




OFFICE OF  
THE VICTORIAN  
GOVERNMENT  
ARCHITECT

# Government as Smart Client

<Edition 03, 2024>

4.0 Procurement of Design Services



'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  
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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



# 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.<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup>

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



# 4.0 Procurement of Design Services

This section describes methods commonly used by Government for selecting a design team and directly procuring design services.

Design services are selected by one, or a combination, of the following methods:

- » Quality Based Selection
- » Expression of Interest
- » Request for Proposal
- » Request for Tender
- » Design Competition
- » Indirectly as part of a Wider Consortia

## SELECTING THE ARCHITECT AND DESIGN TEAM

Choosing the design team is critical to the project and its long-term success. Time and attention given to this aspect of procurement will enable the selection of a team that clearly understands the client objectives, is capable of delivering the project ambitions, and which promises a good working relationship with the client.

In this early stage of a project clients should investigate a range of designers, capable of working with the client and stakeholders, with demonstrated good urban design thinking and an understanding of the client's objectives. It is important that the client can form an effective relationship with the design team, with a strong capacity to work together throughout the process.

In the procurement of design services, it is important that design teams are treated equally and evaluated as objectively as possible. Key criteria should be established for the selection of the design team. These criteria should focus on design capability, experience and capacity, giving greater weighting to these criteria exclusive of fee to be charged.

A matrix can be designed to reflect different weighting of assessment criteria and provide a record of an assessment process. It will assist in reaching a decision and provides an appropriate audit trail. If however, it is used as the only method of assessment, it tends to flatten the differences between the design proponents, and may result in a compromised outcome. The best results are achieved through discussion and debate amongst the panel members, reaching a final decision through consensus. Thus the matrix, or score sheet, can assist as evaluation guide, which provides a prompt to the assessment panel discussions.

In addition, in order to test the capacity of the design team to work with the client, it is highly recommended that the design team selection process include an interview.

### Limited Quality in Request for Tender

As identified in the strength and risks table 4.3, the Office of the Victorian Government Architect considers the use of Request for Tender or Request for Quote, without an initial request for expression of interests, the least appropriate method for selection of design services.

In order to adequately select a suitable design team with required skills and expertise, capability to work with client and stakeholder and provide the best possible design outcome, government should pursue methods that embed a Quality Based Selection process.

'Each team or firm should be evaluated on the basis of its experience on similar projects if appropriate, expertise of its key professional staff, its physical equipment and facilities, references and other factors of importance to the client.

Although prior experience on similar projects may be considered a valuable asset, the client should not disregard any team or firm who has no such experience however have shown in other ways their capacity to be successful with the particular project type.'

A Guide to Competitive Quality Based Selection of Architects, International Union of Architects & Australian Institute of Architects

## DESIGN SERVICES FEES

The design team should be selected by first undertaking a qualitative assessment of criteria focused on capability, capacity and experience, and then comparing this qualitative assessment against price. This approach meets the Value for Money assessment as required by the DTF. Value for Money does not necessarily mean lowest price. According to DTF, best value procurement outcomes are based on a balanced judgement of financial and non-financial factors, taking into account: the total benefits and costs over the life of the goods, services or works procured; environmental, social and economic factors; and any risk related to the procurement. It is therefore important that the requirement for design quality is in place through all the expression of interest and request documents. Frequently, however, design teams are selected on limited criteria, inclusive of price, which cannot guarantee the delivery of design quality. Whilst fees will be considered as part of a value-for-money process, the cost of the design commission is a relatively modest financial consideration in a whole of project context and lifecycle costs.

While competitive fee tendering may result in some low fee bids, such savings on fees are a false economy if they result in diminished design quality. The savings in fees are insignificant compared to the negative consequences of a poor design outcome and the potential of a greater overall cost during construction due to less design development and poor documentation. Further, a good design can result in significant savings in operational costs.

