Qu. 1:-
Why and how did you become involved with research in Procurement?
AN UNPRODUCTIVE PROCESS
Sample of some tender doc. submissions undertaken over a 3 year period

Excessively tedious, complex, stupidly inappropriate questions.
Denial of access to work
Economic loss + time etc

over a 6 yr period submissions cost
est. £250,000
2 architect practices on
22 frameworks obtained no paid work

x total Nos in industry ??
of tenders in the construction industry and the cost of a clients assessment = extraordinary economic cost; loss of output and efficiency.

WMA PROPOSITION
it would be more productive to investigate + seek to reform procurement than respond to the procedures
THE PROCUREMENT BRIDGE
between needs + outcomes

NEEDS
eg societal economic cultural client stakeholders professional end user economic:

OUTCOMES
eg built environment infra structure housing sustainability, quality, creativity, innovation, economic adjustment, employment + growth

PRACTICE IDENTIFYING NEED
societal

WMA PROPOSITION
better + more efficient outputs

little data, knowledge or understanding or fragmentary.
Lack of SME engagement few doing it.
no professional research or influence general consensus of a need for reform.

perceived as an immovable sleep inducing dark art!
WMA always emphasis the value of ‘design research’ to improve built project outputs

BUT

Procurement has been
Stifling the environment for efficient delivery
+ diminishing construction quality
+ disenfranchising stakeholder needs from productive processes

Personal circumstances forced a reflective break
+ recognition of the dearth of information and understanding

Our discipline in design research extended seamlessly into Procurement

WMA ACTIONS

In Research - ‘Go with the flow’

Once taken there is a professional responsibility
to discharge a brief to the best
+ research revelations increasingly gave me
‘the bit between the teeth’
RESEARCH IMPLEMENTATION

Document reviews,

Legal review + appraising
   The Classical Procurement Directive:-
      ‘EU Directive 2004/18’
   The Remedies Directive
   The UK Public Contracts Regulations

Context
   ‘UK Gold platting’ culture & practice
      Gov. Construction Strategy perspectives

Consultations,
   Case studies
      + evidencing

Developing
   Research networks
      + Data base

COMMISSIONING
Evidencing
Survey of the architectural profession
   RIBA Procurement Survey 2012
Legal review of small sample
   EU Comparative Practice

IDENTIFYING
Process mapping
Connectivity
Mechanisms for reform.

RESEARCH, ANALYSIS + REPORTING
Reform in conjunction with Construction moving to a new digital age

BIM, POW 2013, but crucially also

NEW DIGITAL E-PROCUREMENT
inception to completion

The new EU e-Procurement Directive 2013
pre-award, award, post award, e-invoicing

PROJECT COMPASS
FOR PROCESS INNOVATION IN PROCUREMENT REFORM
“A BIG CONVERSATION”
election manifesto of Angela Brady Past President RIBA

RIBA
A Collegiate Development Forum

THE PICTURE
society
stakeholders
professional, industry
local
regional
national
EU
WTO
END USERS
VALUES OF AWARDS
% by value of all EU contract awards

UK PLC

MOST VALUE
ref. EU commissioned evaluations of ALL PUBLIC PROCUREMENTS,
CONSTRUCTION comprises 37% of procurement by value

UK ‘OJEU’ PROCUREMENT
accounts for **24% by value** of all EU awards,
+ more by value than the combined total of 24 other nations.
this bears little correlation to national GDPS
(eg France @15% + Germany @6%)

The EU definition of ‘Public Bodies’ is interpreted by the UK
to catch in the rules otherwise legally independent ‘arms length’ organisations, ‘Registered Providers (RPs)’, charities
and voluntary organisations. It is considered these, along
with the NHS, add significantly to UK values.

This UK position should be aligned with other EU countries
(eg, Netherlands) to exclude ‘RPs’ and other arms length
organisations from the scope of OJEU Procurement.
We might rely more on developing intelligent judgement
+ benefit by doing less public procurement
UK PLC SLOW

ref. EU commissioned evaluations of ALL PUBLIC PROCUREMENTS

UK PROCUREMENT processes take almost 50% longer than the EU average.

