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**CHARTERED
SURVEYORS**
IRELAND

Public Procurement Survey of Professionals



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Survey highlights

7 out of 10 respondents surveyed indicated that their company made less than 5 public sector submissions last year.

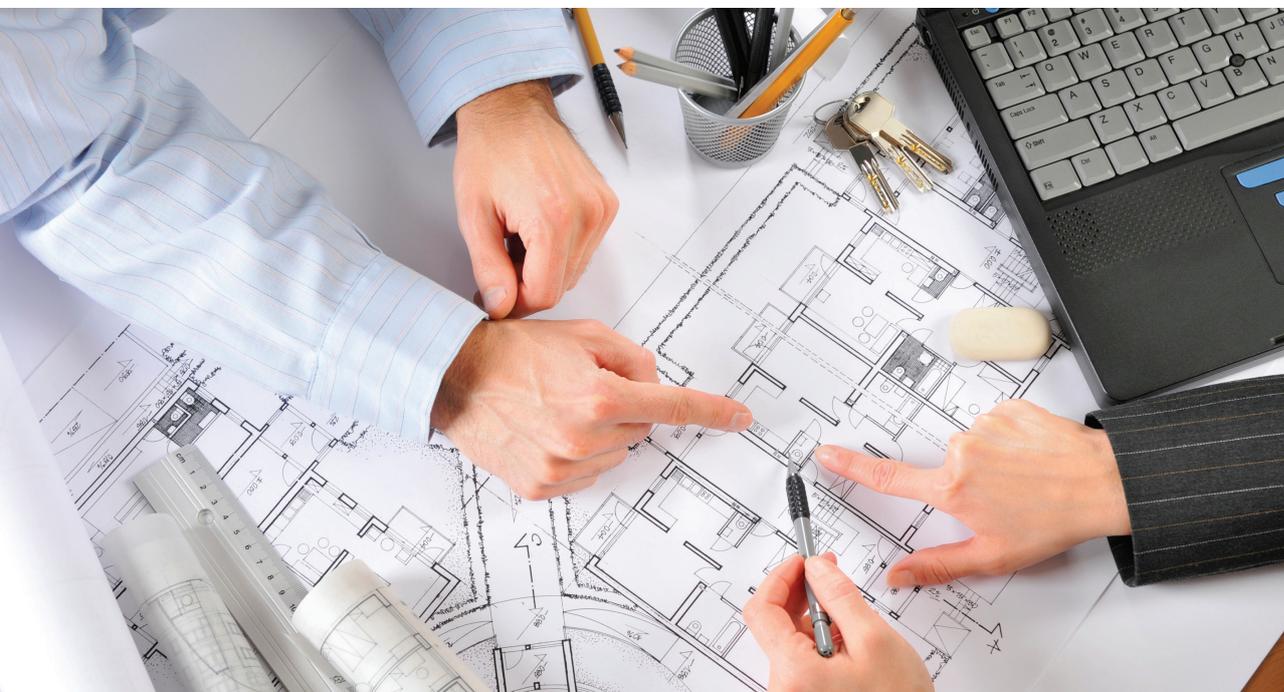
55% of respondents consider public sector work to account for less than 10% of their practice turnover.

Larger QS practices (with greater than 11 employees) are on double the number of frame works compared with smaller firms (less than 5 employees).

Onerous paperwork, lack of de-briefing and over emphasis on price were cited as the three most frequent negative factors when participating in public tenders.

Complexity of documentation, firms experience in the sector and the cost of the process were three main reasons to constitute a no bid decision in respect of public procurement opportunities.

71% of QS respondents, compared with the E.U average of 38%*, indicated that public tendering has a dis-proportional / high financial requirement.

