

SUBCONTRACTOR PROCUREMENT RULES



Building good relationships with subcontractors helps us win work and deliver high standards of project safety, quality and client service. Developing such relationships requires collaboration and two-way feedback between estimators and production teams, and consistency in our approach, so that we treat subcontractors the way we expect to be treated.

As a minimum, good relationships will be built on the following rules which are effective immediately and can only be circumvented with General Manager consent:

Rule 1 – If they don't price it, they can't win it

If a subcontractor invests the time and resources to price a tender it should be guaranteed a level playing field, by competing only against other contractors who priced at tender time.

Rule 2 – Estimators can nominate subcontractors to receive a "right of last refusal"

The estimator and project manager should work collaboratively in trade lettings. Subcontractors need to be confident that the estimator and project manager that they liaise with will together decide which contractor is appointed. This should encourage them to put their best foot forward at tender time as well as during contract letting negotiations.

This rule allows estimators to single out at production handover one or a few subcontractors who have helped SHAPE win a project. When negotiating, each of these subcontractors is to be given preferential treatment (for example an exclusivity period in which to negotiate the subcontract), and ultimately, if another subcontractor betters its offer, a right of last refusal to match this offer.

Rule 3 – Communicate every result to every subcontractor

We need to inform every unsuccessful subcontractor of the result of every bid, and provide feedback on why they missed out. The estimator and the project manager can agree how this will happen, but either way the Commercial Manager is responsible for ensuring the communication takes place.

Rule 4 – Pay on time

We need to always pay subcontractor claims in line with our contractual obligations.



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