



# Public Construction Procurement Trends 2009-2014

**Project Compass CIC**

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## i Foreword



This report evaluates UK public sector architectural design procurement for commissions that come within the remit of the European Union Directive 2004/14 and its threshold values.

All applicable services and works notices published within the Official Journal of the European Union (OJEU) between Q4 2008 to Q3 2014 have been captured where the data contains the relevant Common Procurement Vocabulary (CPV) codes and or references that a relevant architectural design service has to be provided within descriptions of a projects requirements.

Project Compass has captured around 11,001 OJEU notices, generating entities to cover all notice types in all procedures and under all instruments with frameworks, lots and their contents.

52 data fields analyse, recorded and categorized descriptions, numbers, quanta, criteria, requirements, conditions, thresholds, constraints, objectives, dates and values. It has generated a detailed correlated analysis of differing notice types, procedures, lots and awards. Finally the analysis has been curated in order to correct spelling mistakes, errors and variations in naming conventions and to review, resolve and edit entities where there have been obviously erroneous entries in the originating data. The data has however excluded entities in exceptional circumstances where data entries have been irreconcilable.

The methodologies otherwise are detailed in Section 13 'About the data' of this report.

The UK construction industry has an annual turnover of more than £100bn representing almost 10% of UK GDP, with some 40% of this being spent in the public sector. The majority of these projects directly and to a greater extent indirectly employ architects.

**Project Compass CIC** intend this to be the first of their publications on UK trends which report on the current market, its progression, impact and in due course the outcomes of reform.

This will contribute towards improving knowledge among commissioners, construction professionals and industry that can inform the important and necessary changes to procurement culture and its application in practice that will also be required to accompany the legal reforms.

### The legal framework

The primary legislation covering UK competition practice for architects in the public sector is determined at European level. The most relevant being the Public Directive 2004/14/EC (The Classical Directive), although the Utilities Directive 2004/17/EC also has occasional relevance. The Remedies Directive 2007/66/EC concerning the award of contracts and their review procedures also applies.

*“The original aim of the European Union Directive was to create a larger and more open market with a reasonably level playing field in which small, medium and large practices could compete fairly. It is clear that there has been an increasing bias placed within the OJEU notices which has distorted equality of opportunity, which combined with an increasing lack of transparency is undermining confidence in them and making the procedure to participate ever more expensive. The result is unsustainable for the architectural profession. This report is most timely and welcome, and hopefully politicians and those who should be supporting the industry and the professionals working within it will take notice and act appropriately.”*

*Ian Ritchie CBE, Director Ian Ritchie Architects*



In compliance with EU Treaty obligations these endeavor to legally enshrine the principles of transparency, equal treatment and non-discrimination.

The EU legislation is then transposed and adopted into UK law. For example in England, Wales and Northern Ireland the Classical Directive is transposed through 'The Public Contract Regulations 2006' and in Scotland 'The Public Contract (Scotland) Regulations 2012'.

The other Directives and Remedies Directive have also been transposed.

For central Government contracts The Regulations are supplemented by government guidance notes known as Procurement Policy Notes (PPN's).

For local authorities and others this guidance on implementation is most frequently imposed through their orders or regulations.

### **Gold Plating**

This law is complex, lacking in transparency, difficult to comprehend and has been the cause of much criticism.

In the UK in particular confusion in interpretation and risk averse practices have frequently lead to inappropriate, disproportionate, discriminatory application and gold plating of requirements that has had significant economic consequences with impacts on costs, access, growth, employment and sustainability. Equally the architectural profession has not been conversant with this complexity to their own detriment and has served to marginalise Architect's power to influence betterment.

**2014 - 2015** may be remembered as a landmark years for procurement. New legislation EU Public Procurement Directive 2014/24/EU reforming the previous directive was adopted in Febuary 2014. Through repeal of the previous regulations this will be transposed into the UK Public Contracts Regulations 2015, which are anticipated to be placed before Parliament in spring 2015.

Future implementation of eProcurement as specified within Directive 2014/24/ EU, adoption of The Public Contract Regulations 2015, and the provision of Contracts Finder, the proposed UK national procurement portal might, it is to be hoped, contribute towards significant improvements in transparency, access, proportionality and practice, as well as many of the other important issues highlighted by this report.

## ii Headlines

Over 30% of all the contract notices captured have not been concluded by an award notice. This trend is getting worse and represents significant waste for all.

**Around 10% of all award notices declare no range or contract values.**

There are clear issues with market transparency.

**Service contract notices and service awards are in decline. These represent the major opportunities for individual awards to project specific briefs.**

The large majority of architectural contract notices and awards however are to be found in contracts requiring multi-disciplinary teams (architecture+).

**Proportionately more work is now typically to be found in lots, with the greatest numbers of opportunities per notice to be found in architecture+.**

27% of service contract appointments have been onto frameworks and this trend is increasing.

**The time taken by procedures had by 2013 accelerated to 221 days. This compares to the EU average of 133 days.**

Out of the 6 procedures currently available for the appointment of an architect 81% of contract notices are restricted procedures.

**There have been only 2 open design contests in the UK since 2008.**

48% of opportunities are now in 'hidden architecture' where the facilitator, developer or contractor is asked to provide the design services, with architects as tier 2 sub-contractors. This has reduced open competition, access and choice for the public.

