# **Transforming construction**procurement

Turner & Townsend

Alistair Robson

23 September 2020 making the difference



## Speaker profile

### **Alistair Robson**

#### **Project Director, Turner & Townsend**

- 20+ years in the construction industry
- Natural resources and property
- United Kingdom, Europe, United States and Canada







# **Construction procurement**

## What do we mean by 'construction procurement'?

- Getting construction projects and services out to and back from market
- Often transactional based (single project/programme)
- Periods of three weeks to multiple months
- Quality and cost based assessment
- Tender information varies depending on project and design status
- Often quite time constrained



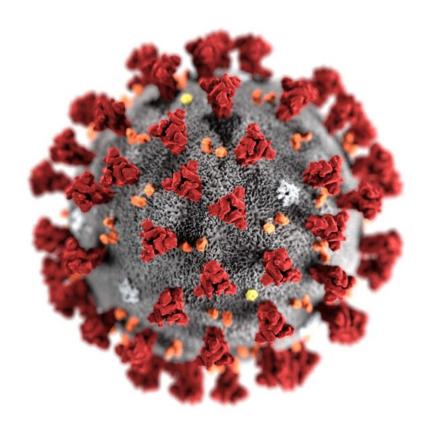
## **Construction procurement – old challenges**

- Traditionally "manual"
- Mix of client portals, email systems and file transfers
- Large volumes of data to be communicated
- Changes during the procurement process
- Limited standardisation across industry
- Limited transparency for all parties
- Focus often on aesthetic quality of submissions



## **Construction procurement – new challenges**

- Rapidly changing environment
- Remote working & lockdowns
- Uncertainty in the market
- Limited resources for clients and contractors
- Fast turnaround for key projects







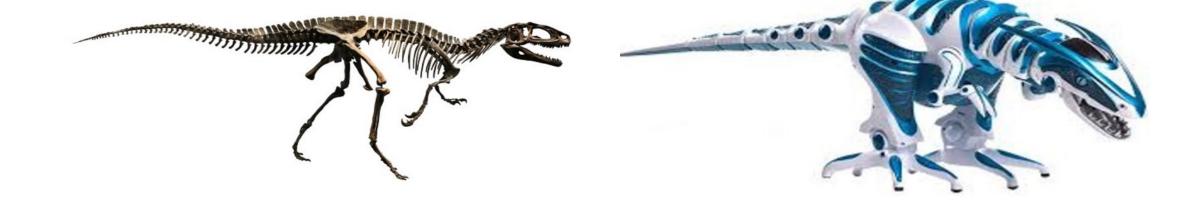
# Our approach

## What needs to happen?

- Improve efficiency
- Increase transparency
- Consistent approach
- Improve outcomes & provide certainty
- Maximise potential for remote & flexible working
- Sustainable solution



# What we are trying to do?



## How are we doing this?

- Start simple
- Build on experience
- Fail fast and fix
- Continue to refine
- Extend to different approaches
- Bring the market with us



## How are we doing this?

Develop the pricing document from our Cost Planning App

Issue to tenderers to respond to within the system (including updates and addenda)

Undertake online evaluation including client team using the in-built application features











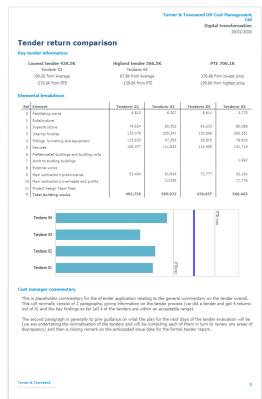
Compile tendering
documentation online by
working through best practice
workflow

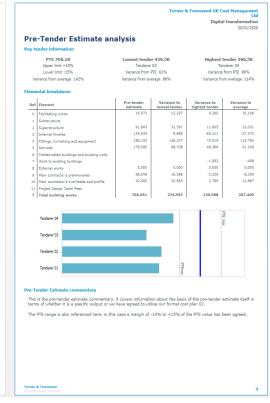
Use analytics within our day
1 reporting application to
provide early commercial
advice

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### Where are we now?

