Advisory
Government and Public Sector

Building Schools for the Future (BSF) Procurement Review

Partnerships for Schools

May 2008

Executive Summary

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1 Executive summary

It is widely accepted that the Building Schools for the Future (BSF) programme has picked up pace over the past year. A package of measures designed to ensure that local authorities are ready to hit the ground running as soon as they enter the programme has already made a real difference to the timetable for delivery. The procurement review intends to build on this by delivering further efficiencies to the procurement phase of BSF.

Partnerships for Schools (PfS) appointed PricewaterhouseCoopers (PwC) in September 2007 to conduct a review of the procurement phase of the BSF programme, considering three key issues:

- The role of design within the procurement phase of the BSF programme and, in particular, whether or not design resource is used efficiently and effectively;
- The effectiveness of the integration of ICT in the Local Education Partnership (LEP) model; and,
- The degree to which the procurement phase was proving to be effective preparation to prepare for the LEP and the long-term partnering between public and private sector.

There has been extensive consultation with stakeholders in the BSF community on these issues. Subsequently, the key issues were considered in light of programme progress to date.

The key issues and recommendations are as follows:

Key Issue	Recommendations
There is an increasingly mature market of suppliers involved in the BSF programme who understand what it is that they can do to deliver BSF projects successfully. This needs to be taken account of in the procurement process to ensure that the market expertise is applied efficiently to individual projects.	• More comprehensive pre-qualification process; • Deselect down to two bidders more quickly; • More effective focus on partnering issues.
From a programme and individual project perspective, the current BSF procurement process keeps 3 bidders in competition for longer than is necessary to achieve effective competitive tension. The result of this is that procurements are more expensive in terms of both financial and resource costs than is necessary with a negative impact on contestability at the programme level.	• Deselect to two bidders more quickly; • More effective focus on partnering issues.
In relation to supplier design costs, the use of a higher number of sample schemes developed with three bidders to a significant level of detail is placing too great a burden on bidders and is not necessarily resulting in better competition.	• Sample scheme design restricted to two projects; • Reduction in the design work required by three bidders; • Small reduction in the overall procurement process time.

The review has identified the importance of having a more effective focus on partnering during the procurement phase, not only to reduce time and cost but also to improve the viability and sustainability of the LEP.

The main outcomes of these recommendations for the BSF community will be:

BSF Community	Outcomes
Local Authorities	• More competition available, particularly to the smaller schemes; • Need to focus even more on the preparation for the procurement; • Less deviation from the standard procurement scope; • A better understanding of the long-term partnering relationship and how it can be made to work.
Suppliers	• Reduced bid costs on a project-by-project and programme level; • Greater certainty over outcome earlier in the procurement process; • Will need to evidence their commitment to the BSF programme through actions.
Partnerships for Schools	• Benefits in terms of programme delivery from freeing up bidder resource; • Will need to police the core procurement scope with local authorities; • Needs to invest in revision to the procurement documents, particular the pre-qualification and partnering documents.

We have discussed the recommendations with PfS who have considered how best to implement them and developed a timetable for doing so.

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