

UNIVERSITY OF THE WITWATERSRAND



**THE VALUE CONTRIBUTION AND ROLE OF FACILITIES
MANAGEMENT IN THE DESIGN PROCESS FOR OFFICE
ACCOMODATION SERVICE TYPE PPP PROJECTS**

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ABSTRACT

In 1997, the South African government introduced Public Private Partnerships (PPPs) as an innovative procurement mechanism, in the form of a policy to regulate the delivery of public assets and services over a protracted period or concession. PPPs involve private sector entities in the form of a consortium or Special Purpose Vehicle (SPV), which signs a Project Agreement with Government and takes responsibility for delivering the infrastructure and long-term service through funding, designing, building, operating and maintaining the asset or service for the duration of the concession period.

The benefits of this type of procurement arise from the transfer of risk to the private entity, incentivising the entity to deliver value for money (VFM) and creating value by delivering innovative and integrated project solutions, which aim to reduce the whole life cost and maximise functionality of an asset.

The aim of this research is to examine the role of facilities management at the design stage in the delivery of office accommodation through the Public Private Partnership (PPP) model and how this could reduce maintenance costs throughout the whole life of the asset.

The research consists of one case study on a large and complex office accommodation-type service PPP project. It focuses on the three design defects identified, namely, the reinforced concrete floors, roof skylights and grey water tanks, and how these led to further maintenance costs that could have been avoided if proper facilities management was implemented in the design phase of the PPP.

The data obtained is self-report interviews, peer review journals, public and private sector issues project documentation and expert opinions.

The findings of the research indicate that the early involvement of facilities in the design phase can potentially mitigate the risk of design defects, reduce the cost of maintenance during the operational phase, improve communication with the professional team and increase the level of accountability. On the other hand, if these conditions are not met the design process suffers, as in this specific case of the headquarters of the accommodation serviced PPP project.

The research proved that there is limited literature on the collaboration of facilities management and design in the South African economy, as it is an emerging market which is constantly facing new developments and changes. However, the research proves due to the governance structures of PPPs, the organisation of the different private sector parties in the project development shows limited interaction.

This research yielded a number of recommendations for further study of assessing the viability and feasibility of a fully integrated design solution and due to the limited literature in office accommodation service-type PPP projects other case studies of a similar nature must be analysed, in conjunction with further quantitative and qualitative research to confirm the validity of the findings.

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