OFFICE OF
THE VICTORIAN
GOVERNMENT
ARCHITECT

Government as Smart Client

<Edition 03, 2024>

1.0 Introduction

> ‘Good Design is not just about the aesthetic improvement of our environment, it is as much about the improved quality of life, equality of opportunity and economic growth’.
>
> The Value of Good Design, Commission for Architecture and the Built Environment (CABE).

Cover
Project: Parliament House Member’s Annexe
Architects: Peter Elliott Architecture + Urban Design
Landscape Architect: Taylor Cullity Lethlean
Photographer: John Gollings

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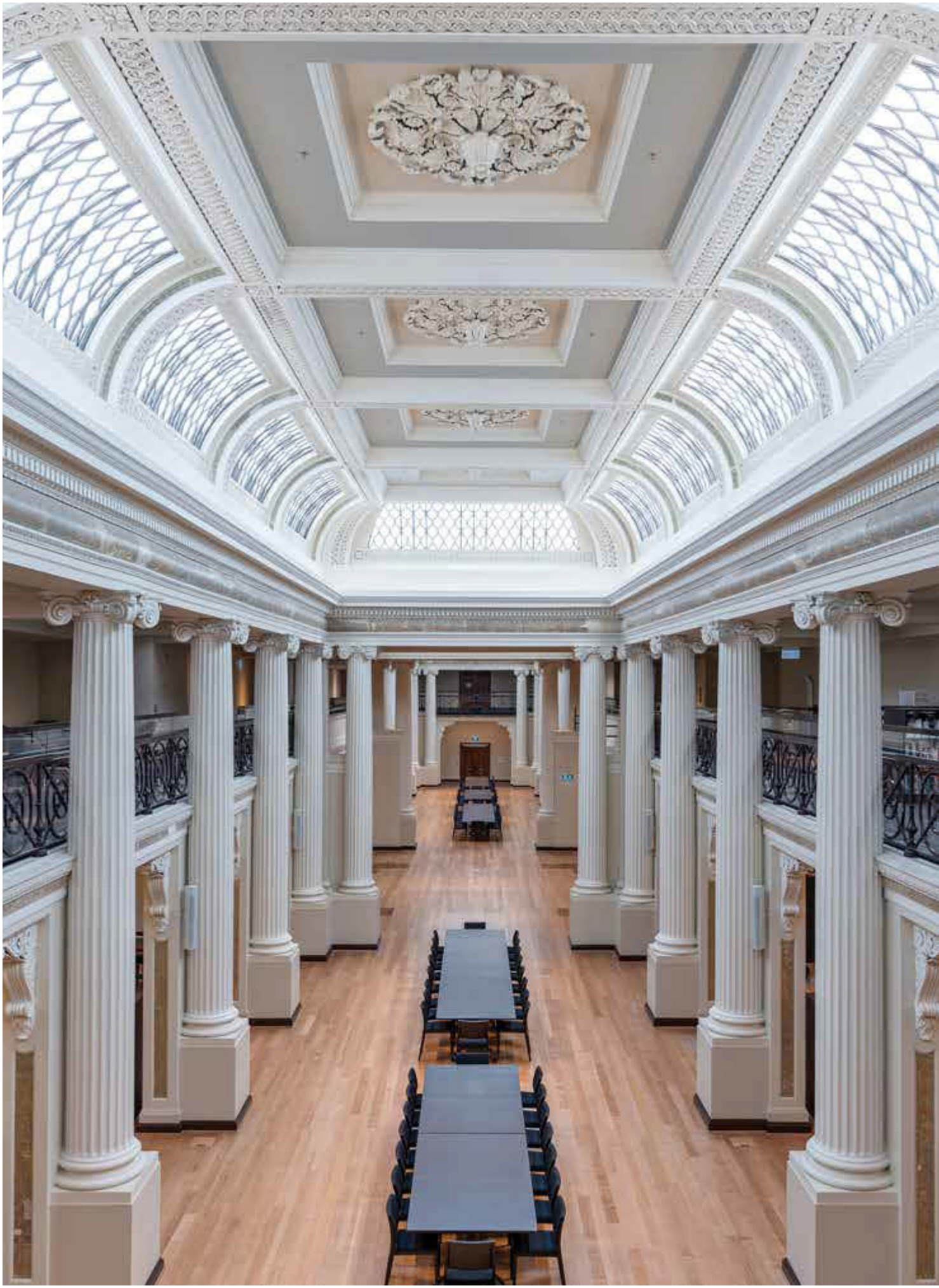