PROCUREMENT TIME

time for entire procurement process by country (median/mean number of days)

<table>
<thead>
<tr>
<th>Country</th>
<th># days entire process (median/mean)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lichtenstein</td>
<td>61/71</td>
</tr>
<tr>
<td>Latvia</td>
<td>77/93</td>
</tr>
<tr>
<td>Poland</td>
<td>78/90</td>
</tr>
<tr>
<td>Hungary</td>
<td>81/92</td>
</tr>
<tr>
<td>Romania</td>
<td>84/104</td>
</tr>
<tr>
<td>Slovenia</td>
<td>84/110</td>
</tr>
<tr>
<td>Iceland</td>
<td>89/97</td>
</tr>
<tr>
<td>Lithuania</td>
<td>99/112</td>
</tr>
<tr>
<td>Slovakia</td>
<td>102/119</td>
</tr>
<tr>
<td>Sweden</td>
<td>102/120</td>
</tr>
<tr>
<td>Germany</td>
<td>102/121</td>
</tr>
<tr>
<td>Estonia</td>
<td>105/122</td>
</tr>
<tr>
<td>Norway</td>
<td>105/123</td>
</tr>
<tr>
<td>Netherlands</td>
<td>108/130</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>108/133</strong></td>
</tr>
<tr>
<td>France</td>
<td>115/133</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>116/135</td>
</tr>
<tr>
<td>Spain</td>
<td>117/134</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>120/171</td>
</tr>
<tr>
<td>Denmark</td>
<td>123/139</td>
</tr>
<tr>
<td>Austria</td>
<td>124/145</td>
</tr>
<tr>
<td>Ireland</td>
<td>133/170</td>
</tr>
<tr>
<td>Italy</td>
<td>138/174</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>140/157</td>
</tr>
<tr>
<td>Finland</td>
<td>140/160</td>
</tr>
<tr>
<td>Belgium</td>
<td>140/166</td>
</tr>
<tr>
<td>Cyprus</td>
<td>145/164</td>
</tr>
<tr>
<td>Slovakia</td>
<td>161/184</td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
<td><strong>161/193</strong></td>
</tr>
<tr>
<td>Greece</td>
<td>230/278</td>
</tr>
<tr>
<td>Malta</td>
<td>241/271</td>
</tr>
</tbody>
</table>
UK PROCUREMENT COST

Typical costs of a competition (weighted averages across all industries)

UK PROCUREMENT is at least 20% more expensive than comparable EU countries, costs are almost 2x EU average

Of EU procurement costs:

- 25% are borne by CONTRACTING AUTHORITY
- 75% are borne BY BIDDERS (averages)

Construction costs are remarkably consistent amongst the largest EU countries with Germany, France, Italy and Belgium within a range of 97% - 107% of UK costs. EC Harris - Aug 2010
COST
is driving aggregation

Total procurement cost (commissioners and bidders) as share of contract values (+HiLo estimates)

The EU estimates that procurement costs escalate to between **18% - 29%** as a % of contract value, for contracts at the thresholds (circled)

Evidence from architects suggests figures for the UK construction industry are far higher. 
£40m is spent obtaining £126m work)

Reform should reduce the time + cost of the tendering process *
introduce time scales for bid assessment;
allow for professionals self certification *
with attestation only at pre-award stage + all validated only upon award,
shorten, standardise and simplify PQQs *

* items now scheduled to be introduced
### MICRO + SME ACCESS

SME’s relative to OJEU awards

<table>
<thead>
<tr>
<th>Country</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>BG</td>
<td>16</td>
<td>33</td>
<td>79</td>
</tr>
<tr>
<td>LV</td>
<td>51</td>
<td>47</td>
<td>11</td>
</tr>
<tr>
<td>MT</td>
<td>25</td>
<td>29</td>
<td>7</td>
</tr>
<tr>
<td>LU</td>
<td>12</td>
<td>13</td>
<td>53</td>
</tr>
<tr>
<td>GR</td>
<td>15</td>
<td>14</td>
<td>52</td>
</tr>
<tr>
<td>EE</td>
<td>16</td>
<td>25</td>
<td>47</td>
</tr>
<tr>
<td>HU</td>
<td>8</td>
<td>21</td>
<td>53</td>
</tr>
<tr>
<td>SK</td>
<td>7</td>
<td>17</td>
<td>53</td>
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<tr>
<td>LT</td>
<td>46</td>
<td>35</td>
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</tr>
<tr>
<td>DK</td>
<td>5</td>
<td>21</td>
<td>55</td>
</tr>
<tr>
<td>FR</td>
<td>7</td>
<td>18</td>
<td>44</td>
</tr>
<tr>
<td>SI</td>
<td>7</td>
<td>16</td>
<td>43</td>
</tr>
<tr>
<td>IE</td>
<td>3</td>
<td>14</td>
<td>43</td>
</tr>
<tr>
<td>NL</td>
<td>5</td>
<td>14</td>
<td>23</td>
</tr>
</tbody>
</table>

Typical turnover requirements applied to much public sector work above OJEU thresholds mean 85% of UK architectural practices are too small to be able to tender.

