Procurement

The roadblocks to success

The report of a major survey into construction industry procurement

September 2010
Acknowledgements

Increasingly, in order to operate effectively, win work and even survive, companies are finding that they need to create partnering relationships that extend beyond a single project. A shared culture and vision or a common goal creates the foundation for a much deeper and longer-term relationship.

Common member experiences and the need to highlight issues around winning work in the public sector brought the National Federation of Builders, the Electrical Contractors’ Association, the Federation of Master Builders and the National Specialist Contractors’ Council together to participate in this piece of research.

The National Federation of Builders would like to thank everyone who completed a survey. By not limiting responses to the members of only one trade federation, this research is able to provide a much more complete picture of the industry’s experiences.

The National Federation of Builders would also like to thank those who gave so generously of their time for interviews.
The big numbers

79% of respondents reported worse success rates at winning public work, compared with 2007.

49% of respondents reported difficulties with the pre-qualification process.

22% of firms spend at least one month each year filling out forms.

When I think of construction, I think of schools, Wembley Stadium, the Olympic stadiums. I also think of the innumerable smaller, high quality buildings that form such an essential part of day to day life. They all start on a drawing board, but end up inspiring us, weaving their way into the national consciousness, willing us to fulfil our potential.

The buildings around us are so much more than the sum of their parts. They bind communities and help give people a sense of place and belonging.

Construction is so much more than bricks and mortar. For our members, construction is a way of helping to develop their local communities. Our members have built schools, hospitals, homes. They have trained apprentices and invested locally.

Successive governments have come to the realisation that small and medium-sized businesses (SMEs) drive economic growth. Over 99% of the UK’s one million construction companies are SMEs. Almost 85% of employment is within SMEs and SMEs are responsible for around 70% of the industry’s turnover.

Our 2007 procurement survey showed that respondents found the pre-qualification process (34%) as well as the increasingly large size of contracts (26%) to be barriers that prevented SMEs from bidding for public work. The survey highlighted an inequality: if you were a large company with the resources to cope with the burden of the pre-qualification process, you had an advantage over a perfectly competent smaller company that could not spend thousands of pounds on every bid. Irrespective of the size of the company, no organisation would willingly spend weeks every year and thousands of pounds filling out forms as part of an inherently inefficient, costly and repetitive process.

The situation has not changed.

Realising how valuable the SME contribution is to economic growth is a good first step and there has been progress in implementing some of the Glover report recommendations, but further action is needed to address the perennial barriers to competing for work.

The construction industry is key to the economic recovery. It has a flexible, local and regional workforce that is spread across the nation so economic advantage is not limited to only a few areas; it is an industry that represents incredible value for money. However, not all companies that are able to do the work are able to compete for that work and work is not spread as evenly as the workforce, so people will move to where the work is. While much of the focus of this survey is on SMEs, SMEs cover a large range of companies and they are not restricted to the image that may come to mind of a family-run business or a man and a van. Many construction SMEs have built themselves up into formidable enterprises turning over many millions of pounds, yet still are hampered when attempting to win work.

This report signals the importance and impact of the way in which the public sector procures, on companies of all sizes.

Julia Evans,
Chief Executive
Executive summary

The purpose of this report is to set out the findings of a survey that was conducted in late 2009 by the National Federation of Builders (NFB) in collaboration with other organisations. The findings of this report will help us to understand the effects of the implementation of public sector procurement policy on SMEs across construction sectors as well as identify early trends that may be developing since the first survey in 2007.

Since 2007 when the National Federation of Builders conducted research into the barriers faced by SMEs competing for public sector work, there have been many changes.

The competitive landscape has changed.

The volume of construction work has reduced across the board despite additional public sector capital projects being brought forward from the 2011-12 spending period. In addition to increased competition from local or regional companies of a similar size, companies have found themselves competing for a reduced amount of work with much larger national contractors which had previously not competed for smaller contracts. As public sector capital spending comes under increasing pressure, there may be an increasing reliance on refurbishment, maintenance and repair. It is imperative that this work is made accessible to SMEs.

The policy landscape has changed.

The previous government accepted all the recommendations of the Glover report, recommendations that were supposed to make SME participation simpler, more transparent and measurable. However, many of the recommendations have yet to be implemented, although some are timetabled for December 2010.

The economic landscape has changed.

