

CE - PROCURING FOR VALUE

BACKGROUND AND EVOLUTION

January 2020

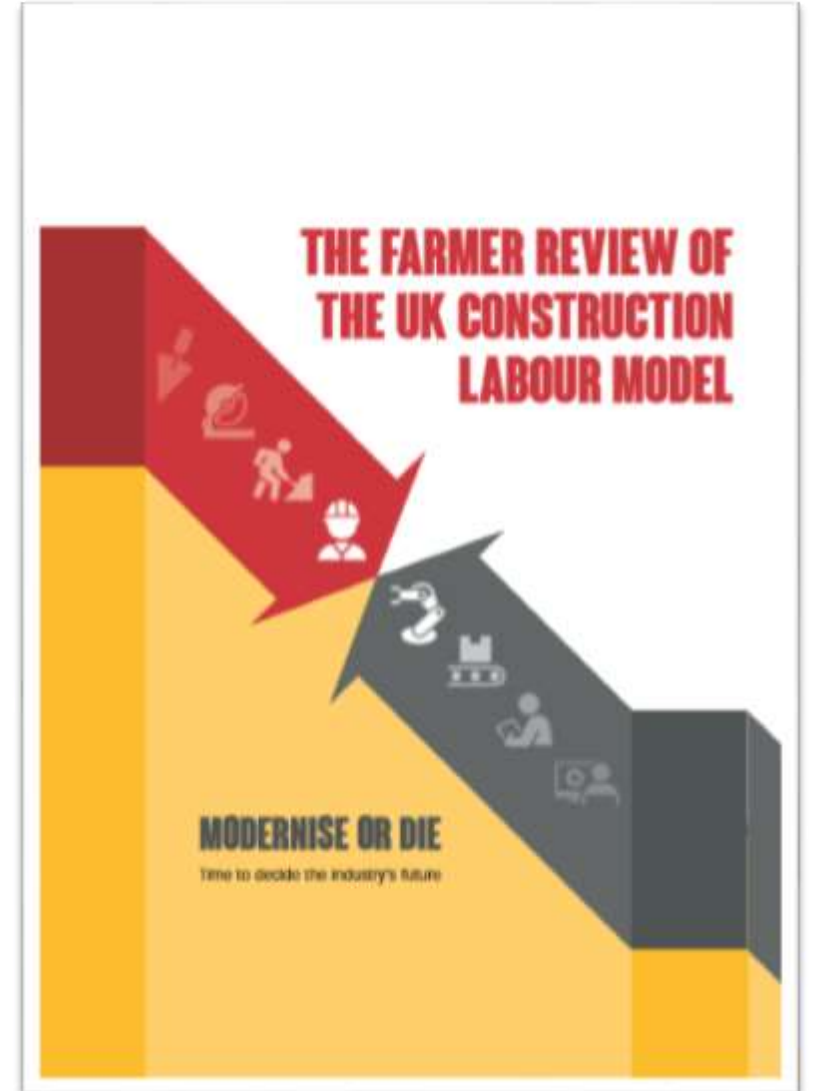
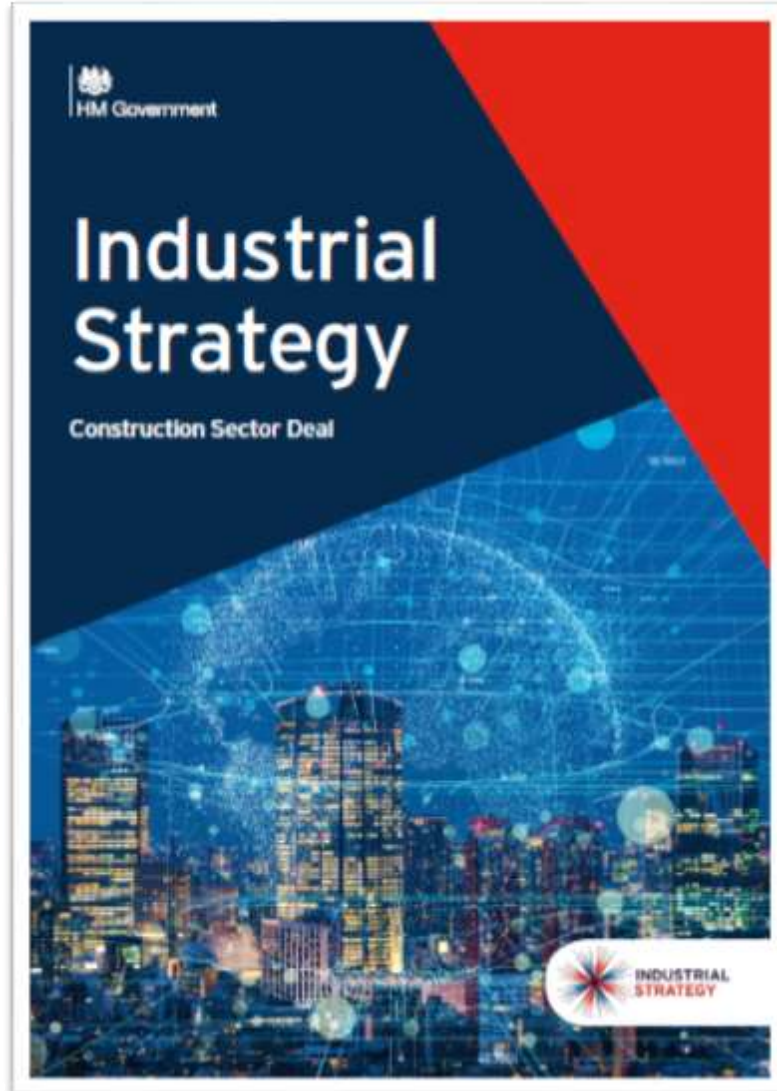




