

GI PROCUREMENT JOINT TASK GROUP
AECOM, Aldgate Tower, 2 Lemn Street, London

In Attendance:

Patrick Cox	AECOM
Gary Walker	Arcadis
Tracey Radford	Atkins
Noel Grealy	BAM Ritchies
Philip Ball	BDA/Socotec
Jim Poole	Coffey Geotechnics
Steven Widdowfield	Fugro
Sam Theophiles	GEL
Nick Sartain	HS2
Catherine McGrath	Highways England
Jon Ball	RBL/FPS
Simon Baxter	SEGL
Rob Ainsworth	Soils Ltd
Steve Mackereth	Structured Soils
Andy Indoe	WSP

In the Chair: Julian Lovell AGS/Equipe

In Attendance: Ciaran Jennings AGS/FPS/GF/Forum Court

Contact Report

No.	Topic	
1.	<p>Introductions</p> <p>Julian commented we have a good mix of consultants, contractors and clients to address the issue from different perspectives.</p> <p>Apologies Ken Marsh (Ground Forum), Anthony Drake (Mott MacDonald), Daniel Stannard (Jacobs), Vicki Hope (Arup)</p>	
2.	<p>Aims and objectives</p> <p>As per the circulated list:</p> <ul style="list-style-type: none"> • Identify opportunities to improve the procurement of Ground Investigation • Identify mechanisms to deliver ground investigation effectively for the UK industry • Aspects to be reviewed and addressed <ul style="list-style-type: none"> ○ Standardised PQQ ○ ECI ○ Flexibility of approach and methodologies ○ Relevant Conditions of Contract ○ Realistic timescales ○ GI Competence of Procurer ○ Targeted questioning during tender stage ○ Collaborative approach ○ Phased GI including desk study and walkover ○ Improved Form of Tender/BoQ ○ Improved selection process 	All

	<ul style="list-style-type: none"> ○ H, S&E aspects. <p>This list was derived from responses to the questions circulated to the group prior to the meeting. Responses came from contractors and clients. Real change is sought and meaningful initiatives are required from the Task Group.</p>	
3.	<p>Current Procurement Process</p> <p>Key themes discussed:</p> <p><i>Disconnect between project requirements and procurement</i></p> <ul style="list-style-type: none"> • For those with GI expertise, there's often an internal disconnect between GI knowledge within the company and procurement team <ul style="list-style-type: none"> ○ Leading to procurement commoditising GI, little understanding of the value of what's being delivered and therefore inappropriate specifications and contractor selections ○ Client's seeking valuable data, procurement quantifying number of boreholes, man hours etc to derive lowest possible price. i.e. process focused on delivery of works rather than the output ○ Disconnect extends down to project level – cost determined GI process, rather than following the course of the investigation • Lack of client knowledge of GI – project managers sending out specifications, using previous documents or documents they do not understand • Cost and project certainty key drivers behind procurement process and what is commissioned on site. • Nature of GI is open-ended and iterative process. This is problematic contractually as costs can be open-ended in nature. • Early Contractor engagement leads to better outcomes in terms of appropriate specifying and procurement. • Lack of matching GI requirements to the performance of the end product – opportunities being missed to optimise design and reduce project risk <p><i>Contractual issues</i></p> <ul style="list-style-type: none"> • GI does not sit easily within NEC3 – as investigation progresses there is typically a build up of cost – early warning and time barring events become commonplace • Need approach that accommodates £2k to £2m projects <p><i>Other issues and insights</i></p> <ul style="list-style-type: none"> • Standard are not routinely used within the industry in relation to GI specification • Lack of budget for GI in projects is common issue – lack of awareness of its requirement among clients • Clients are looking for quality, price certainty, stakeholder management and safety, GI contractors are looking for a return – procurement does not currently guarantee any of these <p>Chair concluded we need to develop a standard process for all that gives the different stakeholders what they need – e.g. client data, piling contractors AGS Dataformat data, appropriate specification and terms for GI contractors. Documentation already exists but needs review.</p>	
4.	<p>Identifying opportunities for improvement</p>	
	<p>4.1 PQQs Consultant/Contractor selection</p> <p>Points discussed</p>	

