

# SETTING THE BAR – PROCUREMENT PROFESSIONALS

*Final Report*

## Contents

<b>Foreword .....</b>	<b>3</b>
<b>Introduction .....</b>	<b>4</b>
<b>WG Background .....</b>	<b>5</b>
<b>Raising the bar: Proposed approach.....</b>	<b>6</b>
<b>Consultation Responses.....</b>	<b>6</b>
<b>Assuring Improvement .....</b>	<b>7</b>
<b>Progress to Date.....</b>	<b>7</b>
<b>Programme to achieve ambition with key milestones .....</b>	<b>7</b>
<b>Acknowledgements .....</b>	<b>8</b>
<b>List of Annexes.....</b>	<b>8</b>
<b>Annex A – Lead Contributors .....</b>	<b>9</b>
<b>Annex B – Updated Interim Report: <i>Raising the Bar</i>.....</b>	<b>10</b>
<b>Annex C – Consultation Log .....</b>	<b>38</b>

## Foreword

It's been my privilege to Chair the Procurement Working Group as part of the Competence Steering Group to tackle competency failings identified in the Hackitt Review, *Building a Safer Future*, following the Grenfell Tower fire. I'd like to acknowledge all of the contributions from the 14 members of the Working Group who provided expert input and construction industry context for this final report.

Having worked in procurement for over 35 years, including 8 years as a Director of CIPS, I have been concerned that the normal professional procurement practices, which I have seen in many other sectors, are not being followed in some parts of the construction sector. I recognise that a number of efforts have been made to improve modern procurement practices over the years, but the competence of many of the individuals involved is not yet at the required standard.

Throughout the working group discussions there have been many examples provided of poor commercial practices which have led to a focus on price and margin at the expense of safety. We know that profit margins throughout the construction industry are low and with high levels of competition there is a real concern, despite the best intentions of everyone involved in the various working groups, that the culture of low prices and undercutting of competitors will continue.

This report focuses on the proposed approach to improve procurement competencies for people involved in any procurement on all in-scope buildings. The competence framework developed as part of the interim report has been finalised, and we have reflected on the responses received from the consultation period to share our progress to date and how we will assure improvement in procurement practice throughout the construction industry.

The acceptance of these recommendations by the construction industry, combined with the full recommendations from the Construction Steering Group, will make a vital contribution to the increased safety of the people living in in-scope buildings in future.

**Duncan Brock, FCIPS, Chartered Professional  
Chair, Procurement Professionals Working Group  
April 2020**

# Working Group 11 – Procurement Professionals

## Industry Response Group Competences for Building a Safer Future

Working Group 11 – Procurement

Final Report

version: 0.1

### 1.0 Title membership and lead contributors

#### 1.1 Working Group 11 – Procurement Professionals

##### 1.1.1 **Chair:** Duncan Brock, Chartered Institute of Procurement & Supply (CIPS) **Secretary:** Lauren Williams, CIPS

#### 1.2 Lead contributors

##### 1.2.1 The lead contributors are listed in Annex A.

### 2.0 Introduction

#### 2.1 Aims and Objectives

##### 2.1.2 The CSG established Working Group 11 (WG11), chaired by the Chartered Institute of Procurement and Supply (CIPS) to focus on procurement professionals. The working group's terms of reference are:

- To agree specific procurement competence levels, and measures of competence, for people involved in all aspects of sourcing, tendering, contracting and contract management of suppliers and resources involved in the construction of new in scope buildings; and delivering the ongoing services, refurbishment, retrofit, maintenance and repairs for all in-scope buildings.

#### 2.2 Audience

##### 2.2.1 The definition of procurement is wide. It covers all of the activities in the procurement cycle and therefore this competence framework will be relevant to many/most people who are involved in the construction of new in-scope buildings and in delivering the ongoing services, refurbishment, retrofit, maintenance and repairs.

It is recognised that dedicated, competent procurement professionals are not currently involved in all required procurement activities identified for in-scope buildings. This competence framework identifies the capabilities and knowledge that are needed to carry out the procurement activities, allowing organisations and individuals, whatever their current role and profession, to assess their competence to carry out good procurement practices.

Anyone involved in procurement activities throughout the supply chain has a responsibility to ensure that they possess the required competence set out in this document.

## 3.00 WG Background

### 3.1 Final Recommendations

- 3.1.1 Recommendation One: There must be a designated individual who is assigned as the procurement lead. This lead must have a comprehensive competence level at every stage of the RIBA Plan of Work.
- 3.1.2 Recommendation Two: The Procurement Lead will be assessed and accredited against a new procurement competence framework which identifies the capabilities and knowledge that are needed to carry out all procurement activities identified for in-scope buildings.
- 3.1.3 Recommendation Three: Implementing this Procurement Lead role will need a culture change in the construction sector and work is needed to raise awareness of the new competence requirements for procurement activities to ensure appreciation and compliance.

#### 3.1.4 What is a Procurement Lead?

Through education, training and experience, a Procurement Lead competently applies knowledge and understanding of:

- How to achieve value for money outcomes within the supply chain through effective spend management;
- The importance and benefits of early involvement of the supply chain in construction projects;
- How to formulate selection criteria and sourcing strategies to ensure that the organisation will achieve the appropriate choice of supplier for goods, services or works;
- How to create robust contractual arrangements with the organisation's supply chain to ensure positive outcomes in cost, time, quality & safety;
- How to deliver value added outcomes to the organisation which can include:
  - improved quality and safety;
  - achievement of timescales;
  - required quantities;
  - reduced prices and costs;
  - innovation and sustainable supply of goods;
  - services provided by external suppliers;
- How the external environment influences procurement and supply;
- Recognising, evaluating and promoting the importance of ethics and responsible procurement in organisations and supply chains;
- How to effectively work with the technical experts to ensure products and materials are delivered and installed to the required quality and meet the defined specification
- Opportunities for the use of technology and systems to improve

procurement and supply;

- Methods to monitor and collate information and data to communicate performance to suppliers and stakeholders; and
- How to lead and coach people within the organisation, suppliers and other stakeholders to further the objectives of improved procurement and supply.

### 3.2 **Raising the bar: Proposed approach**

It is recognised that dedicated, competent procurement professionals are not currently involved in all required procurement activities identified for in-scope buildings. A new competence framework has been created to identify the capabilities and knowledge that are needed to carry out the procurement activities, allowing organisations and individuals, whatever their current role and profession, to assess their competence to carry out good procurement practices.

It has become clear through the discussions in WG11 that in-scope buildings Procurement Lead with a comprehensive procurement competence level is needed at every stage of the RIBA Plan of Work, and if it is not the same person involved all the way through the project, there needs to be a clear way of transferring knowledge and information as the project progresses. We also need to define a way to assess and accredit individuals to work on procurement activities on in-scope buildings. The Procurement Lead does not have to be a qualified procurement professional, but they will be required to demonstrate that they have achieved a comprehensive level of competence as defined in the Competence Framework in Annex 11C in supporting documents.

## 4.0 **Consultation Responses**

- 4.1 Following the consultation period, Working Group 11 – Procurement received over 20 responses to our interim report published as part of the overall Raising the Bar interim report.

Overall, responses received were supportive of the recommendations from Working Group 11, and were seeking further details of how the changes would be implemented. There were a number of suggestions that the scope of the framework should be broadened to include all construction activities and not just in-scope buildings. The following amendments were made:

- Emphasis on the importance of the Procurement Lead being able to provide evidence of a comprehensive level of procurement competence, and also the need for a clear way of transferring knowledge and information if the Procurement Lead responsibility doesn't remain with one individual throughout the project.
- Reflect the challenge an organisation may have in deciding when to invest in a dedicated and fully competent procurement professional to work on a specific in-scope building project.
- The Required Procurement Competence Matrix in the Annex has been updated to

include the new Building Safety Manager role.

## **5.0 Assuring Improvement**

- 5.1 To ensure the recommendations are implemented in a consistent way across the sector, we will:
- Work with other professional institutes such as CIPS, RICS, RIBA, CIOB, IWFM etc. to agree how the accreditation of the Procurement Lead aligns to their existing accreditation frameworks;
  - Finalise the assessment and accreditation approach, in line with the recommendations for the Overarching Competency System, proposed by WG0 and included in the Government's consultation<sup>103</sup> and develop the assessment tool and process for accreditation.
- 5.2 CIPS is the Primary Authority for the procurement competence standard, assessment and accreditation. UKAS are being considered as the Oversight Body for the CIPS procurement competence assessment and accreditation processes.
- 5.3 We acknowledge the need to also engage with other stakeholders and with other organisations within the industry. To make the recommended improvements we will:
- Work with the Local Government Association (LGA), National Housing Federation (NHF), Early Adopters, CIPS Construction Procurement Leadership Group, and members of WG11 to roll-out the Framework and raise procurement competencies in their organisations;
  - Raise awareness of the new competence requirements for procurement across the construction sector through conferences and forums held by relevant sector bodies.

## **6.0 Progress to Date**

- 6.1 CIPS has developed a self-assessment tool which is available for any organisation or individual to use to assess their competence against the procurement framework. This is being rolled-out during April 2020 to key organisations who have agreed to pilot the tool to identify any gaps in competence in specific roles, allowing them to invest in initiatives to raise competence to the required standards.
- 6.2 The remaining organisations in Working Group 11 are now committed to working together to implement the recommendations.

## **7.0 Programme to achieve ambition with key milestones**

- 7.1 Implementation road map
- 7.1.1 Pilot self-assessment tool in key organisations – August 2020

- 7.1.2 Update the detailed Competence Framework to reflect changes to RIBA Plan of Work 2020 – May 2020
- 7.1.3 Feedback on pilot and update self-assessment tool ready for full roll-out – May 2020
- 7.1.4 Launch tool as a free resource for all organisations to use – December 2020
- 7.1.5 Agree accreditation approach with UKAS and implement the accreditation processes – December 2020
- 7.1.6 Work with professional institutes and CITB to make learning resources available for anyone who needs to raise their procurement competence to the right level – Ongoing throughout 2020.