Other public and private institutions have established various methods by which the fee may be addressed following the nomination of a design team:

- » Two envelope submissions, where the design team and their approach to the project are evaluated separately and in advance of the price, and are submitted in separate envelopes.
- » Nomination of a fee determined by quantity surveyors or experienced cost planners familiar with the project scope (in which case the teams are competing on the basis of the scope and quality of service to be offered).
- » Fee bands, where, provided the tendered fees fall within a pre-determined range (+ or - 5 percent or less), the best quality design submission is selected.

Whichever method of establishing fees is selected, it is important that it not be the determining criterion by which the design teams are selected. A good design team will have the capacity to deliver a project with good outcomes. Any marginal difference in their fees and those of a lesser quality bid will be outweighed by the long-term value-for-money outcome of the project. In appointing the design team, it is important to choose a standard form of consultancy agreement that promotes collaboration, integration and direct communication with the design team.

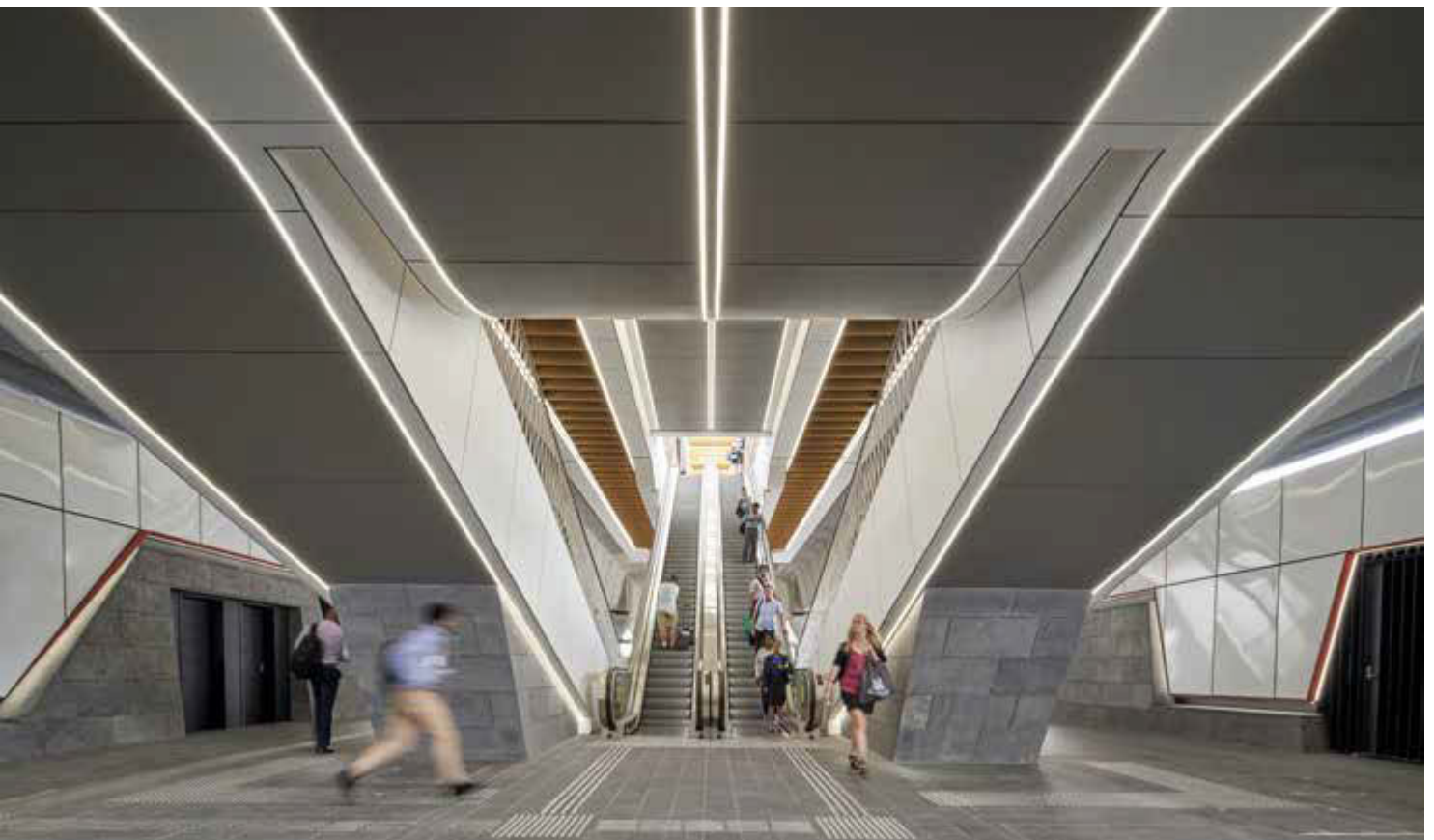
**SUGGESTED ACTIONS TO BENEFIT GOOD DESIGN**