Foreword

An important legacy for any government can be seen in the quality and design of the public projects they deliver. Well-designed buildings, infrastructure and public places work well and feel good, promoting community pride, identity and adding a valuable long-term asset to their locale. Over the life of a building, evidence shows us that bad design will cost money; whether in maintenance, running costs, poor user experience, lost opportunity, refit or even replacement. In contrast, good design, purposefully and carefully undertaken by skilled practitioners, ends up costing less. Good design continues to grow in value and worth for its client and community of users.

Good design does not just happen; it needs processes that support a quality outcome and it needs to be protected throughout all stages of delivery of a project. The process of procurement of a well-designed building includes starting with a good brief, a design vision that defines performance/outcomes-based principles and the appointment of a skilled, capable, design team.

From there, management of the construction of a building through to completion involves not just progressing a selected contractual method, but realising the project vision from idea, through delivery, to operation. The method by which a building project is procured can have significant impact on the quality of the final building. While it is possible to achieve a good design outcome with all procurement methods, some make it seriously challenging unless their potential threats to design quality are understood and well managed.

This document describes the various methods used in Victoria for the procurement of buildings. Each procurement method is overlaid with recommended strategies to assist in getting to a good design outcome. These strategies can assist Government to be a smart, informed client and deliver projects that leave a design legacy.

Jill Garner AM
Victorian Government Architect

Project: State Library of Victoria - The Ian Potter Queen's Hall
Architects: Architectus and Schmidt Hammer Lassen
Photographer: Patrick Rodriguez

Executive summary

The Victorian State Government is the largest procurer of design services in the state, having an enormous impact on the construction industry and on Victoria's standing as a state with which to do business.[1] The government's legacy from this role is the quality of buildings and public realm it delivers together with Victoria's reputation for innovation and liveability. It is important, therefore, that government and its agencies are informed appropriately to enable them to deliver and support well-designed outcomes for all Victorian projects.

The Office of Victorian Government Architect (OVGA) considers that there is substantial opportunity to improve design outcomes by improving design procurement practices that impact on design quality. The procurement of a quality project relies upon the engagement of a quality design team. It involves not just the contractual method used, but also the implementation of a built project from idea to delivery and on to operation. It is important to distinguish between the procurement of buildings and infrastructure and the procurement of design services.

Key Steps for Improving Procurement of Design Services that impact on Design Quality

1. Develop the Vision Statement for the project at its inception, including the high level design outcomes to be achieved;
2. Appoint a Design Champion to help guide the project and procurement of design services;
3. Appoint a Client Team and Project Managers who understand that good design is fundamental to achieving high-quality buildings and infrastructure;
4. Create a quality design team brief that clearly articulates the design ambitions;
5. Ensure a realistic project budget based on initial design testing and benchmarking as part of any business case;
6. Encourage the use of Expressions of Interest (EOI) and Requests for Proposal (RFP) to procure design teams;
7. When using Competitions to procure design teams, ensure a two-stage submission is used for larger projects, a reasonable budget that reflects the brief and pay bidders for work in stage two;
8. In assessing bids for architectural services, separate the design fees from the assessment criteria and utilise Quality Based Selection. When the preferred design team is identified, evaluate their design fees to determine the value for money each bid represents;
9. Engage the design team early;
10. When using Reference Designs ensure that they are developed to set a qualitative benchmark, integrate the design ambition and establish a commitment to design excellence; and
11. Ensure design teams value the whole-of-life impact and the social, cultural, economic and environmental performance of a development.