**The North East region made only 58 awards in the period, with none in 2010.**

For 2011 2 hub contract notices in Scotland with 1 lot each and values totalling £1.4bn significantly skew UK results.

**In works and service contracts 4,000 firms had won between 1 and 10 awards and made up 94.5% of all winning firms. However this only amounted to 56.8% of all the awards. The remaining 5.5% of firms won 43.4% of all awards.**

For the direct appointment of architects the numbers and values of opportunities are in decline whilst those on offer are being increasingly aggregated.

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# 1 Summary trends in architectural contracts

## How many opportunities are there out there?

There are a huge number and variety of architectural opportunities. The most visible and transparent are those sought through either 'restricted' or 'open' competition processes that are held for the appointment of an architect's services directly for a specific project. Typically a 'restricted' procedure will use a Pre-Qualification Questionnaire (PQQ) for shortlisting candidates through the first round. This will be followed by an invitation to tender (ITT) at the second round. The options, criteria and flexibility that can be used for selecting candidates through the stages are pre-determined.

**Contract Awards** can also be made using various instruments in addition during the competitive stages, such as lots where a single call might be used to invite multiple tenders across various contract sub-categories; framework calls where the appointment is onto 'a contracted list' from which the consultancy is called off by the client for specific projects as and when they occur.

Such framework 'call offs' from the contracted list are often done with mini-competitions, with a consultancy competing against others on the list, and frequently doing so with another fee bid and design stage, in effect creating a further stage in the selection procedure.

In such cases the overall numbers of such opportunities are not as visible, and where consultancies

are actually 'called off' frameworks the numbers of opportunities which become realised at a commissioning stage are not publicly transparent.

**Design contests** are a distinct and different procurement regime, are issued under a separate type of procedural notice with anonymous submissions selected on design quality by a jury comprising a minimum of one third professionals qualified to make such selection. Design Contests are legally provided specifically for architectural and planning work.

Most invites in service and works contracts are for multi-disciplinary teams ("architecture+"). In terms of notice numbers in 2013, 53% - the largest market share - was for architecture found within works contract notices. 49% of all works and services contracts for architectural service are sub-contracted under a prime contractor. Typically this occurs in construction management whenever for example a facilitator, developer or contractor is invited to deliver the entire works package, whether finance, design, build, maintain and manage or any permutation thereof.

Therefore the variety of available competition procedures, whether they are open or restricted, what instruments might be applied to the procedures, how selection is made and whether this leads directly to commissioning stage are variable.



**This Project Compass CIC research** uniquely captures the total market numbers involved under Directive 2004/14/EC, across works and services and lots, with the exception of those being called off frameworks and where data entries have been irreconcilable. This improves market transparency, significantly enhances understanding and ensuring the exceptional value of this analysis. It enables Project Compass CIC to offer an analysis based on a highly accurate number of the identifiable opportunities within the market.

**Project Compass CIC captured 5,098 construction contract notices, 3,548 award notices and 15,524 awards to 4,233 firms** in the period Q1 2009 to Q2 2014.

Of all the contract notices captured just over 30% have not been concluded by an award notice, and this trend is getting worse. This represents significant waste for all. The lack of legal enforcement upon commissioners to issue award or discontinuation notices following a contract notice undermines the maintenance of a transparent market. Project Compass CIC would also note there are innumerable variances in the practices adopted for the completion of notices generally, from poor spelling through to entry of erroneous codes, descriptions and omission of fields. Around 10% of award notices declare no range or contract values. There are clear issues with market transparency.

**Public sector service contract notices and service awards are in decline** despite a short reversal and uplift in 2013 Q3-Q4. These represent the major opportunities for individual awards to project specific briefs. The large majority of architectural contract notices and awards however are to be found in contracts requiring multi-disciplinary teams (architecture+).

Proportionately more work is now typically to be found in lots, with the greatest numbers of opportunities per notice to be found in architecture+. This is a general trend, although the numbers of all contract notices their values and the numbers of awards made, particularly in 2014 Q1 - Q2, have declined.

Overall only 51% of the work in architecture and architecture+ is transparent to open market competition, where the descriptions within the notices call for architecture in works or service notices.

Furthermore from a three year sampling it is apparent that in the public sector 46% of contract and lot opportunities are now in '**hidden architecture**' where the facilitator, developer or contractor is requested to provide the design services as part of the package, with architects working as tier 2 sub-contractors. Market access for architects is circumscribed by such obscurity, lack of descriptions and poor transparency.

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81% of competitive procedures in the UK between Q1 2009 to Q4 2013 were restricted 2 stage procedures.

Of the eight UK design contests held over this entire period for architecture or architecture+ only 2 have been 'open' calls. Over the same period the proportion of design contests held in other countries was as follows: France 26%, Germany 13%, Belgium 6%, Austria 33%. Within the UK negotiated procedures accounted for only 2% of all procedures and open procedures accounted for 12% whereas over the same period the proportion of negotiated procedures in other countries was as follows: France 15%, Germany 83%, Belgium 23%, Austria 34%.