Background and Context

OUR CHALLENGE

- Affordability
- Deliverability
- Finance ability
- Future skills
- Sustainability
- Disruption



Government Action

Improve the lifetime performance of buildings, through better procurement:

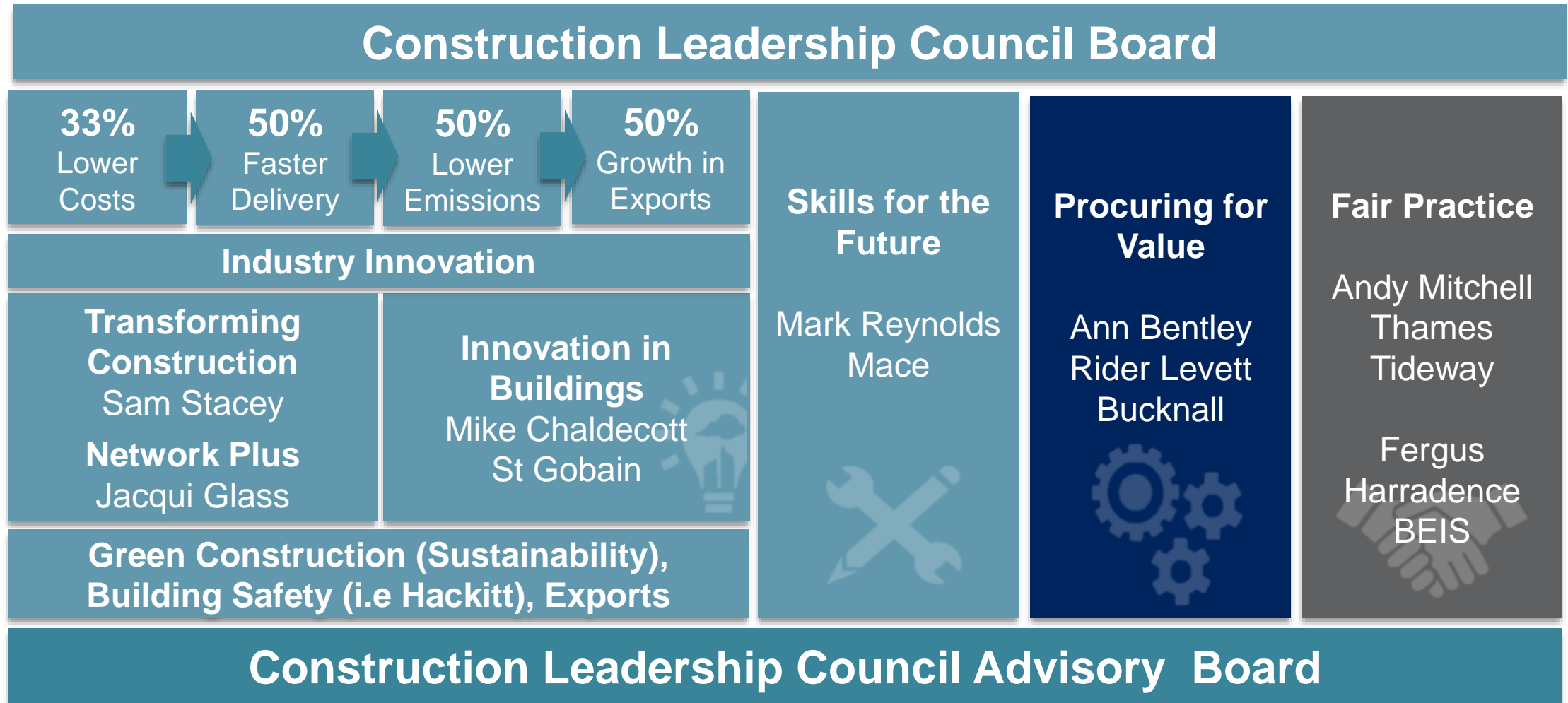
- Embed 'procure for value' approach in public procurement and build capability to do this through the Infrastructure Projects Authority (IPA) and government departments across Whitehall.