Key Steps for Improving the Procurement of Buildings and Infrastructure that impact on Design Quality

1. Design quality needs to be prioritised and embedded early in a project – regardless of the procurement method. If the risks to design quality are understood all procurement methods can be effective;
2. When selecting the preferred procurement methodology for a project, ensure design quality is considered as part of the procurement analysis and included as part of the selection criteria;
3. Ensure there is a clear, well-articulated vision for the project that includes expectations in relation to design and architectural quality;
4. Allow adequate time and resources in earlier stages of the project to develop a clear design intent and project design brief. This should explain the design outcome to be achieved and form an important part of the tender documents to help protect the design quality;
5. Seek design advice from a Design Champion, Design Quality Team (DQT) or the OVGA to assist with quality management in the Expression of Interest (EOI), contract and project brief;
6. Involve stakeholders, facility managers and users in the design process;
7. Consult the design team for advice in the appointment and selection of the head contractor;
8. Provide a realistic contingency for design and construction to ensure design quality can be delivered;
9. Ensure provision for independent design advice (DQT) or design review at key project milestones; and
10. Undertake Post Occupancy Evaluation to capture key lessons and to inform future projects.

All current procurement methods have the capacity to enable good design outcomes. However, with improvements to both the client culture and the procurement processes, higher standards can be achieved to the benefit of all those who use public buildings, infrastructure and places.

Victoria's future reputation for good design and the quality of its built environment relies upon recognising the value that design adds over the lifetime of the building. Well-designed buildings have a direct impact on the standard of public services provided and the quality of life of those who use them.[2] If we accept that the quality of architecture affects the quality of lives – and considerable evidence now demonstrates that this is the case – then it makes sense and is responsible to put in place steps that enable such quality to be achieved.[3]

Through discussions with government agencies and industry participants, it was identified that to support good design in public projects further initiatives should be pursued. The following list highlights the key recommendations that will support effective procurement and strategies to enable good design.

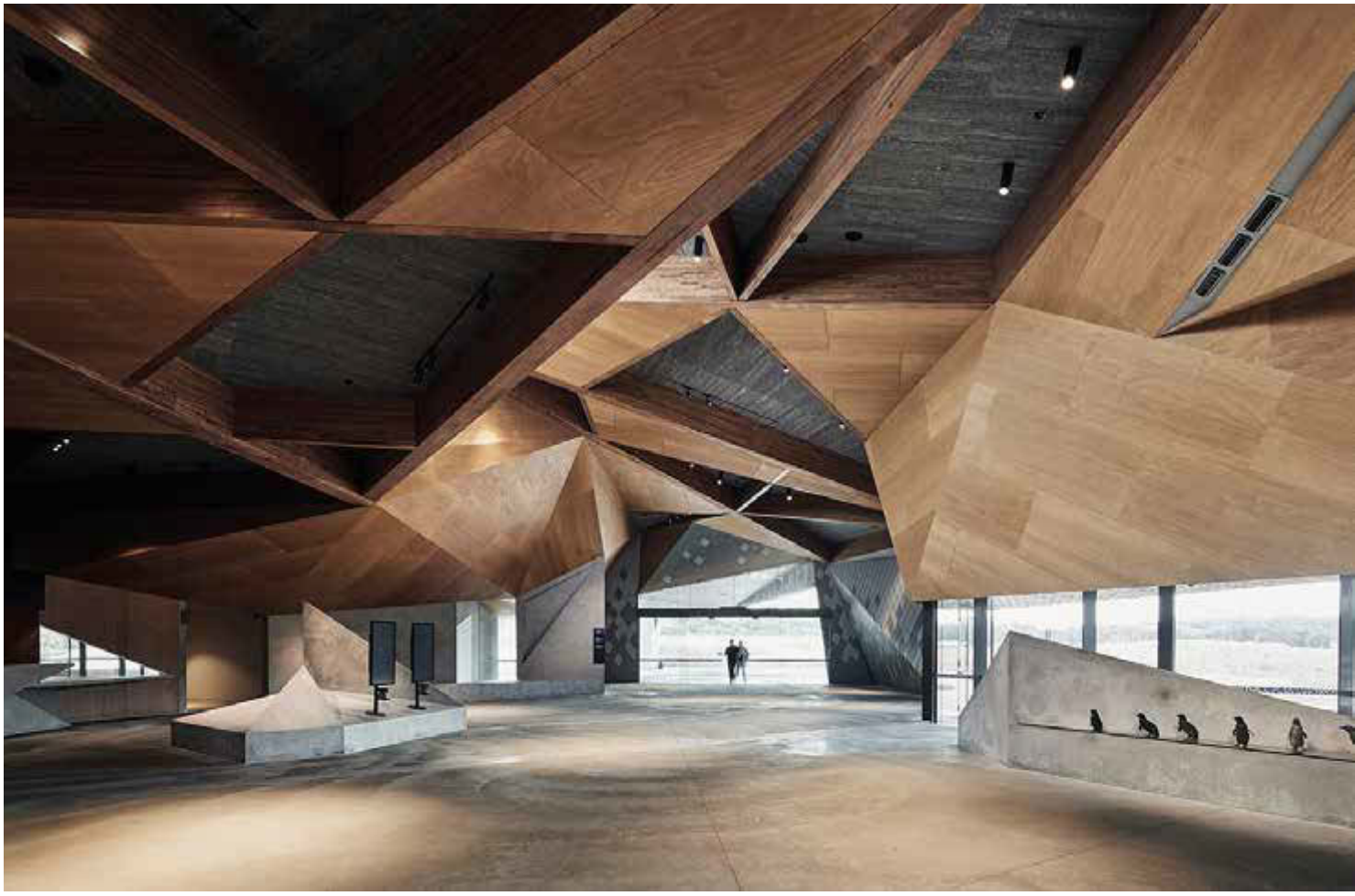
Key Recommendations from 'Government as Smart Client'