Regional or local authorities with 40% of contract notices are the largest procurers by numbers of notices, with 53% of the reported award values but only 23% of actual awards. Since Q3 - Q4 2012 their activity has been in steep decline. Public law bodies issued 36% of contract notices and 61% of awards notices, however only 29% of these reported values.

The most active sectors over the period were 'general public services' with 23% of award notices, 62% of awards and 59% by market value. Housing with only 7% by value and 13% by numbers of awards shows an apparent paucity in architecture and architecture+. Education has been the only sector to buck the declining trend and has seen

the number of calls concluding in awards rising to 57, valued at £117.3m, in 2013 compared to 7, valued at £3.1m, in 2012.

An average of 27% of service award notices for architecture and architecture+ over the period are now for appointments onto frameworks, and this trend has risen from 22% by almost 10%, most appreciably since Q1 - Q2 2011. 93% of all framework works award notices make no endeavor to report the values of the awards. For frameworks the failure to publish service award notice values is 61%.

There are considerable regional variations in the numbers and values of notices being issued. The North East appears to have issued only 58 awards over the entire period, with none in 2010. In 2012 and 2013 the East Midlands recorded no values in its award notices. Independent policies adopted by the Northern Ireland Executive, Scottish Parliament and Welsh Assembly would appear to have had a material impact in certain aspects of the procurement market. The most notable of these have been the Scottish procurement hubs with 2 notices issued in 2011 each having 1 lot with a combined value of £1.4bn.

The award numbers being reported regionally declined 52% overall in 2013, with London experiencing an 87% decline over the period as a whole and Scotland an 87% decline. This decline appears consistent into Q1 - Q2 2014. In all regions with only 3 exceptions the numbers of notices



and their values appears to have declined steeply in Q1 - Q2 2014. There is a decline in both the numbers of awards and their individual values.

In England the aggregation of procurements within single notices covering wide geographic areas, different building types, clients, values and services has grown. The largest to date was issued in 2010 and had 872 award opportunities within a single notice. The expense in assessment and the cost to those tendering often appears ill considered when many of these procurements would appear to speculatively inflate the potential values of likely works (and thereby reducing potential access for smaller practices), as the hubs endeavor to sell their services to any named party on their list of potential clients. This process can be seen to inflate values in a discriminatory and arbitrary way.

In 2010 procedures took on average 277 days but by 2013 this had declined to 221 days. This compares to the EU average of 133 days. Although the acceleration of procedures is to be welcomed the evidence suggests this might have been achieved by capping and reducing the time taken by the very longest procedures only, whilst the greater majority remain consistently averse to being accelerated. There is also an apparent correlation between the time being taken and the numbers of notices being issued. This does

not suggest a general improvement in practices which is something that might be welcomed in future.

When Project Compass CIC investigated the numbers of awards being won by firms in all works and services contracts over the period it was found that for all awards, 4,000 firms had won between 1 and 10 awards and made up 94.5% of all winning firms. However this only amounted to 56.8% of all the awards. The remaining 5.5% of firms won 43.4% of all awards. The top 10 firms comprising 0.24% of the market won on average 127 awards (ranged between 154 - 90), and they captured 8.17% of the market. No architects were present among the top 10.

In service awards the numbers of firms winning awards shows a very similar profile. 1,496 firms or 65.9% of all those firms winning awards, only won a single award (or 22.3% of all awards). The 2,155 firms who won from 1 to 10 awards and comprised 95% of all firms winning awards won only 59% of all awards. 4.1% of firms won 41% of all service awards.

Market reporting, transparency, procedures and practices, access and an inequitably discriminatory domination of the market by a tiny percentage of all competing firms are clear issues in the period Q1 2009 to Q2 2014 that are highlighted by this report.

## 2 Contract notices, contract award notices and award numbers

From Q1 2009 to Q2 2014 there were 5,098 contract notices issued containing architectural design in both works and services with 3,548 (just under 70%) award notices issued (Fig.2.1). Over the period 3,117 were works contract notices, while 1,981 were service contract notices.

Over this period only 71% of all works and services contract notices calling for competition were concluded by a contract award notice. Overall the trend has worsened over the period, with Q1 - Q2 2014 having just over 60% of inconclusive contract notices i.e. there has been no award notice publication (Fig. 2.2 & 2.5). Since 2008 there have been proportionality few notices of discontinuation recorded cancelling a competition.

These trends indicate increasing wastage shared between public commissioners and those tendering, and a lack of transparency in the reporting of outcomes. By discontinuation some notices are terminated, often unpredictably, others simply disappear, while evidence suggest there might be significant numbers of commissioners who fail to issue an award notice for contracts.

Following a contract notice there is no legal enforcement upon commissioners to issue award notices, which undermines maintaining and informing a fully transparent and competitive market.

