

The Bidders' Ecosystem

Myths & Reality

Infrastructure and Social Benefits

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Nicoll Russell Studios



Why am I Providing Feedback?

- I am an Architect
- A partner in Nicoll Russell Studios
- I lead the practice's bids

- I am also an Assessor, and have selected engineers, project managers, contractors and developers via the PQQ and ITT process

- I offer wider feedback having been a Vice President of the Royal Incorporation of Architects in Scotland, as their Practice Convenor and as a member of the Royal Institute of British Architects' Procurement Reform Group













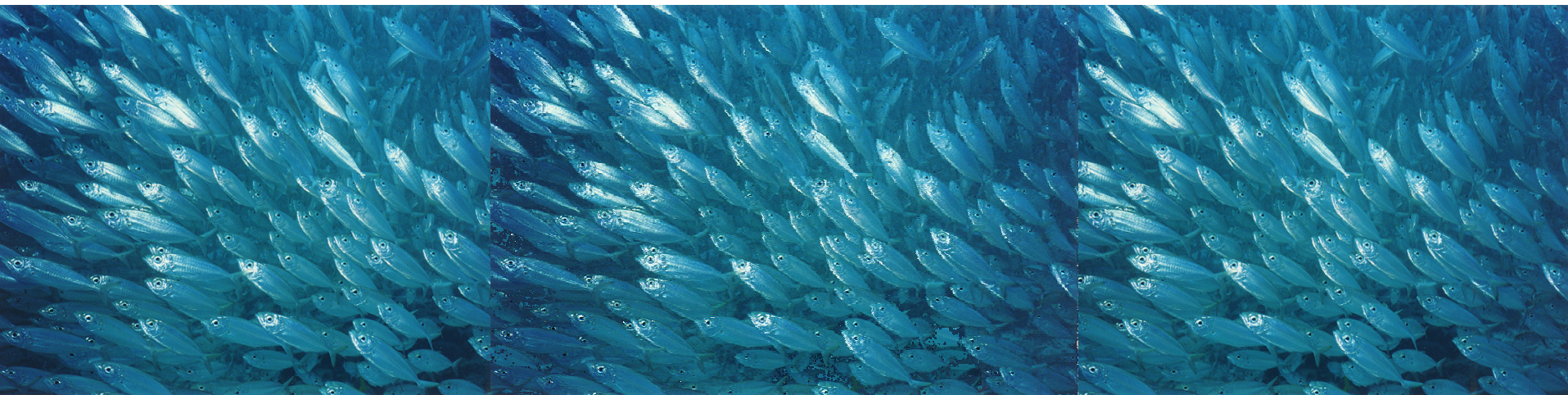




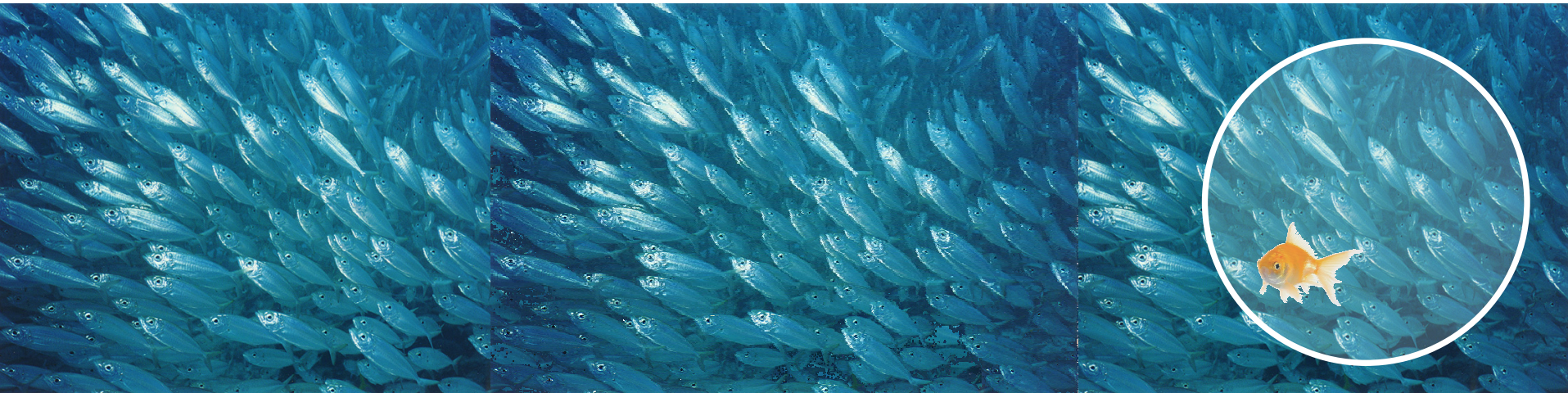


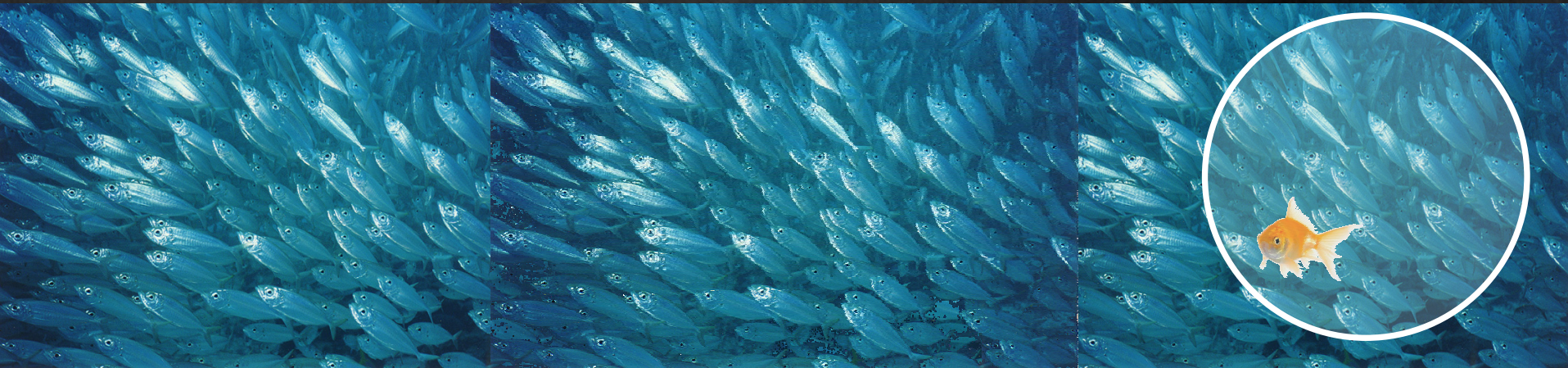


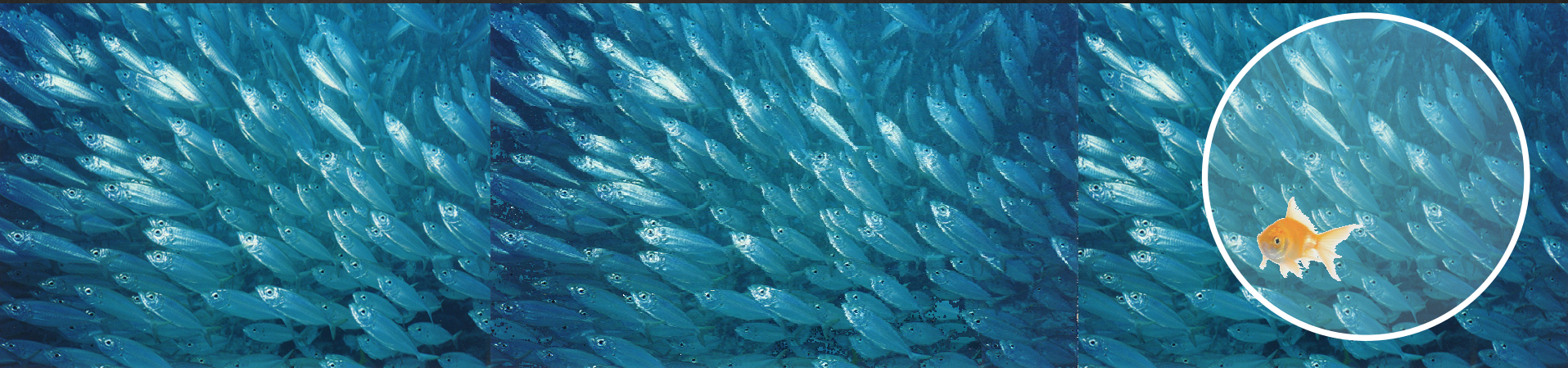


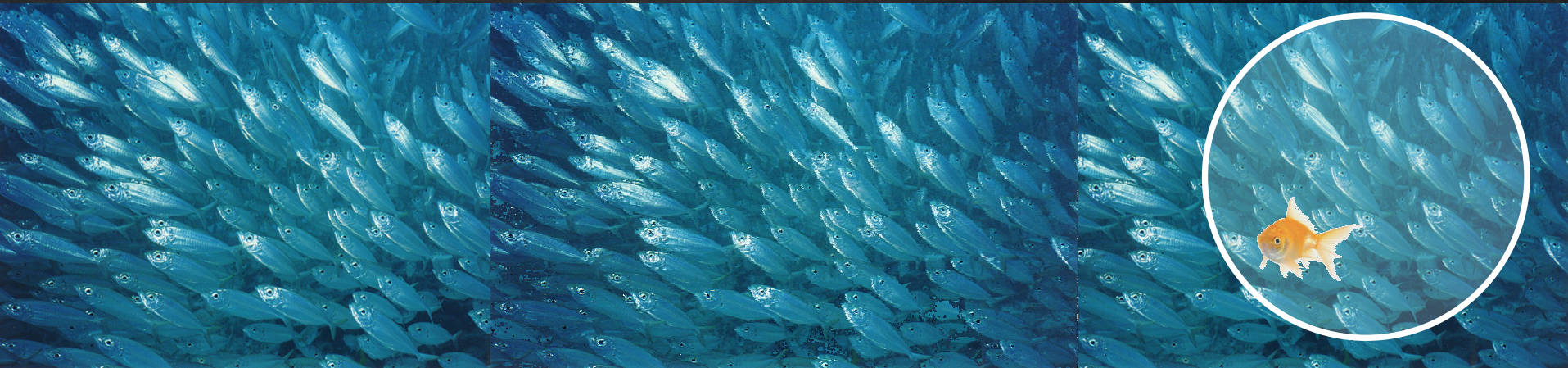




















CLOSING
DOWN
SALE



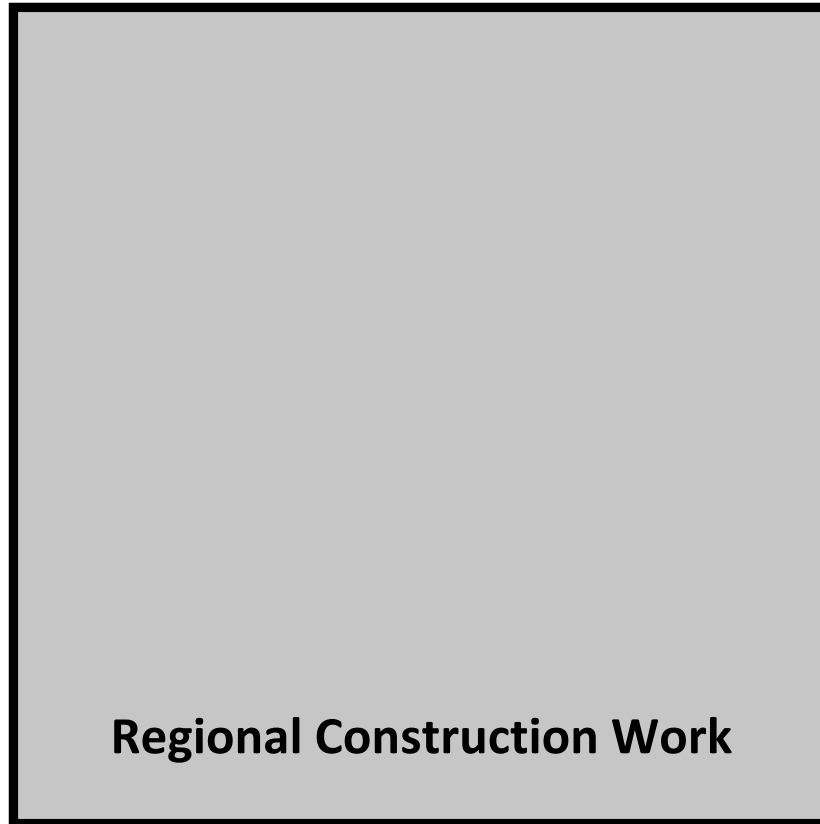