## **8.0 Acknowledgements**

- 8.1 Thanks to all those who have provided support, guidance and contributions to the report. Thanks also to CIPS and Trowers & Hamlins for hosting meetings.

## **9.0 List of Annexes**

- 9.1 Annex A - Lead Contributors
- 9.2 Annex B - Updated Final Report
- 9.3 Annex C - Consultation Log

## Annex A – Lead Contributors

Name	Organisation
<b>Duncan Brock (Chair)</b>	<b>CIPS</b>
<b>Lauren Williams (Secretary)</b>	<b>CIPS</b>
Ange Francis	John Sisk & Son
Antony Faughnan	Arcadis
Dale Turner	Skanska
Frances Parrot	MHCLG
Liz Welton	Solihull MBC
Mike Foy	CIOB
Mick Buck	IStructE
Rebecca Rees	Trowers & Hamlins
Sofie Hooper	BIFM
Steven Thompson	RICS
Stuart D'Henin	CCS
Tina Holland	LGA

## Annex B – Updated Interim Report: *Raising the Bar*

### Working Group 11 – Procurement Professionals

**Chair:** Duncan Brock, Chartered Institute of Procurement & Supply (CIPS)

**Secretary:** Lauren Williams, CIPS

The lead contributors are listed in Annex A.

#### Executive Summary

1. In response to *Building a Safer Future*, the CSG agreed that a focus on procurement competences is required. It is recognised that poor procurement practices can lead to decisions that compromise all aspects of building and life safety, and across the sector there is a desire to improve the competence of people involved in procurement activities so that better decisions are taken at all levels of the construction supply chain.
2. The CSG established Working Group 11 (WG11), chaired by the Chartered Institute of Procurement and Supply (CIPS) to focus on procurement professionals. The working group's terms of reference are:
  - To agree specific procurement competence levels, and measures of competence, for people involved in all aspects of sourcing, tendering, contracting and contract management of suppliers and resources involved in the construction of new HRRBs; and
  - Delivering the ongoing services, refurbishment, retrofit, maintenance and repairs for all HRRBs.
3. The structure for the framework is the eight stages of the RIBA Plan of Work, with the specific procurement activities for each stage based on the standard CIPS Procurement and Supply Cycle<sup>1</sup>.
4. The CIPS Global Standard<sup>2</sup> has provided the detailed content for the specific Procurement Capabilities and Knowledge, and these have been adapted by the members of WG11 for the construction industry and specifically for HRRBs.
5. In this context the definition of procurement is wide. It covers all of the activities in the procurement cycle and therefore this competence framework will be relevant to many/most people who are involved in the construction of new HRRBs and in

---

<sup>1</sup> The CIPS Procurement and Supply Cycle can be found on the CIPS website in the Knowledge section

<sup>2</sup> The CIPS Global Standard can be found on the CIPS website in the Knowledge section

delivering the ongoing services, refurbishment, retrofit, maintenance and repairs for all HRRBs.

6. It is recognised that dedicated, competent procurement professionals are not currently involved in all required procurement activities identified for HRRBs. This competence framework identifies the capabilities and knowledge that are needed to carry out the procurement activities, allowing organisations and individuals, whatever their current role and profession, to assess their competence to carry out good procurement practices.
7. Anyone involved in procurement activities throughout the supply chain has a responsibility to ensure that they possess the required competence set out in this document.

## Key Recommendations

**Recommendation One<sup>3</sup>:** There must be a designated individual who is assigned as the procurement lead. This lead must have a comprehensive competence level at every stage of the RIBA Plan of Work.

**Recommendation Two<sup>4</sup>:** The HRRB Procurement Lead will be assessed and accredited against a new procurement competence framework which identifies the capabilities and knowledge that are needed to carry out all procurement activities identified for HRRBs.

**Recommendation Three<sup>5</sup>:** Implementing this Procurement Lead role will need a culture change in the construction sector and work is needed to raise awareness of the new competence requirements for procurement activities to ensure appreciation and compliance.

## Industry Context

8. It is recognised that throughout the construction industry it is not always common practice to have dedicated procurement professionals involved in every procurement activity. This also applies to HRRBs. It has been accepted that the procurement

---

<sup>3</sup> R63 in the 'Raising the Bar' interim report overall recommendations (see p.34)

<sup>4</sup> Included in R3 of the 'Raising the Bar' interim report generic recommendations (see p.26)

<sup>5</sup> R64 in the 'Raising the Bar' interim report overall recommendations (see p.34)

activities can be carried out by other professions without ensuring that they have the full commercial competencies and experience.

9. In comparison, other sectors such as Oil & Gas and Automotive would not allow procurement to take place without going through a proper structured procurement process led by procurement professionals. It is accepted that the situation in construction needs to change.

### **Responding directly to questions arising from Dame Judith Hackitt's recommendations**

10. In Dame Judith Hackitt's report there were a number of recommendations made about Procurement and Supply, and the Government's response was published by the Ministry of Housing, Communities and Local Government on 18 December 2018 in the Policy Paper - Building a Safer Future: An Implementation Plan. Chapter 9 of the Policy Paper covers Procurement and Supply, it stated that:

#### **10.1:**

- a. For higher risk residential buildings (HRRBs), principal contractors and clients should devise contracts that specifically state that safety requirements must not be compromised for cost reduction.
- b. The Government should consider applying this requirement to other multi-occupancy residential buildings and to institutional residential buildings.

11. The Government accepts this recommendation and will work with procurement professionals across the public and private sectors to develop standards and disseminate procurement best practice that prioritises safety outcomes.

#### **11.1:**

- a. For HRRBs, tenders should set out how the solution that is proposed will produce safe building outcomes, approaching the building as a system. Those procuring should use the tender review process to test whether this is the case.
- b. The Government should consider applying this requirement to other multi-occupancy residential buildings and to institutional residential buildings.

12. For HRRBs the information in the contracting documentation relating to the safety aspects should be included in the digital record set out in Chapter 8.

13. To support the implementation of these recommendations, it has been identified that improving the competences of everyone involved in procurement activities will be a key factor.
14. This competence framework identifies the capabilities and knowledge that are needed to carry out the procurement activities, allowing organisations and individuals, whatever their current role and profession, to assess their competence to carry out good procurement practices.
15. The new Procurement Competence Framework for HRRBs included within the appendices of this document directly addresses the above recommendations, and also suggests further recommendations in order to improve the overall procurement process for HRRBs to preserve life and building safety.

### **Detailed analysis of issues**

16. Throughout the discussions in WG11 and the CSG, there have been many examples provided of poor commercial practices that have led to a focus on price and margin at the expense of safety. We know that profit margins throughout the construction industry are low and with high levels of competition there is a real concern, despite the best intentions of everyone involved in the various working groups, which the culture of low prices and undercutting of competitors will continue.
17. It is recognised that to embed a safety first mentality through the sourcing, contracting and contract management process is a significant change from the current operating environment, and the fear expressed by some of the contractors is that if they follow the best practices recommended in this report they will lose new contracts to other contractors who continue to cut corners to win business. They all quote examples of where this has happened in the past, and where safety has been compromised for commercial gain.
18. Other industries have gone through similar culture changes and commercial practices have altered. A balanced approach to decision-making at every stage of the sourcing, contracting and contract management process is needed. We have built this into every stage of the new HRRB Procurement Competence Framework.
19. It has been identified that one of the main issues is that procurement activities are too often being carried out by individuals who are not fully qualified or fully competent which leads to poor decision-making and focus on price rather than building safety. This drives poor behaviours throughout the supply chain, and when margins are tight there is a potential for people to prioritise cost over quality and

safety. This occurs not only at the awarding of a major contract but all the way down through the contractor and supplier supply chain.

20. It is clear that the current approach to tendering and contracting reinforces these price focused behaviours as was highlighted by *Building a Safer Future*.

### **Raising the bar: Proposed approach**

21. It is recognised that dedicated, competent procurement professionals are not currently involved in all required procurement activities identified for HRRBs. A new competence framework has been created to identify the capabilities and knowledge that are needed to carry out the procurement activities, allowing organisations and individuals, whatever their current role and profession, to assess their competence to carry out good procurement practices.
22. It has become clear through the discussions in WG11 that a HRRB Procurement Lead with a comprehensive procurement competence level is needed at every stage of the RIBA Plan of Work, and if it is not the same person involved all the way through the project, there needs to be a clear way of transferring knowledge and information as the project progresses. We also need to define a way to assess and accredit individuals to work on procurement activities on HRRBs. The HRRB Procurement Lead does not have to be a qualified procurement professional, but they will be required to demonstrate that they have achieved a comprehensive level of competence as defined in the Competence Framework in Annex 11C in supporting documents.