The economic landscape has changed. The effect of the downturn had begun to bite when this survey was conducted, but, given that the results in 2007 were already highlighting the challenges of engaging with the public sector, it is difficult to attribute members' worsening success rates to solely the economy, competition or internal company issues.

Key aims

The key aims of this survey were to identify whether members of the participating trade federations were experiencing a change in their business as a result of the way procurement policies are implemented; to determine the extent to which companies have had to develop new skills or explore new markets and to establish how much it costs to compete for work, including the cost and demands of pre-qualification and the associated audit and administration costs.

Key findings

Turning to the research itself, no survey of procurement would be complete without a thorough examination of the demands of pre-qualification because of the cost (a quarter of respondents paying £1,000 each year for accreditation alone), the time required (almost a quarter of respondents spent over four weeks each year on form filling, with some spending much more than four weeks) and the overall administrative burden which is conservatively estimated at around £1.5 million for respondents.

Evidence from the survey clearly points, as in 2007, to difficulties with the tendering process: 34% reported difficulties with the tendering process in general, but half of respondents (49%) cited difficulties with tendering at the pre-qualification stage. There is also frustration with the number of accreditation schemes that respondents need to register with and the associated costs, with some respondents paying over £30,000 annually in registration costs alone.

When attempting to win work, the repetitive form filling and its associated costs, in both time and money, place a company’s ability to fill out forms above its ability to build safely.

Whether a company can build competently and safely or not is academic if it is not winning work. The picture across the board is one of reduced success rates. Of the respondents with an annual turnover of £500,000 or less, 60% of respondents have seen a change in their success rate. Of those seeing a change, more than 80% reported a change for the worse.

The biggest impact on business has been on the development of skills. Sample firms are reporting that they are still investing in existing staff (21%, up from 18%) and that they are focused on training more than on winning work by increasing the number of specialist bidding staff (15%, up from 10%). Slightly fewer sample companies reported a need to bring in other skills and expertise (19%, down from 20%).

However, the casualties in training are the trainees as the number of respondents reporting a need to increase trainee numbers fell to 5% (from 8%) and the number of firms reporting a need to decrease trainee numbers rose from 8% to 12%. For an industry with an aging workforce and many specialised skills, the indications of a move away from heavy investment in training may leave the industry exposed when demand increases.

Regionally, London performed strongly in the housing sector with a third of the sample reporting a rise in their housing workload. Elsewhere, in the south east and eastern regions, respondents saw 13% and 14% increases in their housing workload. With the population forecast to grow faster in these regions than in other parts of the country there does not appear to be sufficient supply to meet future demand.

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Recommendations

Encourage the use of PAS 91 by public sector clients

PAS 91 is a common set of pre-qualification questions. This common approach to stage one of the tendering process is designed to simplify pre-qualification. Over time, it will save money for suppliers when answering questions as well as for public sector bodies when assessing competence, but without compromising on quality. In order to achieve this, PAS 91 must first be in widespread use and the only way to ensure this is to require widespread adoption by local authorities and other public sector clients.

Fair payment of subcontractors

One of the recommendations from the Glover report was that the government, through contract management, should ensure that SMEs or other companies acting as subcontractors obtain contract conditions that are no worse than those applicable to the prime contractor – these include payment terms. An increased number of respondents to this survey (21%) cited contract conditions as one of the difficulties faced when bidding for public work. The government pays its prime contractors promptly. The Construction Act will help with payments but more needs to be done to ensure everyone in the supply chain is paid in a timely way.

Streamlined procurement

The National Federation of Builders’ recommendation is that within the first two years of PAS 91’s use the Department for Business, Innovation and Skills recommend the adoption of the standard set of questions provided by PAS 91 for all public construction-related tendering.

The Office for Government Commerce is currently in the fourth phase of five of their procurement capability reviews. The reviews look at how government spending departments can take advantage of a more streamlined and efficient approach to procurement.

Reporting on SME engagement

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Aims

The key aims of this survey were to:

- determine the extent to which companies have had to develop new skills or services, or to explore new markets;
- establish how much it costs to compete, including the costs of pre-qualification and the associated audits and administration.

Introduction

Background

In 2007, the National Federation of Builders (NFB) conducted a groundbreaking study that examined the impact of public sector procurement policies on small and medium-sized enterprises (SMEs). The survey sought to identify whether companies had experienced a change in their business as a result of the way public sector procurement policies were being implemented and whether these changes had led to the need to develop new skills or services or to compete in new markets.

