CMA: CIVIL ENGINEERING IN RAIL AND ROAD MARKET STUDY - RESPONSE TO INVITIATION TO COMMENT

Following publication of the Interim Report on 17th December 2025, M Group provides further feedback on selected questions noted within Section 5 of the Interim Report.

M Group's perspective

M Group delivers infrastructure services across water, energy, highways, rail & aviation and telecoms to private and public sector organisations across the UK and Ireland. M Group employs more than 11,000 people across 200 locations, with revenue for financial year ending 31 March 2025 exceeding £2.5bn.

Our perspective is based on delivering capital programmes of work (typically comprising programmes of medium-sized projects), with the occasional major project. Our capability reaches across road and rail sectors through:

- M Group Highways: Delivery of capital programmes of work to local authority clients and National Highways.
- M Group Rail & Aviation: Delivery of capital programmes of work to Network Rail and Transport for London.
- M Group Telecoms: M Group will soon have digital and technology delivery capability across road and rail networks following the acquisition of Telent, delivering for National Highways, local authority roads, Network Rail and Transport for London.

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?

M Group do not believe that supply chain fragmentation is a major contributor to poor outcomes. Each project or programme is considered on its own merits, and a bespoke operational solution is developed to meet the objectives. This could range from self-delivery models, hybrid of self-delivery and subcontracted delivery or fully subcontract delivery. We don't believe there is evidence that subcontract delivery adds extra cost and complexity. Several factors affect why external capability maybe required:

- **Specialist subcontractor input:** Tier 1 contractors bring value by co-ordinating multi-disciplinary programmes, engaging broad supply chains, and embedding net zero and social value requirements within delivery. Specialist input would be embedded through early contractor involvement, which would deliver value engineering and cost savings.
- **Short durations specialists tasks:** Specialist suppliers often deliver short duration activities e.g pilling, therefore Tier 1 contractors may not have continuity of works or internal capabilities to self-deliver.
- **Market competition:** Maintain market competitiveness and delivering value for money for clients by competitively tendering specialist packages.

- **Pipeline uncertainty and limited design maturity:** Budgets are often based on outline designs with limited certainty, leading to programme risk and rework during delivery. Unpredictable workloads make it difficult to justify long-term internal resource commitments.

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?

M Group believes the greatest opportunity for improved accuracy lies in projects or programmes that involve:

- **Multi-disciplinary interfaces:** Projects requiring coordinated delivery across civil engineering disciplines tend to suffer from weaker design maturity at procurement stage. Early-stage scoping often fails to capture interdependencies, leading to design revisions during construction.
- **Projects with partial or legacy design information:** Where schemes rely on historical asset records, incomplete surveys, or limited site investigation (common for local authority highways and regional rail programmes), budgets are often built on outline rather than detailed design, increasing the likelihood of scope change.
- **Complex environmental, permitting or regulatory constraints:** Schemes that require extensive third-party consents, such as utilities, land access, environmental approvals, which often underestimate lead-times and cost impacts due to inadequate early coordination.
- **Smaller frameworks with short procurement cycles:** Local and regional authorities operating on short (e.g., 3-year) framework programmes rarely have stable pipelines, which contributes to fragmented scoping, variable design quality, and compressed planning periods.

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

M Group strongly supports greater and more consistent use of ECI across the sector. The Construction Playbook already provides strong guidance, but adoption is inconsistent. Benefits of more effective ECI include:

- More robust cost estimates and programme planning, reducing budget overruns.
- Greater design certainty, reducing piecemeal design during construction.
- Creates opportunities for innovation and low-carbon technologies early in the project lifecycle.
- Allow contractors to contribute to design specification before budget and programme commitments.

How to facilitate better ECI?

- Wider adoption of two-stage tender processes where the selected contractor works collaboratively during stage 1 to finalise detailed design, budget, programme and buildability, before progressing with stage 2 for construction.
- Wider consideration of direct award benefits in circumstances where a contractor has extensive experience and evidence of ECI for the project.
- Ensure Construction Playbook guidance is uniformly adopted across clients.
- Align commercial frameworks to reward collaborative, integrated client–designer–delivery team models.