Sector Action

Improve the lifetime performance of buildings, through better procurement:

- Develop an industry wide definition of value which takes into account more than capital cost.
- Produce a universally applicable methodology for procurement and promote common and consistent standards across industry.

HOW THE CLC IS STRUCTURED





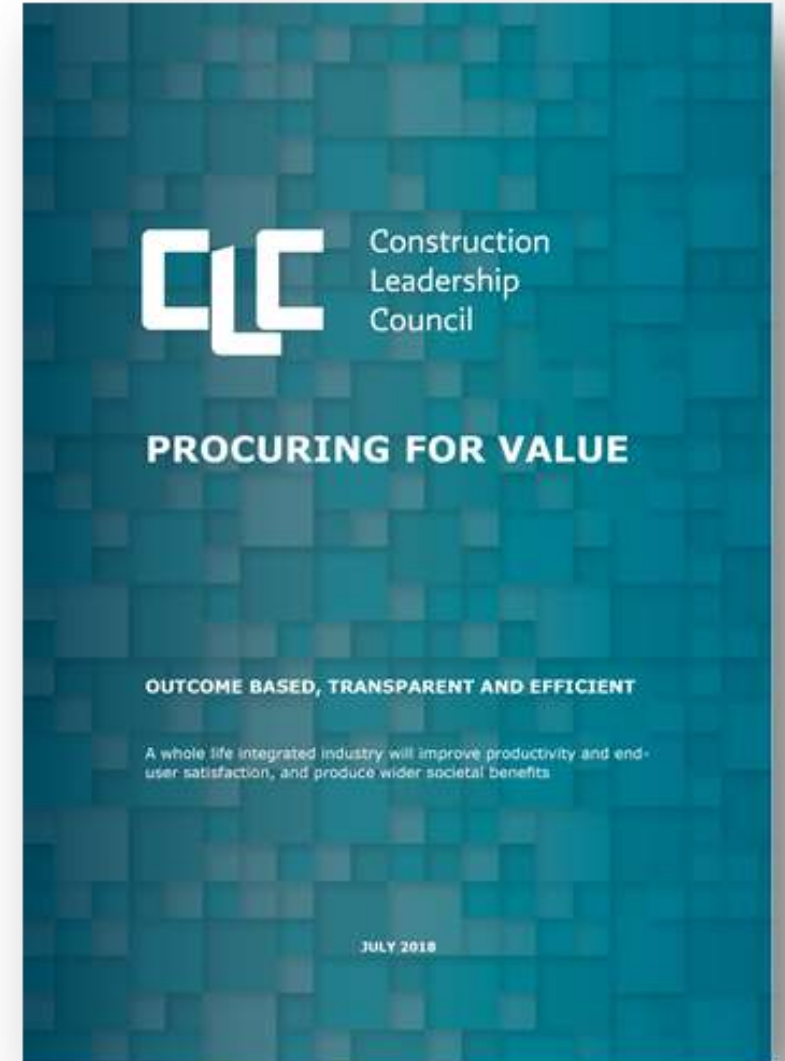
What is Value and how is it determined?