Since the 2007 survey, the landscape has become even more competitive and the volume of work in some sectors has reduced considerably, with public sector construction output in the period between the 2007 and 2009 surveys falling from £27.65 billion to £19.1 billion (21%).

SMEs are competing for contracts against larger contractors which had previously considered the value of those potential contracts too low; companies who have not previously competed for public sector work are starting to submit bids in this area; some SMEs are competing in creative ways, such as through the formation of consortia to compete for contracts from which they are excluded as individual companies. The NFB has helped some of these firms through the process of forming a consortium and now provides guidance to all of its members with a publication called Together we are stronger.

As the state of the economy has declined and funding for private sector work has reduced, the industry has become increasingly reliant on public sector work. Figures (see table 1) show that while the decline in private sector work has been steep, the private sector is forecast to provide more growth than the public sector.

Aims

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- determine whether SMEs were experiencing a change in their business as a result of the way procurement policies are implemented;
- establish how much it costs to compete, including the costs of pre-qualification and the associated audits and administration.

Table 1: predicted construction output to 2014

<table>
<thead>
<tr>
<th></th>
<th>2008 (million £)</th>
<th>2009 (million £)</th>
<th>2010 (million £)</th>
<th>2011 (million £)</th>
<th>2012 (million £)</th>
<th>2013 (million £)</th>
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<tr>
<td>Public sector incl. PFI</td>
<td>37,085</td>
<td>36,702</td>
<td>39,715</td>
<td>34,830</td>
<td>32,995</td>
<td>30,895</td>
</tr>
<tr>
<td>Public sector excl. PFI</td>
<td>72,046</td>
<td>56,908</td>
<td>59,126</td>
<td>57,748</td>
<td>61,328</td>
<td>65,072</td>
</tr>
</tbody>
</table>

Sources: ONS, Construction Products Association

Figures (see table 1) show that while the decline in private sector work has been steep, the private sector is forecast to provide more growth than the public sector.
Methodology

Participants
The group of potential respondents included all members of the National Federation of Builders, the Electrical Contractors’ Association, the Federation of Master Builders and the National Specialist Contractors’ Council. There were 672 responses to the survey.

Timescale
The survey was open to each organisation’s members for a period of six weeks between 14 September and 13 November 2009.

Survey method
Each organisation notified its members of the survey through member publications. The survey itself was made available online, and also by email and fax. A reminder was issued two weeks before the survey closing date.

A copy of the survey is in Appendix I.

Findings

Respondent profile
Because some of the information being requested might be considered commercially sensitive, respondents completed the survey anonymously. Contact details were only supplied for the purposes of providing survey results and were not used to link respondents to their answers.

Working for the public sector

Percentage of work for the public sector

The percentage of respondents working in the public sector has increased slightly from 69% in 2007 to 76% in 2009.

Respondents were asked to state the volume of public sector work undertaken as a percentage of their annual turnover. This allowed determination of how many companies do not carry out public sector work as well as how much work is undertaken by those that do.

The extent to which respondents are relying on public sector work cannot be overestimated. The percentage of companies reporting that 50% of turnover came from the public sector rose across every turnover band. The graph also indicates that the bigger the company, the more likely it is to be working in the public sector. There was a decrease in the percentage of companies reporting that none of their work was public sector-related.

Comparison with five years ago

When compared to five years ago, 32% (151) reported a lower level of engagement in public sector work and 46% (213) are reporting no change (figure 4).
Counting the cost

The major issue for companies trying to compete for public sector contracts is the costly and time-consuming nature of the application process. Although the process is burdensome to larger firms as well, they are better able to staff and fund contract bids, so the process itself acts as a barrier to SMEs.

Part of this burden is the requirement to register for pre-qualification schemes. In order to compete on frameworks, contractors must be pre-qualified. The government-backed ConstructionLine was supposed to simplify the choice for buyers and suppliers by maintaining a register of pre-qualified contractors and consultants. However, over time, the number of schemes has proliferated as different buyers demand different qualifying criteria for their suppliers. The resulting market for pre-qualification has increased the cost of competing as each scheme’s questionnaire comes with a cost, both financial and in terms of the resources required to comply; if a supplier wants to compete for work with a particular client, the supplier must use the client’s preferred pre-qualification scheme. It is a major source of frustration that there is no consensus among clients on preferred accreditation schemes.

While the average cost works out at around £1,360 per respondent, it is worth noting that the average figure hides those respondents who are paying far in excess of £5,000 each year for registration.