- » Allow adequate time to develop a brief and select a design team with suitable capability, experience and capacity.
- » Appoint a Design Champion or an OVGA representative as part of the assessment panel.
- » Seek advice from the Design Champion about the most appropriate method to procure design services for that project.
- » Create a series of design quality outcomes as key criteria.
- » Predetermined fee bands should be prepared by a quantity surveyor and established prior to the receipt of submissions.
- » Undertake an analysis of proposed fees against the predetermined fee bands ahead of the first selection panel or jury meeting. Practice names should be omitted and retain anonymity.
- » Discourage underquoting or 'buying work' through the use of predetermined fee bands.
- » Undertake interviews as part of the selection process.
- » Separate the design fees from the assessment criteria.
- » Ensure the design fee is understood proportionally within the context of the entire construction and whole-of-life costs of the project.

Architects' skills do not rely on how low they can bid; rather they are found in their design services.

'The best outcome is always going to be achieved by selecting best value bids, rather than simply the lowest cost.'

Procurement in WA: Government as 'model client', Submission to the WA Commission of Inquiry into Government Programs and Projects, p. 26.



'A decision to purchase an item of clothing may involve the following.

- » Colour;
- » Material;
- » Design;
- » Price;
- » Designer;
- » Durability;
- » Ease of washing;
- » Country of origin;
- » Sustainability practices in manufacture;
- » Retailer.

Frequently, architectural design teams are selected on limited criteria, with the primary one often being price. Whilst price is an important consideration in any purchase, the list of criteria above show that price is only one of many criteria in the purchase of clothing, thus similarly price should be only one of many criteria in the selection of an architectural design team.'

A Guide to Competitive Quality Based Selection of Architects, International Union of Architects & Australian Institute of Architects

## 4.1 Quality Based Selection

Quality Based Selection (QBS) is a transparent, structured process for the competitive selection of architectural and other consultants using qualifications based criteria rather than price as key criteria. The process is focussed on matching client expectations with expertise, experience, resources and innovation in a design team.

When used appropriately Quality Based Selection of design services offers a far better chance of delivering design quality. It follows the rationale that design teams should be selected on the basis of qualification and capability. A number of criteria, including understanding of the project and its objectives; proposed design approach; proposed methodology; and related experience, skill, reputation, rapport, past performance and technical competence inform this decision.

This qualitative approach offers effective processes that are carefully planned and communicated to bidders. Through clearly defined evaluation criteria, selected firms can respond in a way that is focused and specific. The selection process is effective in ensuring that the requirements of the project are known and any questions are clarified during the bid phase.

Quality Based Selection is an internationally accepted approach that organises the process in four major steps:

1. Determine the project objectives, qualifications and criteria for determining design team engagement;
2. Shortlist the most suitable design teams and undertake interview;
3. Define the services and agreement with the top ranked design team and agree fees and conditions;
4. Subject to successful negotiations of above, appoint the design team.