- Mature but continuously evolving solution
- Consistent pricing solution with greater granularity and detail than before
- Greater transparency in bid process for all parties
- Single source of truth for documents and correspondence
- Improved assessment process and outputs
- Day 1 report application, developed by Turner & Townsend





## Where are we now?

- Deployed in UK for real estate and pharmaceutical clients
- Offering support for services procurement and construction projects
- Starting global deployment
- Currently 60+ projects
- Estimated value +£500m
- Positive client feedback
- Contractor performance improving



## Where do we want to be?







# **Questions?**





# **Case study**

# Case study – sports arena client

- Major construction/refurbishment
- Previous issues with price transparency
- Over 3,500 design related documents
- Tight tender period
- Multiple tender rounds



# Case study – sports arena client

- Tender issued and returned on time
- Positive client feedback on level of transparency
- Initial price analysis in days, not weeks

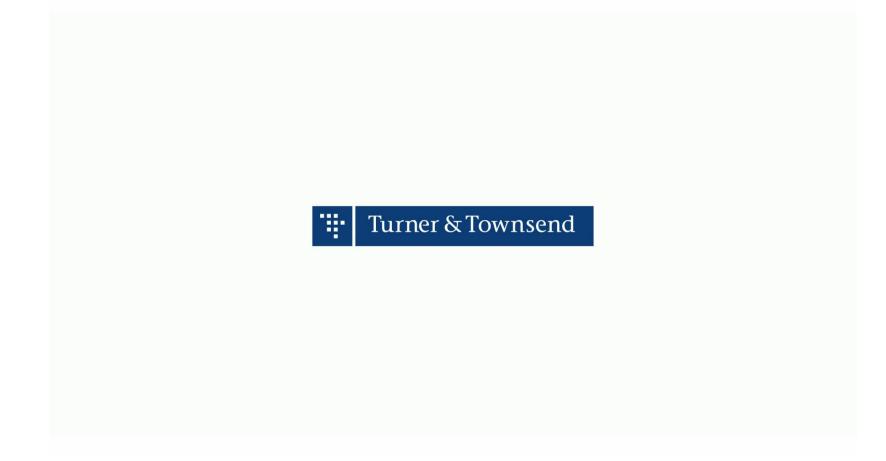






# **Support slides**

## Our response to challenges



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## Our response to challenges

Coordination

Auditability

#### **Traditional Procurement Challenges**

**Resource Intensive -** Multiple manual evaluations, working separation and without a structured process meaning inefficient resourcing of the tender process

**Limited Transparency -** Evaluation is separated amongst the team without one central coordination or logging of the evaluation process

**Limited Standardisation -** Most tender packages rely upon the latent knowledge within the organisation or draw upon other tender documents from elsewhere in a random manner.

**Insecure document control** – Hard to permission and track access to procurement documents. Supplier responses are difficult to control once issued.

**Poor supplier data -** Tender responses, commercial basis of bids, contractual dialogue, often discarded or lost after use and therefore supply chain insight is disregarded.

Better confidence of procurement outcome and intelligence



#### **eTender Response**

**Structured Workflow** – Enables evaluators to work against a coordinated evaluation process can be hosted 100% online and in platform. The evaluation and scoring is progressively added to the system enabling efficient tracking.

**Evaluation is captured** - in a live ongoing centralized log of the tender as it is conducted including submissions and Q&A with the evaluators scores and comments held in one place.

**Efficient process** - By using a consistent eTender platform both the client buyer and the tendering contractors build up familiarity with the process ultimately resulting in better tenders. Avoids issues around finding tenderers responses where tender documents are individual to each tenderer.

**Secure document control** – Access to procurement documents and responses are held in a secure online environment where only permitted persons can view.

**Data Capture -** Using the eTender platform, information is collected and stored in a fashion that allows for it to be analyzed, reviewed and to inform business decisions

## **Tender Process – Traditional Tendering v e-Tendering**





2.Pre

Oualification

documents uploaded

Completion of POO in

tenderers portal and

consolidated into the

central consistent log

buyers portal as a

of PQQ responses.

Consistent and

standardized

once.













- E-platform retains insight and knowledge from previous tender dialogue.
- E-platform build upon existing familiarity with Suppliers.
- Fast turnaround and less bureaucratic stimulating potentially more interest.









- Pre-qualification Responses are within the platform evaluated 100% in a via publication and single platform email alert with
  - · Avoids emailing out and separation of evaluators under traditional method.
  - Progressive build of the evaluation and collation of centralized evaluation.
  - Controlled and secured environment.



- Tender package assembled in secure online environment.
- · Creation of a shared document space within platform that provides one source of truth for the tender information.
- Configuration of structured questions and score weightings within the workflow



- · Visibility of tenderers engagement with the tender documentation.
- Fully transparent and tracked single source tender dialogue.
- Managed broadcast and addenda process within the system to give assured equality of tender submissions.



- Commercial responses instantly aligned because the pricing structure is prescribed in entry fields within the platform.
- Meaningful analysis of tenderers pricing strategy
- Technical review groups have focused portals of information giving fast evaluation



- rounds through the same system reduces re-work and inefficiencies
- Better BAFO strategies informed through better information on tender differences.
- Basis of award is made upon a fully documented process.

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