (LoR)	Design (D)	Build (B)	Maintenance building and installations (M)	Facility Services (O)	Monitoring and supervision
B	"Traditional"	Grey	Grey	Grey	Grey	Grey	Grey
DB	Design & Build	Grey	Blue DB contract	Grey	Grey	Grey	Grey
DBF	Design, Build & Finance	Grey	Blue DBF contract	Grey	Grey	Grey	Grey
DBM	Design, Build & Maintain	Grey	Blue DBM contract		Grey	Blue	Grey
DBFM	Design, Build, Finance & Maintain	Grey	Blue DBFM contract		Grey	Blue	Grey
DBFMO	Design, Build, Finance, Maintain & Operate	Grey	Blue DBFMO contract				Grey

Grey box: Separate contracts or in-house organisation

Blue box: Integrated contract



Managing our contracts is a key issue

- How to limit the number of contract variations and non-compliance issues?
- How to assess and benchmark our contract management – are we on track?
- How to comply with our responsibilities as a public contractor?
- How to manage at arm's length– for performance based contracts?
- Which are the key elements of CM we should adopt or adapt? What should we NOT do?
- What should we teach our Project Managers and Contract Managers?