1. Ensure that the importance of design quality as a project selection criterion is established from the outset of the selection process through the documentation, in the weighting given to design and design capability in the bid evaluation criteria, and finally in the development of contractual documentation and sign-off procedures;
2. Allow enough design time for projects of real quality and innovation to emerge with realistic budgets that consider whole-of-life costs;
3. Develop flexible but consistent procurement processes for engaging architects and other designers to protect design quality;
4. The OVGA will help identify and support the role of Design Champions within Departments and Agencies;
5. The OVGA, in association with the Department of Treasury and Finance (DTF), support best practice in the establishment of consistent and fair Government contracts to protect design quality;
6. When appropriate utilise the OVGA's expertise to assist the Gateway process of a project to ensure design quality. Eg. Review of Briefs and EOIs, Selection Panels, Design Review, Internal Peer Review, Design Quality Teams; and
7. Establish a mechanism for OVGA design advice at a project's inception.

These guidelines provide practical steps to ensure that government, as a 'smart client', delivers excellence in the procurement of design, buildings and infrastructure. The guidelines are not mandatory and do not represent a new layer of process; rather they integrate essential design quality measures within the existing planning and delivery framework of government. They aim to influence design quality for public buildings to ensure an enduring legacy for future generations of Victorians.

PAGE 5
Project: Melbourne Convention and Exhibition Centre
Architect: NH Architecture
Landscape Architects: Aspect Studios
Photographer: Peter Bennetts

PAGE 7
Project: South Melbourne Life Saving Club
Architect: JCB
Photographer: John Gollings



Project: Penguin Parade Visitor Centre
Architect: Terroir
Landscape Architect: Tract Consultants
Photographer: Peter Bennetts

1.0 Introduction

1.1 Purpose

This document provides guidance and advice to government departments on how to enable quality design outcomes for built projects through a range of contractual and delivery methods. It provides the means by which government departments may perform as a 'smart client' and advice more broadly to the construction industry.

The methods used to deliver built projects can vary substantially, not just in their decision-making process, risk sharing and contractual methods, but also the way in which they affect the interaction with the design team and their capacity to deliver good design outcomes. These guidelines provide advice on how this relationship may be structured to benefit good design and review the various procurement methods to achieve the best possible design outcomes.

The OVGA supports the Victorian Government 's commitment to good design by providing leadership to enable better quality built outcomes from the public and private sectors.