As outlined from the above, the selection is based on determining the most suitable design team for the project, without influence or competition of price.

### QUALITY BASED SELECTION

Strengths	Risks
> Selection based on suitability to meet project specific requirements.	> Poor outcome if client preparation inadequate.
> Allows weighting to support quality outcome.	> Poor outcome if completely reliant on a matrix system for selection.
> Allows scoping and testing of ideas in a brief.	> Perceived to create more work if a large number of bids are received.

**WHEN APPROPRIATE:**

- » When selection criteria can be well defined and assessed by a client with design expertise or with appropriate design advice.
- » Where the vision and outline brief are clear and comprehensive, and all stakeholder inputs have been received.

**SUGGESTED ACTIONS TO BENEFIT GOOD DESIGN**

- » **Engage design experts with demonstrated skills in design advice, such as the Office of the Victorian Government Architect, to help establish selection criteria and participate as members of the assessment panel.**
- » **Request from the bidding teams a design statement responding to the project brief, and attribute a substantial part of criteria weighting to this.**
- » **Expand evidence of previous experience to broader criteria where project types may be similar.**
- » **Ensure agencies develop appropriate and clear briefing.**
- » **Ensure criteria include demonstrated capacity for good design outcomes specific to the project.**
- » **Ensure proponents are interviewed as part of selection process.**
- » **Allow proponents to provide joint venture with other designers or emerging firms to demonstrate capacity and facilitate innovation.**

**Potential Selection Criteria**

It is important there are selection and evaluation criteria with high level of support for methods that evaluate some or all of the following issues:

- » Capacity (that is size and numbers of staff of the firm).
- » Key personnel that are to be directly involved.
- » Methodology proposed.
- » Capacity to work with key stakeholders.
- » Design capability as evidenced in architecture and associated design awards, exhibitions and peer review/ publication in architecture and design magazines.



“Without clear and concise tender processes that provide equal opportunity, a fair distribution of project risk and a focus on quality design, clients can squander precious time and public resources in the procurement of architectural services and undermine the potential quality of their built project.”

Australian Institute of Architects Guidelines for EOI & RFTs 2019, p. 18.

## 4.2 Expression of Interest

The Expression of Interest (EOI) process offers an open process for all industry providers to register interest in providing services for a specific task or project. It provides an opportunity to seek high quality design as the major selection criteria for a project.

The purpose of the invitation for EOI is to:

- » formally advise the market of the project and the services which will be required;
- » communicate the proposed timeframes, evaluation criteria and outcomes to be met for the project;
- » confirm the level of market interest in the project;
- » formulate a shortlist of the most suitable proponents, capable of meeting the project objectives, to proceed to the Request for Proposal (RFP) phase.

The EOI process enables government to be alerted to design services providers otherwise unknown to them and for industry to consider if they are suited or in a position to offer such a service at that time.

As a model of Quality Based Selection, the EOI allows a simple two stage process which can obtain the most suitable design team for the project, as follows:

### Stage 1 – Expression of Interest

Design teams are publicly invited to provide a succinct response to the outline brief and scope of services, from which a shortlist of the most capable design teams is formulated. A number of criteria, including skill, reputation, rapport, past performance, technical competence and understanding of the client’s project requirements, can inform this decision.

### Stage 2 – Request for Proposal

The shortlisted teams are then invited to submit a response specific to the project brief and their capacity to fulfil the anticipated outcomes. As per the Request for Proposal process, this could include a statement of design approach specific to the project. It may include a fee proposal as part of the submission, assessed separately.

The EOI process can support young designers and emerging firms to submit realistic bids, offering emerging firms broader experience. The support of younger designers and emerging practices can provide innovation and creativity to government projects, as well as providing a broader base of available consultants capable of meeting client objectives and programs.