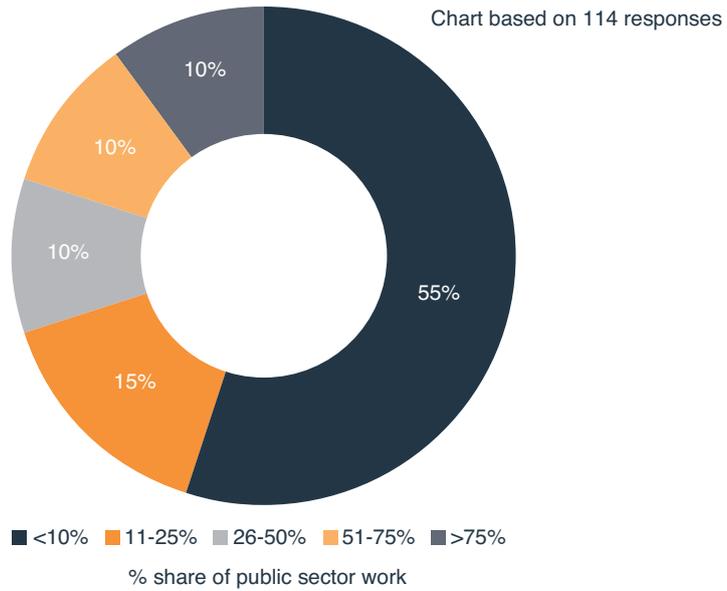


* Evaluation of SME Access to Public Procurement Markets in the EU Final Report

Public Sector as a client

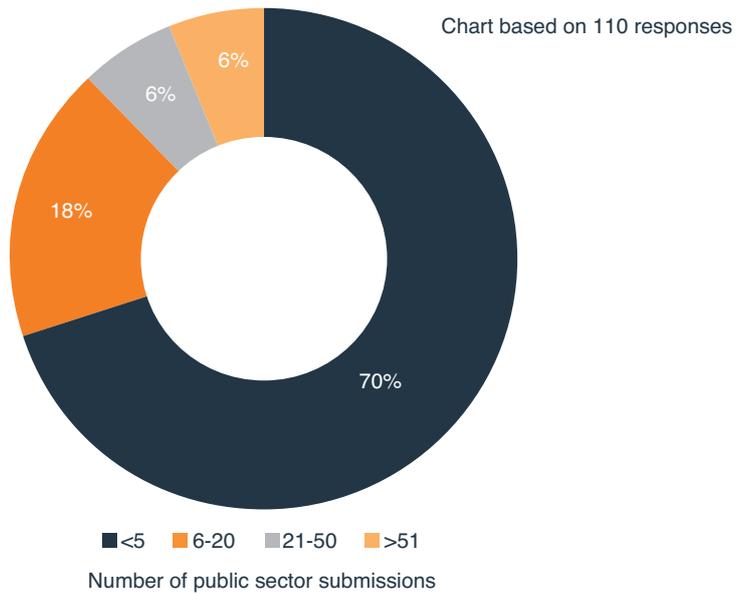
- 55% of respondents indicated that less than 10% of their practice turnover relates to public sector work.

Graph 1: Please indicate the approximate share of Public Sector work in your practice turnover



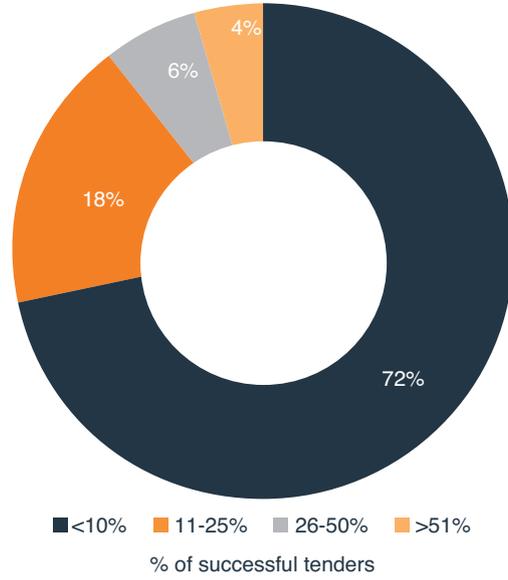
- 70% of respondents stated that their firm made less than 5 public tenders in the last year.