### **What is a Procurement Lead?**

23. Through education, training and experience, a Procurement Lead competently applies knowledge and understanding of:
  - How to achieve value for money outcomes within the supply chain through effective spend management;
  - The importance and benefits of early involvement of the supply chain in construction projects;
  - How to formulate selection criteria and sourcing strategies to ensure that the organisation will achieve the appropriate choice of supplier for goods, services or works;
  - How to create robust contractual arrangements with the organisation's supply chain to ensure positive outcomes in cost, time, quality & safety;
  - How to deliver value added outcomes to the organisation which can include:

- improved quality and safety;
  - achievement of timescales;
  - required quantities;
  - reduced prices and costs;
  - innovation and sustainable supply of goods;
  - services provided by external suppliers;
  - How the external environment influences procurement and supply;
  - Recognising, evaluating and promoting the importance of ethics and responsible procurement in organisations and supply chains;
  - How to effectively work with the technical experts to ensure products and materials are delivered and installed to the required quality and meet the defined specification
  - Opportunities for the use of technology and systems to improve procurement and supply;
  - Methods to monitor and collate information and data to communicate performance to suppliers and stakeholders; and
  - How to lead and coach people within the organisation, suppliers and other stakeholders to further the objectives of improved procurement and supply.
24. Anyone involved in procurement activities throughout the supply chain has a responsibility to ensure that they possess the required competences set out in WG11's recommendations. The framework applies not only to procurement conducted by the client, but also carried out by prime contractors and contractors throughout the supply chain.
25. This competence framework identifies the capabilities and knowledge that are needed to carry out the procurement activities, allowing organisations and individuals, whatever their current role and profession, to assess their competence to carry out good procurement practices.
26. This framework is built on best practices in procurement, using the CIPS Global Standard for Procurement and Supply as the foundation. Applying best practice procurement will ensure that safety considerations for HRRBs are fully assessed and incorporated into any decision making processes, making sure they are not compromised by short term commercial benefits.
27. The detailed framework is included in Annex 11C and can be used as follows:
- For individuals to assess their current procurement competences and identify gaps in capabilities and knowledge that need to be closed;
  - For organisations to assess the competency of people involved in HRRB procurement activities to identify gaps in capabilities and knowledge that need to be closed; and

- For organisations to use when recruiting procurement professionals to work on HRRBs, to ensure they are competent to carry out their role.

## **Programme for delivery and primary authorities**

29. The following steps are proposed for successful implementation of the new Procurement Competence Framework for HRRBs:
  - Work with other professional institutes such as CIPS, RICS, RIBA, CIOB, IWFM etc. to agree how the accreditation of the Procurement Lead aligns to their existing accreditation frameworks;
  - Finalise the assessment and accreditation approach, in line with the recommendations for the Overarching Competency System, proposed by WGO and included in the Government's consultation<sup>103</sup> and develop the assessment tool and process for accreditation;
  - Work with the Local Government Association (LGA), National Housing Federation (NHF), Early Adopters, CIPS Construction Procurement Leadership Group, and members of WG11 to roll-out the Framework and raise procurement competencies in their organisations;
  - Raise awareness of the new competence requirements for procurement across the construction sector through conferences and forums held by relevant sector bodies; and
  - Update the framework to reflect changes to the RIBA Plan of Work, and the regulatory and guidance changes resulting from the Government consultation and legislation.
30. It is envisaged that all of the above can be completed by the end of 2020.
31. CIPS is the Primary Authority for the procurement competence standard, assessment and accreditation.
32. UKAS are being considered as the Oversight Body for the CIPS procurement competence assessment and accreditation processes.

## **Barriers to delivery**

33. Barriers to delivery include:

- Acknowledged acceptance in the construction industry that procurement practices need to change to ensure there is a balanced approach to commercial decision making, taking into account safety as well as cost. This is a culture change and needs to be linked to the other culture change initiatives that are being proposed by the CSG;
- Investment in the proposed competence assessment approach and register of individuals. CIPS is willing to contribute towards the necessary funding, but other funding will be needed;
- Getting the first organisations to make necessary investments in people, education and training to raise procurement competences to the required standard;
- Investment from all of the major organisations involved in the construction supply chain to raise competence levels through training and education;
- Cascading the procurement competence-raising initiatives down through the smaller contractors where it may not currently be recognised that these specific procurement competences are needed;
- The difficulty an organisation may have in deciding when to invest in a dedicated and fully competent procurement professional to work on a specific HRRB project and;
- Holding organisations to account if they don't demonstrate that they have implemented the proposed competence improvement initiatives and they continue poor procurement practices, leading to safety being compromised for commercial gain.

## **Acknowledgements**

Thanks to all those who have provided support, guidance and contributions to the report. Thanks also to CIPS and Trowers & Hamlins for hosting meetings.

## **Annex**

### **A. Lead Contributors**

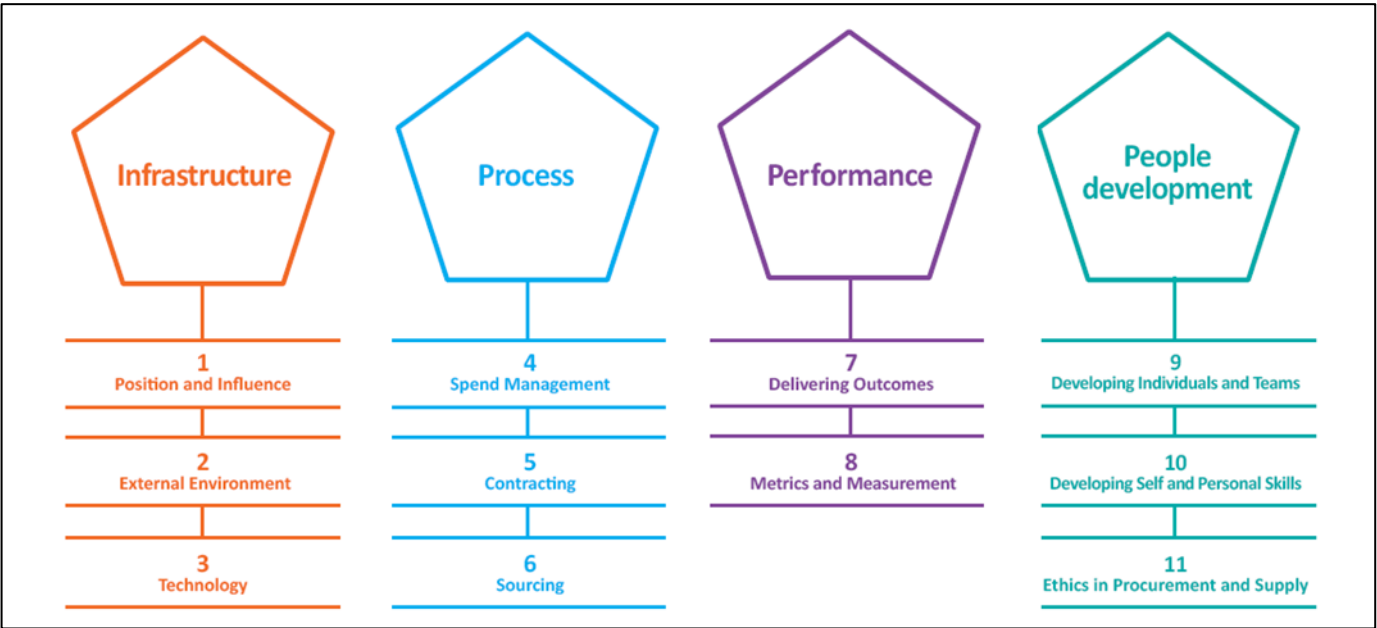
Organisation	Representative
CIPS	Duncan Brock (Chair)
CIPS	Lauren Williams (Secretary)
ACA	Darya Bahram
Arcadis	Antony Faughnan
BAFE	Chris Auger
BAFE	Stephen Adams
BBA	Claire Curtis Thomas
CABE	John Barfoot
CIOB	Mike Foy
CIPS	Kevin Hickman
Gardiner & Theobald	Tony Burton
IStructE	Mick Buck
IStructE	Ian Firth
IWFM	Sofie Hooper
John Sisk & Son	Ange Francis
LGA	Tina Holland
MHCLG	Sarah Sek
NHF	Amy Simmons
RIBA	Lucy Carmichael
RICS	Steven Thompson
RLB	Chris Jeffers
Skanska	Dale Turner
Solihull MBC	Liz Welton
Trowers & Hamlins	Rebecca Rees
UKAS	Ian Ronksley

## **B. Core competencies**

This competence framework has been adapted for HRRBs from the CIPS Global Standard for Procurement and Supply<sup>6</sup>. The Standard sets the benchmark for what good looks like in procurement and supply at all levels and across all sectors.

The content of the CIPS Global Standard has been developed through consultation with an extensive, global panel of 3000 practitioners and academics drawn from the diverse sectors and skill sets inherent within the profession.

The Global Standard structure has four main pillars and contains eleven themes:



References to the specific sections in each of the themes are included in the detailed framework in Annex C.

Using the RIBA Plan of Work and the CDM Regulations 2015, a Procurement Competence Matrix has been created which defines four levels of competence for all of the key roles identified in the CDM Regulations. A Procurement Lead has been added in recognition that individuals who are fully competent in procurement are not currently involved in all required procurement activities identified for HRRBs.

It is important to emphasise that anyone involved in procurement activities throughout the supply chain has a responsibility to ensure that they possess the required competency set out in this document.

For substantial changes to building integrity or any major refurbishments, the procurement activities must be repeated from RIBA Stage 1 onwards.

<sup>6</sup> <https://www.cips.org/en/knowledge/global-standard-for-procurement-and-supply/>

## Required Procurement Competence Matrix

7 Role	RIBA Stages							
	0 Strategic Definition	1 Preparation & Brief	2 Concept Design	3 Developed Design	4 Technical Design	5 Construction	6 Handover & Closeout	7 In Use
Commercial Clients	Awareness	Awareness	Awareness	Awareness	Awareness	Awareness	Awareness	Awareness
Designer		Understanding	Understanding	Understanding	Understanding	Appreciation	Appreciation	
Principal Designer		Appreciation	Appreciation	Appreciation	Appreciation	Appreciation		
Principal Contractor			Appreciation	Understanding	Understanding	Understanding	Understanding	
Contractor					Appreciation	Appreciation	Appreciation	Appreciation
Worker						Awareness	Awareness	Awareness
8 Building Safety Manager	Awareness	Awareness	Awareness	Awareness	Awareness	Awareness	Awareness	Appreciation
Procurement Lead	Comprehensive	Comprehensive	Comprehensive	Comprehensive	Comprehensive	Comprehensive	Comprehensive	Comprehensive

### Competency Rating Bands<sup>9</sup>:

#### Level 1 - Awareness

The individual has a basic knowledge of the subject and how it relates to their role

#### Level 2 – Appreciation

The individual has general background knowledge of the subject but may require the specialist input of others to assess compliance

#### Level 3- Understanding

The individual has sufficient knowledge of the complexities involved in order to make independent decisions and assessment in controlling compliance of procurement for typical building work relating to an HRRBs, including utilising input from other specialists

#### Level 4 – Comprehensive

The individual has sufficiently detailed knowledge and skills to make decisions on complex issues relating to procurement in the design and construction of HRRBs and the ability to commission and interrogate specialist assistance where necessary

### Assessment of Competency Rating Bands

<sup>7</sup> Construction (Design and Management) Regulations 2015 (CDM 2015) – definitions of roles detailed in Glossary

<sup>8</sup> WG11 and WG8 will work together to fully link up their Competence frameworks. They will also provide guidance on when specialist input must be sought.