The proposed min. turnover being proposed (x2 min. contract value @ €200,000) will exclude from public work 90% of EU architectural practices.

Therefore for professional ‘intellectual services’ there should be **NO TURNOVER CRITERIA** under the EU Directive.
UK PLC
POOR ACCESS
ref. EU commissioned evaluations of ALL PUBLIC PROCUREMENTS

MICRO + SME ACCESS
access relative to the Member State economy

It is implicit to fair and competitive access that SME and micro business access to public tenders should be roughly in proportion to their weight in the economy.

Fair access is an objective which can be achieved by:-
setting clear aspirations for micro + SME access
which is nondiscriminatory + proportionate
to their engagement in the economy

example • KEY FINDINGS

WALTER MENTETH
ARCHITECTS - PROCUREMENT
UK PLC

HEAVILY AGGREGATED
ref. EU commissioned evaluations of ALL PUBLIC PROCUREMENTS,
CONSTRUCTION comprises 37% of procurement by value

UK ‘OJEU’ PROCUREMENT
has aberrantly high mean values
+ 60% higher median values
than the EU average.

In the UK there is more ‘aggregation’ into large, high value frameworks & contracts than elsewhere in the EU.

Aggregation excludes many smaller firms and can have a negative impact on reducing competition.

UK efficiencies are in inverse to the extent of UK aggregation.

Procurement reforms should aim to reduce the number of frameworks covering lower value contracts, improving access onto other frameworks, along with offering individual contracts and those contracts which can be sub-divided into smaller + more numerous multiple value ‘lots’.
UK use of procedures

PROPOSALS

DIVERSIFY PROCUREMENT PROCEDURES

RIBA Recommends

DIVERSIFYING PROCUREMENT ROUTES

specifically there should be more

NEGOTIATED PROCEDURES

+ DESIGN COMPETITIONS

Negotiated procedures are efficient and fast, but rarely used

EU country comparisons. The Netherlands is the only nation with a similar profile.
THE MARKET
is Walled + Gated,
to open the market demolish the walls and gateways
make the town ‘permeable’

THE VALUE OF RESEARCH OUTPUTS
(+ those informed by architectural practice)

IS THE VALIDITY OF
THE PROPOSITIONS
(+ zeitgeist!)

IN PROCUREMENT
proscriptive legislative
INCREASES COST
REDUCES
ACCESS, EFFICIENCY, QUALITY
+ SUSTAINABILITY

OPEN THE MARKET
increasing market ‘permeability’

An agenda for growth needs to open up the markets
REMOVE ARTIFICIAL ‘GATEWAYS’
PUBLICATION + BROADCAST
RIBA Building Ladders of Opportunity Report May 2012
leading a multiple suite of reports (see appendix)

OUTPUT
COMMUNICATION

TO EFFECT CHANGE
THE VALUE OF RESEARCH OUTPUTS
+ those informed by architectural practice
IS IN ITS REACH

IDENTIFYING ROUTES FOR EFFECTIVE CHANGE
RIBA with Profession

Inclusive communication + dissemination
(public, profession, industry, Gov. & EU)

organisation + resourcing
Co-ordinating + programming + media

TARGETED LOBBYING

+ OMG COMMITTEES, CONF....etc
EU DIRECTIVE - SOME HEADLINE WINS

1. There is a commitment for the EU renegotiating **THE RAISING OF THRESHOLD VALUES** at the next round of international trade negotiations (WTO).
2. There will be **FULL E-PROCUREMENT** probably within 2.5 years.
3. A standard e-based reusable European Single Procurement Document **ALLOWS SELF-CERTIFICATION OF DOCUMENTATION REQUIREMENTS** for submissions to participate, or tender.
4. **NEGOTIATED PROCEDURES ARE INCENTIVISED** and simplified.
5. The principle of **WHOLE LIFE COSTS (LIFE CYCLE) ARE EMBEDDED** pivotally within the new directive.
6. **TURNOVER REQUIREMENTS BECOME NON MANDATORY** and are capped to a max. 2x a contracts value.
7. The opportunities for consortia bids is enhanced, with bidders not required to be legal entities when bidding, only upon award.
8. There is a **PREJUSSION IN FAVOUR OF SPLITTING LARGE CONTRACTS INTO MORE NUMEROUS LOTS** unless justifiable. (through an “apply or explain” principle). **But not enough!**
9. The **EU MAKES CLEAR ITS DETERMINATION OF THE LEGAL POSITION OF BODIES COVERED BY PUBLIC LAW**. This would indicate confirmation that most UK RSLs should be excluded.
10. The **OPPORTUNITIES FOR R&D ARE IMPROVED**.
11. There is greater opportunity for creative procurement, with **MORE FLEXIBILITY, GREATER OPTIONS AND NEW ROUTES TO PROCUREMENT** along with the introduction of innovative partnerships.
12. **ABNORMALLY LOW BIDS MAY BE REJECTED**
13. Better payment terms for tier 2 suppliers and **ALLOWANCE FOR MORE WIDESPREAD INTRODUCTION OF PROJECT BANK ACCOUNTS**, is embodied. (MEMBER STATES to determine)
14. **CONTRACT PERFORMANCE CONDITIONS MAY INCL.** FOR INSTANCE – ACCESSIBILITY, DESIGN FOR ALL, ECONOMIC, ENVIRONMENTAL, INNOVATIVE REQUIREMENTS, SOCIAL AND EMPLOYMENT RELATED REQUIREMENTS - its up to authorities