Graph 2: What number of public tender submissions (PQQ, Call -off, ITT) has your practice made in the last year?



- 72% of respondents indicated that their success rate in public tendering is less than 10 %

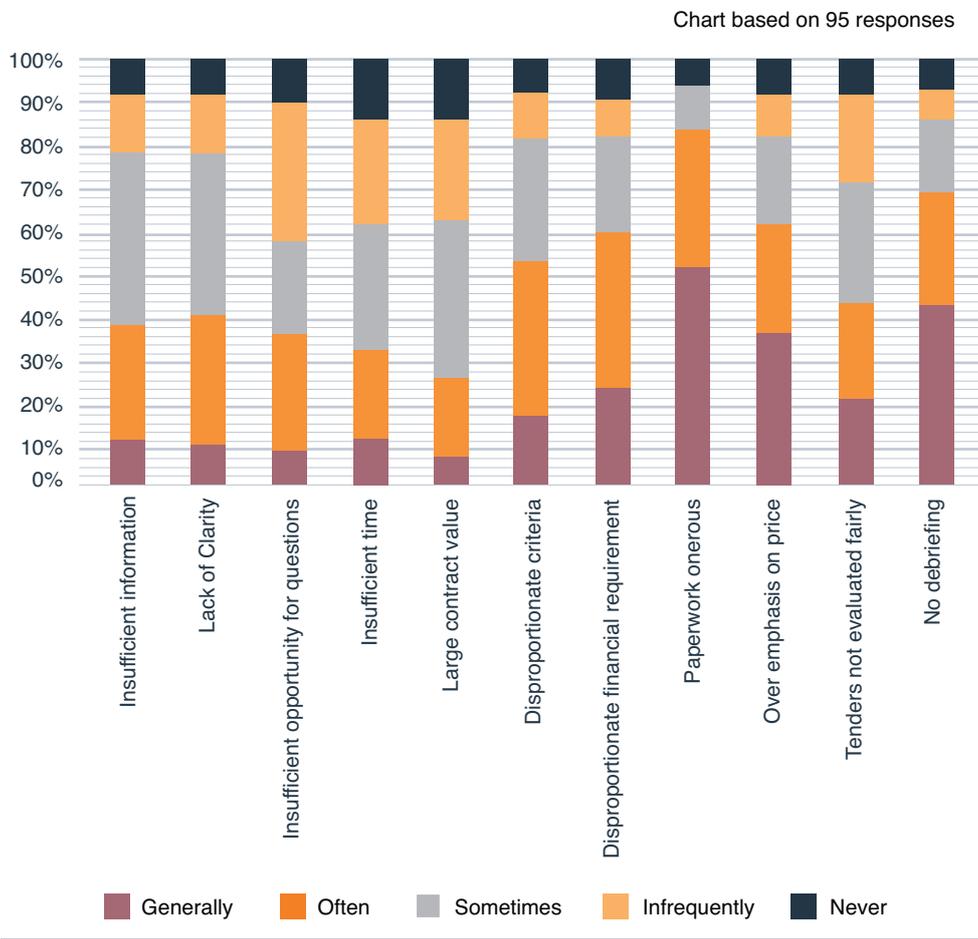
Graph 3: What is your success rate with public tenders?



Challenges with Public Procurement

- 84% of the total number of respondents indicated that in general or often, public procurement paperwork is onerous.
- 70% of the total number of respondents stated that generally or often, 'no debriefing' in relation to tendering adds to challenges with public procurement.
- Almost 40% of respondents stated that insufficient information is a problem in public procurement.