1.2 Context

The OVGA considers there are strong opportunities to advance the quality of design outcomes by improving design procurement practices. The guidelines provide an overview of the steps and processes that potentially influence design quality and the delivery of better outcomes for public buildings.

The OVGA provides leadership and strategic advice to Government about architecture and urban design. The Office provides advice on building design to Government Ministers and Departments responsible for providing public infrastructure. The Office also promotes awareness of design in the broader community, and of the process of making great spaces and urban environments.

The OVGA reviews and comments on a range of matters which effect good design outcomes and undertakes research to assist Government to better understand the value of good design and how Government as client can achieve it.

The method by which design is procured has a significant impact on the quality of the design outcome. Currently, Government uses a wide range of methods for delivering built outcomes, with differing contractual engagements and processes for appointment of design consultants, a number of which can negatively impact on design outcomes, quality and cost.

High Value/High Risk projects are those that are:

- considered medium risk with a total estimated investment (TEI) of between $100 million and $250 million;
- considered low risk with a TEI over $250 million; or
- identified by Government as warranting the additional rigour applied to HVHR investments.

These guidelines are framed by the DTF's Investment Lifecycle and High Value/High Risk (HVHR) Guidelines. They seek to supplement the Investment Lifecycle Guidelines and offer an emphasis on qualitative aspects and design for those developing investment projects in Victoria. The HVHR Project Assurance Framework seeks to:

(a) increase the likelihood that projects will achieve their stated benefits and be delivered successfully, on time and to budget;

(b) verify that robust project planning and procurement processes have been followed to support quality project planning, procurement processes and documentation; and

(c) provide impartial and informed advice to Government on deliverability risks.

The three stages of the investment management process are:

1. Business case	2. Procurement	3. Delivery
Establishes need, defines benefits, explores interventions, estimates costs, identifies delivery process.	Explores delivery options, finalises delivery plan, engages the market, awards the contract.	**Implements solution, transitions investment into normal business.**
What is the problem, issue or service need?	What is the preferred method for delivering the investment?	Is the investment proceeding as planned?
What are the benefits from addressing the problem?		Are changes to the investment needed?
Is there a compelling case for investing?		
Can the project be delivered as planned?		

They help shape proposals, inform investment decisions, monitor project procurement and delivery and track the benefits that investments achieve. The Investment Lifecycle Guidelines emphasise the need to align better the policies, programs and projects of departments and agencies with government priorities and outline the approval processes for projects identified as being high value and/or high risk.

Project: Ocean Grove Surf Life Saving Club
Architect: Wood Marsh Architects
Photographer: Mengzhu Jiang

1.3 What is Good Design?

Good design comes in many forms and is defined by more than how it looks. Good design is defined by how it works, the benefits and value it brings and its ability to effect how people feel and behave. Informed clients seek good design and recognise that it adds value to create inspiring places, cultural symbols and a shared identity. Good design also drives value for money outcomes for the public and reduces whole-of-life costs.

Research shows that a well-designed building can help patients to recover from illness more quickly or encourage better learning among school children. It can also benefit the service deliverers who work within it, by contributing to staff recruitment, retention and motivation.[4] The design of public buildings and spaces is not just a functional issue or a matter of taste. Good design improves the quality of services provided by the public sector.

These guidelines work with the premise that good design is critical in creating high quality buildings and public spaces that:

- are engaging, diverse and inclusive
- are environmentally, economically and socially sustainable
- are fit for purpose
- promote confidence and wellbeing in the community
- are culturally rich and engaging
- offer an enduring legacy in the built environment.

The OVGA can assist to define design quality, as judgements on qualitative matters can vary depending upon the type of project.

'High quality urban design becomes even more important as we increase the density of our cities and cater for a growing and changing population. It requires excellent planning, design and management of our built environment and the supporting social and economic infrastructure.'

Creating Places for People, An Urban Design Protocol for Australian Cities

'Research into office buildings in 1998 demonstrated that over the lifetime of a 1,000m^2 office building maintenance and operation costs were five times higher than construction costs. The evidence demonstrated that that savings on design quality are a false economy given that design fees make up less than 20 per cent of the construction costs. The marginal costs of good design are almost irrelevant when considering the whole-life costs of operating a building.'

