CASE STUDY

Project Management of Five Mile Retail Centre

CLIENT: Queenstown Gateway (5 M) Ltd
LOCATION: Frankton, Queenstown

Rebbeck Dunn Watters
Project Delivery Building Consultancy
www.rdw.co.nz

"Not only did RDW have to manage multiple personnel changes throughout the project, they also had the challenge of managing an unhappy contractor who had mispriced the job. They were required to go well above their normal project management responsibilities. A measure of their success on stage 1 is that both Principal and Contractor are working collaboratively together on the second stage and both parties have welcomed RDW as project managers."

Craig Greenwood – Director Queenstown Gateway

Size	Value	Services Provided	Awards
15,000 sqm (Stage 1)	$50M	/ Full Project management / Development Management	RICS Winner 2016

Introduction

The project included extensive civil engineering works; a large basement carpark; significant upgrades to SH6; and the construction of four extensive retail buildings housing 25 retail tenants including brands such as Countdown and Warehouse.

Challenges

For this project our appointment was after many critical decisions and elements of work had already been completed. As a result, the project experienced considerable challenges that required well considered solutions to enable success:

- The client changed Architects during the design process and many coordination and documentation issues resulted.
- The design team members were located across three separate cities adding complexity to the design management process.
- The contractors tender price significantly exceeded the agreed Guaranteed Maximum Price. This meant that the contractor was in cost recovery mode.
- Prior to RDW's appointment the consultant team and client agreed an unrealistic design delivery programme which resulted in compounding issues arising.
- The client's development director and development manager both resigned mid-way through the project. RDW subsequently took on the development management duties.

The above issues all resulted in the contractor, the architect and the client being on a collision course from the outset of the project, with litigation inevitable alongside potential added costs and delays.

Outcome

In order to manage the issues identified above, a huge effort was required by the RDW Project Management team:

- It was clear that issues relating to design documentation had to be rectified as a matter of priority. To prevent further disruption, RDW and the contractor implemented a collaboration tool and quality procedures to report between the entire team and identify design coordination deficiencies. After weeks of hard work and co-operation between team members, the design documentation was put on track. This enabled improved efficiently on site and avoidance of significant cost escalation. In essence, RDW took on the design management role which should have been undertaken by the Architect.
- By the end of the project RDW had processed over 1400 contract instructions and requests for information from the contractor.
- Several of the contractor's claims were declined, and were referred to adjudication. RDW was then asked to provide expert witness advice and work alongside the client's legal team to manage the resolution of these legal disputes.

With all of the issues experienced on the project there were a number of occasions when the successful delivery of the project was genuinely at risk. However, with RDW galvanising the team, providing innovative solutions and instilling professional guidance and rigour, the project was completed as a resounding success.

"RDW have been congratulated by the Client for saving the project and meeting pre-determined programme, quality and cost criteria. We have also since been instructed to proceed with the Project Management of the remaining phases.

Fortunately, for the subsequent stages our appointment is from the outset rather than mid-way through the project so has resulted in a 'well planned' project rather than a 'well rescued' project."

Client Reference
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