The Existing 'System' - Context

- Construction is the most competitive & costly procurement sector in Europe
- This sector sees an average of 7.4 bidders per opportunity
- Architectural projects have an average of between 60-70 bidders
- You may actually get as many as 150 bidders
- The 'system' is unwieldy & difficult to assess & often requires 5 assessors
- A wedge is dividing the Client & supplier & there are more legal challenges

- We have been told that it can cost the public sector £70k to award a £130k contract and it can cost the private sector £250k to bid for it

- Framework contracts may save procedural costs, but they skew the market, and create barriers to market for Micro, SMEs
- Outcomes are often centralising, where is the ladder of opportunity?

Localism?

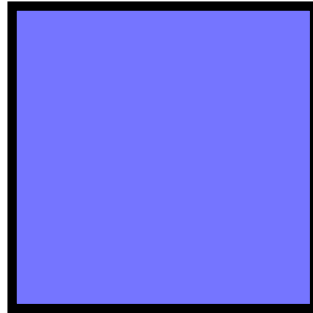


Regional Construction Work

Localism?

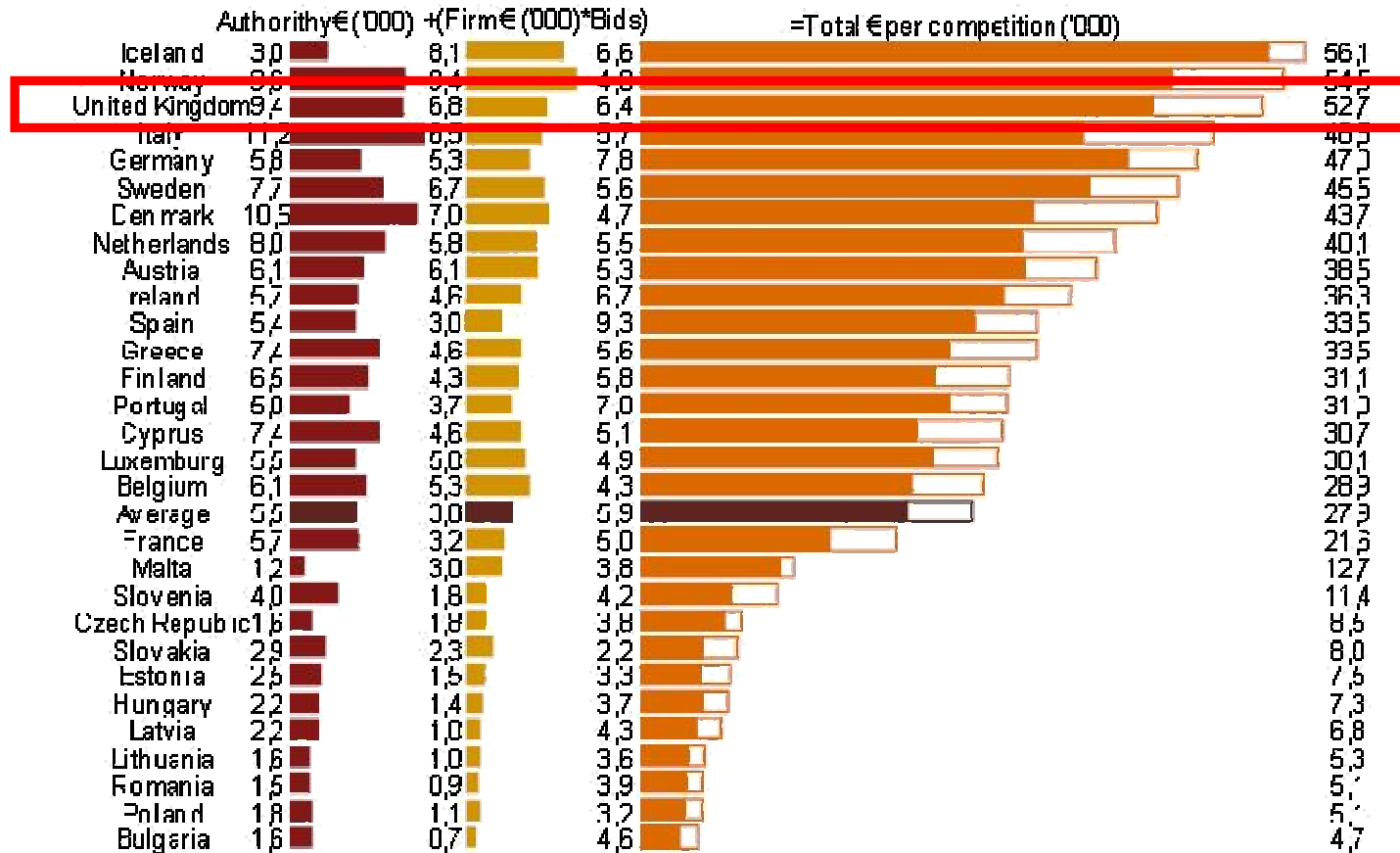
**RIAS Research Showed
84% Goes Out With the Region**