In addition to the financial cost of registering with an accreditation scheme, the cost of auditing, administration and compliance further increases the cost for respondents. The total cost for the sample group is very conservatively put at £1.5 million. Again, providing average figures hides the respondents on the fringes for some of whom the entire process, including staff costs, reaches six-figures sums. These opportunity costs will likely exceed the cost of registration alone.

Companies were asked to estimate the amount of time they spent completing pre-qualification questionnaires each year. Almost a quarter of the survey sample (22%) spend over four weeks each year completing pre-qualification questionnaires. While it is not possible to accurately extrapolate these figures to cover the entire industry, these figures give a very real feel for how much time the construction industry spends on form filling.

Impact on the business

A range of questions covering the size, potential growth and training and development created an interesting picture of how businesses were changing.

There was a marked increase in the number of firms needing to downsize: 24% in 2009, compared to 12% in 2007. The industry’s collective skills base appears to be the biggest casualty among respondent firms when assessing the impact of bidding for public work. When asked, 12% of respondents reported a need to decrease trainee numbers in 2009, compared to 8% in 2007. The percentage needing to increase trainee numbers fell from 8% in 2007 to 5% in 2009. There is, however, still a requirement for trained staff as one fifth of sample companies continue to invest in staff and there is a 50% increase in the need to employ specialist bidding staff. For an industry with an aging workforce and many specialised skills, the indications of a move away from heavy investment in trainees may leave the industry exposed when demand increases (figure 9).
Difficulties experienced when bidding for public work

As an increasing proportion of respondents (30%) report contract packages being too large (see figure 10), there is also a growing need to explore and form new partnerships or consortia in order to win work, with 13% of respondents looking to pool their expertise and resources in order to compete for the larger programmes of work.

Once again, the pre-qualification process caused the most difficulties for firms, whether firms were navigating the process (49%) or simply trying to provide the right level of resource needed to identify and pursue opportunities (32%).

Looking at tendering as a whole and not just the pre-qualification stage, there are still a third of respondents reporting difficulties. Surprisingly, there was a sharp increase in the percentage of respondents reporting that they were unaware of tendering opportunities, from 21% to 42%. There is a move towards electronic tendering, certainly in the public sector, in part as a result of a Glover report recommendation. Perhaps this jump signals a period of adjustment as companies get to grips with the additional channels through which opportunities may be communicated.

Success rates

When looking at contract sizes (see figure 11), there appears to be a marked change in success rates the greater the value of the contract (figure 11).

When looking only at those respondents who reported a change in their success rate, the contract size becomes almost irrelevant as all sectors report worsening fortunes (figure 12).

When breaking down the market for public work by size of contract, respondents reported that in every area, the success rate was worse than in the previous survey.

As public sector capital spending comes under increasing pressure, there may be an increasing reliance on refurbishment, maintenance and repair. It is imperative that this work is made accessible to SMEs. The stark change in success rates at the lower end of the market (See figure 12) is a warning that this part of the industry is simply being left to wither.
Regional trends

Housing

A regional breakdown exposes the wide difference in respondents’ experiences in the housing sector. While London performed particularly strongly, with a third of the respondents competing for this work saying they had experienced an improvement in success rates, the south east and eastern regions posted different results.

The previous government had pledged to build three million new homes by 2020 which equates to 270,000 each year and many of these are earmarked for the areas surrounding London where the population is expected to grow the most. Despite this, the south east and eastern regions saw just 13% and 14% of respondents respectively report an improvement in public sector housing work over the last two years. Across the country, only 20% of firms saw an increase in the volume of public sector housing work. This is a matter of concern if we are to have any hope of housing the next generation, or even of satisfying current demand.

Schools

Success rates on schools are very mixed. Every region reported an increase in the workload from schools. However, all but one of the regions also reported a decrease in their schools workload. West Midlands was the only region to buck the trend with 35% of respondents reporting a decrease, against 50% in the previous survey. Six regions had more respondents reporting a decrease than an increase and in three regions (North East, Northern Ireland and West Midlands), those reporting increases matched the percentage of those reporting a decrease.

NHS

In seven of the 12 regions, there were more respondents reporting a decrease in work than reporting an increase (figure 15).