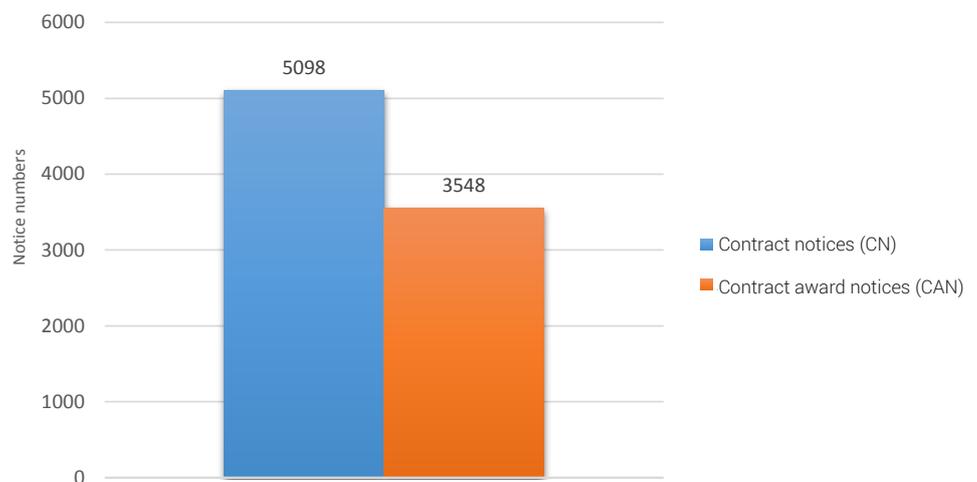


fig. 2.1  
Total number of contract notices (CN) and contract award notices (CAN). (Q1-2009 to Q2-2014)

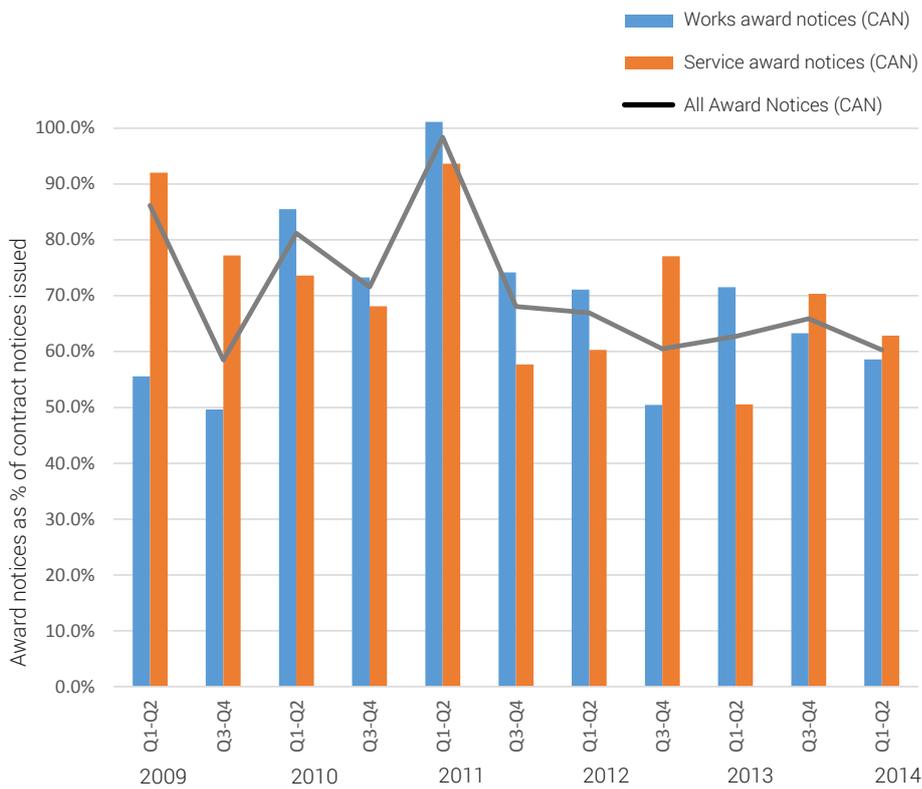


fig. 2.2  
 Percentage of works and services award notices (CAN) relative to contract notices (CN) issued.  
 (Q1-2009 to Q2-2014)

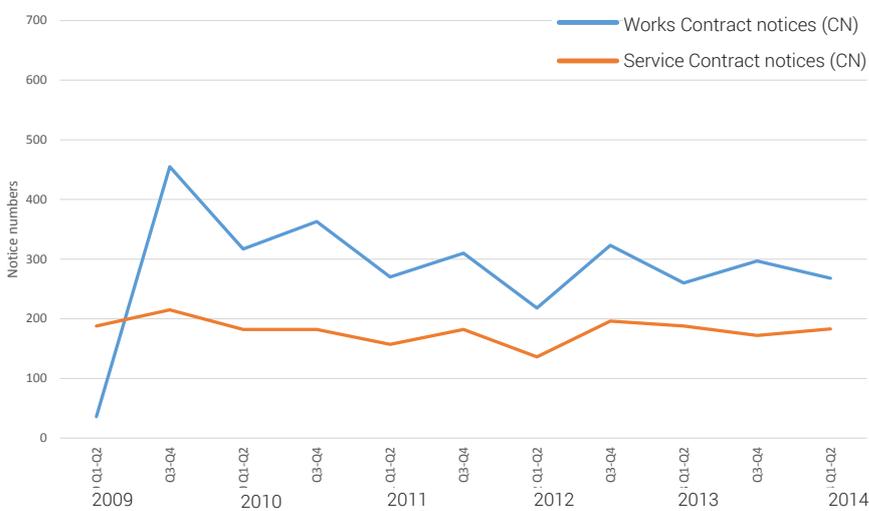


fig. 2.3  
 Numbers of contract notices (CN)  
 (Q1-2009 to Q2-2014)