Raymond Evans, Richard Haryott, Norman Haste, and Alan Jones, (1998) The long-term cost of owning and engineering buildings. London, Royal Academy of Engineering.

'Stop

» Regarding good design as an optional extra.
» Treating lowest cost as best value.
» Valuing initial capital cost as more important than whole-life cost.
» Treating buildings as purely functional plant without civic significance.
» Imagining that effectiveness and efficiency are divorced from design.
» Being frightened to take calculated risks.
» Assuming that the public does not care.'

Better Public Buildings – A Proud Legacy, Commission for Architecture and the Built Environment (CABE)

1.4 Who is responsible for Good Design?

The Government (as client and commissioning agency); the delivery agencies, the statutory authorities, the appointed consultant team and the Office of Victorian Government Architect all have a shared responsibility to deliver good public buildings, infrastructure and places. To achieve good design outcomes, design quality needs to be valued, championed and pursued. Every decision maker involved in the procurement of Government's public works has a role to play in ensuring good design outcomes and a lasting legacy for the State.[5]

1.5 Why is it Important to the State?

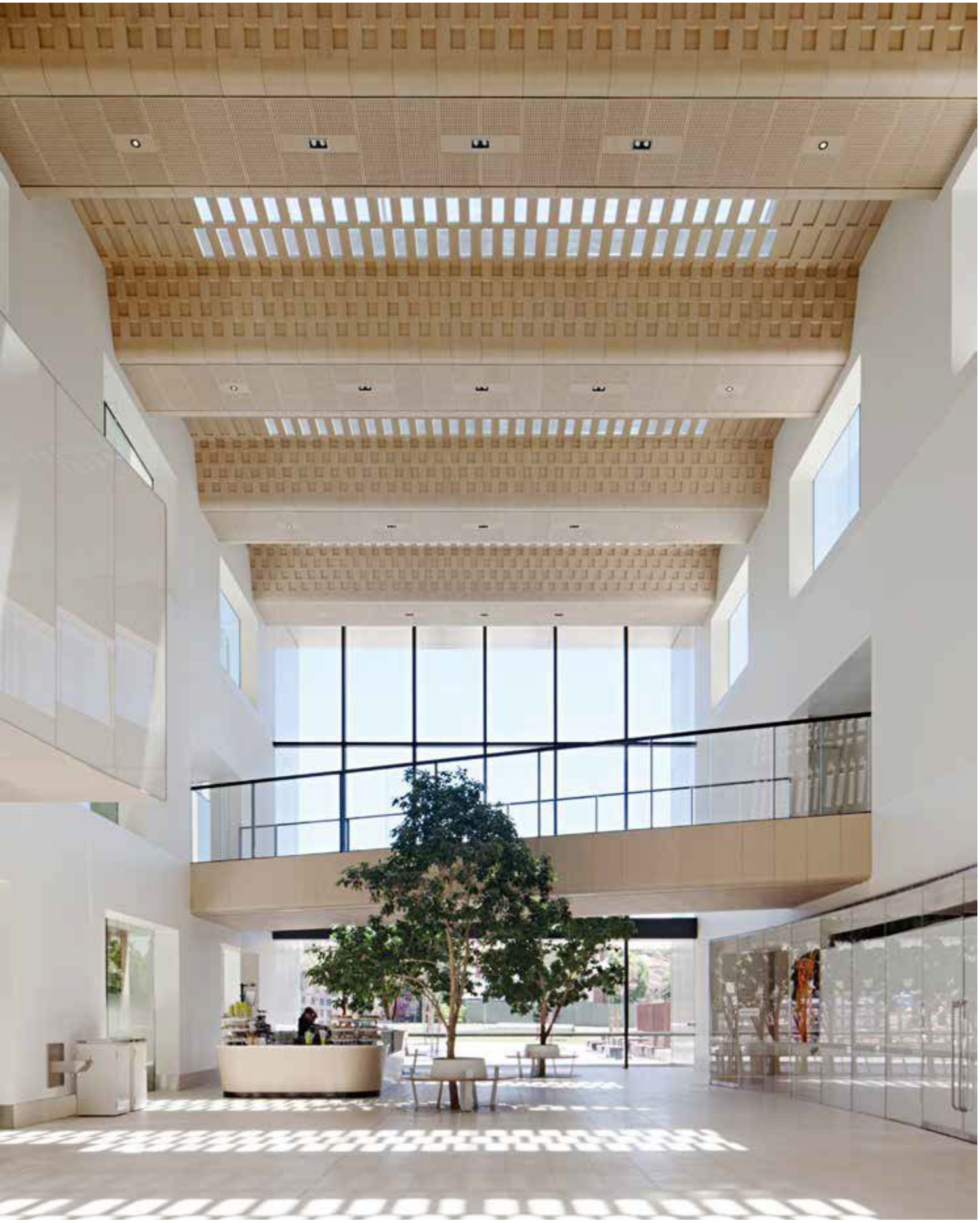
The Victorian State Government 2019-20 budget provided $14.2 billion for infrastructure investment.[6] The government is the largest procurer of design services in the state, having an enormous impact on the construction industry and on Victoria's standing as a state with which to do business. In this field, the state's legacy is the quality of buildings and the public realm it delivers together with Victoria's reputation for innovation and liveability. It is critical, therefore, that government and its agencies are informed appropriately to enable them to deliver and support well-designed outcomes for all Victorian projects.