Where there is a specific desire to do so, there are opportunities to develop the market of professional designers and give emerging firms a chance to grow. In some cases the bid fields in smaller projects may be limited to emerging firms, or criteria may be established which emphasise factors such as the design approach to the project, rather than previous experience with that building type. Equally expressions of interest can support joint ventures of innovative design practices with more established and larger capacity practices – providing expertise across the architectural services.



**EXPRESSION OF INTEREST**

Strengths	Risks
> Selection is based on suitability to meet project specific requirements.	> Poor outcome if client preparation is inadequate.
> Allows weighting to support quality outcome.	> Potential criteria are reinvented each time.
> Allows design teams to demonstrate interest and capacity.	> Poor outcome if reliant upon detailed and inappropriate matrix system.
> Identifies design teams otherwise unknown to government.	> Perceived to create more work if a large number of submissions are received.
> Allows scoping and testing of ideas in a brief.	> Perceived increased time required to engage services.

**WHEN APPROPRIATE:**

- » When selection criteria can be well defined and assessed by a client with design expertise or with appropriate design advice.
- » Where the vision and outline brief are clear and comprehensive and all stakeholder inputs have been received.

**SUGGESTED ACTIONS TO BENEFIT GOOD DESIGN**

- » **Engage design experts with demonstrated skills in procurement of design services, such as the Office of the Victorian Government Architect, to establish criteria and participate as members of the assessment panel.**
- » **Minimise scope of submission requirements to obtain a clear and succinct response from proponents and mitigate costs to unsuccessful proponents.**
- » **Request examples of comparable projects and demonstration of peer recognition as part of submissions.**
- » **Expand previous experience in a specific building type to broader criteria where project types, scale or complexity may be similar.**
- » **Ensure agencies develop appropriate and clear briefing and request documents.**
- » **Ensure criteria include demonstrated capacity for good design outcomes specific to the project.**
- » **Allow proponents to provide joint venture submissions to demonstrate capacity and facilitate innovation.**
- » **Avoid the requirement of sketches, drawings or an image-based design proposal at the early stage of an EOI as this compromises the ability to test assumptions in the project brief and offer alternative approaches that the client has not considered. It also undervalues the key creative input of design services and can infringe intellectual property rights.**
- » **Ensure submission requirements are proportional to the project's size and complexity.**

'Preparation of informed and thoughtful design ideas involves considerable time and therefore requires architects to be commissioned. RFPs also raise important considerations of intellectual property and moral rights.'

Australian Institute of Architects Guidelines for EOI & RFTs 2019, p. 6.

## 4.3 Requests for Proposal, Tender & Quotation

The Financial Management Act 1993, Project Development and Construction Management Act 1994 and ministerial guidelines, provide specific guidelines and legislative requirements that set the means by which goods and services, and therefore design teams, may be selected.

These include:

- » Request for Proposal
- » Request for Tender
- » Request for Quotation

While the terminology may suggest selection based on fee bidding, the state requirement to ensure 'value for money' does not preclude the need for qualitative measures.

In selecting a design team, the OVGA recommends that the most appropriate type of request is the use of a Request for Proposal in conjunction with an Expression of Interest process.

### REQUEST FOR PROPOSAL

A Request for Proposal (RFP) involves the selection of a design team on the basis of suitability, capacity, experience and overall capability. Its purpose is to outline the outcomes of the project and the design team's role and responsibilities, in order to seek responses from the shortlisted bidders.<sup>15</sup> It assumes an outline brief is provided by the client, which can be adequately interpreted. Unlike a Request for Tender or Quotation it does not prescribe to the design teams how to provide the service, but instead requests a proposition as to how the outcomes may best be achieved.

The selection of design services should focus on ensuring that the most suitable design team is selected, so it is preferable that an RFP operate on the basis of a statement of design approach, rather than the development of a specific proposal for the project. The statement may outline the critical issues identified by the proponent, and considerations of how they may approach the specific project. The selection can then be assessed based on their understanding of and response to the scope and project ambitions, in conjunction with their demonstrated design experience, capacity and capability.