Localism?

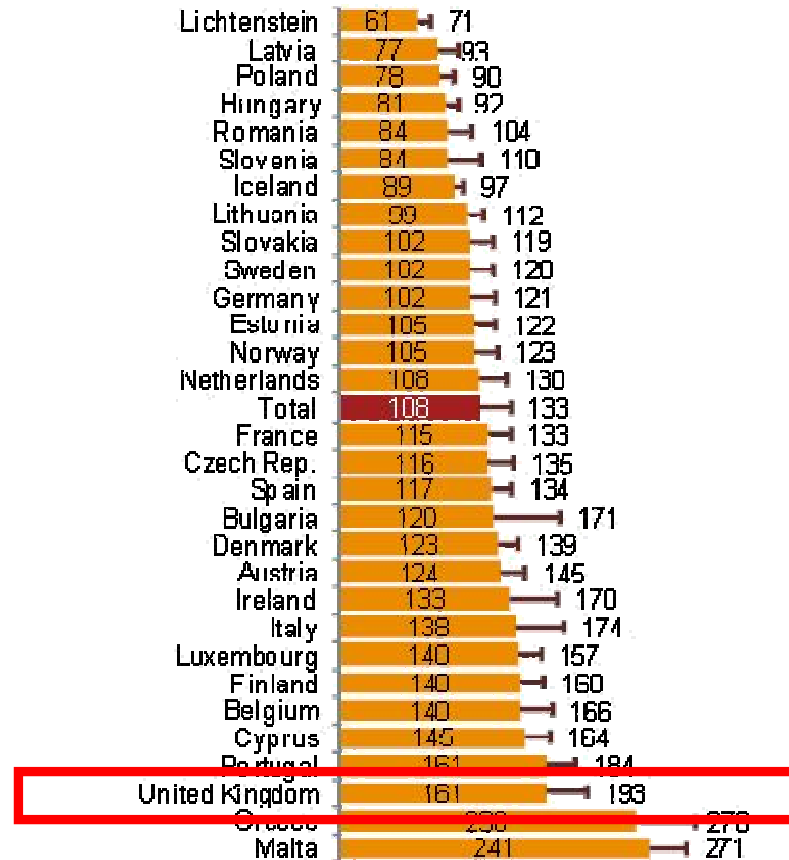


**RIAS Research Showed
Only 16% Stays Local!**

The Existing 'System' - Cost

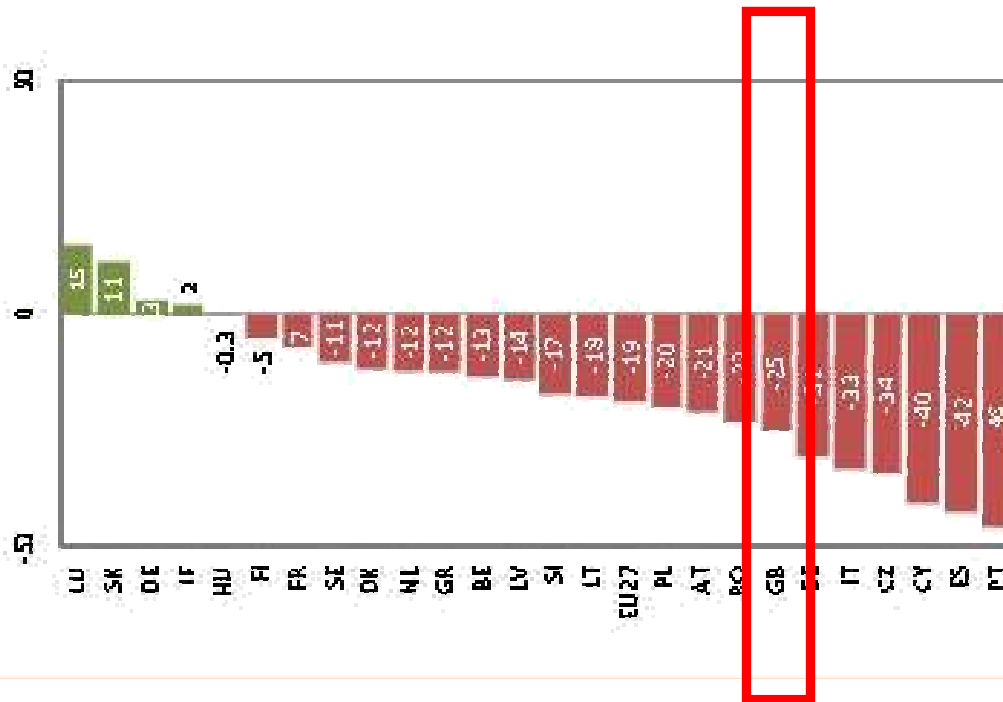


The Existing 'System' - Inertia

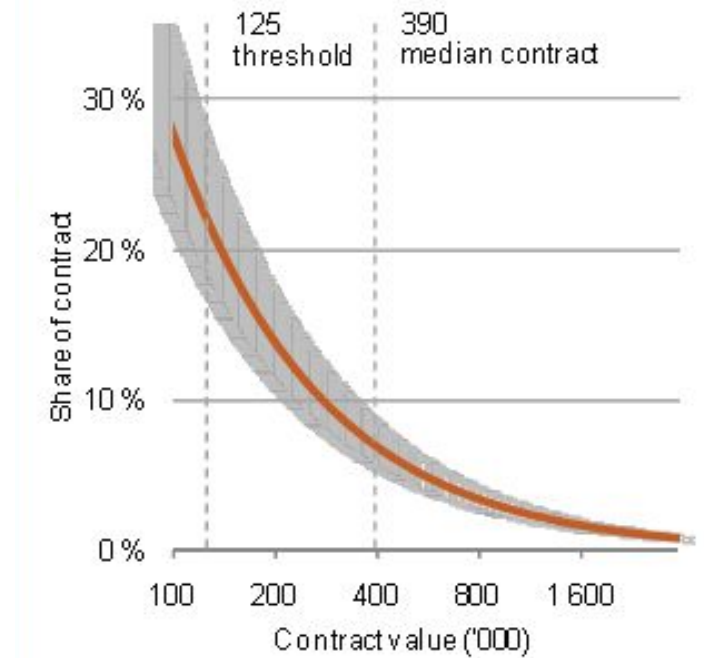


The Existing 'System' - Skewing

SME market share compared to their success in winning public works



Procurement costs expressed as a % of contract value





Dundee Rep
Tendered 1979

Byre Theatre
Tendered 1997

The Space
Tendered 1999

An Lanntair
Tendered 2003

Howden Park
Tendered 2007

14

24

41

43

43

