# Scottish Public Sector Construction Procurement

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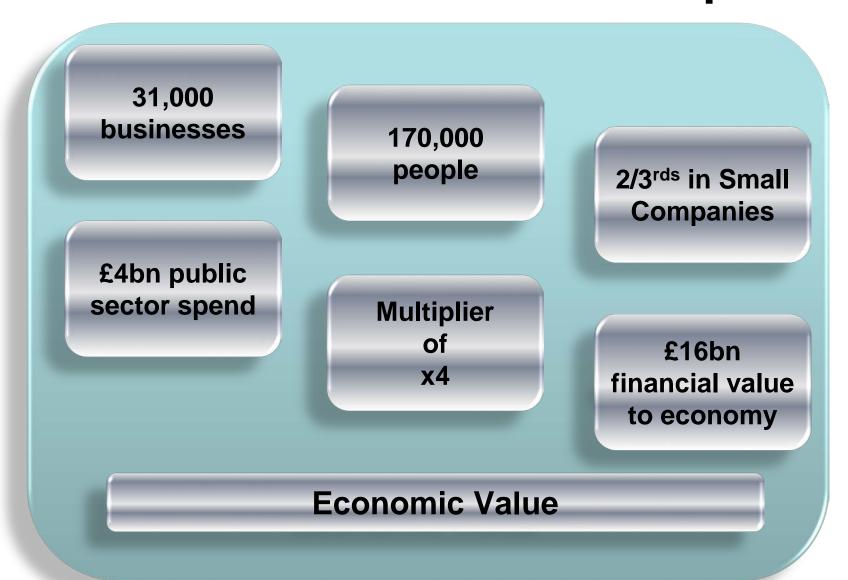


### **Overview**

- Public Sector Construction Spend
- Review of Public Sector Procurement in Construction
- Guidance
- Key issues
- Focus going forward



## **Public Sector Construction Spend**









# Review of Scottish Public Sector Procurement in Construction

- 2006 McLelland Review of Public Sector Procurement in Scotland
  - Did not cover construction
- 2012 Ken Lewandowski and Robin Crawford asked to conduct construction review
- 2013 Report Published made some 60 recommendations
- 2014 Scottish Ministers accept all bar one recommendation and start to implement recs.
- Key themes Collaborative, Efficient, Sustainable and Outcomes focused procurement
- Majority of work completed



#### Still to complete:

- Construction Capability Assessment
- Rolling Pipeline data collated as part of the CCA
- Spending Tracker data collated as part of the CCA

#### Construction Manual

- 4 Handbooks
  - Project Initiation and Business Case in production
  - Construction Procurement Published 21 Dec by Construction Policy Note 1/19
    - https://www.gov.scot/publications/construction-procurement-handbook/
  - Contract Management
  - Asset Management



## **Guidance**

- SG issues range of Guidance
  - Scottish Public Finance Manual
    - Chapter on Procurement
  - Construction Manual
  - Scottish Procurement Policy Notes
  - Construction Policy Notes
- Mandated for those subject to SPFM
- Good practice for those who are not



## **Key Issues**

- Project Initiation
  - Early engagement
  - Adequate and appropriate resources
  - Appropriate analysis
  - Every project unique
  - No default solution
- Quality
  - Output
  - Process
- Payment
  - Velocity of money
- Price
  - MEAT vs Lowest Price
  - Abnormally Low Tenders pay the right price for the job or change the job
- Access
  - SMEs
  - Frameworks



## **Focus Going Forward**

- Improving the quality in the construction of public sector buildings
- Improving good business practice (fair payment & fair work) within the construction sector
- Improving the capability of public sector clients to procure construction works

