

STREAMLINING AND SIMPLIFYING PROJECT PROCUREMENT

EFFICIENCY AND EFFECTIVENESS REVIEW



NOVEMBER 2023

Streamlining and simplifying project procurement facilitates cost and time savings for government and contractors working for government. The process of streamlining and simplifying procurement reduces the administrative burden of projects and drives greater consistency across contracts and projects, leading to enhanced efficiency and effectiveness in asset delivery.

Predictability, efficiency, transparency, and simplification can be achieved when procurement processes are consistent. Standardised and repeated processes can facilitate more efficient task completion with fewer errors. This approach can significantly simplify and accelerate the procurement cycle, thereby enabling construction to commence sooner. Rather than having to navigate a complex and changing set of rules, bidders and procurement officers can focus their efforts on more important tasks, such as developing high-quality bid proposals and evaluating bids. Despite some challenges, these strategies pave the way for a more robust, quality-driven construction industry capable of delivering excellent infrastructure and construction project outcomes.

This paper will provide examples of streamlining and simplifying construction procurement to enable the delivery of projects in a more efficient and effective manner. The approaches are more applicable to procurement of small to large assets and less relevant to mega-projects where processes are bespoke and require individuality. The following methods are drawn from practices Australasian Procurement and Construction Council members utilise for government construction and infrastructure projects.

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METHODS FOR STREAMLINING AND SIMPLIFYING

1. Standard Forms of Contract

Standardisation of contracts play a pivotal role in simplifying procurements. The application of standard contracts facilitates improved and streamlined engagement for both procurers and contractors. Standardisation creates familiarity and repeatability of the contractual relationship, reducing the need for continuous legal negotiations for each contract. The development and utilisation of standard contract forms differ across jurisdictions. While some jurisdictions mandate the use of standard contract suites, others offer them for use without mandating their adoption. Where contract use is mandated, jurisdictions may require approval for deviations from the standard contract terms. For projects with high risk and complexity, unique contract forms are often necessary.

2. Standard Processes and Tools

To reduce complexity and drive consistency, governments are developing standardised documents, processes, and templates for construction project procurement. This includes standardised bidding documents, performance measures, and tools for quantifying social outcomes. Incorporating policy positions and requirements that need to be fed into project procurement and incorporated to approaches to market and evaluation processes, can occur through standard processes and tools, for example, approaches to market and evaluation processes which provide clear frameworks of values measured articulated, and reported on. While the,

broad adoption and consistent application of processes and tools may present challenges, their use can enhance consistency in government procurement processes, saving time and resources. It can also make it easier for contractors to understand and comply with procurement requirements and further incentivise contractors to align their strategies with desired outcomes.

3. Technology and Digital Tools

The incorporation of technology and digital tools in the construction sector, although progressing, promises significant streamlining of project management. Effective digital tools allow for robust data collection, trend tracking, and enhanced efficiency and effectiveness in project execution. These systems may all contribute to streamlining the procurement process, through eliminating paperwork, reducing errors, and improving transparency. By leveraging technology, significant time and cost savings can be achieved, improving overall project performance and benefits realisation. The implementation of initiatives like a single pre-registered portal for award details, or a single system for tender document generation, provide examples of tools which facilitate project streamlining. Moreover, the effective use of Building Information Modelling (BIM) also offers significant benefits, including opportunities for improved visualisation, increased productivity due to easy retrieval of information, and increased coordination of construction documents.

4. Pre-qualification Schemes

Pre-qualification schemes can streamline procurement by simplifying and accelerating the contractor selection process. These schemes streamline procurement and can help to ensure the engagement of high-quality contractors by confirming suppliers meet a level of capability and capacity in certain criteria. Pre-qualification schemes can lessen tender burdens by reducing the need for contractors to resubmit evidentiary support, and governments to re-assess criteria already addressed, thereby saving time and resources for both government and industry. Two examples of these schemes are preferred supplier arrangement schemes and Contract Accreditation and Capacity, Performance, and Resource (CPR) Review

- *Preferred Supplier Arrangement Scheme: This scheme is specifically designed for recurring, low-risk projects such as road and footpath construction. It is applicable to projects up to a specified value, thereby streamlining the procurement process and mitigating the risk of overspending. Participants in this scheme are required to strictly adhere to standard terms, which enhances the simplicity and efficiency of the process. Moreover, the streamlined procedure accelerates the award process, further boosting project efficiency.*



- *Contract Accreditation and Capacity, Performance, and Resource (CPR) Review: Under this system, contractors are accredited to an annual value, which prevents them from exceeding their delivery capacity. An annual CPR review provides a structured method to assess contractor capabilities, fostering accountability and continuous improvement in contract execution.*
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5. Transparent Procurement Process

Government transparency in the procurement process can also play a significant role in improving project efficiency. By publishing information about the procurement process, from the initial tender to the final contract award, governments can instil greater confidence in businesses, encouraging improved participation. Transparency helps potential contractors understand and meet the requirements and promotes fairness and accountability in public procurement.

6. Training, Experience and Expertise

Training programs for procurement officers can enhance capacity and capability to streamline and simplify the preparation and management of contracts. An organised approach to training provides opportunities to enhance and develop procurement skills. Furthermore, developing and leveraging the expertise of experienced procurement officers can further streamline processes, where a level of familiarity, skill and understanding is present.