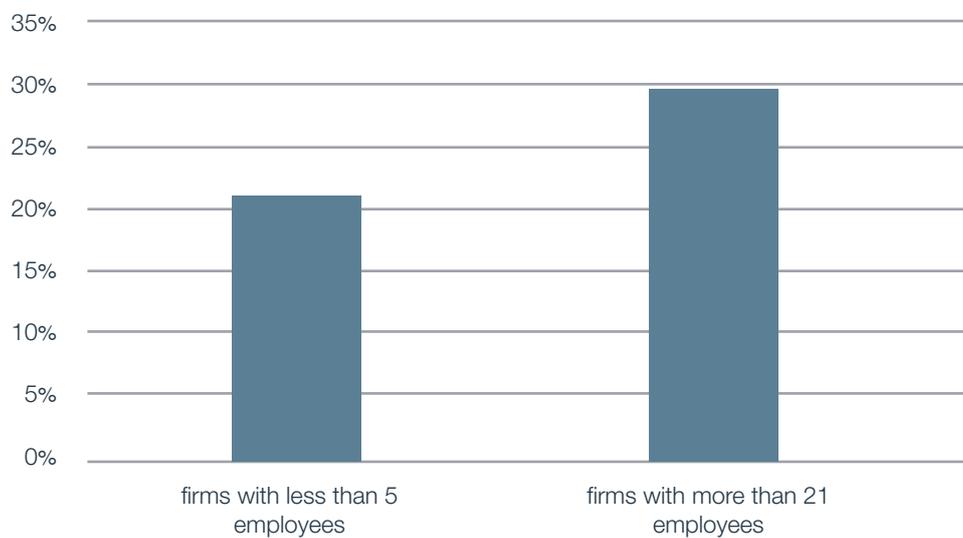
Graph 4: In your experience, please indicate the frequency of any negative issues when tendering for public contracts



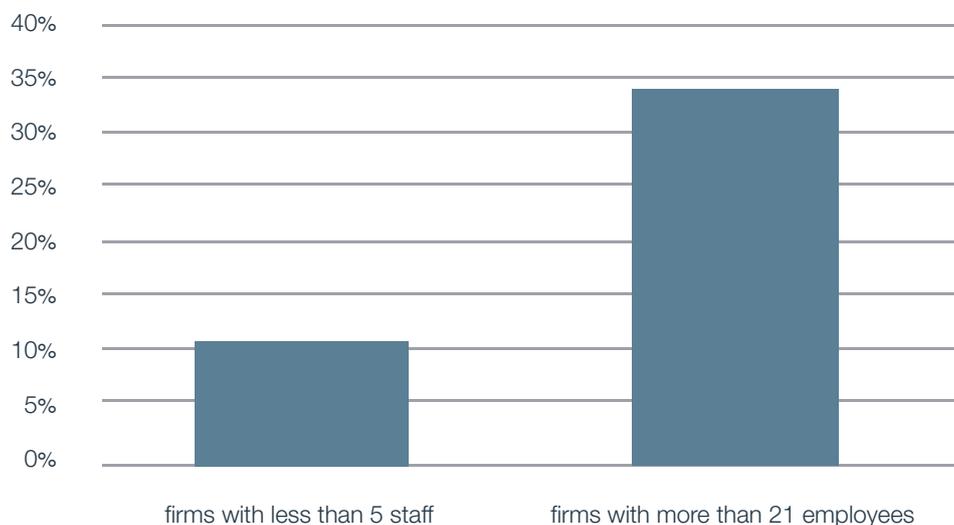
Public Sector work; smaller firms compared with larger firms

- On average, 30% of larger firm's (more than 21 employees) turnover related to the public sector in 2007.
- It is forecasted that in 2015, public sector work will account for 35% of larger firms' (more than 21 employees) practice turnover, compared with just 10% for smaller firms.

Graph 5: Approximately, what percentage of your turnover 7 years ago (Pre-Recession) was from Public sector work?