<sup>9</sup> Competency rating bands as discussed in Working Group meeting and adapted from WG6 Competency Framework

## Level 1 - Awareness

To ensure **Awareness** of the subject matter relating to the competencies set out in the 'Procurement Competency Framework for Higher Risk Residential Buildings (HRRBs)' E-Learning could cover this form of assessment, it would be widely accessible and records easily maintained for those who had undertaken the learning. On completion, the individual is therefore confirming their **Awareness** of the subject matter relevant to their role.

## Level 2 – Appreciation

To ensure **Appreciation** of the subject matter relating to the competencies for a role that an individual undertakes as set out in the 'Procurement Competency Framework for Higher Risk Residential Buildings (HRRBs)' e-learning could cover this form of assessment with some focussed activities to test that their knowledge and understanding is stretched beyond '**Level 1 Awareness**' to '**Level 2 Appreciation**'. This would be widely accessible and records electronically maintained at point of data capture for those who undertake the learning. On completion, the individual is therefore confirming their **Appreciation** of the subject matter relevant to their role.

## Level 3- Understanding

To ensure **Understanding** of the subject matter relating to the competencies for a role as set out in the 'Procurement Competency Framework for Higher Risk Residential Buildings (HRRBs)' individuals undertaking roles that are required to evidence a competency of '**Level 3 Understanding**' would undertake an assessment that is measured through a series of questions that will test knowledge and understanding of the subject matter. These questions are set against the competencies themselves and test the knowledge that is required to achieve the competency statements set out in the framework. On completion, the individual is therefore confirming their **Understanding** of the subject matter relevant to their role.

CIPS has agreed to develop the '**Level 3 Understanding**' questions and adapt the existing CIPS Competence Assessment Tool so that it can be used for this purpose across the construction industry.

A range of learning interventions and supporting activities will be mapped against the competencies so individuals can fill any identified gaps in their knowledge or understanding.

## Level 4 – Comprehensive

To ensure a **Comprehensive** knowledge, understanding and experience of the subject matter relating to the competencies for a role as set out in the 'Procurement Competency Framework for Higher Risk Residential Buildings (HRRBs)' individuals undertaking these roles are required to evidence competency at '**Level 4 Comprehensive**'. This would require individuals to undertake an online assessment that will test knowledge and understanding of the subject matter. These questions are set against the competencies and test the Knowledge and Understanding that is required to achieve the competency statements set out in the framework. To satisfy the 'Experience' requirement of the subject matter, the role holder will also be required to produce a 'professional paper' (format to be defined) that can evidence practical application of the required competencies in the context of HRRBs which can be verified and validated. There would be an additional requirement every 2 years for the role holder to

evidence they are keeping up to date and current with the complex issues relating to procurement in the design, construction, refurbishment and management of HRRBs.

An open register would be maintained of individuals who have successfully demonstrated their level of competence appropriate to their role.

CIPS has agreed to develop the '**Level 4 Comprehensive**' questions and adapt the existing CIPS Competence Assessment Tool so that it can be used for this purpose across the construction industry. CIPS can also develop the approach to assessing Experience, if there isn't an existing approach that can be used. CIPS can also adapt the current Procurement Professional Register that is on the [cips.org](http://cips.org) website to have a specific HRRB section if required.

A range of learning interventions and supporting activities will be mapped against the competencies so individuals can fill any identified gaps in their knowledge or understanding.

## **C. Competence Framework**

### **RIBA Stage: 0 – Strategic Definition**

Identify client's Business Case and Strategic Brief and other core project requirements.

#### **Procurement Activities – Understand the Business Need:**

Consultation with multiple and in most cases cross-functional stakeholders and specialists to develop the required depth of understanding of the strategic brief including sustainability aspirations and the implementation and future change management process. Understand risk and building safety issues, including fire safety. Understand budget and programme management. Commence record keeping, accountability and auditing processes. Source specialist services

*(Ref. CIPS Procurement Cycle Stage 1 - Understand the Business Need)*

<b><u>Capabilities</u></b> <b>Will be able to:</b>	<b><u>Knowledge</u></b> <b>Will know and understand:</b>
<ul style="list-style-type: none"> <li>• Actively lead the development and promotion of effective business cases, acquisition and category strategies with stakeholders that reflect organisational objectives and building safety. Promote the consideration of the consequences of decisions that impact on suppliers and supply markets and to create a culture of innovative sourcing solutions, consider a market which may not already exist</li> <li>• Develop appropriate and safe strategies and plans for the adoption of collaborative strategies via Early Contractor Involvement (ECI) and supply chain collaboration.</li> <li>• Contribute to the programming and risk management at early preconstruction planning stage and promote its practice by internal and external stakeholders.</li> <li>• Encourage collaboration between procurement/supply chain personnel with stakeholders to develop effective category strategies including building safety.</li> <li>• Develop and instigate approaches with stakeholders to support collaborative business relationships using appropriate standards and frameworks</li> <li>• Contribute to investment appraisal and decisions undertaken by internal and external stakeholders so that total costs of ownership</li> </ul>	<ul style="list-style-type: none"> <li>• The building safety requirements for HRRBs, including building safety file, and those responsible for developing them</li> <li>• For existing HRRBs - the safety and integrity of the building, how it has been built and to what specification</li> <li>• The sources of organisational competitive advantage such as: <ul style="list-style-type: none"> <li>○ sources of differential advantage</li> <li>○ product/service range</li> <li>○ brand image</li> <li>○ customer care</li> <li>○ social value</li> <li>○ best value</li> <li>○ other order winning criteria</li> </ul> </li> <li>• The application of both collaborative and competitive strategies, where appropriate, for improving supply chains and how they differ in their application</li> <li>• The implications of ISO44001 and other frameworks and standards that create partnering and collaborative approaches to supplier relationship management</li> <li>• Approaches to demand forecasting and balancing demand with supply</li> <li>• The use of technology transfer. Making decisions on capital investment</li> <li>• Understanding of business cases</li> </ul>

<p>are understood-and the best investment decisions can be made, with an overall focus on safety and quality</p> <ul style="list-style-type: none"> <li>• Source specialist services required for the design and development of HRRBs</li> </ul>	<ul style="list-style-type: none"> <li>• The advantages of adopting BIM across the whole lifecycle of the building and good data management principles for better integration and collaborative working and the adoption of a whole life approach to the asset.</li> <li>• The importance of good administration, recording procurement decisions and overall transparency of the process</li> </ul>
--	--

N.B – Adapted from CIPS Global Standard for Procurement & Supply: Process Pillar, Theme 4 ‘Spend Management’, Segment 4.7 ‘Developing Operational Expertise in Procurement’.

## RIBA Stage: 1 – Preparation & Brief

Develop project objectives including quality objectives and project outcomes, sustainability aspirations, project budget, other parameter or constraints and develop initial project brief. Undertake feasibility studies and review of site information.

### Procurement Activities – Develop Strategy & Plan:

Scope out spend and project budget. Identify potential main and contractors and degree of competition in the construction market place.

Research options to source and select team members and the wider supply-chain, including (if adopting a principal contractor procurement solution) the benefits of early contractor involvement to design a solution that maximises safety for the end user and meets the project objectives.

Conduct pre-market engagement with potential team members to develop evaluation for issues and all new applicable environmental, safety and risk legislations.

Consider whether project team is client or contractor led.

Decision on the appropriate procurement route.

Source specialist services.

*(Ref. CIPS Procurement Cycle Stage 3 – ‘Develop Strategy & Plan’)*

<b><u>Capabilities</u></b> <b>Will be able to:</b>	<b><u>Knowledge</u></b> <b>Will know and understand:</b>
<ul style="list-style-type: none"><li>• Encourage the use of project partnering and strategic partnering throughout the sector through demonstrating effective leadership skills and recommending the use of appropriate partnering tools including a pre-construction timetable of activities, risk register and open-book pricing.</li><li>• Participate in consultations and other events to guide the development of Model Form contracts and industry practice</li><li>• Encourage the adoption and use of standards that identify, manage and mitigate risks in the supply chain, particularly relating to building safety during both construction and occupation</li><li>• Research the construction, services and facilities management market to understand contractors and suppliers capabilities, capacity and profitability</li><li>• Encourage a costing and price evaluation strategy that ensures life and building safety</li></ul>	<ul style="list-style-type: none"><li>• The impact on supply chain relationships of undertaking major programmes and projects.</li><li>• The risks associated with project management, safety, and the use of incorrect procurement processes</li><li>• The use of contractual mechanisms to manage the procurement, pre-construction and construction phases of a project to ensure safety outcomes, including performance metrics.</li><li>• The advantages and disadvantages of different Model Form contracts in the HRRB environment and the suitability of the contract to support the achievement of the project outcomes.</li><li>• Benchmarking of programmes and projects. The principals, tools, processes and best practices in management of contracts and supplier performance</li></ul>

<p style="text-align: center;"><b><u>Capabilities</u></b></p> <p style="text-align: center;"><b>Will be able to:</b></p>	<p style="text-align: center;"><b><u>Knowledge</u></b></p> <p style="text-align: center;"><b>Will know and understand:</b></p>
<p>outcomes are not compromised for cost reduction.</p> <ul style="list-style-type: none"> <li>• Carry out cost analysis for the project covering the full operation of the asset over time</li> <li>• Understand cost, value and price and the need to select all suppliers on best value not simply lowest price.</li> <li>• Consider social value initiatives, proportionate to the value of the project, mechanisms of measurement and how success will be defined.</li> <li>• Understand integrated project process mechanisms via which safety, quality and efficiency can be improved including: <ul style="list-style-type: none"> <li>○ Agreeing mutual objectives</li> <li>○ Open communication</li> <li>○ Commitment to continuous improvement</li> <li>○ Measuring progress</li> <li>○ Active risk management</li> <li>○ Resolving disputes</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate routes to market and relationship strategies</li> <li>• The forms of alternative dispute resolution including adjudication, mediation, conciliation and expert determination and negotiation as a preference to litigation and arbitration.</li> <li>• The use of contract registers and the evaluation of the associated data and information</li> <li>• Balance scorecard decision making</li> </ul>

N.B – Adapted from CIPS Global Standard for Procurement & Supply: Process Pillar, Theme 5 ‘Contracting in Procurement & Supply’, Segment 5.7 ‘Leading Improvements in Contracting Practice’.