In some cases, where it is difficult to finalise a selection based on the design approach statements and other criteria, it may be possible to request a further submission of proposals from a narrower field of proponents. This would allow a testing of the project brief and scope. However, the submission of a design proposal is very much like a Design Competition and requires careful consideration. It is important to recognise the extent of work required to submit a design proposal as part of a bid process. While the offer to submit a proposal may be limited to a small number of proponents, it is considerable work for those invited and requires acknowledgement of the intellectual property associated with the submission. As a result the process should allow remuneration in the form of an honorarium provided for those not successful, in accordance with the Australian Institute of Architects Competition Guidelines.

In the Request for Proposal, the selection process must consider the qualitative factors as the primary components. Therefore, in accordance with DTF guidelines, the best Request for Proposal process excludes the price as part of the weighted assessment criteria. There are various options available for the separate assessment of a fee, should it be included in the process, as outlined at the beginning of this chapter.

**Request for Proposal**

Strengths	Risks
<ul style="list-style-type: none"> <li>&gt; Requires a quality based selection process specific to the project needs.</li> <li>&gt; Promotes quality design as key criteria.</li> <li>&gt; Use of design approach statement allows provision of response without over-commitment by the design team.</li> <li>&gt; Allows interactive process with client.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; If a design proposal is sought in lieu of a statement of design approach, opportunity for interactive process with client in initial concept design is removed.</li> <li>&gt; Remuneration required for unsuccessful proponents where design proposal is requested in lieu of statement of design approach.</li> </ul>

**WHEN APPROPRIATE:**

- » Following an EOI process at which point the client has determined the most suitable candidates to provide an RFP for the project, all of whom are judged to comply with the requirements for appointment to the project.
- » When drawing from a shortlist of identified suitable design practices, such as a Design Services Register.
- » Where the Vision Statement and Project Brief are clear and comprehensive and all stakeholder inputs have been received.
- » When the client is assisted by a Design Champion or the OVGA in developing documents and the selection process.
- » When innovation is a key project driver.

**SUGGESTED ACTIONS TO BENEFIT GOOD DESIGN**

- » **Undertake an Expression of Interest to form a shortlist for the Request for Proposal process.**
- » **Engage design experts with demonstrated skills in design review, such as the OVGA, as key members of the assessment panel.**
- » **Establish clear and high quality criteria that identify design merits as a priority including peer recognition and awards.**
- » **Ensure statement of design approach is sought as part of the assessment.**
- » **Minimise scope of submission requirements to obtain clear succinct methodology response from proponent and mitigate costs to unsuccessful proponents.**
- » **Require in tendering documents integration of high quality architectural, engineering and landscape design, for all aspects of the project, from inception, design and construction.**

'Fee evaluation can be complex. The weighting of a fee response should be clearly articulated to the tenderers and adhered to in evaluation deliberations to engender trust in future relations between architects and clients beyond any submission process. Any marginal differences in tender fees will be outweighed by the long-term business benefits a well-resourced or more thoroughly considered design will deliver.'

Australian Institute of Architects Guidelines for EOI & RFTs 2019, p. 16.

## REQUEST FOR TENDER OR QUOTATION

Ministerial Guidelines, in combination with Victorian Government Purchasing Board guidelines, outline the appropriate use of and differences between Request for Tenders and Request for Quotation. The client provides a detailed project brief and specifics of the required design service, which can be readily interpreted by the design teams. In addition to assessing the costs associated with fees, the selection process considers qualitative factors, to determine value for money.