The trends highlight issues. In Q1 - Q2 2011 more works award notices were made (101%) than contract notices issued. This and other variations are attributable to the time lag in the awarding of contracts, from the date calls were made in earlier quarters (Fig.2.2, 2.3 & 2.4 and Report Section 10). Following 2008 there was a peak in 2009 Q3 - Q4 in the numbers of works contract notices issued, to 455 (fig 2.3). This post 2008 stimulus is indicated by the increase in public sector activity which correlates with the recession which lasted from Q2-2008 until Q3-2009.

The number of works contract notices has not returned to a comparable level subsequently and by 2012 Q1 - Q2 the level had dropped down to 218 notices. Over the period since 2012 Q1 - Q2 the trend in works contracts notices has shown a modest increase whilst the numbers of works award notices in this period has remained pretty constant.

The numbers of all award notices has been in decline since 2011 Q1 - Q2 (Fig.2.5).

Works notices contain the largest numbers of opportunities for architects and these are mainly in contracts calling for multidisciplinary teams or in tier 2 sub-contract employment (Fig.2.3).

In these tier 2 contracts the client has typically elected to aggregate project risk within a single procurement under a prime contractor held responsible for selecting their sub-contracted consultants. Most frequently these opportunities within works contracts are not visible by reference to architectural design services and so can't easily be searched by the profession at large with the publicly available CPV code filters. Consequently the largest proportion of the market in the public sector by numbers of notices issued is not transparent to market competition.

By numbers of notices and type of award the market share of architectural design in directly commissioned services, as opposed to those being aggregated into works contracts awards, has continued to diminish since Q3-Q4 2009 (Fig.2.5).

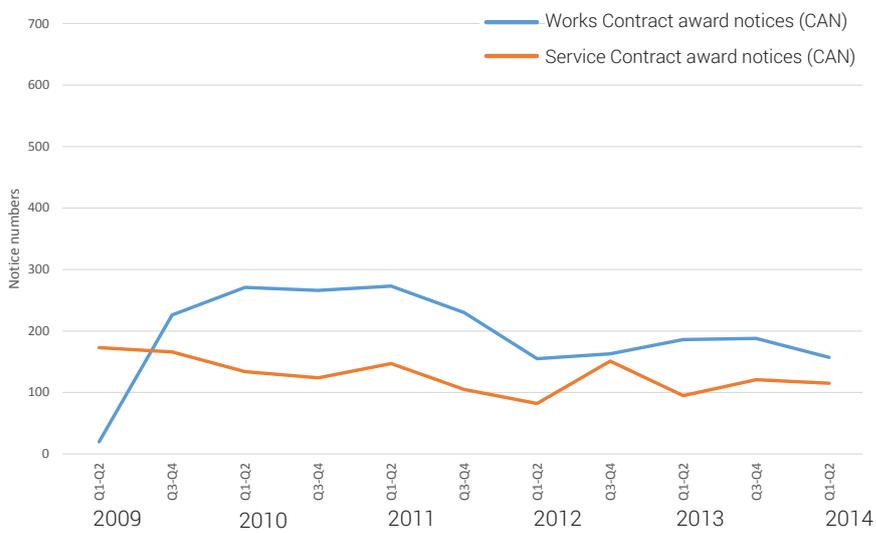


fig. 2.4  
Numbers of contract award notices (CAN) (Q1-2009 to Q2-2014)

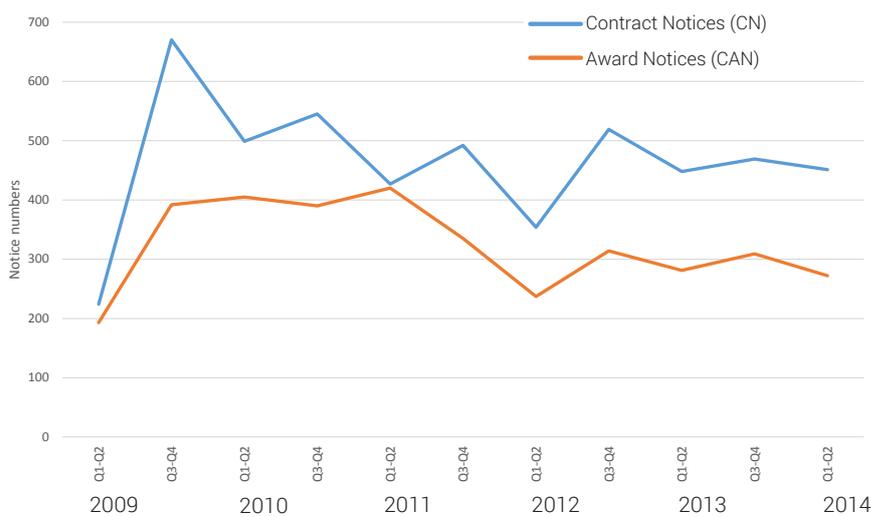


fig. 2.5  
Total contract notices (CN) and award notices (CAN) works and services (Q1-2009 to Q2-2014)



From Q1 2009 to Q2 2014 the total number of awards issued within contract awards notices containing architectural design in both works and services was 15,778, with an average 4.45 awards made per award notice. Over the period 7,974 were awards made in works contract award notices, while 7,826 (49.6%) were service contract award notices.