## RIBA Stage: 2 – Concept Design

Prepare Concept Design, including outline proposals for structure design, building services systems, outline specifications and preliminary cost information along with relevant project strategies in accordance with design programme. Agree alterations to brief and issue final project brief.

### **Procurement Activities – Understand Market & Prepare Documentation:**

Conduct pre-Procurement route to market evaluation for principal contractors & key contractors and test & market engagement. Understand competitiveness of Construction market.

Identify risk and safety issues and all new applicable environmental, social, safety and risk legislations.

Develop sourcing strategy and supplier selection process recognising overarching policy and plan e.g. SMEs, sustainability aspirations, single stage tendering, principal contractor, competitive dialogue etc.

Select and develop the appropriate documents: Standard Selection Questionnaire (SQ)/Pre-Qualification Questionnaire (PQQ), Invitation to Tender (ITT) and Request for Quotation (RFQ).

Source specialist services.

*(Ref. CIPS Procurement Cycle Stage 3 – ‘Develop Sourcing Strategy & Plan’, Stage 4 – ‘Pre-Procurement Market Testing’ and Stage 5 – ‘Develop Documentation’)*

<p style="text-align: center;"><b><u>Capabilities</u></b></p> <p style="text-align: center;"><b>Will be able to:</b></p>	<p style="text-align: center;"><b><u>Knowledge</u></b></p> <p style="text-align: center;"><b>Will know and understand:</b></p>
<ul style="list-style-type: none"> <li>• Develop approaches to mitigate the impact of the supply chain that could adversely affect the reputation of the organisation and contribute to the use of risk pathways by the organisation</li> <li>• Take calculated risks in the development and implementation of sourcing plans to deliver innovative solutions for the organisation and assigns risks to the party best placed to manage them</li> <li>• Monitor and evaluate developments in legal issues that affect sourcing decisions in supply chains and advise colleagues and strategic stakeholders on actions that can be taken to mitigate risks</li> <li>• Develop and communicate an assessment of risks using intelligence and alerts to manage emerging risks from external influences such as cyber security, disruptive technologies, counterfeiting and fraud</li> <li>• Develop strategies that deliver genuine value for the organisation and promote social value</li> <li>• Understand and apply the qualification requirements specifically for HRRBs into the supplier selection process</li> <li>• Consider price evaluation formulae to be</li> </ul>	<ul style="list-style-type: none"> <li>• The impacts of risks on the reputation of organisations. The use of risk assessments and approaches to manage risks in sourcing plans. The use of standards for risk management such as               <ul style="list-style-type: none"> <li>○ ISO 22301</li> <li>○ ISO 27001</li> <li>○ BS 31000</li> </ul> </li> <li>• The main implications of globalisation on supply chain management and their bearing on risk such as:               <ul style="list-style-type: none"> <li>○ Global logistics</li> <li>○ Supply chain vulnerability</li> <li>○ Ethical sourcing</li> <li>○ ISO 20400 – sustainable procurement</li> <li>○ The local versus global dilemma</li> </ul> </li> <li>• Emerging risks such as cyber security, disruptive technologies, counterfeiting and fraud</li> <li>• The impact of key legislation and regulations on competition law, licensing, tariffs and duties on imports and applicable law for international contracts</li> <li>• The use of insurances for protection against</li> </ul>

<p style="text-align: center;"><b><u>Capabilities</u></b></p> <p style="text-align: center;"><b>Will be able to:</b></p>	<p style="text-align: center;"><b><u>Knowledge</u></b></p> <p style="text-align: center;"><b>Will know and understand:</b></p>
<p>adopted in the works tender process, appreciate the risks of using a relative pricing model even when combined with quality criteria.</p> <ul style="list-style-type: none"> <li>• Develop a procurement strategy to provide structure to all procurement activities for the project including:               <ul style="list-style-type: none"> <li>○ Sourcing and supply chain overview</li> <li>○ Key market risk and opportunity analysis</li> <li>○ Proposed procurement route</li> <li>○ Pricing / contract strategy</li> <li>○ Sustainable Procurement impact assessment</li> <li>○ Integration with asset management strategy</li> <li>○ Facilities Management requirements for the occupied building</li> <li>○ Warranty and guarantee requirements for key materials</li> <li>○ Procurement schedule with key dates for procurement activities</li> </ul> </li> </ul>	<p>risks in supply chains including: business interruption, credit protection, import/export, public and employers liability and professional indemnity</p> <ul style="list-style-type: none"> <li>• The benefit of undertaking "dry runs" of different evaluation methodologies and criteria to ensure that the adopted evaluation tool for the Project achieves the desired outcomes.</li> <li>• The use of a Project Bank Account or other means to ensure fair payment terms flow down the supply-chain.</li> <li>• Social value considerations</li> <li>• The risk of using a relative pricing model which incentivises lowest price bidding and alternative price evaluation models which may undercut quality or safety outcomes</li> <li>• The need for whole life cost analysis and its ability to positively affect design considerations</li> </ul>

N.B – Adapted from CIPS Global Standard for Procurement & Supply: Process Pillar, Theme 6 ‘Sourcing in Procurement & Supply’, Segment 6.10 ‘Evaluating and Advising on Risks in Strategic Procurement and Supply’.

### **RIBA Stage: 3 – Developed Design**

Prepare Developed Design, including coordinated and updated proposals for structural design, building services systems, outline specifications, Cost Information and Project Strategies in accordance with Design Programme.

#### **RIBA Stage: 4 – Technical Design**

Prepare Technical Design in accordance with Design Responsibility Matrix and Project Strategies to include all architectural, structural and building services information, specialist contractor design and specifications in accordance with Design Programme

#### **Procurement Activities - Finalise Procurement Documentation, Select Supplier and Contract Award:**

Develop documentation, detailed spec, tender documents. Tenders should set out how the solution that is proposed will produce safe building outcomes, approaching the building as a system. Develop contract T&Cs. Contracts to include sustainability, pricing, quality, functionality, time. Contracts to include risk mitigation and risk management. Assess construction market for capabilities and capacity. Conduct due diligence to gain insights into suppliers, size, capabilities, financials, strengths and weaknesses before assessing whether they should be included in the tender process. Carry out Third Party Certification (TPC) checks.

Principal contractor and contractors selection to participate in ITT, RFI, pre-negotiation, and SQ/PQQ. Bid & tender evaluation criteria, including fire safety risk mitigation, sustainability & Whole Life Costs. Identify contractors and contractors size, scalability, financial strengths and weaknesses.

Issue RFQ or tender along with fully developed bid, spec and contractual documentation & evaluation criteria including safety, sustainability requirements, goals, objectives and aspirations, approaching the building as a system, future facilities management requirements.

Bid/tender evaluation & validation, post-tender negotiation, reference checking, supplier audits and technical audits where appropriate.

Achieving added value for the organisation through effective commercial negotiation without compromise of safety outcomes.

Contract award & implementation recognising all aspects of change management and stakeholder engagement recognising safety and sustainability requirements.

Management of contractors, dispute resolution, change control. The forms of alternative dispute resolution including adjudication, mediation, conciliation and expert determination and negotiation as a preference to litigation and arbitration.

Identify and evaluate potential Facilities Management suppliers.

Capture all relevant procurement documentation in the building's digital record.