Other local authority work

‘Other’ work for local authorities and central government, i.e. not housing, schools or NHS work, significantly reduced over the last two years in most regions apart from London, which has continued its above average performance. Of particular interest, however, is the variation between the East Midlands and the West Midlands. In the East Midlands, 36% of firms reported an improvement in other local authority work compared with just 11% in the West Midlands who saw an improvement.
Discussion

How to reduce the cost

Survey findings clearly indicated that respondents faced difficulties sourcing the whole tendering process (32%) and that the resources needed for pre-qualification in particular caused difficulties for 49% of respondents.

To satisfy one of the Glover report recommendations that called for standardisation of pre-qualification questions, the Department for Business, Innovation and Skills has commissioned the creation of a standard pre-qualification questionnaire in the form of a publicly available specification (PAS). This PAS has been developed to provide a helpful scheme.

Additionally, the Safety Schemes in Procurement (SSIP) forum acts as an umbrella for accreditation schemes and offers mutual recognition for health and safety between forum members. What this means in practice is that a supplier only needs to register with one SSIP member scheme, e.g. ConstructionLine. As long as clients use SSIP-registered members, suppliers will only have to pay for one accreditation scheme. However, SSIP is still growing and does not yet cover enough schemes to ensure that suppliers do not have to pay several times over to prove their competence. Support from government, be that local or central, would encourage the growth of this helpful scheme.

Increasing chances of success

There appears to be evidence of respondents refocusing the business in order to increase chances of winning work. Companies are reducing their investment in trainees, but they are increasing their investment in existing staff and employing specialist bidding staff. There is also an increase in the number of respondents exploring and forming consortium, creating a formal alliance with like-minded companies in order to increase their range of skills, knowledge and geographic coverage. The National Federation of Builders has worked with several of its members to develop consortia which have successfully gained access to frameworks. The federation has also published a guide for companies considering forming a consortium. The guide, Together we are stronger, covers legal considerations, identifying partners as well as outlining the benefits of forming a new organisation that go beyond simply combining turnover figures in order to qualify for contracts.

Local authority work

It is the experience of dealing with local authorities in the Midlands, that the NFB has noticed there to be a rough east/west difference in the way in which procurement is carried out. Since the 2007 survey, the NFB has had the opportunity to meet with many of the local authorities in the East Midlands and discussed them how the procurement process can include a mix of frameworks and competitive tendering so SMEs are less likely to be excluded from the process.

Generally speaking, the same opportunities were not available across the West Midlands and it appears that these results demonstrate that when local authorities are aware of the barriers facing construction SMEs, access to opportunities to compete becomes easier.

Since this survey was conducted, West Midlands has developed a more diverse mix of tendering options and recognises the economic value of SMEs.

NHS work

Both Labour and the Conservatives pledged to protect NHS budgets during the 2010 general election campaign. If this remains the case, this will push the NHS to the forefront of public sector procurement as capital spending is cut in other sectors. Between 2007 and 2009, most regions saw more NHS work with London and the East Midlands leading the field with 50% of firms in both regions reporting an increase in NHS workloads during the period. However, the East of England performed particularly poorly with 63% of firms reporting a decrease. Since the previous procurement survey, a number of primary care trusts in the north eastern region have merged in order to seek greater efficiency through improved economies of scale. As a result, there has been a tendency for larger firms to be favoured when contracts are awarded. This has resulted in only 30% of firms reporting an increase in work while government spending on health has soared.
A look ahead

This survey shows an overall decline in the success rates of companies of all sizes in winning public work.

While much of the focus of this survey has been on SMEs, SMEs cover a large range of companies and they are not restricted to the image that may come to mind of a family-run business or a man and a van. Many construction SMEs have built themselves up into formidable enterprises, yet despite their size are still hampered when attempting to win work. For all companies, the prime concern is ‘where is the next job or client coming from?’ because that is what keeps the business going.

There are other factors to consider, such as the state of the economy and changing skills demands and these two factors more than any other will determine the future shape of the industry.

Around 40% of the demand for construction work comes from the public sector. With an increasing focus on cost and a shift to generating more demand from the private sector, that source of demand will shrink, possibly by 25%. The need to make savings has made the construction industry look to other industries to see how they have managed to become more efficient. Other industries, such as retail, use production lines and rely less on bespoke products whereas the construction industry in the UK is not using off-site manufacturing on a large scale to create identical buildings.

The drive towards more energy-efficient building will not only change the makeup of the buildings around us, it will demand new skills to create those buildings. Almost an entire industry will require new and updated skills in order to contribute to the building and renewal of our built environment over the next 40 years.