The trend in numbers of awards being made within individual notices has been increasing over the period for both works and service awards, although a steep decline becomes apparent by Q1 - Q2 2014 (fig.2.6).

This aligns with governments intentions announced within 2012 to offer more numerous lots within contracts. This appears to have impacted at an earlier stage, from Q3 - Q4 2011, most notably in works contracts rather than within service contracts, where the increase only becomes clearly apparent in 2013, when the average number of awards made per award notice rose to a ratio of 7.27. There has however been a decline subsequently, from Q1 - Q2 2013 in works and Q3 - Q4 in services with the annual average projected for 2014 falling back to 3.5 (fig 2.7 & 2.8).

There is an increasing trend to bundle more contract opportunities (and awards) within single contract notices. Works contracts are the clear leaders in this trend producing on average twice the number of opportunities compared to Service Notices. This trend of bundling and aggregating potential work for architects within 'Works' contacts is increasingly being used by the public sector. Coupling this to a trend showing a declining number of award notices clearly nurtures a lack of competitiveness and openness in the market.

The ratio of contract award notices to the numbers of awards being made within each notice indicates that the trend in works notices has been towards issuing more awards within each notice, but that this trend is not matched consistently in service notices. The overall trend has been towards more numerous awards, but only within works notices.

In service notices there has been, with the exception of Q3 - Q4 2013, a decline. The average number of awards made per notice over the period was 5.5, the average over 2013 was 9.0, but the average projected for 2014 drops down to 4.8.

*(Refer to section 11 & 12 for breakdowns by award winners).*

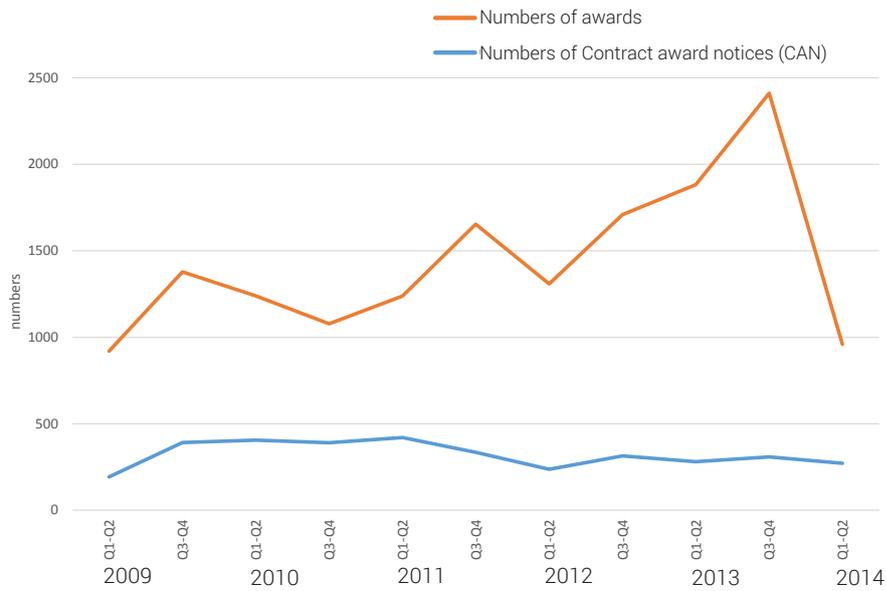


fig.2.6  
Numbers of awards made to numbers of contract award notices (Q1-2009 to Q2-2014)

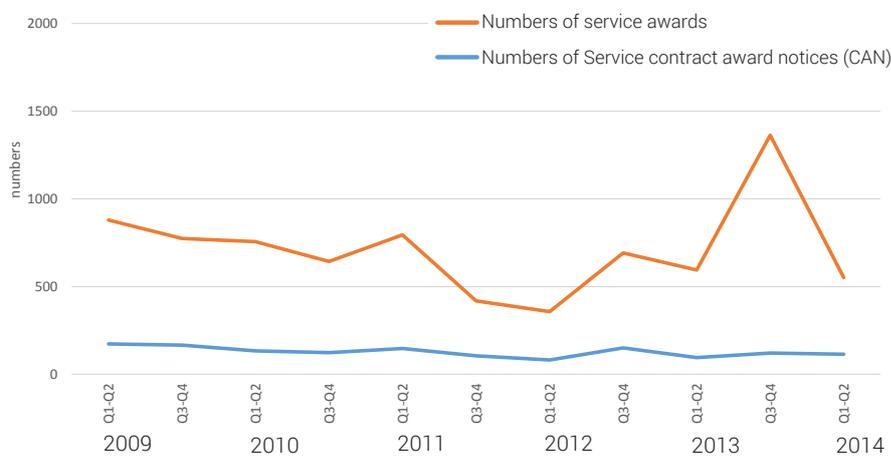


fig.2.7  
Service awards made to service contract award notice (CAN) numbers (Q1-2009 to Q2-2014)