- A standardised question set for GI contractors is necessary to bring consistency and ensure a level playing field
- Build UK have developed a Common Assessment Standard (CAS) for the industry that standardises questions into a set of 60 – there is scope within the CAS to develop an additional set to cover GI.
 - CAS went live in March 2019
 - Its intent is to do away with the need for contractors and clients to have multiple subscriptions with accreditation bodies such as Achilles, Builder's Profile etc. Everyone shall need just one – trade association may become accreditation bodies.
- Recognised that established clients already have lists of approved suppliers or the procurement info they need from past exercises

Actions

- Ciaran agreed to circulate information on the CAS and investigate if there is a GI specific section to it/or if we can develop one.
- Potentially engage with Risks/Achilles re their road and rail requirements

Ciaran Jennings

4.1.1 BDA Buyer's Guide

Philip Ball presentation. See here.

BDA have developed an Excel tool that helps clients to evaluate contractors against a series of pre-selection criteria. It is intended to help short listing of contractors.

- Debate focused on whether there was inherent risk to the BDA in potentially making recommendations as to preferred suppliers. It is believed that factual nature of the tool and the comparison it facilitates prevents this
- There was criticism that the BDA are not representing the whole industry, but only their members specifically – which is a potential client requirement to use such a tool.
- Trade associations' (BDA, FPS, AGS) point of view on this is that they do not have a duty to non-Members and represent those that are actively signing up to industry developed standards.
- Recognition there is a capability gap between large organisations and smaller ones as to experience and knowledge of procuring GI

4.2 Tender Documents – Specification and BoQ

Specification:

- UK Specification (ICE Yellow Book) mostly fit for purpose, however lots of variations being seen
 - Tighten up some techniques
 - A lot of confusion is seen in relation to the method of measurement.
- All docs need a sense check to see that they integrate with each other and NEC
- 1-4pp document would be preferential to current 40pp

Bill of Quantities

- Currently there's a disconnect between what appears in the specification and the BoC.
- Question raised around the given basis for pricing – e.g. meterage or day rates or work achieved?
 - Noted that meterage lacks certainty when encountering challenging ground conditions
- Being prescriptive on cost basis used could lead to a race to the bottom

	<p>on price and restricts innovation and the space to provide an informed recommendation</p> <ul style="list-style-type: none"> • Common practice is to provide a compliant bid and a non-compliant bid – this flexibility is needed within the BoC <ul style="list-style-type: none"> ◦ Suggested that additional tab is added for contractors to provide own recommendation • Again, issue around procurers not understanding what they're evaluating: • Suggested we set out recommended models for small, medium and large projects – e.g. flow chart approach favoured by NHBC • Overall need for client education, however recognised that's insurmountable challenge • Suggested a joint publicity campaign is run to promote action on the issues and the outputs of the group. Possible partnering with NHBC to do roadshows <p>4.3 Conditions of Contracts:</p> <ul style="list-style-type: none"> • Need a GI standard form of contract. Currently NEC3 used with many variations • Recognised that unlikely to achieve industry adopting a new standard form of contract. • Need to formally engage with NEC to create an NEC guidance document on how to apply NEC to GI and the BoC as part of their suite of documents • Suggested we also need a guide on suitable forms of contract for GI • Clients increasingly moving towards a lump sum approach to GI, which is deemed as completely inappropriate. <ul style="list-style-type: none"> ◦ Difficulty here that clients will instinctually feel GI contractors are licensing open-ended cost process when they want cost certainty. • Principal contractor role is problematic. Consultants do not want to take on this role, GI contractor potentially having to fulfil this – GI Supervisor role needs to be defined by the group to clarify roles and responsibilities under contract. <p>4.4 Alternative process</p> <ul style="list-style-type: none"> • Early Contractor Involvement needed to establish cost and contractor choice before working with them to establish the right approach? • Recognise need to be able to benchmark costs, but need also to leverage expertise of contractors to get a better approach – i.e. compliant bid + non-compliant bid • ICE's Project 13 approach needs investigating and engaging with • Alliance contracting also a better approach • Overall collaborative approaches sought over cost driven approach that seeks certainty over establishing risk profile and substantive data. 	
<p>5.</p>	<p>Identifying mechanisms for delivery</p>	
	<ul style="list-style-type: none"> • Overall need to establish that higher GI costs at outset reduce costs in the rest of the project. <ul style="list-style-type: none"> ◦ Substantiate with real world examples and data – e.g. Silvertown tunnel, data held by Arup/Atkins for casestudies etc? • Build UK a possible route to addressing procurement issues with main contractors and the client members they currently have <ul style="list-style-type: none"> ◦ Build UK are actively addressing poor contractual practice, seeking to improve poor payment practice, inappropriate assignation of risk etc • Need to set out our preferred contractual clauses and link them to better outcomes 	