*(Ref. CIPS Procurement Cycle Stage 5 – 'Develop Documentation', Stage 6 - 'Supplier Selection', Stage 7 - 'Issue RFQ', Stage 8 - 'Bid/Tender', Stage 9 – 'Contract Award & Implementation')*

<p style="text-align: center;"><b><u>Capabilities</u></b></p> <p style="text-align: center;"><b>Will be able to:</b></p>	<p style="text-align: center;"><b><u>Knowledge</u></b></p> <p style="text-align: center;"><b>Will know and understand:</b></p>
<ul style="list-style-type: none"> <li>• Ensure that all required details , specifications, safety requirements, sustainability requirements, KPIs, all stakeholder needs are entered onto requests for information requests for quotations, tenders or other documents used in the sourcing process</li> <li>• Liaise with internal stakeholders to review and clarify requirements to ensure that safety and value for money outcomes are achieved through the sourcing of goods or services</li> <li>• Develop and implement appropriate Sourcing Strategies for Construction requirements for both Contractors and contractors where required recognising sourcing options and risk mitigation and safety and environmental requirements.</li> <li>• Ensure compliance with human rights and ethical practices, including confidentiality and due process, and standards are documented and corrective actions and corrective action process and procedures are well documented.</li> <li>• Ensure appropriate pricing mechanisms for responsible procurement and Contractor and contractor performance is implemented and enforced through the contract terms and contract management.</li> <li>• Compare and evaluate potential Contractor and Contractor quotations, using the previously agreed evaluation criteria, and deal with any queries or concerns about completed documentation</li> <li>• Make recommendations and obtain approvals within delegated levels of authority for the placement or award of contracts</li> <li>• Ensure all applicable and required stakeholder contractual requirements are fully documented including specifications, evaluation criterial including sustainability, safety, time and performance. Include alternative dispute resolution and contract review mechanisms.</li> <li>• Manage the tendering and evaluation process, including: responding to queries; opening tenders; creating the evaluation committee; and debriefing suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewing and clarifying requirements from internal stakeholders</li> <li>• The generation of requests for information or requests for quotations including <ul style="list-style-type: none"> <li>- Required quality and safety</li> <li>- Pricing</li> <li>- Sustainability</li> <li>- Social Value</li> <li>- Third Party Certification</li> <li>- Delivery timescales</li> <li>- Required quantities</li> <li>- Other site information</li> </ul> </li> <li>• The analysis and comparison of quotations to achieve quality, safe and value for money outcomes when creating purchase orders</li> <li>• Order placement and contract award</li> <li>• Performance and delivery aspects of the sourcing process</li> <li>• Taking account of sustainability in subcontracting. The use of subcontracting of work or services</li> <li>• Risks in subcontracting work or services such as: <ul style="list-style-type: none"> <li>- The loss of control</li> <li>- Reputational damage</li> <li>- Increased costs</li> <li>- Service performance</li> <li>- Delays</li> </ul> </li> <li>• The assessment of market factors in the development of a strategic sourcing or category management process such as: <ul style="list-style-type: none"> <li>- Industry dynamics and pricing behaviour</li> <li>- Financial data on suppliers</li> <li>- Market demand and supply factors</li> </ul> </li> <li>• The use of competition, direct negotiation or joint proposition improvement in strategic sourcing/category management</li> <li>• Effective and transparent tendering and evaluation processes</li> <li>• The types of approaches that can be pursued in commercial negotiations such as: <ul style="list-style-type: none"> <li>- Collaborative (win/win)</li> <li>- Distributive (win/lose)</li> <li>- Pragmatic</li> <li>- Principled styles of negotiation</li> </ul> </li> <li>• The stages of a commercial negotiation including, planning and preparation, opening, testing, proposing, bargaining and agreeing</li> </ul>

<p style="text-align: center;"><b><u>Capabilities</u></b></p> <p style="text-align: center;"><b>Will be able to:</b></p>	<p style="text-align: center;"><b><u>Knowledge</u></b></p> <p style="text-align: center;"><b>Will know and understand:</b></p>
<ul style="list-style-type: none"> <li>• Negotiate with suppliers to promote effective procurement in the stages of a sourcing process, taking steps to overcome conflict and challenges with suppliers and other stakeholder</li> <li>• Create plans and conduct clearly defined stages for commercial negotiations.</li> <li>• Demonstrate effective behaviours in conducting commercial negotiations that will help generate positive outcomes</li> <li>• Analyse the sources of power in commercial negotiations and promote the organisation's objectives</li> <li>• Demonstrate and encourage best negotiation practice in delivering added value.</li> </ul>	<ul style="list-style-type: none"> <li>• The appropriate use of negotiations when tendering for Public Sector</li> <li>• The sources of power in commercial negotiations</li> <li>• Behavioural aspects of commercial negotiations including effective listening, the use of persuasion methods, the use of tactics and influence</li> <li>• The sources of added value to organisations that can be achieved through effective negotiation by improving elements such as <ul style="list-style-type: none"> <li>- Safety (including safety of the building itself when completed)</li> <li>- Prices or total costs</li> <li>- Timescales</li> <li>- Quality</li> <li>- Innovation</li> <li>- Sustainability</li> <li>- Other sources of added value</li> </ul> </li> <li>• KPI's for the final solution should focus specifically on the safety of the building</li> <li>• How to conduct value engineering procedures to achieve cost savings without undermining safety outcomes</li> </ul>

N.B – Adapted from CIPS Global Standard for Procurement & Supply: Process Pillar, Theme 6 'Sourcing in Procurement & Supply', Segment 6.1 'The Stages of a Sourcing Process', Segment 6.2 'Effective Tendering' Segment 6.6 'Effective Negotiation in Procurement and Supply' and Segment 6.8 'Developing Outsourcing'.

**RIBA Stage: 5 – Construction**

Offsite manufacturing and onsite Construction in accordance with Construction Programme and resolution of Design Queries from site as they arise.

**RIBA Stage: 6 – Handover and Close Out**

Handover of building and conclusion of Building Contract.

**Procurement Activities - Contract Performance Monitoring and Management:**

Continuous review of strategic Contractors and key contractors. Driving value, integration, efficiencies and cost management, profitability, environmental and safety regulations and added value. Periodic reviews of contract performance against Key Performance Indicators (KPI's) set out in the contract including discussions on how the relationship is working and resolving any conflicts. Review of ongoing safety and environmental requirements and legislation including fire safety. Create the right relationship and environment with suppliers to discuss continuous improvement, new developments and options for efficiencies and increased value add.

Maintain the golden thread throughout contract implementation by keeping key procurement individuals involved or carry out comprehensive handover.

Whole life costing, change management, risk mitigation, safety and environmental reviews to include end of life costs which should consider decommissioning, removal or disposal processes.

Early involvement and selection of suppliers responsible for ongoing building maintenance and management.

Capture all relevant procurement documentation in the building's digital record.

*(Ref. CIPS Procurement Cycle Stage 10 – ‘Logistics & Operations’, Stage 11 – ‘Contract Performance’, Stage 12 – ‘SRM & SC Management’, and Stage 13 – ‘Asset Management’)*

<u>Capabilities</u>	<u>Knowledge</u>
---------------------	------------------

Will be able to:	Will know and understand:
<ul style="list-style-type: none"> <li>• Investigate procurement and supply chain issues through application and analysis of data to create appropriate recommendations for both principal contractor and contractors. Achieve sustainability of purchased goods and services promoting safety and sustainability throughout the supply chains.</li> <li>• Track milestones and activities including payments to suppliers Contractors and Contractors and cash flow. Liaise with Contractors and contractors and other stakeholders to ensure timely delivery of goods and services.</li> <li>• Evaluate metrics and KPI's that can be applied to measure performance and develop improvement plans with suppliers and stakeholders. E.g. building sustainability, safety, cost, payments.</li> <li>• Identify targets for the scheduling of deliveries of goods and services taking into account stakeholder and supplier feedback.</li> <li>• Assess Contractor competence in procurement to ensure safety outcomes in construction</li> <li>• Carry out lessons learned review to evaluate problems experienced in procurement and supply chain management and apply statistical methods for the development and implementation of improvement plans</li> </ul>	<ul style="list-style-type: none"> <li>• Specifying data to support, problem diagnosis and decision making. Business case development and cost/ benefit analysis. The use of statistical analysis to examine issues affecting the performance of the supply chain</li> <li>• Deming's 'Plan, Do, Check, Action' (PDCA) cycle and approaches to quality management</li> <li>• Project identification and improvement strategies for the supply chain</li> <li>• Implementing metrics to measure the performance of the supply chain</li> <li>• Root cause analysis and the use of six sigma tools.</li> <li>• Methodologies for the development of supply chains such as: <ul style="list-style-type: none"> <li>- European Foundation for Quality Management (EFQM )</li> <li>- Supply Chain Relationships in Action (SCRIA)</li> <li>- Quality Assurance protocol</li> <li>- Balanced scorecard</li> </ul> </li> <li>• When to include the Facilities and Building Management suppliers in the construction and handover stages</li> </ul>

N.B – Adapted from CIPS Global Standard for Procurement & Supply: Performance Pillar, Theme 7 'Delivering Outcomes in Procurement & Supply, Segment 7.8 'Applying Improvement Methodologies for the Supply Chain'.

## RIBA Stage: 7 – In Use

Undertake In Use services in accordance with Schedule of Services.

### Procurement Activities – Facilities Management & Maintenance: Supplier Performance Review:

Principal contractor and where applicable key contractor contract reviews. Review of KPI's and conflict resolution.

Review of ongoing safety and environmental requirements and legislation.

Maintain the golden thread by keeping key procurement individuals involved or carry out comprehensive handover.

Capture all relevant procurement documentation in the building's digital record.

(Ref. CIPS Procurement Cycle Stage 11 – 'Contract Performance Review')

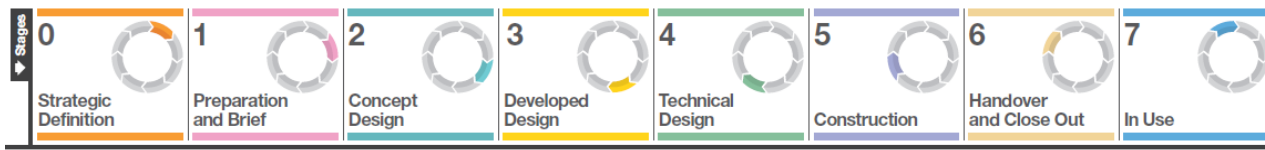
**NB. For substantial changes to building integrity or any major refurbishments, the procurement activities must be repeated from RIBA Stage 1 onwards.**

<u>Capabilities</u> Will be able to:	<u>Knowledge</u> Will know and understand:
<ul style="list-style-type: none"><li>• Ensure supplier relationship management processes are pro-actively executed to improve performance and service levels of Contractors and Contractors</li><li>• Analyse whole life costs of purchased goods and services with remedial actions taken to reduce or avoid ongoing costs.</li><li>• Ensure ongoing compliance to current and new legislations particularly in regard to safety, risk and sustainability</li><li>• Conduct activities to close out contracts and evaluate learning from experience.</li><li>• Ensure Facilities Management contracts are in place and operating effectively</li></ul>	<ul style="list-style-type: none"><li>• Promote innovation in the supply chain by using tools and techniques such as:<ul style="list-style-type: none"><li>- Cross functional working</li><li>- Simultaneous engineering</li><li>- Early supplier involvement</li><li>- Supplier forums and associations</li></ul></li><li>• The use of technology to communicate data in supply chains</li><li>• The use of KPIs that measure the performance of the procurement and supply chain function</li><li>• The use of approaches for supplier development such as:<ul style="list-style-type: none"><li>- Knowledge and technology transfer</li><li>- Collaborative product/service development</li><li>- Continuous improvement reviews</li><li>- Supplier capability assessments</li></ul></li><li>• How to review and monitor performance of suppliers using key performance indicators</li></ul>

N.B – Adapted from CIPS Global Standard for Procurement & Supply: Performance Pillar, Theme 7 'Delivering Outcomes in Procurement & Supply, Segment 8.7 'Developing Metrics for the Supply Chain'.