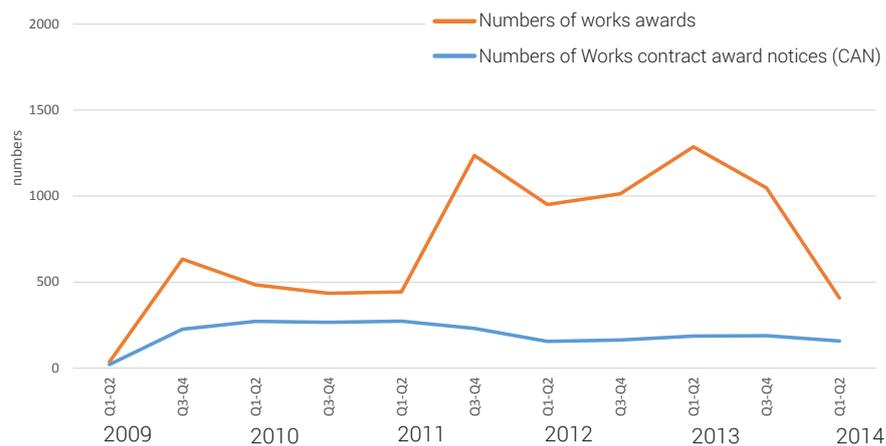


fig.2.8  
Works awards made to works contract award notice (CAN) numbers (Q1-2009 to Q2-2014)



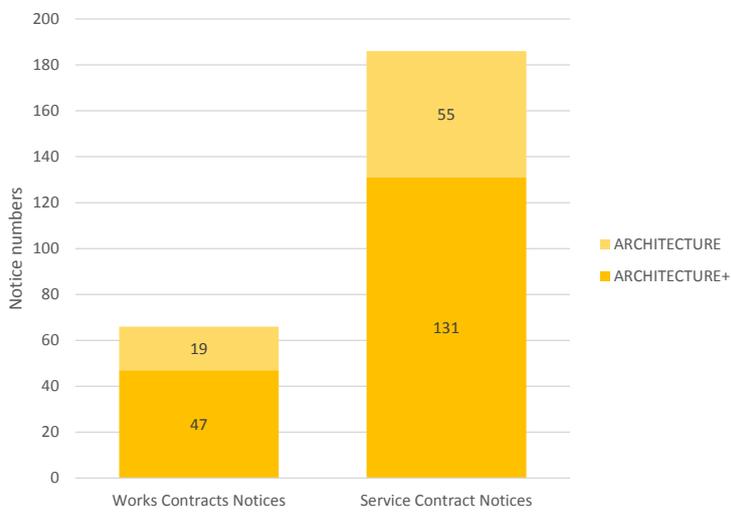


fig.3.1  
Contract notices  
specifying  
architect - 2013

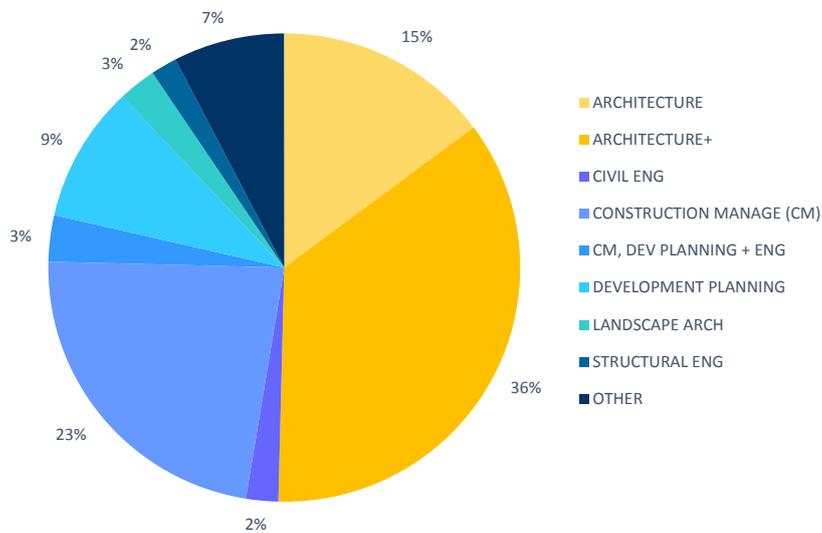


fig.3.2  
Architecture in  
all works and  
service contract  
notices - 2013



In works contract notices for example in construction management requiring the design, build and construction of a development, where architectural services aren't tendered separately, some clients will marry those prime contractors on their works framework with architects from their own services frameworks. The architects might be expected to achieve planning stage approval and then be novated to the prime contractor, or retained in a separate function as the client's agent through to a project's completion. Therefore both contract notices for works and services are counted in this evaluation as the staged work of an architect in such cases is contractually separated.

Most typically those contracts where the architect is a tier 2 supplier are won on the basis of 'who you know' rather than the quality of outputs, making it difficult for many architects to access this tier 2 work.

Whilst this form of tier 2 work maybe appropriate in cases seeking to establish integrated teams working under a main contractor's umbrella, architects remain as sub-contractors having no direct relationship to clients or other stakeholders.