OUTPUT

CHANGING LAW

PROCESS NOW COMPLETED AT EU LEVEL

WTO RENEGOTIATIONS TO BE BUILT UPON (evidencing)

THE **TRANSPOSITION** OF THE DIRECTIVE INTO UK LAW = c. 8 MONTHS AWAY
(NB. UK Gov. only controls LA’s through statute)

THERE ARE MANY TRANSFORMATIVE GAINS STILL TO PLAY FOR!

EXPECT AN ACCELERATING ROLL OUT OVER THE NEXT YEAR!
ALL ARE CONTRACTORS
whether suppliers of lavatory rolls or professional services

CONSTRUCTION
+ PROFESSIONAL SERVICES
NEED TO BE DIFFERENTIATED
(one size fits all practices)

WORK TOWARDS SIMPLE:-

Sector Specific guidance
(construction + services vis works + supplies contracts)

Project Bank Accounts
Diversifying procurement routes
Embedding disaggregation
Contract standardisation
Better Quality based assessment
Without differentiation clients default to
the most risk averse, onerous criteria

SO PROFESSIONAL SERVICES
CAN BE INCLUSIVELY ACQUIRED
APPROPRIATELY + PROPORTIONATELY
respond to the CABINET OFFICE ‘SME CONSULTATION’
close date - 17 October 2013
**GENERIC ISSUES**

- Focus on outcomes ('Fordist' road mappings placing undue emphasis on procedures to the exclusion of outcomes)
- Reduce control by un trained 'experts' (empower stakeholders to intelligent judgement)
- Incentivise outcomes
- Diversify the market (for internal market comparisons for outputs and for sustainability + quality)

**PROCUREMENT SPECIALISTS**

too many untrained generalists cut, copy + paste formulaic approaches for tick box + automated evaluations
EMERGING PROCUREMENT

A POSSIBILITY FOR TRANSFORMATION NOW EXISTS BUT BEWARE OF

Whole Life Cost
(Vis Whole Life Value)

As its at contract Selection Stage
(Vis Contract Performance Stage)

Disaggregation is being dismissed By the uk legal profession
(Working forward new guidance)

E-procurement could automate bad practices + tick box culture

THERE IS A CONTINUING NEED TO CHALLENGING THE STATUS QUO + FOR ALL TO LOBBY

or

WAIT + SEE
INSURANCE

Single Project Insurance, Integrated Project Insurance
+ site construction contract Risk could be paid by clients to incentivise the proportionality of cover
Profession + RIBA to further

VAT
Legal change to reduce anti carbon skew
Incentivise sustainability + broad based market growth (+ fiscally neutral)
Legal change on professional fees
Incentivising D & B, work stage fragmentation

ACCESS, GUIDANCE + TRAINING

PROJECT COMPASS
e-procurement processes + procedures
(we will be calling for support)
RIBA Design Contests (in hand)
+ RIBA Negotiated Procedural guidance

WAIT + SEE - OR ACT NOW
Architects in commercial practice already have excellent research skills, are immersive, lateral + 3D thinkers capable of taking iterative, creative + holistic approaches, founded on broad scientific + cultural subject knowledge.

But the complexity of the subject range necessitates certain focus. This often works against sharing time, knowledge transfer and having sufficient incentives that respond to the distinct commercial pressures of practice.

But architects might re engage more with the practicalities of architectural research affecting the outcomes of those for whom they work, where they are supported to do so + can see more clearly the impacts on their outputs + standing.