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

M Group do not believe open competition offers value for money or delivers project outcomes. To allow open competition to be carried out, detailed design must be fully finalised, for the market to tender the project on a fixed scope and specification. This precludes effective ECI as the procurer often progresses detailed design without any contractor input. This often results in poor buildability, restricted specification and constrained programmes. Open

competition often rewards lowest price competition and can incentivise a claims culture as referenced within the Construction Playbook.

Key opportunities to reduce resource intensity:

- Longer framework agreements, enabled by the Procurement Act 2023, reduce the need for frequent re-procurement and allow more efficient allocation of work.
- Use of direct award mechanisms within frameworks where capabilities clearly align with project needs.
- Greater standardisation of procurement documentation and evaluation criteria across public authorities.
- Improved pipeline visibility and planning, reducing wasteful re-bidding

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?

M Group believes that non-price evaluation must more strongly recognise factors that drive long-term value, not just immediate cost minimisation. Areas with greatest scope for improvement include net zero, low-carbon delivery, and social value, which are largely missing from the CMA's definition of "best value." In addition, digital and technological capability, including the ability to integrate civil engineering, mechanical, electrical, and telecommunications disciplines to improve delivery certainty.

Improvements can be supported by:

- Embedding these dimensions clearly in evaluation frameworks supported with well-defined evaluation processes and methodologies e.g 30% price, 10% social value, 20% carbon 40% quality.
- Ensure evaluators are trained to assess non-price criteria meaningfully to remove any subjective evaluation.
- Adopt longer frameworks that reward sustained performance and continuous improvement e.g framework contractors that perform well are rewarded with direct award opportunities.

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?

Extending multi-year settlements would significantly improve market functioning. Government policy trends, such as longer-term budget settlements, infrastructure strategies, and pipeline publications all demonstrate that multi-year funding is feasible and already aligned with policy goals. The impact would result in:

- Reduces peaks and troughs of work, improving resource planning and reducing unnecessary layoffs.
- Improves design certainty, allowing better cost control and reduced rework.
- Encourages innovation and long-term investment in training and technology
- Embedded, collaborative, long-term relationships with framework suppliers.
- Long-term commitment to framework delivery bringing expertise, resource and investment in innovation and training.
- Predictable, reliable and level pipelines, ensuring contractors have required capability and capacity to deliver the pipelines, avoiding periods of costly downtime or layoffs.
- Lessons learnt are shared and maintained across the framework.
- Mature decisions are made for work allocation, considering direct award for works that clearly favour the capabilities and skillsets of framework partners, combined with a mindset of equal allocation of works across contractors where possible.

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?

M Group would benefit from greater consistency, granularity and transparency in pipeline publications. Most helpful additional information would include:

- Details of design maturity, delivery model, and expected procurement route.
- Visibility of interdependencies across disciplines, including digital technologies (telecoms, smart highways, rail systems).
- Longer-term certainty on programmes and funding settlements.

This information would impact on business decisions by:

- Enabling proactive investment in skills, technology, and training.
- Supports long-term capacity planning, reducing reliance on temporary supply chain arrangements.
- Drives improved readiness to implement low-carbon and digital innovations.

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 for improvement in both areas. Opportunities to reduce complexity include:

- Adoption of the Construction Playbook and the Procurement Act 2023 approaches consistently across all authorities.
- Streamlined planning, regulatory, and permitting processes, which currently create delays.
- Wider sharing of best practice and lessons learnt from procurement processes across the sector.

Opportunities for standardisation

- Standard templates, evaluation criteria and procurement models shared across authorities, to reduce the amount of tailoring that each procurer does for the project.
- Alignment of local authority processes with national organisations such as National Highways and Network Rail.
- Uniform expectations regarding digital capability, social value, and low-carbon practices.

Final remarks

M Group has a unique perspective that spans civil engineering, digital technology, and multi-disciplinary integration across road and rail. It is essential that the CMA's study does not focus solely on large national projects but also improves the environment for local, regional and medium-scale capital programmes, where many of the sector's challenges and opportunities lie.