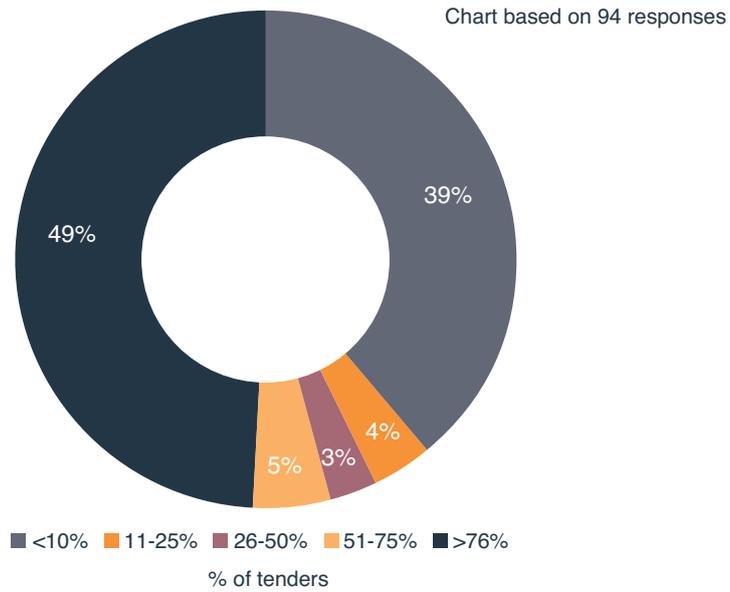
Graph 6: Approximately, what percentage of your turnover do you forecast being from Public Sector in 2015?



Success with Public Tenders

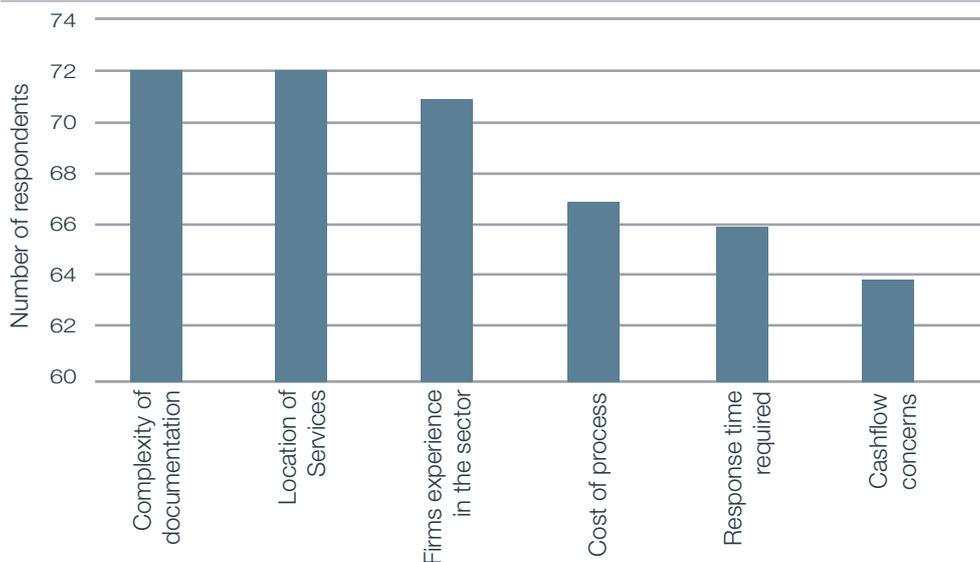
- Almost half of respondents indicated that over 76% of their tender projects are sub-threshold.

Graph 7: What percentage of public tenders submitted by your firm are sub-threshold (i.e. fees less than €200,000 excluding VAT)



- The majority of respondents indicated that the complexity of documentation and the location of services was the highest reason for a no bid decision in public procurement.

