

The National Assembly for Wales

The Enterprise and Business Committee Inquiry into “The Impact of Welsh Government Procurement Policy”

17th June 2015

Observations on behalf of the Wales Construction Federation Alliance (WCFA)

1.0 Introduction:

1.1 The Wales Construction Federation Alliance (WCFA) comprises the major construction employer trade federations in Wales, namely the Civil Engineering Contractors Association (CECA Wales), the National Federation of Builders (NFB Cymru), the Federation of Master Builders (FMB Cymru), the Home Building Federation (HBF Wales) and the Specialist Engineering Group (SEC).

Whilst the Federations maintain their individual identities, a memorandum of understanding governs the operation of the Alliance, ensuring knowledge and information sharing and joint representation when and where appropriate.

1.2 The WCFA will be represented by:

Rhodri-Gwynn Jones B.Sc. C Eng. FICE, Director of CECA Wales Ltd., past chairman of the WCFA. He has worked in the construction industry in Wales since 1973, and has experience in both the public and private sectors.

2.0 Basis of Submission:

2.1 The construction industry has generally been supportive of the Welsh Government in its approach in reviewing and implementing changes to the procurement of construction work in Wales.

2.2 The industry has been afforded the opportunity to participate as part of the Value Wales / Construction Excellence in Wales-led Construction Procurement Strategy Steering Group, and latterly, as part of the CITB Cymru Wales engagement with the Cross Party Group on Construction in its review of “The impact of procurement policy in Wales”.

2.3 The industry is also represented on the Commerce Cymru Procurement Sub-group.
(Commerce Cymru is an unincorporated association of business representative organisations that operate in Wales, which aims to provide advice and guidance to the Welsh Government and other public bodies in

Wales on the best means of achieving a long-term competitive future for Welsh businesses).

2.4 The observations below reflect views expressed by industry participants in all the three fora referred to above.

3.0 Observations:

- stakeholders across the industry have mixed feelings about the changes made over the last five years and their impact on the procurement process, however most consider that there is “still good scope for more improvement”;
- some consider that there has been too much focus on detailed procurement process instead of on delivery; procurement professionals *versus* construction procurement still viewed as an uneasy relationship – should procurement professionals spend time with suppliers / providers?;
- Fragmentation and inconsistencies still impact on the ability to deliver value for money;
- SQuID, the Supplier Qualification Information Database, has assisted in introducing standardisation, but collaboration and communication between stakeholders is still considered to be a weakness;
- Frameworks / the bundling of contracts, are still perceived to favour the major contractors against the SMEs; financial thresholds are seen as barriers; often Frameworks have no aligned workload resulting only in a “select” select list;
- Community benefits accepted as a common feature of the procurement exercise, but industry is concerned at the simplistic approach of “value of scheme = number of training opportunities etc.”; there should be transparency on the cost of provision;
- The Wales Infrastructure Investment Plan (WIIP), whilst welcomed as a compendium of public sector investment in Wales, requires to be further developed into an electronic business planner for the industry, with an additional range of data included;
- The capacity of the “Wales supply side” should be mapped with a view to identifying weaknesses and setting a target to further increase the opportunities for winning procurement opportunities in Wales;

Rhodri-Gwynn Jones
Director
CECA Wales Ltd
(On behalf of the WCFA – 1st June 2015)

Bullet Points received from National Assembly for Wales:

- *What changes, if any, have WCFA noticed for construction businesses in Wales when seeking to provide goods/services to the public sector in Wales since 2012;*
- *WCFA's view, if any, of the strengths/weaknesses of Welsh Government procurement policy. Have any initiatives been particularly helpful/unhelpful?*
- *What are the main barriers construction businesses in Wales experience when looking to provide goods and services to the public sector in Wales?*
- *How successful have Welsh Government initiatives to increase the proportion of local companies/SMEs winning contracts been? How could these efforts be improved?*
- *WCFA's views on the use of procurement policy to further other public policy objectives (for example, seeking to obtain training opportunities in large construction contracts), as embodied in the Welsh Government's "Community Benefits" policy.*