Questions

Question 1: Do you consider that we should be more concerned with barriers to firms expanding rather than barriers to firms entering the civil engineering market in the first place? Are there other forms of barrier not mentioned in our analysis so far which are significant?

No further comments.

Question 2: To what extent do you agree supply chain fragmentation contributes to poor outcomes? Besides pipeline uncertainty, what other factors drive civil engineering firms' preference to use contractors rather than building their in-house capacity?

We disagree with the suggestion that supply chain fragmentation leads to poor outcomes.

There are many benefits to tier 1 civil engineering firms using subcontractors rather than building in-house capacity. In particular, the nature of the works may require specialist skills, capability and equipment which would be underutilised if retained by a tier 1 and therefore result in additional costs being incurred due to inefficiencies.

Building in-house capacity within tier 1 civil engineering firms would be reliant upon a certain and long-term pipeline of works. Tier 1s need to be flexible and agile to the geographical operating area. Use of supply chain which are local to an area, draws on local knowledge but also support delivery of local economic benefit and social value.

Question 3: Are there specific procurement, policy or regulatory barriers that reduce innovation and/or scaling opportunities in the civil engineering market? What would make the most difference to firms' incentives to innovate, and public authorities' incentive and ability to encourage innovation?

Existing policy and regulatory barriers stifle innovation. It is recognised that there is a need for standardisation (Manual of Contract Documents for Highway Works; Design Manual for Roads and Bridges etc.) however the process by which authorities relax or depart from standards is onerous, often time-consuming and expensive, and this reduces innovative approaches and materials use. Authorities can be over-concerned with risk and liability if they allow departures from standards.

Question 4: For what type of projects is there greatest scope for the accuracy of upfront scoping and planning to be improved, to aid delivery on time and on budget? What would help to make upfront scoping and planning more accurate?

No further comments.

Question 5: To what extent do you agree early contractor involvement could be used more effectively, and how can this be facilitated?

We entirely agree that early contractor involvement (ECI) could be used more effectively.

This would best be facilitated by including constructors, civil engineering firms, and their supply chains at the earliest opportunity. Specifically, involvement during feasibility stages of projects would assist in providing beneficial project outcomes.

ECI prior to schemes going through the appropriate planning process is beneficial as it potentially reduces constraints on construction that result from the planning process.

Question 6: To what extent do you agree that the design and use of procurement frameworks could be improved?

[✂].

Question 7: How could open competition be made less resource intensive as a method of procurement?

Competition could be made less resource intensive by standardising process across procuring bodies.

Question 8: Where is there greatest scope to improve the evaluation of non-price aspects of bids, such as quality? How can this be better supported and enabled?

No further comments.

Question 9: What factors are most likely to cause significant risks to be misallocated between the procuring body and supply chain, and within the supply chain? How could this be addressed?

No further comments.

Question 10: What are the areas of regulation which are preventing opportunities for innovation and effective competition?

No further comments.

Question 11: What are the areas of regulation which are preventing smaller suppliers from competing effectively (or from scaling up to be able to compete effectively)?

No further comments.

Question 12: To what extent to do you agree there is excessive risk aversion in public authority decision making? Where risk aversion is too high, what would help move it to more appropriate levels?

We agree there is excessive risk aversion in public authority decision making. This is due, in part, to the skillsets of people involved, the structures in which they operate and an over reliance on advisers (legal/financial etc) to inform/support/guide decision making. This over reliance has arisen, in part, due to the complexity of procurement law and risk of procurement challenge.

Question 13: How would you rank the relative importance of our proposed measures?

We feel that the following proposed measures are the strongest and will have greatest impact:

- Extend multi-year capital funding settlements to all road and rail procuring authorities and activity
- Long-term contracts beyond the political cycle
- Publish a consolidated UK-wide project pipeline, with a wide set of credible information, updated on a regular basis, the impact of this would be strongest if the pipeline had a high degree of certainty.
- Selective and maximally effective use of procurement frameworks
- Standardisation of procurement administrative processes
- Greater use of early contractor engagement

Question 14: Are there alternative important measures that we do not mention?

No further comments.

Question 15: What would be the feasibility and impact of extending multi-year capital funding to public authorities currently operating on year-ahead budgets only?

[✂].

Question 16: What information not currently available in published infrastructure pipelines would be most helpful for firms? How would this information change business decisions on resource allocation and/or investment?

Whilst the information issued in the various pipeline documents is varied, the issue affecting business decisions isn't the information that is published, it's the certainty of that information.

Clients need certainty of budget and approach – this needs to be long term and produce certain pipelines.

Question 17: How could the commercial and engineering capabilities within procuring authorities be better utilised? What could be done to better support procuring authorities to develop, recruit and retain these specialist skills, expertise and leadership capacity?

Many public authorities infrequently procure major civil engineering projects and, as a result, the expertise required for such a procurement is limited (the same applies for renewal of frameworks and maintenance contracts, typically procurement will be carried out every 5-10 years).

The Highways Maintenance Efficiency Project (HMEP) from 2012 attempted to standardise procurement approaches and provide a single set of standards, codes of practice to support public authorities who were undertaking complex procurements. HMEP had input from sector, but it was a programme than ran for a couple of years and then died out. Too often public authorities feel they have a unique set of circumstances and therefore could not use HMEP.

Question 18: To what extent do you agree that it would be beneficial for public authorities, such as groups of nearby local authorities, to:

i. jointly develop and share engineering expertise and commercial capabilities;
ii. to coordinate or jointly conduct procurement; and
iii. enact comprehensive, standardised sharing of cost and performance data? How could this best be achieved?

No further comments.

Question 19: What is preventing widespread adoption of procurement best practice? How could these barriers to adoption be overcome?

No further comments.

Question 20: To what extent, and in what ways, is there scope for procurement processes to be made i) less complex and ii) more standardised across public authorities?

There is significant scope across procurement processes to be made less complex and more standardised.

Each procuring authority is interpreting the competitive flexible procedure differently – the scope and extent of negotiation / dialogue between procuring authority and the contractor varies tremendously; the requirement for behavioural assessments or presentations varies; the level of information which a procuring authority provides to the contractor will also vary – although this is often driven by the payment mechanism and risk allocation. A key area which could be made simpler is the procurement of highway maintenance services – which are often procured every 7 – 10 years by an authority.

Question 21: How and where can the regulatory approvals process for new products/ techniques/ technologies in civil engineering be made more streamlined?

No further comments.

Question 22: Which types of supplier accreditation currently experience significant levels of duplication?

No further comments.