Fairness and impartiality should be considered at all stages throughout a procurement process. Tender participants invest time, effort and resources in preparing and submitting tender responses. In return, they are entitled to expect fair treatment at every stage of the procurement process.<sup>16</sup>

Additionally, previous research through inter-departmental roundtables suggests that processes which encourage fee bidding drive down design quality, leading to poor outcomes in a number of ways with a variety of consequences:

- » Overall pressure on the design team to do more with less simply meaning less applied design effort and less design resolution.
- » Quality of design documents are diminished leading to unexpected costs during construction.
- » Suggestions that design cost savings through competitive tendering of fees are lost tenfold by extra construction costs.
- » Design team selection processes are preferred when focussed on quality rather than price.

Ultimately the cost of the design services is low when compared to the total project cost. While a competitive Request for Quotation may appear to reduce costs, such savings are a false economy, as they often result in poor documentation leading to additional construction costs and diminished design quality.

Without a multi-staged quality based process, the Request for Tender and/or Quotation is considered an inappropriate method for selection of design services. A more suitable process is the use of the Request for Proposal in conjunction with an Expression of Interest. The Expression of Interest assists in formulating a shortlist of candidates with capacity and capability. The Request for Proposal then follows to determine the most suitable design team based on a response to the project brief.

**REQUEST FOR TENDER OR QUOTATION**

Strengths	Risks
<ul style="list-style-type: none"> <li>&gt; Offers efficient process only when adequate processes such as design-based criteria and use of a prequalified register are in place.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Request for Quotation to a limited number of proponents reduces the opportunity for design innovation.</li> <li>&gt; Request for Quotation to a limited number of proponents reduces the potential pool of experienced design teams.</li> <li>&gt; Design criteria are not included as part of assessment, resulting in poor outcomes.</li> <li>&gt; Lack of focus on lifecycle costs and considerations due to pressure for a competitive fee.</li> <li>&gt; Potential lack of research development and options in early design stages due to pressure for a competitive fee.</li> <li>&gt; Poor design development and documentation as a result of lesser services to match lesser fee.</li> <li>&gt; Fees increase due to number of exclusions.</li> </ul>

**SUGGESTED ACTIONS TO BENEFIT GOOD DESIGN**

- » **Undertake Expression of Interest and Request for Proposal process to determine the most suitable design team based on a response to the project brief.**

'Competitions take us to places we never expected to be. We don't know where we might end up, but it won't be where we intended, and that really gets us thinking.'

Nick Johnson, Urban Splash, UK 2009

### Types of competitions

According to the Australian Institute of Architects there are varieties of competition types, including:

- » Project
- » Ideas
- » Open
- » Limited or Select
- » Commissioned
- » Student

## 4.4 Design Competition

Design competitions offer an alternative way to seek high quality design as the major selection criteria for a project. With an appropriate budget in place, competitions can generate excellent outcomes for clients, opening up the field, generating public interest in the project, and stimulating the profession. Investing time to fully develop the competition design brief assists in attracting quality submissions.

There are different types of design competitions that vary in their scope and application. Decisions about which competition process is used will depend on the size, objectives, time constraints and design flexibility of the project. Key participants include the client/client group, steering committee, jury, probity adviser, legal adviser and competition adviser. The OVGA assists by advising on the characteristics and virtues of each form of competition and provides guidance with the resource: Architectural Competitions – a guide for government.

### STAGING

Competitions are often staged and may be structured as either one or two stages.

One-stage competitions select a winner and other prize-winning designs in one step. A one-stage competition may be appropriate for small to medium sized projects.

Two-stage competitions are generally appropriate for more complex projects. They encourage a large number of architects to explore a range of design concepts in the first stage and allow detailed development of designs by a limited number of architects in the second stage.

#### A two-stage competition:

- » attracts more entries by reducing the amount of work required in the first-stage submission;
- » is an excellent process for selecting a limited number of promising concepts that can be further developed in the second stage;
- » provides the opportunity for comments by the client and the jury to be incorporated in second stage development;
- » offers anonymity for entrants in the first stage and the potential for smaller emerging practices that may not be eligible or considered via other procurement methods to provide innovative solutions.