Well-designed buildings and places make the most of sites and their opportunities, enabling the best and most efficient use for owners, occupants and other users, while also providing benefits to the broader public and future generations.

The quality and liveability of Victoria's built environment requires careful planning and the considered application of good design principles. A commitment to quality in the design of our public buildings, places and infrastructure:

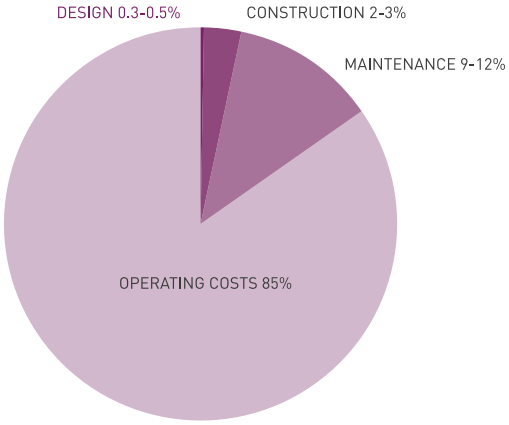
» ensures value for money by demonstrating a whole-of-life cost benefit and providing optimum environments for user and occupant productivity, health and well-being;
» is sustainable by creating buildings and places that are efficient, adaptable, resilient to climate change and contribute positively to urban growth challenges;
» improves the quality of life for all Victorians by contributing to people-centred built environments of high visual and physical amenity that are inclusive, safe, and accessible to all; and
» respects the unique and rich cultural heritage of our existing built environment and provides an on-going culturally rich legacy that fosters community pride and prosperity.

Project: Bendigo Hospital
Architects: Silver Thomas Hanley and Bates Smart
Landscape Architect – Oculus
Photographer – Shannon McGrath



1.6 Why Good Design costs less

The perception that design is expensive can be easily dispelled if the breakdown of a building's whole-life costs is understood. Well-designed buildings can cost less. Over the lifetime of a building, the construction costs are unlikely to be more than 2-3 per cent of total costs, but the operating costs will often constitute 85 per cent of the total.[7] On the same scale, the design costs are likely to be 0.3-0.5 per cent of the whole life costs, and yet it is through the design process that the largest impact can be made on the 85 per cent figure.[8]



1.7 What is the Design Team?

The composition of the design team will largely depend upon the type of project proposed, whether infrastructure, built form or public space. The design team comprises architects, designers and landscape architects, focussed on the design outcomes for the project. Traditionally the architect is the lead consultant of the design team. They not only design the project, but when no project manager has been appointed, also co-ordinate the consultant team and client requirements. The architect will also ensure the design intent is carried through the construction process and recommend strategies to enable good design regardless of the procurement method chosen.