## Reference Materials

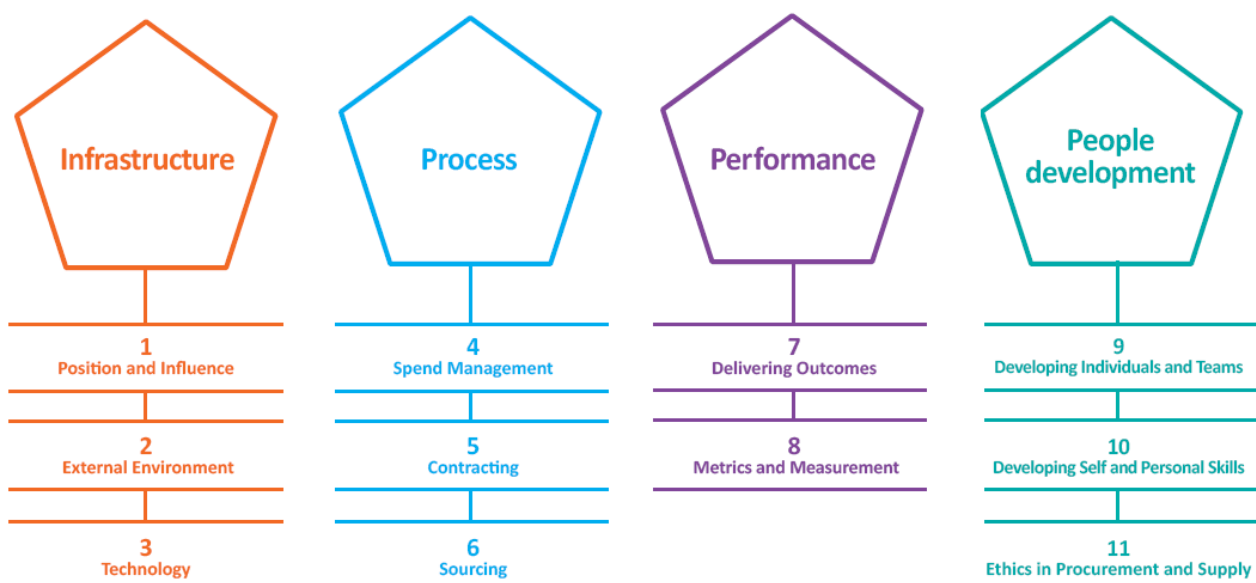
### RIBA Plan of Work:



### CIPS Procurement and Supply Cycle:



### CIPS Global Standard Structure:



## **Glossary**

### **Building Information Modelling (BIM)**

A process for creating and managing information on a construction project across the project lifecycle

### **Category**

The term category is used to define an area of organisational spend where the discrete groups of products and services can be segmented according to their function and usage. There are normally macro categories of spend (e.g. Facilities Management) and sub categories (e.g. Maintenance, Cleaning Services)

### **Category strategies**

For a specific category of spend, a long term document that identifies strategies and plans to maximise value, reduce risk and effectively manage the supply of goods and/or services, fully aligned to internal and external customer requirements.

### **Client**

Anyone who has construction work carried out for them. The main duty for clients is to make sure their project is suitably managed, ensuring the health and safety of all who might be affected by the work, including members of the public.

### **Contractor**

An individual or business in charge of carrying out construction work (eg building, altering, maintaining or demolishing). Anyone who manages this work or directly employs or engages construction workers is a contractor. Their main duty is to plan, manage and monitor the work under their control in a way that ensures the health and safety of anyone it might affect (including members of the public). Contractors work under the control of the principal contractor on projects with more than one contractor.

### **Contract management**

Contract management is the process of systematically and efficiently managing contracts with suppliers to make sure all the terms of the contract are met, maximising operational and financial performance and minimising risk.

### **Designer**

An organisation or individual whose work involves preparing or modifying designs, drawings, specifications, bills of quantity or design calculations. Designers can be architects, consulting engineers and quantity surveyors, or anyone who specifies and alters designs as part of their work. They can also include tradespeople if they carry out design work. The designer's main duty is to eliminate, reduce or control foreseeable risks that may arise during construction work, or in the use and maintenance of the building once built. Designers work under the control of a principal designer on projects with more than one contractor.

### **European Foundation for Quality Management (EFQM)**

The EFQM Excellence Model was introduced at the beginning of 1992 as the framework for assessing applications for The European Quality Award. It is a widely used organisational framework in Europe and has become the basis for a series of national and regional Quality Awards. The EFQM model is used as a management system that encourages the discipline of organisational self-assessment.

### **Principal Contractor**

A contractor appointed by the client to manage the construction phase on projects with more than one contractor. The principal contractor's main duty is to plan, manage, monitor and coordinate health and safety during this phase, when all construction work takes place.

**Principal Designer**

A designer appointed by the client to control the pre-construction phase on projects with more than one contractor. The principal designer's main duty is to plan, manage, monitor and coordinate health and safety during this phase, when most design work is carried out.

**Request for information (RFI)**

A document used to gather information about suppliers and their capabilities prior to a formal procurement process

**Sourcing plans**

Are developed once the strategic sourcing strategy has been agreed. They should offer innovative and creative solutions to the organisation's requirements in support of the organisation's mission and objectives.

**Sourcing strategy**

Is a process not an isolated decision that will aim to continuously balance internal and external activities services and knowhow, to align business strategy, business process and product requirements and balance the results that must be achieved with future available options.

**Strategic sourcing or category management process**

Strategic sourcing is a fact based and systematic approach that organisations use to optimise the management of their supply chains. The approach should focus on improving the overall value proposition for the organisation.

**Supply Chain Relationships in Action (SCRIA)**

One of a series of tools that are designed to improve joint performance and relationships with suppliers, ensuring that the right people with the right behaviours and attitudes are in place to provide appropriate structures to ultimately improve supplier relationships.

**Supplier relationship management (SRM)**

A comprehensive approach to managing and capturing the post contract value from key business relationships. SRM encourages both parties to adopt a more collaborative approach and develop a closer relationship, generating more value from the relationship in terms of innovation and efficiency.

**Total cost of ownership (TCO)**

A structured approach to calculating the full costs associated with buying and using an asset or acquisition over its entire life cycle. TCO typically breaks down costs into the following categories: purchase price; acquisition costs which relate to bringing the product, service or capital equipment to the customer's location; usage costs which refer to converting the purchase into the finished product and supporting it through its usable life; end-of-life costs defined as the costs arising when a product, service, or capital equipment reaches the end of its usable life, including obsolescence, disposal, cleanup, and project termination costs.

**Worker**

An individual who actually carries out the work involved in building, altering, maintaining or demolishing buildings or structures. Workers include: plumbers, electricians, scaffolders, painters, decorators, steel erectors and labourers, as well as supervisors like foremen and chargehands. Their duties include cooperating with their employer and other dutyholders, reporting anything they see that might endanger the health and safety of themselves or others. Workers must be consulted on matters affecting their health, safety and welfare.

## Annex C – Consultation Log

	Query / Issue / Suggestion	Action
1.	<p>Enabling the progressive scaling up of competence will be an important part of the system that has been considered more by some working groups than others. An example is the recommendation by WG11 (procurement) that appears to suggest that ‘all people involved in procurement at all levels on a project’ should develop new competences in line with a CIPS global framework. This recommendation is likely to require the retraining of all people involved procurement, including professionally qualified surveyors which will be a significant cost to the industry. Based on Dame Judith Hackitt’s view that cost cannot be a barrier to adoption on board, we trust that the CSG will recognise that it has a role in ensuring that unnecessary cost does not become a barrier to change.</p> <p>This observation is consistent with feedback to MHCLG in our response to the Building a Safer Future Consultation.</p>	<p>Comment noted and should be picked up by the CSG in final report</p>
2.	<p>We agree with the broad conclusions of the analysis that procurement practice has a key role in the building safety system, and that procurement practice must improve. We also agree that that specific aspects of procurement practice – including the validation of contractual compliance and the traceability of procurement decisions and outcomes – represent a unique contribution that procurement professionals bring to the assurance of building safety. The observations raised in para 625 are very powerful, and overall practice must improve to make it impossible for such circumstances to occur. Safety specific competences, including those associated with transparency and traceability will support this outcome. We note that the work of procurement professionals will be supported by Recommendation 9.1 from the Hackitt Review, requiring contracts that specifically state that safety requirements must not be compromised for cost reduction.</p> <p>The role of procurement is complex given the range of practice adopted, such as the different approaches adopted by clients in the public and private sectors, housebuilders and main contractors. Given the range of different procurement roles on either side of the contractual divide, we think that the WG needs to be both more explicit with respect to its definition of ‘procurement activity’ so that the implications of the recommendations can be fully understood and applied more effectively to the context. This will make it easier to understand the implications for different branches of the industry, including clients, consultants, contractors and their supply chain. Furthermore, we would like the definition of safety-related procurement competence to be clearly</p>	<p>This has been covered in the detailed competence framework that is included as an annex to the summary report from WG11, in particular the need for different roles to have different levels of procurement competence at different stages of the RIBA plan of work.</p>

