Building ladders of opportunity
Can we afford public sector procurement in these straightened times?
VALUES OF AWARDS

SLOW

UK PLC EXPENSIVE INEFFECTIVE POOR ACCESS + MOST AWARDS

ref. EU commissioned evaluations of ALL PROCUREMENTS
RIBA PRG evidence from UK construction professionals indicates performance worse than indicated

HIGH COST

POOR ACCESS

UK PROCUREMENT IS
at least 20% more expensive than comparable EU countries
+ costs more than twice the EU average
+ takes almost 50% longer than the EU average
CONTRACTS

EU Gov. contracts - Nos. relative to value around thresholds

contracts are by definition entrapped into the directive just above the threshold

THE MARKET

THRESHOLDS ARE A GLASS CEILING

ref. EU commissioned evaluations for ALL PROCUREMENTS & RIBA practice data

ACCESS

RIBA data -practice size to turnover - showing a £1m turnover threshold

an unfair market

COST
driving aggregation

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

cost reach a high 18% - 29% share of value with lower value contracts

RIBA
UK chartered architectural practices

**51% never review OJEU notices**
or do so less than once a year

13% do so between once every 3 months & once every 6 months, whilst the remainder do so more frequently and are generally larger practices

### CONSULTANCY PRACTICES

UK Building Construction Consultancy Practice

[Chart showing number of practices by size]

Construction consultants' practice size profiles are similar.
97% of all UK construction consultancies are micro businesses or SME’s

+ UK Practices are generally thought to be larger than EU

UK average cost of public procurement is £46,000

75% of procurement costs are borne BY BIDDERS

25% is borne BY CONTRACTING AUTHORITY

EU 27 average -19%

UK - 25%

ref. EU data is for ALL PROCUREMENTS
THE CLIENT

WHAT ARE THEY TRYING TO ACHIEVE?

• Value for Public/Private Money
• Reduce Risk to Delivery
• Quality functional Projects
• Faster Designer Procurement
• Procurement system that reduces challenges
THE CLIENT

ARE THEY ACHIEVING THIS IN THE CURRENT SYSTEM?

• Focus on low Bids.......VALUE?
• Delivery risk averted....&...
• Functional Projects....QUALITY?
• Procurement ........BUREAUCRATIC!
• Few formal challenges......
THE CLIENT

WHAT CAN THEY CHANGE?

- Better selection criteria
- Relate procurement to project size
- Expert design advise
- Provide feedback
- Support standard capability database
ACHIEVING QUALITY

WHY DOES PROCUREMENT MATTER?

Complex procurement makes it very hard to make a ‘good’ decision that focuses on quality and sustainability.

The huge waste of human capital on both the client and consultant/practitioner side - this means it ‘costs’ us all more and so we can achieve less.
We have lost touch with the outcome i.e. the buildings/spaces. Construction related procurement is more concerned with process than outcome….because its easier to evaluate

Shortage of good practice guidance to help clients understand how to ensure a high quality outcome e.g. to write briefs/evaluation criteria that support effective outcomes of high quality design and sustainability

Evaluation of ‘quantitative’ responses is easier than ‘qualitative’ ones – leading to cost having a more significant impact on procurement than design quality, even under MEAT

Competency questions are given as much weight as qualitative ones
Focus on understanding and building in effective qualitative criteria to procurement - if it is not a clear objective of the project from the outset it is too easily lost.

Do this by separating out competency from quality in procurement process.

Use expert advice to advise on qualitative criteria/assessment - especially for design quality/sustainability issues.

Ensure that a better procurement model addresses these problems, but remains:
- Fair
- Transparent
- Reasonable
- Open
WE ARE STRANGLING EFFICIENCY + CREATIVITY

REFORM PROCUREMENT
cost access + quality
KEY ISSUES

FOR THOSE TENDERING
COMMISSIONERS
+ SOCIETY

is the system: -
A FREE + OPEN MARKET
TRANSPARENT + PROPORTIONATE
COST EFFECTIVE + JUSTIFIABLE

does it deliver: -
QUALITY + SUSTAINABILITY
sustainable buildings and communities
EMPLOYMENT GROWTH

is it making: -
EU + UK ECONOMIES COMPETITIVE
WHAT ALTERNATIVE IS PROPOSED

SAVE TAX PAYERS MONEY
by making the procurement process
fairer more innovative
+ more efficient

IMPROVE THE ENVIRONMENT
by procuring better
+ more sustainable buildings

ENABLE MICRO BUSINESSES + SMEs
to drive growth
+ lead the uk out of recession