

Owner's Keynote Paper: "The Joys and Horrors of Building a Yacht"

Reported by: Donald V. Gale

Panelists:

Stanley Bey – Bay Marine Ltd.

Mr. Bey described himself and his wife as "boat builder and operator junkies". His presentation thus provided invaluable input from the Owner's perspective to the industry professionals assembled for the conference as he discussed his yacht construction background and interactions with the industry culminating in *Perle Bleue*, recently delivered by Hakvoort Shipyard in Holland. He summarized his early boating and ownership experience from childhood play with toy boats, being denied sailing lessons by his father who feared the water, to owning a 25-foot Owens powerboat to crew duty on racing sailboats. The first large yacht he owned in the 1970s was an 87-foot semidisplacement Broward that proved too light for his Caribbean cruising activity. He subsequently commissioned a 40-meter full displacement build, eventually taking over project management when the project manager's performance foundered.

To ensure satisfaction an Owner needs to be knowledgeable, have a strong support system, and possess the will and discipline both to watch the budget and to oversee the design and construction activity. To the delegates present he reinforced the need on the part of industry professionals for cooperation and focus on customer satisfaction, reminding us all that, unlike the commercial and military markets, "nobody *needs* a yacht", and that without the customer no yacht industry would exist.

Stanley recommended retaining a good broker for access to and facilitating relationships with industry contacts including a naval architect, designer, admiralty lawyer, financial institution and a project manager who will represent the Owner's interests through the design, build and delivery process. Based on the Owner's mission requirements the naval architect prepares a concept design package including exterior and interior profiles, general arrangements and hull lines. Tank testing, while not necessarily required for a sister or close descendant of a parent hull, is strongly recommended for any new or non-proven design. Complementary with the naval architect, one or more designers, preferably with sea time and familiarity with boats, are recommended for enhancing the exterior styling and refining the interior arrangement. By this phase a well-disciplined project manager is required. Active design review by the Owner through a series of meetings with the project manager, naval architects and designers involved will better ensure satisfaction with the final product.

Any shipyard(s) bidding construction should be visited, inspected and evaluated with respect to experience, facilities, cleanliness, activity, and ethics. Based on his experience, Stanley recommended immediately adding six months to the build time frame quoted by any yard. The method used by the yard for handling change orders must be examined. The absence of any change orders being ideal, build changes will likely be encountered due to equipment availability and changes in the Owner's wishes during a typical three-year build period. Special consideration must be given to builders' allowances, which Stanley characterized as "The Owner's Trap", as some yards can and do exercise abuse in this area. The typical warranty period being one

year, the delivery contract should clarify responsibility for individual systems and installations, as well as where any warranty work is to be done and the party/ies responsible for dockage, shore connections and similar concerns during a warranty repair. Non-reimbursement for lost use or charter revenue is typical of most warranties, constituting “the worst horror” for the Owner, according to Stanley. It was also noted that some yards set aside a warranty allowance, typically about three percent, in their construction quotation. Finally, any contract should be reviewed by a contract lawyer, such documents being only as authoritative as the will of the parties to follow them.

Subsequent points of discussion by delegates included safety codes. Stanley Bey favors structural fire protection codes by Class societies and, where applicable, the United Nations International Maritime Organization (IMO) beyond the 50-meter / 500GT / 12-guest levels, stating that “most of our boats are fire traps. They will burn, [and] we’ve seen them go up.” While the question of codes other than the British Maritime and Coastguard Agency (MCA) large yacht code (LY2) was cited, this clearly remains one of the codes most recognized through the industry for safety. In addition, consideration of awareness of the ISO 9001:2000 quality management system among shipyards was raised. On request by Martin Redmayne for a show of hands by ISO 9001 shipyard representatives, the affirmation by only one yard’s representatives indicated a current lack of awareness of and subscription to such standards in the yacht industry. (Although I represented a design firm rather than a shipyard, I raised a hand in support of the system among designers and naval architects as well as yards.) Finally, possible language and cultural mores barriers among foreign workers in U.S. yards, as well as for American projects build abroad, were noted.