Equally, design competitions can be used in combination with Expression of Interest or Request for Proposals, seeking design ideas from a limited pool of architects. Competitions are viewed as a way to promote innovation, a range of ideas, thinking from different minds, providing solutions not previously imagined and creating opportunities for emerging practices. Competitions can offer the public a raised awareness of the importance of good design and the value they add in creating an enduring legacy. There are specialists with extensive experience that facilitate architectural and urban design competitions on behalf of clients. These competition advisers work closely with public and private partners to help refine the brief and the selection of an architect through a rigorous process.

**DESIGN COMPETITIONS**

Strengths	Risks
<ul style="list-style-type: none"> <li>&gt; Allows for early scoping and testing of ideas in response to the brief.</li> <li>&gt; Assists client to champion design quality from the start.</li> <li>&gt; Allows focus on the big issues of a project rather than barriers or premature detail.</li> <li>&gt; Offers evidence of expertise of the lead architect and design teams and their approach to design issues prior to selection.</li> <li>&gt; Facilitates a vision that will help capture public support.</li> <li>&gt; Provides a focus for new knowledge to be tested.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; The competition sponsor is unwilling or unable to ensure that the competition conditions provide for competitors to retain their intellectual property and moral rights in their designs.</li> <li>&gt; The competition process is insufficiently resourced and fails to attract quality design teams.</li> <li>&gt; The competition sponsor limits the process and opportunities at the cost of design quality and innovation.</li> <li>&gt; The project budget is inadequate to support the focus on design as required by the competition.</li> <li>&gt; Design team does not have the relevant expertise and experience to deliver the competition winning scheme.</li> </ul>

**WHEN APPROPRIATE:**

- » When the process will benefit from the public interest generated by a competition.
- » When seeking ideas, innovation and design excellence is a high priority.
- » When the project timetable allows the time necessary for conducting a competition.
- » When a project will benefit from a wide design analysis.
- » When the client is able to set a clear and unambiguous brief.
- » When the project is of public significance or on a significant or unusual site.
- » When the budget is derived from satisfactory benchmarking and can meet the design ambitions of the competition process.

'Competitions are a regular feature in Belgium for projects with a project fee value in excess of 75,000 Euro.'

Procuring Innovative Architecture. L. Van Schaik, G. London, B. George

'An architectural competition, when conducted appropriately, can generate a broad range and high level of innovation in design solutions.'

There is therefore a need for clarity, consistency and equity in the conduct of architectural competitions as part of the procurement process.'

The Australian Institute of Architects (AIA) Guidelines for Architectural Design Competitions 2016

#### SUGGESTED ACTIONS TO BENEFIT GOOD DESIGN

- » Appoint a jury that includes a mix of specialists that will generate a broad level of interest and engender the respect of the architectural design profession and the broader community.
- » Appoint a competition advisor to assist in the process and offer impartiality and confidentiality.
- » Ensure that the competition advisor and brief writer set out the competition process and define the rules to avoid false assumptions.
- » Set a clear, unambiguous brief with relevant background material, the vision and the rules, and one that draws on good examples and follows a well laid out format.
- » Engage other stakeholders and planners to review the brief.
- » Identify and be clear about the proposed method for delivery of the built project.
- » Get the tone right: it's important to inspire people to get the vision right.
- » Familiarise entrants with the site by ensuring the context is explained.
- » Establish and publish the criteria by which the entries will be judged.
- » Establish a reasonable budget and program that accurately reflects the brief.
- » Encourage concise and targeted submissions, which communicate the design intent.
- » Offer appropriate incentives to attract a broad range of competitors.
- » Pay bidders for work in a second stage and pay architects for ideas taken from unsuccessful bids.
- » Should the project proceed, engage the winning team to deliver the project.

Project: Shepparton Art Museum  
Architects: Denton Corker Marshall  
Photographer: John Gollings







Accessibility

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