PROCURING FOR VALUE - THEMES

Theme 1: Client Pull – Outcome Based Procurement

Theme 2: Increase Transparency on the Performance of Suppliers and Assets

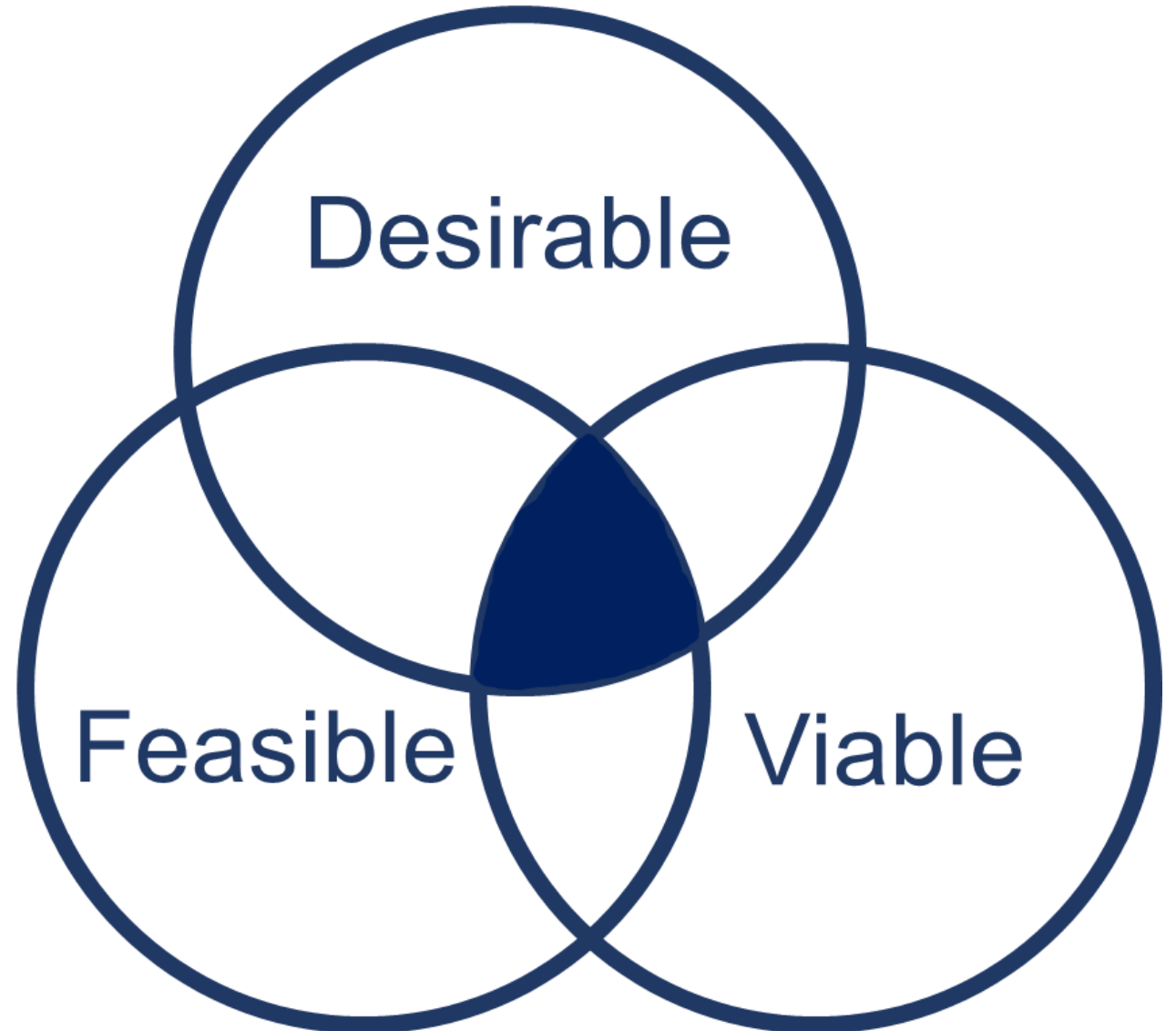
Theme 3: Supplier Push – Improve Procurement Efficiency and ‘Get the Basics Right’