The effect of these two factors is being felt on already razor-thin profit margins. Suppliers feel compelled to reduce their prices in order to secure work. Or they can stick to a more reasonable price that enables them to pay for staff and materials and see someone else undercut them to secure the work.

The NFB suggests there to be another way.

This survey, and the previous one in 2007 have pointed to an onerous, costly, inefficient process. Instead of only selecting bids for work based on cost, why not make savings earlier on? Why not cut the cost from the process itself? It is easier to quantify the cost of labour and materials. It is less easy to quantify the amount of time spent on form filling or assessing those forms. By all means standardise buildings through offsite manufacture, but why not standardise the process that gets you to the stage where you start to build?

Conclusion

The baseline picture created by the results of the 2007 survey was one where a majority of respondents reported declining success rates and three-quarters thought their situation would remain the same or decline.

Fast forward to the current survey and the environment in which companies are operating is very different. The economic, competitive and policy landscapes have all changed. Procurement is increasingly moving online, so there are new channels through which companies can identify opportunities. More companies are considering different ways of partnering, such as forming a consortium, in order to increase their range of skills and make themselves more attractive to clients. They are focusing on winning work by recruiting specialist staff and developing existing staff.

And yet despite these efforts to remain competitive and successful, a downward trend appears to be developing.

The difficulties that respondents have when trying to win work have to be overcome in order for them to be successful, whether they are difficulties with contract conditions (21%), contracts that are packaged out of reach (30%), lack of awareness of tendering opportunities (42%) or the pre-qualification process (49%).

The National Federation of Builders has never asked for special treatment for SMEs, only for fair and equal access to the opportunity to compete. With so many obstacles blocking the path to success, fairer access is what is needed.
Further copies of this report are available from

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Assessing the impact of public sector procurement implementation policies on SMEs

I. About your business

Which sector does your business trade in? Please select ONE box.
- Contractor
- Specialist Contractor
- Manufacturer/Supplier
- Professional
- Other
- If Other, please specify

Where is the main location of your business? Please select ONE box.
- London
- South West
- West Midlands
- South East
- East of England
- East Midlands
- North East
- North West
- Northern Ireland
- Yorkshire and The Humber
- Wales
- Scotland

Please select ONE box to indicate your average annual turnover.
- Less than £100k
- £100k-£500k
- £500k-£2m
- £2m-£10m
- £10m-£25m
- £25m-£60m
- Over £60m

Please select ONE box to indicate the number of staff you employ, including direct employees, labour-only sub-contractors and specialists.
- Under 25
- 26-50
- 51-100
- 101-250
- Over 250
II. Bidding for work

In which location do you compete for contracts? Please select ALL that apply.
- Locally (up to 25 miles) □
- Regionally (up to 75 miles) □
- Nationally □

What is the maximum size of the public sector contracts you bid for? Please select ONE box.
- Less than £100k □
- £100-£500k □
- £500k-£1m □
- £1m-£2m □
- £2m-£5m □
- £5m-£10m □
- £10m-£20m □
- £20m-£50m □
- £50m-£100m □
- Over £100m □

If you are registered with pre-qualification schemes, what is the total amount paid each year for registration? Please select ONE box.
- Under £200 □
- £201-£500 □
- £501-£1k □
- £1k-£5k □
- £5k-£10k □
- £10k-£20k □
- £20k-£50k □
- £50k-£100k □
- £100k-£200k □
- £200k-£500k □
- £500k-£1m □
- £1m-£2m □
- £2m-£5m □
- £5m-£10m □
- £10m-£20m □
- £20m-£50m □
- £50m-£100m □
- £100m-£250m □
- Over £250m □

What is the estimated total cost each year, in addition to registration fees, of meeting the administrative and audit requirements of pre-qualification? Please select ONE box.
- Under £2k □
- £2k-£5k □
- £5k-£10k □
- £10k-£20k □
- £20k-£50k □
- £50k-£100k □
- Over £100k □
- Not registered □

How much time does your business spend each year completing pre-qualification questionnaires?
- Up to 1 day □
- 2-5 days □
- 6 days to 2 weeks □
- 2-4 weeks □
- Over 4 weeks □

How many frameworks have you bid for in the past 12 months?

How many framework bids have you won?