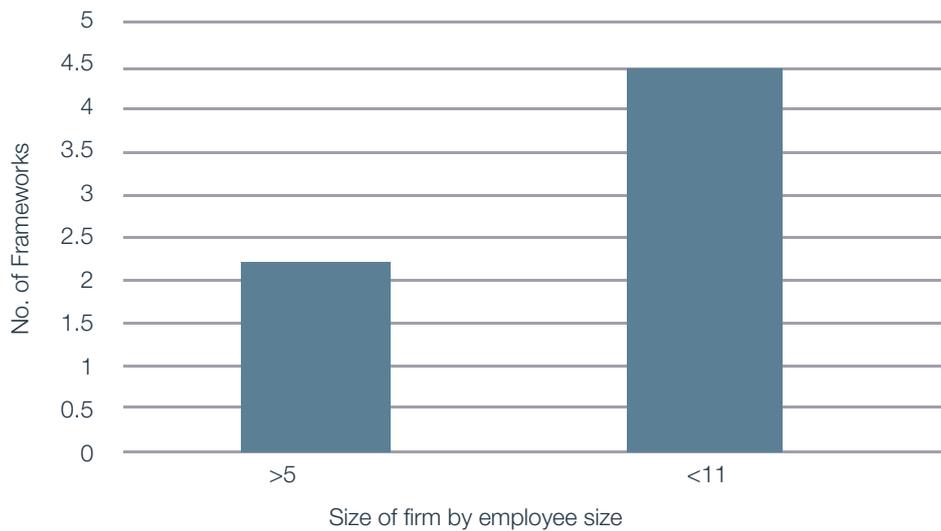
Graph 8: Reasons for no bid decisions in relation to public procurement



Public Sector Frameworks

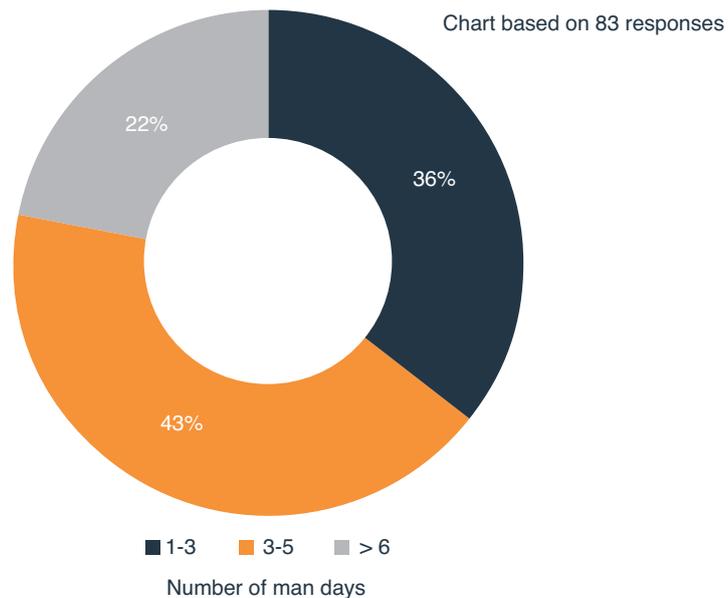
- Approximately 1 in 5 of Quantity Surveyors surveyed have had a positive view of public sector frameworks.