	<ul style="list-style-type: none"> • Need to enhance value of GI – currently a tiny proportion of cost of projects and within the procurement and move away from cost of boreholes to the value of quantified ground risk for the project. • Ideally like a headline metric of £1 spend to £X saved. 	
6.	Communication	
	<p>Group</p> <ul style="list-style-type: none"> • Need x4 face to face meetings to get address issues and close out a work programme, email collaboration inbetween <p>Geotechnical Community</p> <ul style="list-style-type: none"> • Raise the subject at Geotechnica • Engage with members of FPS • Take advantage of July meeting of GI people in Higher Education <p>Wider Engagement</p> <ul style="list-style-type: none"> • Need more procurers to speak to, e.g. Network Rail, Crossrail 2 etc and Tier 1s <ul style="list-style-type: none"> ◦ Jim Poole to contact Tony Butler • Need to try and engage with insurers (possibly via Lloyds of London) • BGA (probably via Ground Forum) • ICE – NEC suite, how do we influence GI guidance here <ul style="list-style-type: none"> ◦ Also Project 13 needs to be researched • Chartered Institute of Purchasing and Supply – CPD events, courses for procurement people? • Ciaran Jennings to contact Build UK 	<p>J Poole</p> <p>C Jennings</p>
7.	Deliverables and Timescales	
	<ol style="list-style-type: none"> 1. <u>GI Guidance for NEC & Short form contract</u> <ul style="list-style-type: none"> • Gary Walker to lead and draft 1pp • All to send standard T&C's 2. <u>Revision of UK Specification</u> <ul style="list-style-type: none"> • Julian Lovell to lead 3. <u>New Models of Procurement</u> <ul style="list-style-type: none"> • Patrick Cox to lead 4. <u>Industry paper on Cost benefit of GI/Code of Practice for procurement of GI</u> <ul style="list-style-type: none"> • Requires data to support • Need to formally commission this and find funds to pay for it • Tracey Radford can support, but not lead • Ciaran Jennings to explore whether CITB might fund <p>All champions to feedback timescales for their element of the project.</p>	<p>G Walker All</p> <p>J Lovell</p> <p>P Cox</p> <p>T Radford C Jennings</p> <p>GW/PC/JL</p>
	Any Other Business	
	<ul style="list-style-type: none"> • Philip Ball – Ownership of GI data need to be incorporated into the contractual documents • Tracey Radford – Glossop Award for under 30s Engineering Geologists. Currently dominated by consultants, want junior engineers 	

	to apply – all encouraged to promote the award to their young engineers.	
	Dates of 2018 Meetings Next meeting in June in Birmingham, Nick Sartain to organise a room	N Sartain