

Press Release
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**Bringing improvement to the forefront of PFI Procurement:
Involving SMEs, and Improving the Design Process.**

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The Construction Industry Council's (CIC) Public Sector Procurement Panel held a half day seminar on "How to Improve Construction-Based PFI" on February 17th. The seminar consisted of presentations on recent performance of PFI projects, discussion sessions on involving SMEs in PFI, and improving the design process. Delegates at the seminar represented a wide range of bodies and organisations, including research and trade associations, architecture consultancies, contractors, and public bodies.

Presentations were delivered from the 4P's on the experience of local government in PFI, particularly the education sector; from the National Audit Office (NAO) on the latest report on PFI construction performance; and from CABB on design quality in public buildings.

The seminar presented for discussion and further investigation two particular topics on how SMEs can get involved in PFI, and the design process in PFI procurement.

- Involving SMEs in PFI was discussed through the experience of a construction SME in an NHS PFI project. Issues pointed to barriers facing small organisations like high legal costs, complicated contractual documentation, and high overall fees for bidding.
- The design process in PFI was discussed through recurrent themes that delegates prioritised as essential to improve the design process and quality. Themes covered the assignment of appropriate designers and providing sufficient time, getting feedback from informed clients to check and measure design, extent of innovation, impacts of pricing, and quality management of client requirements.

Key points from the event were:

- Existing players are interested in larger projects but SMEs are interested in smaller projects as contracts are standardised.
- If the plethora of lawyers can be disengaged from the process, this will lead to a better way for SMEs to get involved. Exactly how this could be achieved is a major challenge.

If you would like further information please contact Rhiannon Pugh on 020 7637 8692 or rpugh@cic.org.uk.

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- There is now a great deal of development activity in each of the PFI sectors, with a variety of ideas being trialled.
- The CIC's Design Quality Indicator is being trialled widely. It is considered as a major factor of improvement.
- Problems with the design process are driven primarily by financial requirements and risks. Changes to the process to deal with the problems being experienced require fundamental changes to the PFI process. This remains as a major challenge.

A brief report is in preparation on the two topics discussed including suggestions on how to develop them further. For more information please contact Jobran Hammoud at jhammoud@cic.org.uk or 020 76378692

Note to Editors

CIC is the representative forum for the professional bodies, research organisations and specialist trade association in the construction industry. It provides a single voice for professional in all sectors of the built environment through its collective membership of 500,000 individual professionals and 25,000 firms of construction consultants.

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