OBJECTIVES

Give policy makers and budget holders a deeper understanding of value

Enable them to make meaningful **value** choices and trade-offs

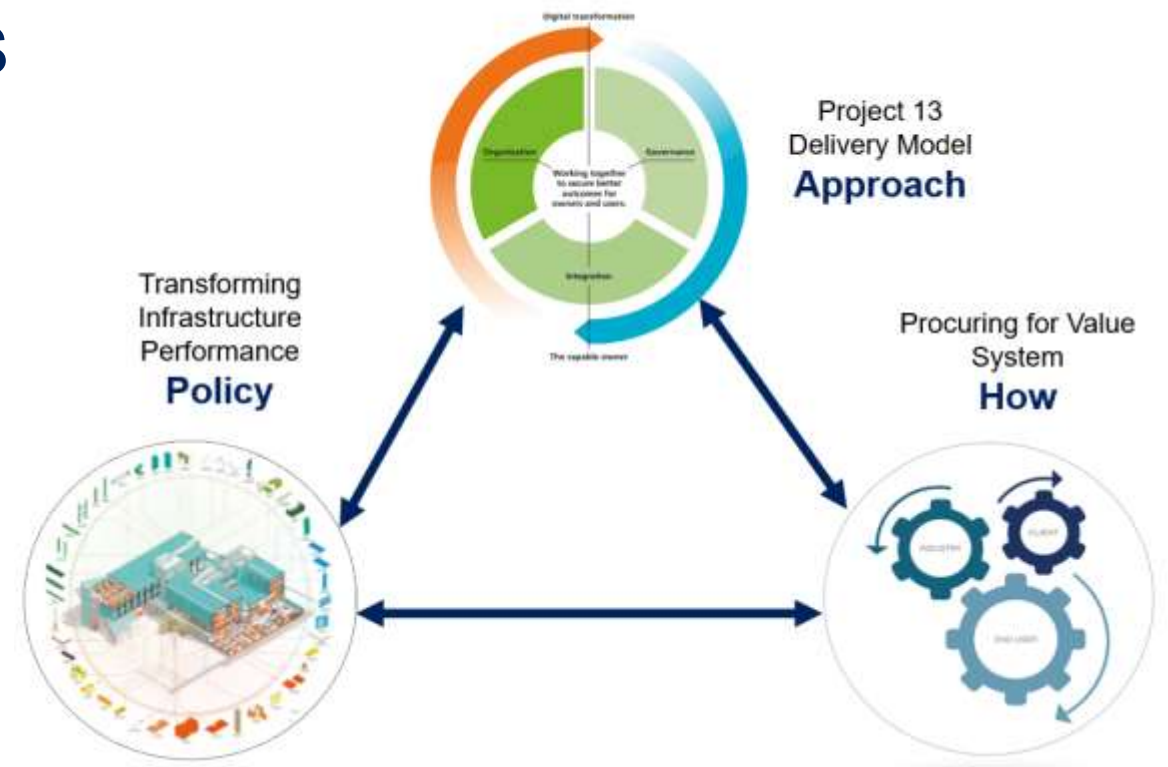


ALIGNMENT: Collaborators and Consultees

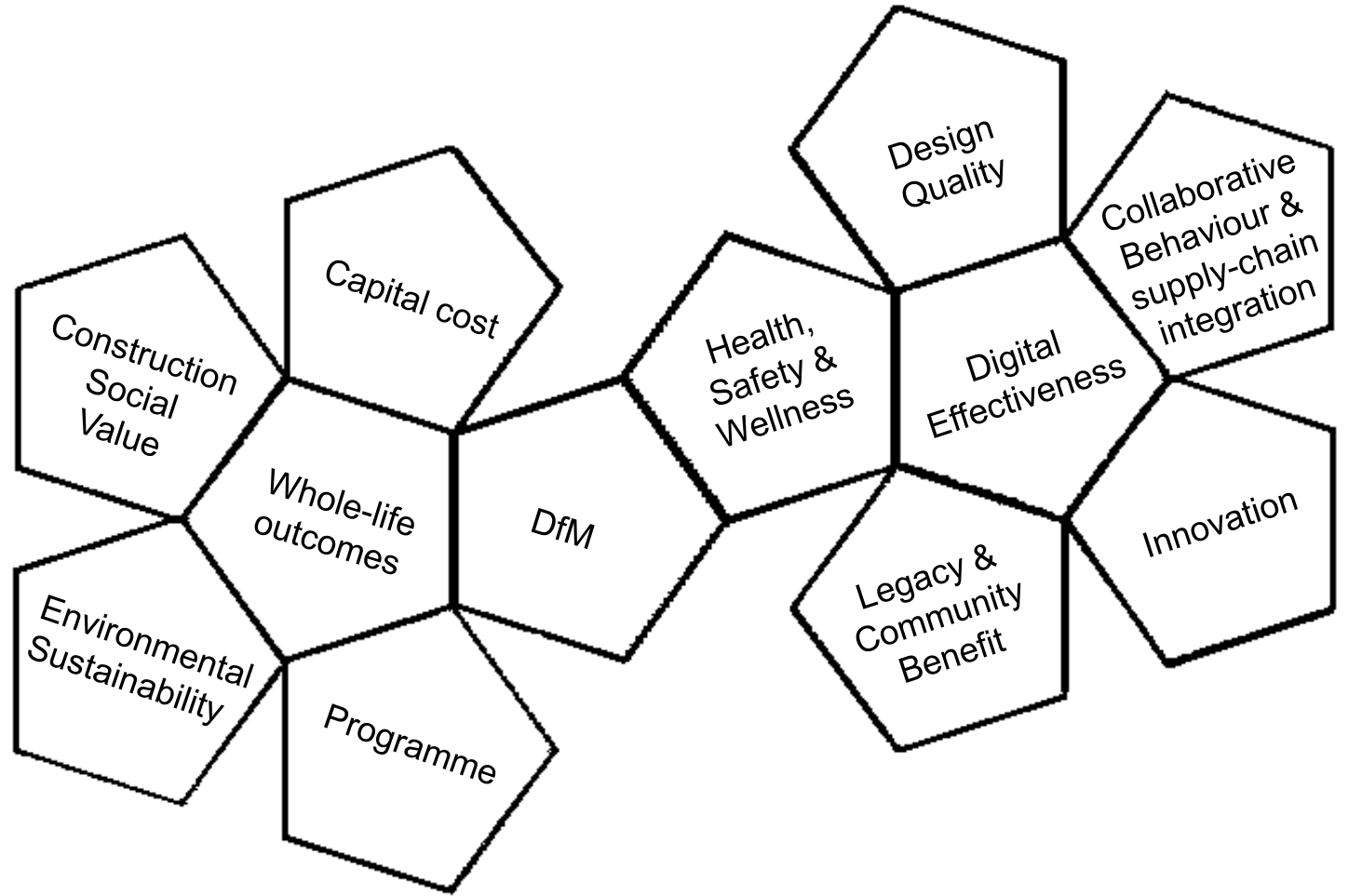


PROGRESS