An architect brings professional training, vision and experience to manage the entire design and construction process. The architect's expertise can ensure that sustainability, urban design and site responsive building design are embedded in the design process. Through good design, an architect can enhance the value of a building and offer significant savings especially when it comes to operating, staffing and/or tenanting the building.

Depending on the project the design team may also be led by an urban designer and can include landscape architects, quantity surveyors, planners, building surveyors, engineers, interior designers and other technical personnel.

1.8 What is the role of the Project Manager?

A project manager is the person accountable for accomplishing the stated project objectives. In many cases a project manager may be an architect. Key project management responsibilities include creating clear and attainable project objectives, building the project requirements, and managing the triple constraint for projects, cost, time, and scope. The project manager acts as the agent for the client when dealing with third parties including the builder or subcontractors. A key strategy to enable good design is to ensure all project managers have an appreciation of the design process and the imperative to protect the design intent. In addition to project management skills, a project manager may advise on finance, site selection, acquisition, cost benefit studies, different methods of contracting, taxation, leasing, conveyancing, lettings, tenancies, programming, budgeting and insurance.

When well-managed, the appointment of a project manager can allow the architect the opportunity to focus on the client brief, design outcomes and documentation aspects of the project. There is broad industry agreement that there is a need for good architects and good project managers and the specialist skills they bring to a project.

1.9 What is Procurement?

Procurement is derived from two Latin words: pro and curare. It means to manage or to care for something.

Within the Department of Treasury and Finance, procurement is understood as the process of engaging a supplier to deliver capital asset investments, including buildings, civil infrastructure and information and communications infrastructure. Procurement commences when Government makes a decision to invest in responding to an identified objective. It includes the process of seeking market solutions to deliver the investment, and concludes with contracting the successful proponent to undertake the required scope of works.

In the context of these guidelines building procurement means the management of and stewardship for the construction of a building or infrastructure. Procurement involves not just the contractual method but also the execution of a built project from idea to delivery and onto operation and audit.

These guidelines outline the stages of investment management or project development and delivery processes and how they may influence the design outcomes. They are structured to follow potential project delivery and architectural processes. The guidelines look firstly at the architectural and briefing process, the stages of the design and documentation process and the means by which the designs are developed into built outcomes.

'The 'procurement of buildings' is the act or process of bringing about or bringing into existence buildings.'

Standen, D. Construction Industry Terminology, RAIA Practice Division, 1993.

"Government builds most of the 'public infrastructure' that cities are remembered for- the museums, galleries, government offices, railway stations, roads etc. There is a responsibility on Government that they should be well designed and be memorably representative of their time."

John Denton
Denton Corker Marshall
Victorian Government
Architect 2006-08

1.10 How the OVGA can assist?

The OVGA is a small team of qualified design professionals with a high level of experience in government and industry, drawn from a range of disciplines including urban design, architecture and landscape design. The OVGA's key roles include advocacy, collaboration and advisory services.

The OVGA as a central agency/office advises state government departments, agencies and local government on how to improve design outcomes for capital works programs, specific projects or broader planning initiatives. The OVGA asserts that this is achieved by embedding design quality into every stage of a project's lifecycle—from inception to realisation.

The OVGA can offer:

- strategic and broad thinking to project outcomes and assist to identify other benefits and potential risks to quality of built outcome;
- an understanding of how a project would contribute to broader policy issues for liveability and successful productivity of the State;
- advice on best practice procurement of architectural services and project delivery methods;
- review and advice on the development of business cases, feasibility work, project briefs, expressions of interest, project scope and budget development; and
- peer review conducted internally by the OVGA or through its monthly formal design review process conducted by the Victorian Design Review Panel (VDRP). The VDRP is a specialist design panel that has been established to enhance and support the OVGA's role in providing independent and authoritative advice.

The OVGA fosters partnerships and collaborations among government, professional, academic, industry and community bodies to seek excellent design outcomes in the built environment. This collaboration ensures that its advice and advocacy work is well informed, rigorous and relevant. The OVGA advocates for the importance of good design including the processes involved in making great places and sustainable urban environments.

Accessibility
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VICTORIA State Government

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