Graph 9: Average number of Public Sector Frameworks that firms are on



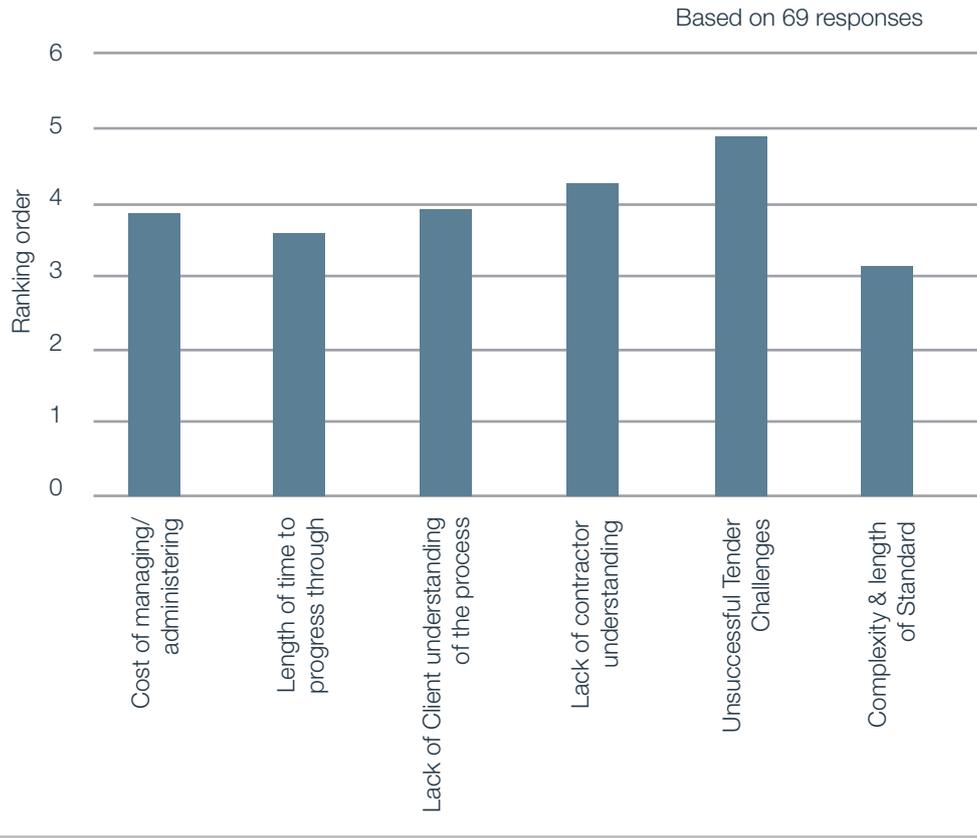
- 43% of Quantity Surveyors indicated that it takes on average 3-5 man days to complete a tender.

Graph 10: In relation to a restricted public tender procedure, in your experience approximately what is the average number of 'man days' required to complete a tender?



- When asked to administer and manage the public procurement process of a works contract, unsuccessful tender challenges to the outcome, lack of contractor understanding and lack of client understanding to the process was ranked as the most challenging problems.

Graph 11: Rank the most challenging issues when asked to administer and manage the public procurement process of a works contract



Summary

The survey highlights a number of key challenges with public procurement.

There is a marked differentiation in public procurement participation levels between smaller and larger firms.

Pre-recession public projects represented approximately 20% of turnover for smaller firms whereas now smaller firms expect that proportion to halve to approximately 10% in 2015.

Onerous paperwork, lack of debriefing, disproportionate financial requirements and an over emphasis on price are the predominant

negative factors when tendering for public contracts.

When administering public procurements on behalf of public bodies, our members have identified challenges by unsuccessful tenderers and a lack of contractor and client understanding of the process as the highest ranking problems encountered.

The SCSi has been engaging with the Office of Government Procurement on the transposition of the new EU Directive and related matters and will continue to engage with this agency to highlight concerns of surveyors.

Sample of Respondents' Comments

“

If the eTenders portal allowed a supplier to upload all staff, turnover, insurance details at the start of the year, this would not need to be resubmitted with every application if the vendor could view and approve.

etenders system is more complex than it used to be under the previous system

As a sole trader, i find it impossible to be considered for public tenders as the minimum threshold for turnover is generally set at €500k

”

About the survey

The Public Procurement Survey of Professionals was conducted by the Quantity Surveying Procurement Working Group in October 2014.

The survey looks at issues surrounding public procurement, including the participation levels and perceptions of QS practices in relation to same and sought suggestions from members how this might be improved.

The survey circulation list comprised of the most senior members in quantity surveying firms nationwide. The survey received 115 responses out of 621. Although not all questions were answered, the average response rate per question is 72 responses, with the minimum number of responses being 41 on question 12 of the survey.¹

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¹ This report was prepared by the Society of Chartered Surveyors Ireland using survey data from a SCSl survey. Whilst every effort has been made to ensure the accuracy of the information contained in this publication, the Society of Chartered Surveyors Ireland does not accept liability of any kind in respect of, or arising out of, the information, or any error therein, or the reliance any person may place therein.

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