What percentage of tenders do you ask for feedback on? Please select ONE box.
- None □
- 10% □
- 20% □
- 30% □
- 40% □
- 50% □
- 60% □
- 70% □
- 80% □
- 90% □
- 100% □

When you fail in a bid, at which stage do you tend to fail? Please select ONE box.
- Pre-qualification stage □
- Second-stage tender □
- Interview/presentation stage □

Have you seen a change in the success rate of your bids to gain public sector work over the past two years?
- Yes □
- No □

If yes, please indicate the impact of this change.
- Better success rate □
- Worse success rate □

III. Public sector work

What percentage of your work is for the public sector by turnover? Please select ONE box.
- None □
- 10% □
- 20% □
- 30% □
- 40% □
- 50% □
- 60% □
- 70% □
- 80% □
- 90% □
- 100% □

How does this compare to five years ago? Please select ONE box.
- More □
- Less □
- No change □

How do you expect this to change in the next five years? Please select ONE box.
- More □
- Less □
- No change □

Do you undertake work for the public sector directly in a procurement framework?
- Yes □
- No □

If yes, what percentage of your work for the public sector is carried out in this way? Please select ONE box.
- Under £2k □
- £2k-£5k □
- £5k-£10k □
- £10k-£20k □
- £20k-£50k □
- £50k-£100k □
- Over £100k □

Do you undertake work for the public sector through a sub-contract with another company that is on a public sector framework?
- Yes □
- No □

If yes, what percentage of your work for the public sector is carried out in this way? Please select ONE box.
- None □
- 10% □
- 20% □
- 30% □
- 40% □
- 50% □
- 60% □
- 70% □
- 80% □
- 90% □
- 100% □

If you undertake work for the public sector directly in a procurement framework, please indicate how your workload in ALL of the following areas has changed during the past 2 years.

- Changes in volume of public sector work □
- Changes in internal business strategy □
- Changes in public sector procurement □
- Other (please specify) □

If you undertake work for the public sector through a sub-contract with another company that is on a public sector framework, please indicate how your workload in ALL of the following areas has changed during the past 2 years.

- Changes in volume of public sector work □
- Changes in internal business strategy □
- Changes in public sector procurement □
- Other (please specify) □

If you expect there to be changes, what are the reasons? Please select ALL that apply.
- Changes in public sector procurement □
- Changes in internal business strategy □
- Changes in volume of public sector work □
- Other (please specify) □

If you expect the work for the public sector to be more/less than five years ago, please tick ALL that apply.
- More □
- Less □
- No change □

How does this compare to five years ago?
- Better success rate □
- Worse success rate □

If yes, what percentage of your workload in ALL of the following areas has changed during the past 2 years?
- Schools □
- NHS □
- Housing □
- Other local authority □
- Other central government □
- Increased □
- Decreased □
- No change □
- Do not compete □

If you expect the work for the public sector to be more/less than five years ago, please tick ALL that apply.
- More □
- Less □
- No change □

If you expect the work for the public sector to be more/less than five years ago, please tick ALL that apply.
- Changes in public sector procurement □
- Changes in internal business strategy □
- Changes in volume of public sector work □
- Other (please specify) □

If yes, what percentage of your work for the public sector is carried out in this way? Please select ONE box.
- None □
- 10% □
- 20% □
- 30% □
- 40% □
- 50% □
- 60% □
- 70% □
- 80% □
- 90% □
- 100% □
III. Business impact

What are the difficulties you experience when bidding for public sector work? Please select ALL of the following that apply.

- No difficulties
- Resources needed for tendering
- Contract packages too large
- Pre-qualification process
- Unaware of tendering opportunities
- Contract conditions
- Tendering process
- Resources needed for pre-qualification
- Other
- If Other, please specify

What impact have the changes in public sector procurement had on your business? Please select ALL that apply.

- No impact
- The need to downsize
- The need to expand
- The need to explore new markets
- The need to increase trainee numbers
- The need to decrease trainee numbers
- The need to bring in different expertise and skills
- The need to form consortia/partnerships
- The need to provide additional staff training
- The need to employ specialist bidding staff
- The need to introduce government best practice requirements

Thank you for taking the time to complete this questionnaire.

Please fax to 08450 578 161 or post to Procurement survey 2009, National Federation of Builders, 55 Tufton Street, London, SW1P 3QL.

If you have any questions about this survey, please contact Paul Bogle, NFB Policy Manager, at the National Federation of Builders by telephone 08450 578 162 or email policy@builders.org.uk

If you would like to be contacted with the results, please provide your details below.

Name
Company
Email address
Phone number