Practice Size

Glass Ceiling in the Public Sector

£5.2m

£5.2m

£4.5m

£4.5m

£5.2m

£ Harmonised by RPI

Construction site

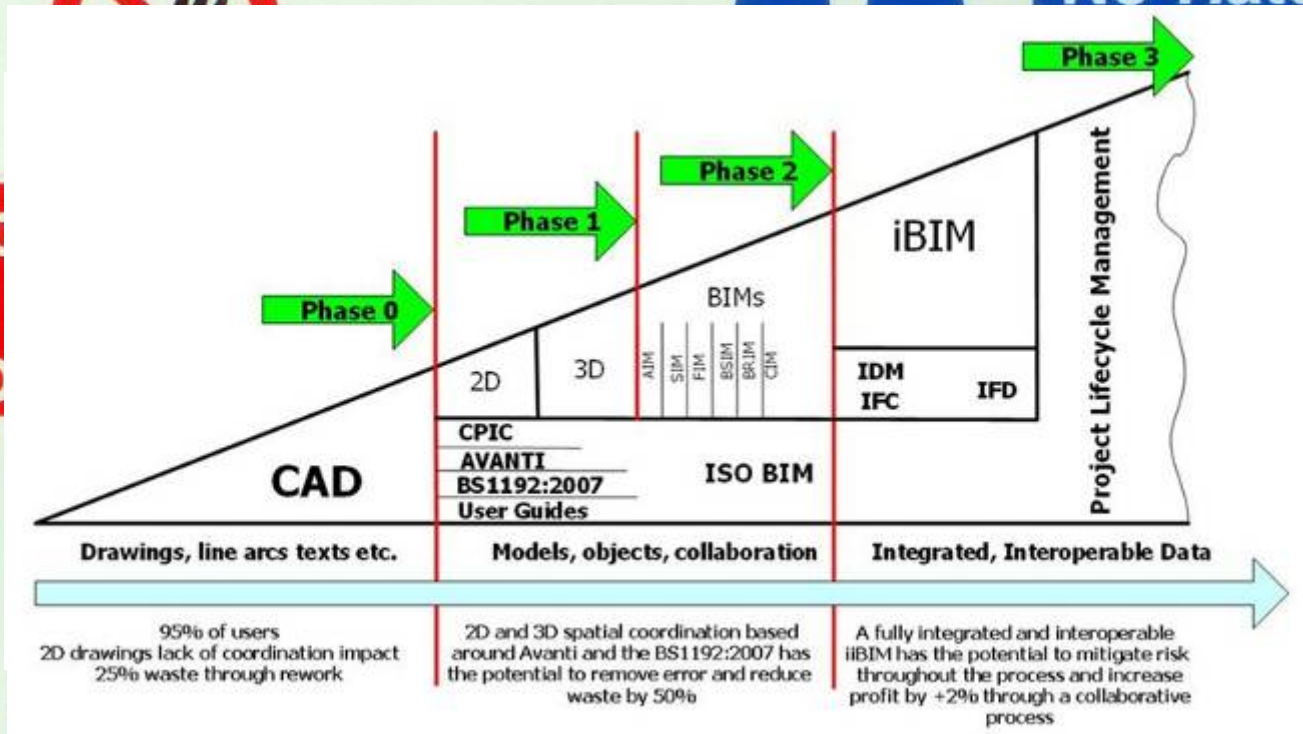
Construction work in progress
Parents should warn the children of the dangers of entering building sites

No Hats! No Boots
to Job!

No
enviro

s and visitors
t report
ception

orised entrance
his site
y forbidden



Safety footwear must be worn

DANGER Tripping hazard

No

ALL RUBBISH To be placed in skips



The Existing 'System' – The PQQ

- PQQs are far too large yet there is little scope to differentiate
- Construction professionals are less and less involved in brief making, writing the scope of service, designing the PQQ or the other tender documents or in the assessment of that material
- Large numbers of questions lead to tight groupings of scores
- Talent and indeed experience are swamped by procedures and initiatives
- The system is cold and does little to test a bidder's rapport or empathy
- Clients favour questions related to Corporate Governance
- Clients are fearful of questions related to talent, experience, rapport and empathy

