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**Procurement and Productivity Thought Leadership Theme Group**

**Thursday the 11th March 2021**

**12.30pm – 2.00pm**

**Online meeting hosted by Zoom and Microsoft Teams**

**NOTES FROM THE MEETING**

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|  | **P&P Theme Group Business Meeting** |  |
| 1.0 | **Attendees** Attendees - Martyn Jones, Andrew Brown, Tim Goodman, Mike Chaney, Chris Meadows, Perwina Whitmore, Harry Broughton. |  |
| 2.00 | AB outlined reason for change of Meeting Format. Ie to get discussion on current topics rather than use meeting to review actions and previous agenda items. ( Post Meeting Note – This was seen as better by todays attendees )  | AB |
|  | **Topics Discussed** |  |
| 3.00 | **Pros & Cons of Construction Management as Procurement Method**This was a popular to procure in the 80’s spearheaded in Canary Wharf, but believed to be used in about 1 in 10 projects. Good discussion took place with key points noted below.* Cost Risk ultimately stays with clients, so may not suit private sector clients if cost certainly needed before starting.
* Not all Main Contractors offer it as service but those that do are often specialists in this method of procurement.
* Clients have more relationships to manage as Package Contractors direct to them so need to have the resources to deal with this.
* Key Package Contractors expected to be closer to designers and hence seen as more collaborative.
* Works best with similar repeating type projects – eg Retail or Offices rather than bespoke one offs.
* Should not be forgotten as a procurement option.
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| 4.00 | **RIBA Plan of Work – Further procurement guidance**This is clearly the Industry Winner in terms of tracking what stage a project is at, however felt that procurement guidance could be better. Good discussion took place with key points below.* Overall this is a really well presented and helpful document and guide.
* Procurement however only really associated with appointment of Contractors from Stage 2 onwards and no real discussion of understanding options.
* Clearly in Stage 0 appointment of Client Team and Design Team in Stage 1 involves procurement. Just need to decide how these should be procured.
* Suggested Procurement Strategy should be earlier piece of work and worth defining once agreed to make clear. This can be revised but having a robust Procurement Plan is good practice.
* Key Packages which effect design ie Cladding or M&E should be earlier.
* Key Package contractors will be happy to assist design team without an order as long as they have a fair chance of tendering and so winning the package later.
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| 5.00 | **Bonds & Surety**This is becoming a bigger issue than previously, especially post Carillion. Discussion key points below* Concerns of the difficulty to obtain and also increased cost
* Suppliers also struggling to obtain credit insurance of Main Contractors
* Public sector more likely to require Bonds
* Whilst Bonds are usually for 10% of package value the true cost of a Contractors insolvency can be a lot more
* Many insurers stepping back from Construction generally as seen as low margin and high risk.
* Main Contractors often prefer PCG’s to protect from insolvency risk
* Getting cover of £500k on an smaller M&E Company is a problem so makes it harder for smaller Package Contractors to take part who can’t get any cover.

What measures might help ?* Project Bank Accounts although these reduce Main Contractors cashflows
* Integrated Project insurance rather than all parties paying for own
* Not overloading or over stretching good smaller Package Contractors
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| 6.06.16.26.36.46.46.66.7 | **Previous Study Suggestions** **Identify lessons learnt during Covid Pandemic to be ready for a 2nd Spike** * Mike Rosewarne, ( Midas ), Chris Meadows ( already happy to be involved
* Adam Desmonde ( Desmonde Associates ) offered to join this one

**Cost v Value to Bristol’s Nightingale Hospital*** It was accepted that expected life was shorter, understanding the margin and costs would be really beneficial to see if to what extent costs were affected by this level of collaboration
* Andrew Brown ( Churngold ) Michael Chaney ( Willmott Dixon ) had expressed wish to be involved

**Pro & Cons of Construction Management as a Procurement Method*** MJ stated he had been chasing MACE for involvement for some time but to no avail. AC was looking to contact.
* John Hunter ( Tercon ) had previously expressed interest, Catherine Welch ( Royds Withy King ) agreed to join.

**Supplier Development*** Mike Chaney ( Willmott Dixon ) had previously lead this section and Martin Jones was keen to join in. Opportunity to explore what other industries do.
* Paul Richards ( Aquarian ) offered to join this team.

**Is Procurement the Elephant in the Room ?*** This came from Helen Baker from UWE but no takers so far

**Standardisation of Inductions across the Industry*** Suggested by Peter Everitt of Willmott Dixon who offered his H&S colleagues to assist.
* Quality of Inductions being given on site is seen as haphazard to say the least.
* There is clearly a real productivity improvement if delivered as would save time and effort for delivery and those attending. Create Passport as used by Oil and Gas industry.

**RIBA Plan of Work – Expanding Procurement advice within document*** Andrew Brown ( Churngold ) & Chris Meadows (Hastoe HA ), Perwina Whitworth ( Scape Group ) happy to get involved and see if this could fly.
 | AB |
| 7.0 | **CESW Case Studies**AB reminded all about the CESW Case Study 1 or 2 page format that was available to showcase good practice and encouraged all to look to publish 1 in the near future.  | All |
| 8.0 | **AOB**AB thanked Harry Broughton who is a Management Trainee at Willmott Dixon working with Mike Chaney for attending and hoped he found the discussions interesting. Harry said it was really good to hear the differing view points.  |  |
| 9.0 | **Date and form of next meeting:** Thursday May 13th 2021. 12.30pm – 2pm on Zoom. | AB |