

HELPING 'GOOD' BUILDERS BENEFIT FROM DOING THE RIGHT THING



TIPS FOR NEGOTIATING UNDER IPEX

Whilst there are multiple factors influencing every negotiation, builders that choose to embrace the enhanced transparency can clearly differentiate themselves from those already in financial difficulty & will be rewarded with more contracts, fairer margins & better payment terms.

IPEX doesn't mean you have to reveal subcontract/ payment values

Most developers are not asking for full visibility on subcontract values, amounts paid or your margin (and even those that are can typically be convinced to settle for standard or hybrid view). The majority of IPEX projects are run under our standard view which shows who has been paid & when, but not how much.

Most agreements don't require that all subcontractors & suppliers be paid directly via IPEX

The developer & builder agree on which subcontractors & suppliers must be paid through IPEX on a project-by-project basis. Some developers want all trades to be paid through IPEX, but most are willing to accept oversight on major trades only i.e. the top 10 trades by contract value or a negotiated list.

You're unlikely to be asked to reveal exact margins or additional trade letting wins

We're increasingly seeing deals get done with no set margin allocation; developers are agreeing to release all residual funds (what's left once all subcontractors/suppliers included in a claim have been paid/accounted for) to the builder in a lump sum meaning they don't need to reveal additional margins or trade letting gains.

'Standard' security & payment terms can change under IPEX conditions

Agreeing to work under IPEX greatly reduces a developers' risk so most are willing to make concessions to their builders' advantage. IPEX can be leveraged to help negotiate modified security requirements & the provision of payment in advance for site establishment & certain long lead time material deposits.

Margins are typically 'fairer' on an IPEX project

Predictably, we're seeing builders with existing cash flow issues withdraw their interest (and their low-ball bids) from any tender requiring funds be 'ring-fenced' from other projects. This leaves only financially sound bidders in the race & encourages contracts to be awarded at fairer margins.

Proactively offering IPEX can help secure contracts ahead of other builders

Some builders are proactively offering IPEX to developers as a means of differentiating their bid from competitors (they use IPEX as a sales tool). We've already seen builders win contracts that they may not have otherwise been considered for: is it worth paying a premium for a tier 1 when you can select a solid tier 2 working under IPEX?

TESTIMONIAL - Balmain & Co.

"Based on our experience IPEX should be mandatory. It is now an integrated and essential part of our governance. It's delivering a new standard of providing trust downstream to our subcontractors and suppliers that they'll be paid and upstream to our clients and the Financial institutions funding these projects."

Ken O'Connor, Director,
Balmain & Co

[VIEW THE BALMAIN & CO CASE STUDY](#)



CONNECT WITH IPEX DEVELOPERS

If you want to work with developers who are ready to support a fairer, more sustainable industry, [CLICK HERE](#) to register and we'll connect you.

FIND OUT MORE. For answers to builder FAQs click to download:

IPEX Builder Info Pack
IPEX Builder Summary
IPEX Framework