Collective professional practice should re engage more with the strategic of a ‘brief’ (not just detail), whilst recognising that not everything is an algorithmic, measurable or evalulative criteria.
Sheffield University PQQ

Qu. 2:-
Would you do it again?
‘PROJECT COMPASS’ E-PORTALS MODEL

Steunpunt Procurement Portal is sector specific providing multiple construction sector service simply and easily.

APPENDIX

IMPROVE ACCESS

MARKET TRANSPARENCY

+ PROCESSES

RIBA Recommends: **ALL PROCUREMENT** above + below thresholds **SHOULD BE EASY TO ACCESS**

CONTRACTS FINDER

https://online.contractsfinder.businesslink.gov.uk/

now covers central Gov. + this SPA could be extended

while the free + easy to use **STEUNPUNT** exemplar

http://www.ontwerpwedstrijden.nl/

also provides:-

procurement monitoring
procurement guidance
a digital manual
so clients can do their own procurement directly
a data base of projects, costs + parties
publicly accessible data interrogation
SOME PROCUREMENT REPORT OUTPUTS WITH VARIOUS WM ENGAGEMENTS

CLG Lifetime Homes Consultation Housing Group response
RIBA Paper A - Dec '09 WM author - draft consultation response & policy strategy paper on behalf of RIBA Hsg Grp

Consultation On Lifetime Homes Criteria Response paper to CLG Consultation. RIBA March '10 (Ed) RIBA Policy Unit with contribution as above www.architecture.com/TheRIBA/AboutUs/InfluencingPolicy/PublicAffairs/ConsultationandLegislation/Housing.aspx#.UkazitKsjTo

Response to the Lifetime Homes consultation Private sector Housing Practitioners response paper. 
12 March '10 Levitt Bernstein Architects (LBA) PRP Architects and Pollard Thomas Edwards Architects (PTEa) , Walter Menteth Architects (WMA) + RIBA.

Response to CLG request for views on regulations Future Changes of the Building Regulations & Supplementing regulations RIBA response August '10 (ed) RIBA policy Unit. Walter Menteth contributory inputs emanating from the above papers www.architecture.com/TheRIBA/AboutUs/InfluencingPolicy/PublicAffairs/ConsultationandLegislation/Otherresponses.aspx#.UkazRtKsjTq


Building Ladders of Opportunity
How reforming construction procurement can drive growth in the UK economy. RIBA report 1st published May 12. Walter Menteth, WMA chair, with the listed collaborators and contributors:- www.architecture.com/procurement

Procurement Case Studies.
RIBA report published May '12. (Ed) Walter Menteth, commissioning chair, author of sections, with collaborators and contributors listed.- above. www.architecture.com/procurement

RIBA Procurement Survey 2012.

Comparative Procurement
Procurement regulation and practice in Germany, Sweden and the UK. RIBA report published May '12 By Burges Salmon LLP WM - Commissioning Chair -www.architecture.com/procurement

references
PAS91 (Publicly Available Specification) Consultation
RIBA response paper (October 2011) Walter Menteth and Peter Capelhorn;
www.architecture.com/Files/RIBAProfessionalServices/Practice/MicrosoftWordRIBAresponsetoconsultationonPublicAvailableSpecification-PAS91.pdf

The way government can use VAT to encourage growth in sustainable construction aligned to payment by results and focused towards improving output quality. First drafted as part of the RIBA ‘Ladders of opportunity report’ above; (but redacted to ensure the report was clearly focused). March ‘12. First summary standalone draft 28 Dec.’12, Second Draft - Final rev - 8 Jan ‘13.

RIBA Competitions Guidance Revisions

Designing for the Third Age: Architecture Redefined for a Generation of ‘Active Agers’
Procurement of Third Age Housing, expanding opportunities Architectural Design (issue TBC)

1. Procedures are accelerated, with the opportunity to call for competition within Prior Information Notices. The min. bid timescale in certain circumstances will now be 15 days.

2. MEAT (Most Economically Advantageous tender) becomes the default for construction industry tenders. 20. Opportunity for greater emphasis to be placed on assessing and selecting the specific skill sets of designers eg based on their specific design/drawing expertise (aesthetics).

3. Some procedures allow that cost in award selection maybe a fixed price allowing competition on quality criteria only.

4. The principle of intellectual services is introduced. Intellectual services are ruled out for the electronic auction procedures.

5. There is a strong emphasis on pre-market engagement, to improve briefing and market engagement, prior to tendering.

6. The European Single Procurement Document can provide links to national data registers (such as the RIBA Chartered Practice e-data?).