



AMA / BD Procurement survey

May 2012

Executive summary

Between April and May 2012, AMA Alexi Marmot Associates and Building Design Magazine (BD) carried out a survey of BD readers to understand the industry's experience with public procurement through OJEU. The results provide a fascinating and critical snapshot of the industry's experience and attitudes.

The 427 self-selected respondents come from a variety of organisations and have differing levels of experience with the OJEU procurement process. Their views do not necessarily represent wider opinion. They have reacted thoughtfully with facts, assessments and opinions. People feel strongly about the public sector procurement process and gave generously of their ideas by providing more than 450 free text comments including suggestions for improvement.

The majority of respondents are from small or medium sized architectural practices (below 50 people or with turnover below £8 million). Future investigations, particularly to capture client views and those of other construction professionals, would be desirable for a more complete understanding.

Around half the total respondents say some of their workload is acquired through the OJEU procurement selection. Yet nearly as many (45%) have not responded recently to an OJEU notice. The main reasons for not applying are 'too much effort for low chance of success' (46%) and the complexity of the application procedures (26%). One in ten said they are 'frustrated with the system.'

The analysis provided in most of this report comes from the 256 respondents who responded to most of the questions. Very few respondents consider that the process achieves its aims of being a fair and transparent system (9%), that allows clients to get value for money (5%), manages risk appropriately (4%), leads to good client relationships (3%) or delivers the right team (2%). The majority consider that it is arduous to complete (70%), resource intensive (67%), suits large firms/management consultants (67%), discriminates against small or young practices (62%), a box-ticking exercise (62%), and is expensive to complete (60%).

The greatest source of frustration for practices is the complexity of the system, which is seen to do a disservice both to the industry and to meeting client needs. The current system is believed to discriminate

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against small, young practices, not to support local practices, not to support firms in developing their skills in new sectors and thus to undermine the sustainability of the industry.

Four in ten respondents say their firm typically spends up to £10,000 annually on public sector procurement processes whilst over a third (35%) say they spend between £10,000 to £50,000. Nearly a quarter (24%) spend more than £50,000.

When taken across the sector this represents a very large amount of effort and cost expended in obtaining work. Completing application forms is often done by people employed specifically for this task, and the assessment on behalf of the client may be by project managers. The benefit to clients of this process needs to be weighed against the type, as well as the level, of effort across the industry. The resource intensive nature of the OJEU process is perceived to disadvantage small practices.

While most firms report having formal policies for health and safety, environment and sustainability, employment, equality and diversity, and quality assurance, other policies are less common.

Respondents from both the client as well as the professional perspective, feel that the current system is led by project managers who may *'not understand the design process,'* rather than expert clients. In addition respondents noted that the system favours a national, *'one size fits all'* approach to public procurement, impeding the ability to tap into local knowledge, dialogue and ties with the local community, which is ultimately to the disadvantage of the clients.

Not surprisingly the majority of respondents want to see a 'simplification' of the OJEU tendering process, but offer conflicting suggestions on how this could be done. Many respondents suggest that there should be a standardisation of the process, with greater regulation. Some suggest a more qualitative approach that would better assess design and creativity, and meeting client needs. Others believe that the system as it is should be abolished altogether. Respondents creatively gave a variety of suggestions on how aspects could be streamlined to respond to the particularities of architecture, to reduce the perceived amount of 'waste' in the system, the variety of scales of projects and practices, and how the clients' needs could be better supported through the tendering process.