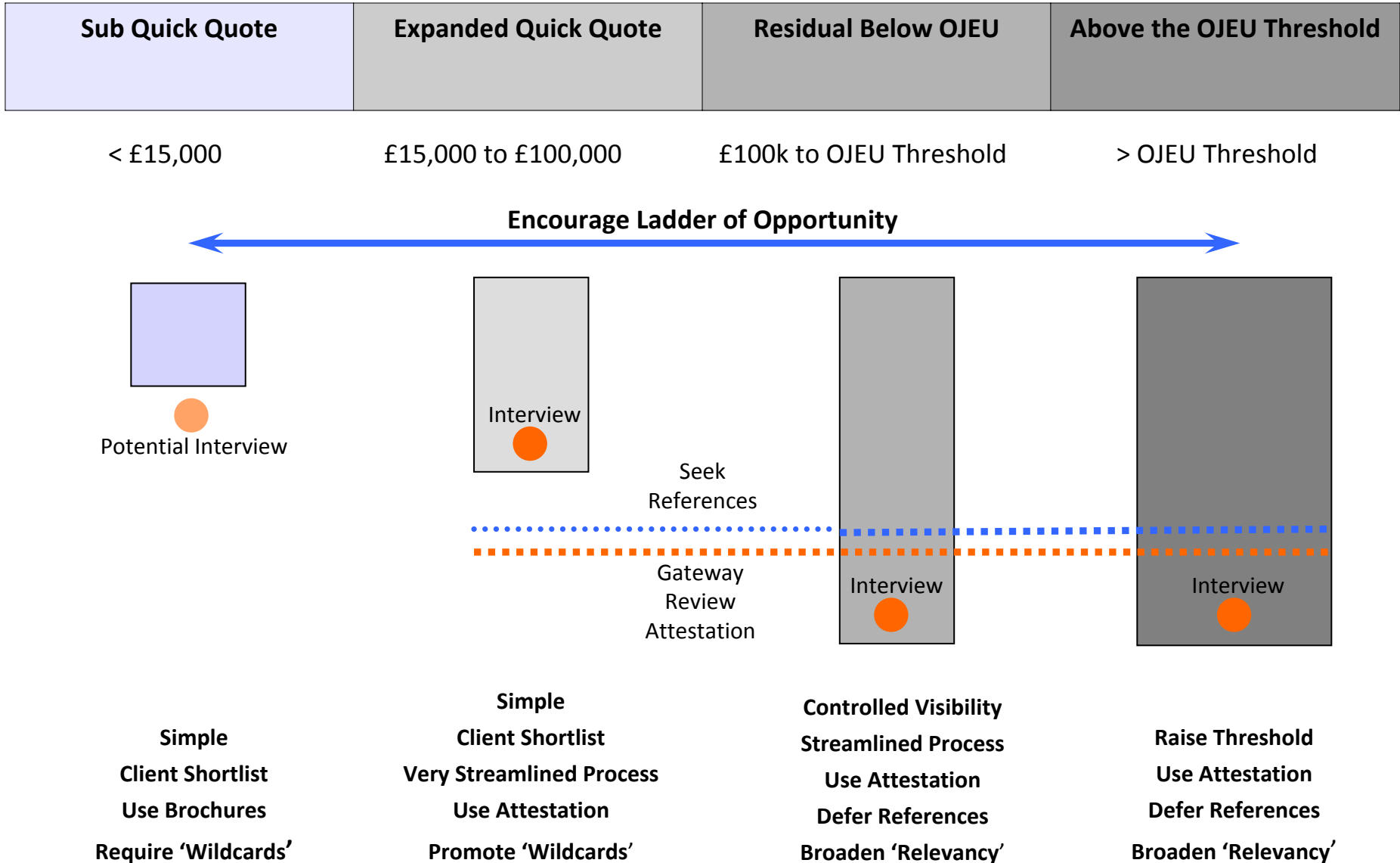
Detailed Recommendations

Category	Item	Recommendation
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1	1.2	1.2.1
1	1.3	1.3.1
1	1.4	1.4.1
1	1.5	1.5.1
1	1.6	1.6.1
1	1.7	1.7.1
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1	1.9	1.9.1
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1	1.11	1.11.1
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1	1.100	1.100.1

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Detailed Recommendations



Conclusion

- Regeneration Professionals Should Have an Important Role in this Process
- Consider Local / National Disadvantage
- Improve the System - Reduce Challenges
- Streamline the System - Ensure Proportionality
- Save Money by Having Effective Competition
- We Have to Remember its About People!
- Prevent Barriers to Market – do not Dilute Local Economic Vibrancy
- Small is Almost Always Beautiful!