	<p>described.</p> <p>Based on this analysis, in our view, the statement in para 616 with respect to coverage is too broad given the suggested competences. We would prefer that coverage was defined in such a way that it is restricted to procurement professionals that are in roles that have a material impact on safety outcomes – e.g. client-side procurement, self-delivery/main contractor procurement and all safety critical specialist trades. For example, whilst it would be appropriate for a partition and dry-lining sub-contractor to have fire safety competences, it might not be appropriate for a groundworks or architectural metalworks sub-contractor to demonstrate the same high level of capability.</p> <p>We agree with the observation in para 627 that procurement activities should be undertaken by competent individuals. We anticipated that this analysis would also include reference to existing professional competence systems associated with commercial management in the industry – e.g. RICS and CIOB.</p> <p>We agree that competences should be developed to support the delivery of building safety and that these should include broad aspects of commercial practice. We do not agree that it is necessary to propose to replace current commercial management competences with the generic CIPS framework to achieve this objective.</p> <p>WG11 believes that the widespread use of the CIPS framework will expand best practice procurement amongst the construction supply chain involved in HRRBs. We are concerned that the adoption of a framework that goes beyond the competences necessary for HRRB safety could act as a barrier to entry. There are no more than 200 HRRB schemes in the UK per annum – a small market. We anticipate that many SME sub-contractors might withdraw from the market rather than make a significant investment in qualifications (e.g. CIPS) that are only necessary to operate in the HRRB sector. As a result, we would prefer to see a more flexible approach to meeting the objectives of the group – comparable to that of WG10, which recognises the competence frameworks of six project management bodies as the basis for the development of fire safety specific competences.</p>	
3.	<p>Consideration of the competence frameworks of the existing professional organisations involved in commercial management.</p> <p>A detailed adaptation of the CIPS competence framework to demonstrate how it would address specific commercial competences and processes associated with HRRBs. Appendix C of WG10 dealing with project management illustrates the level of adaptation that might be necessary.</p>	<p>This has been covered in the detailed competence framework that is included as an annex to the summary report from WG11</p>

4.	<p>Recommendation 1. We agree that persons managing procurement activities should have a high level of competence associated with HRRBs. We are not clear as to how the Procurement Lead role will operate, given that, once a contractor is appointed, there will always be at least two roles with equivalent responsibility for procurement on either side of the contractual divide. We think that this recommendation can be simplified by requiring individuals who have a management accountability for procurement should be able to demonstrate the appropriate competences. The competencies used to describe the role of the Procurement Lead (Para 631) are appropriate.</p> <p>Recommendation 2. Whilst we agree that new competences are required for working on HRRBs, we believe that these competences should be added to existing professional competence frameworks H&amp;S project advisors including the CIPS standard and other professional bodies. This is in line with the recommendations of other working groups.</p>	A number of wording changes have been made to the recommendations to reflect this feedback
5.	<p>Should the recommendations be adopted as proposed, we will be required to retrain a significant proportion of our 400 qualified surveyors in line with the CIPS framework. This would involve conversion training in addition to the development of HRRB specific competences.</p> <p>The wider impacts will be as set out in our response in the Executive Summary.</p>	Understood and accepted that this is a cost associated with Raising the Bar
6.	<p>The development of detailed competences associated with commercial processes and fire safety</p> <p>The review by WG11 of the competence frameworks of existing professional bodies associated with construction procurement.</p> <p>The development of a pragmatic approach to commercial HRRB competences for the SMEs that make up most of the supply chain.</p>	We have agreed that as part of the implementation plan there needs to be a joint approach across all relevant professional bodies and the first meeting will be in April 2020
7.	<p>The CPA are in support of the analysis provided by WG11, which identified many of the concerns that our membership has in regards to procurers. We are also in support of the designation of the 'Procurement Lead' on HRRBs or in-scope buildings.</p> <p>CPA has however noted that product competence has not been included in the framework provided, which CPA recommends is vital to ensuring safe procurement procedures.</p> <p>CPA also notes that the scope has been limited to those in HRRBs, however the issue of competence of procurers is an industry-wide concern, and CPA strongly recommends that WG11 broadens its scope to address this.</p> <p>In both above points, CPA suggests that working with WG12</p>	This has now been discussed with WG12 and resolved

	<p>to incorporate their recommendations would help address these recommendations.</p> <p>CPA also suggest that the Required Procurement Competence Matrix requires further clarity in its logic.</p> <p>Note: The CPA membership have made it clear that they would like to see WG12 collaborate more closely with all of the other working groups to ensure that the products framework is worked into their approach. In particular WG0 Overarching System; WG2 Installers; WG7 Designers and WG11 Procurement Professionals have been highlighted as key groups to focus on.</p>	
8.	<p>We support that there must be a Procurement Lead for HRRBs with a comprehensive HRRB procurement competence level involved at every stage of the RIBA Plan of Work. We also agree that implementing this Procurement Lead role will need a culture change in the construction sector and work is needed to raise awareness of the new competence requirements for procurement activities to ensure appreciation and compliance. We would go further to suggesting that this role may be pivotal in the wider culture change required in construction.</p> <p>Earlier engagement with the supply chain that ultimately deliver projects is essential. Often contracts are not awarded until too late and with insufficient time to complete to the necessary standard, limiting time required for inspection and supervision and with punitive delay clauses that can encourage negative behaviours. This last-minute procurement also severely limits the abilities to plan and invest, particularly in R&amp;D and in the tools required to effect change - particularly within the specialist contractor community. Government has focussed on communicating the pipeline to Tier One contractors to support planning, but the value of this is yet to materialise for Tier 2 contracts and beyond. Earlier engagement and encouraging contracts that span multi projects would help specialist contractors transcend the project led (finite) business culture that underpins the growth in the use of labour only sub-contractors and limits the ability to invest in the core contracting business. It would also support greater investment in offsite and the much-needed traceability requirements and support training from product suppliers that is essential to developing competence.</p>	Comment noted – supports the report and recommendations
9.	<p>The introduction of a Procurement Lead (R63 and R64) is seen as a step in the right direction – this area is one where specified product is often sacrificed and anything to increase competences in this area in respect of ensuring correctly specified and fit for purpose product is procured is seen as of huge importance in our industry.</p>	Comment noted – supports the recommendations
10.	<p>Agree with all recommendations, but believe that 1 &amp; 2 need</p>	Now broadened to cover all in-

	to be clarified as applying to HRRB projects only.	scope buildings
11.	One area where we do have some reservations is in the Procurement recommendations of WG11, as you will have seen from our previous correspondence to MHCLG on this matter. As noted therein, we are concerned that there is the potential for unnecessary duplication, overlap, confusion and cost with the introduction of another new role, when almost all of the proposed functions of the Procurement Lead are already being undertaken by existing members of a project team.	A number of wording changes have been made to the recommendations to reflect this feedback
12.	<p>We believe that there is a danger that a separate Procurement Lead role could appear in response to the report or this definition of the role (in the same way that a CDM Co-ordinator role originated) – if this person is seen as or becomes, simply a ‘procurement specialist’ possibly from a legal background, the implications of procurement decisions on accountability, construction methodologies, the golden thread of information etc will not be well understood and safety will not be improved. Procurement is an integral part of construction process and the Architects (i.e. Principal Designer) and Chartered Builders (i.e. Principal Contractor) roles for which they are professionally qualified. To separate this role out could reduce their control and create significant risk by enabling them to reduce their responsibility and accountability.</p> <p>Implementing this Procurement Lead role will need a culture change in the construction sector and work is needed to raise awareness of the new competence requirements for procurement activities to ensure appreciation and compliance.</p>	A number of wording changes have been made to the recommendations to reflect this feedback
13.	FRS regulate occupied premises under the Regulatory Reform (Fire Safety) Order 2005 and have statutory duties for fire safety regulation under other pieces of legislation. On this basis, ensuring that the competency of those individuals involved in the procurement, design, construction, occupation and maintenance of the built environment will support the work undertaken by Fire Safety Officers in ensuring that buildings in scope are safe and remain safe throughout their lifecycle.	Comment noted – no changes needed
14.	There is a need to recognise competence criteria for providers especially in life critical services.	This has been covered in the detailed competence framework that is included as an annex to the summary report from WG11, in particular the need for different roles to have different levels of procurement competence at different stages of the RIBA plan of work.

15.	<p>While the focus of the work has been on the provision for HRRBs, it would have been better to see that procurement takes into account risk across the board. Several major fires have occurred recently in which questions will rightly be asked about the provision of the materials and standards of work carried out. None of these would be classed as HRRBs but the level of risk was notable. The recommendations being asked are sound but the scope of the buildings they are being applied to is too narrow.</p> <p>The effect of competence persons in the procurement phase should result in buildings being built to meet their purpose rather than a specific price. The provision of the best and most appropriate materials can make a huge difference in the risk level to occupants and to those carrying out firefighting operations.</p>	Now broadened to cover all in-scope buildings
16.	Product and product interaction knowledge should be a requirement of any training.	Agreed – this will be picked up during implementation
17.	<p>Improved procurement practices are envisaged to have a positive impact on building safety, which in turn assists the BSP in their building regulations supervisory role potentially reducing the need for intervention by the BSP resulting from poor procurement practices. We recognise that a potential barrier to delivery is acceptance that construction industry procurement practices need to change. We envisage that a process of change management will be needed to facilitate the necessary culture.</p> <p>We would like to see this sector move forward proactively whilst final proposals are being developed.</p>	Comment noted and supports our report and recommendations



Published by



An extract from the 'Setting the Bar – Final Report' from  
The Industry Response Group Steering Group on Competence for Building a Safer Future