- Benchmarking and efficiency – TIP/TIES led by IPA
- Detailed assessment of the causes of poor procurement practice
- Working with the CIH to develop a systematic approach to the definition, capture and comparison of value across the industry
- Supported Build UK and CECA
 - Common Assessment Standard for pre-qualification
 - Standard contract amendments
 - Retentions roadmap



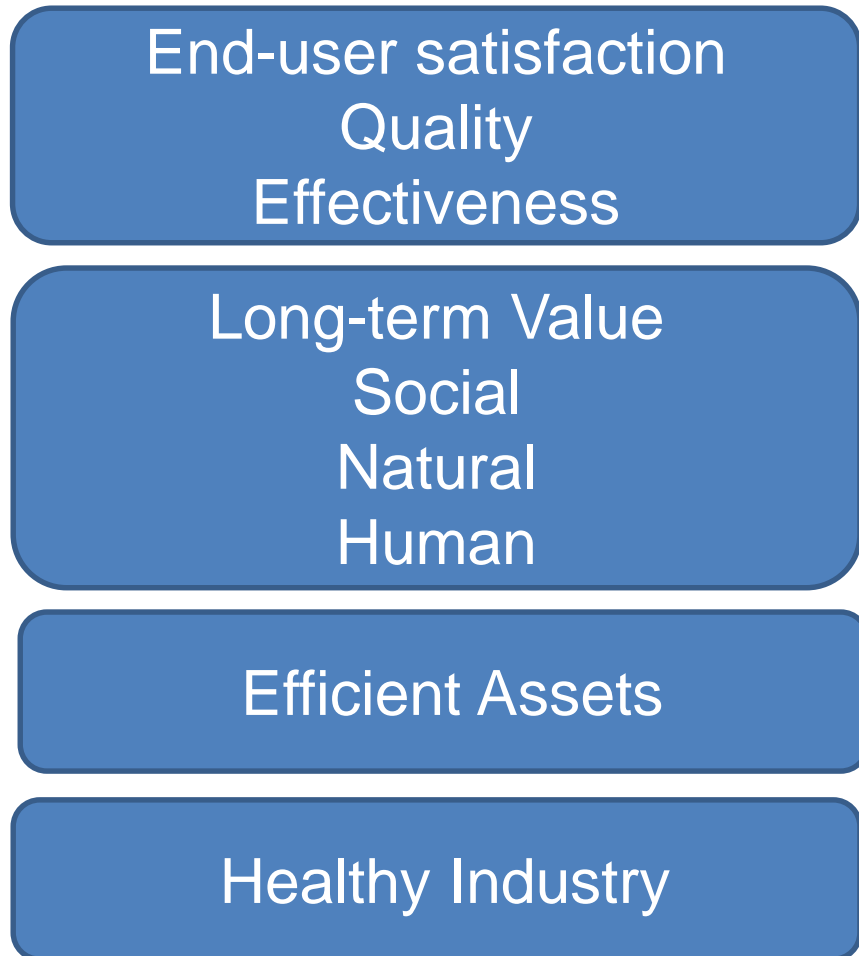
COMPLEX RELATIONSHIPS



MINIMUM VIABLE PRODUCT



DESIRED OUTCOMES



Lower costs
33%

Faster delivery
50%

Reduction in trade gap
50%

Lower carbon emissions
50%