This process of selection also tends to favor a large practice whose identity is established and known. These sub-contracts for architectural design services are not open, they reduce market access, opportunity and competition, and impact on stakeholder choice and quality.

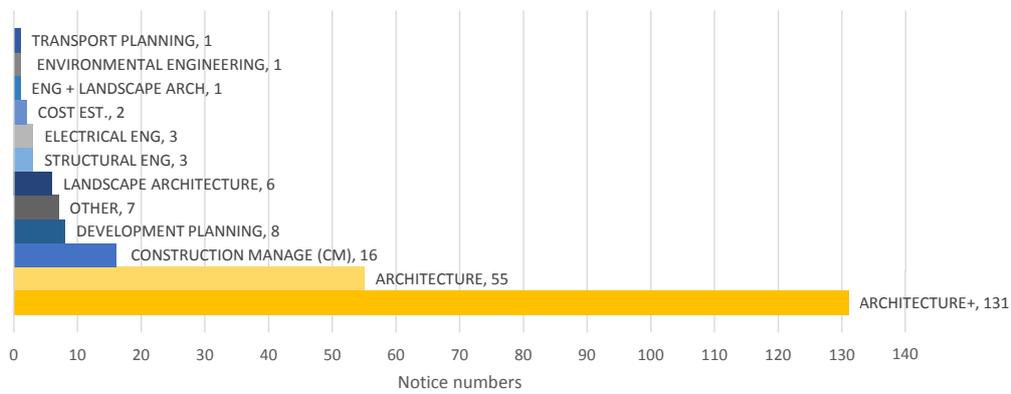


fig.3.3  
Architecture in  
service contract  
notices - 2013

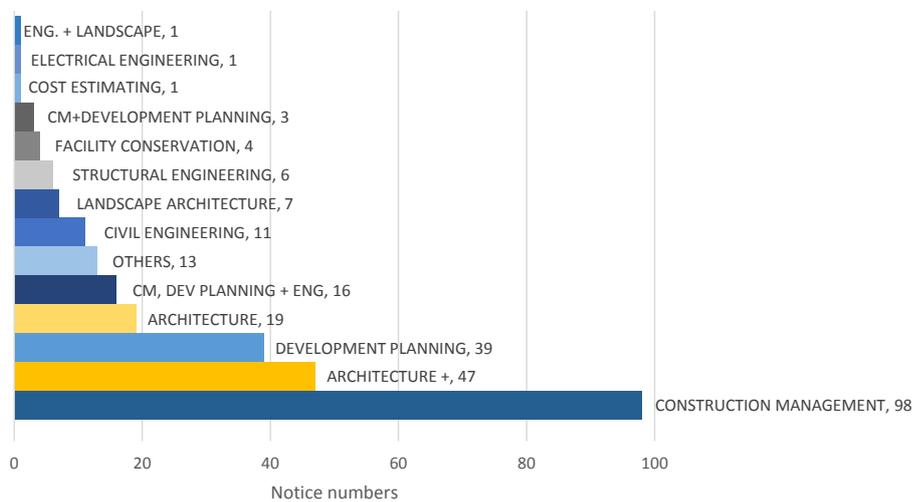


fig.3.4  
Architecture in  
works contract  
notices - 2013

## 4 How many lots and architectural opportunities?

This section evaluates the total numbers of architectural opportunities in the public sector over the period Q1 2009 to Q2 2014 for standard contract notices in both services and works. It includes those notices having no lots, those with single or multiple lots in contract notices all of which call for architects, or for architects as a named part of a multidisciplinary team (architecture+).

### Service and works contract notices having lots

**Within works and services 9,841 opportunities for architects** were advertised. 3,076 were calls within notices containing lots. 2,164 opportunities called from architects directly and 7,677 opportunities called for architecture+ (fig.4.1). Within this total number of potential appointments, 63% or 6,197 lie within works contract notices, and 37% or 3,644 lie within services contract notices.

Architecture+, which includes architecture within a multidisciplinary team, is by far the leading sub category of tender opportunities and potential appointments. Within the 6,197 (63%) of potential appointments in works contracts, architecture+ accounts for some 82% of all such appointments. Architecture in comparison accounts for 18%, or 1,109 opportunities, within the lots for all services and works contracts. Working as part of a multi-disciplinary team provides the most opportunities.

### Services and works contract notices having no lots

There have been a total of 1,132 notices offering tender opportunities or calls for architecture, through services and works notices having no lots. These will generally offer a shortlist of operators, in this case generating 3,644 potential opportunities in architecture and architecture+ across the period.

Of this total number, 50.5% or 1,840 lie within works contracts and 49.5% or 1,803 lie within services contracts.

Within the above works and services notices, architecture+ accounts for some 75.3% of all such potential appointments. Working as part of a multi-disciplinary team provides the most opportunities.

### Architecture+ dominates

The trend across both services and works notices shows that in both these cases over three quarters of the tender opportunities and potential appointments for architects lie in participation within a multi disciplinary team (architecture+) (fig 4.3). The total number of opportunities declined significantly in 2012 but showed signs of recovery in 2013 (fig.4.2).

### Works notices dominate

63% of all opportunities are offered in works notices.

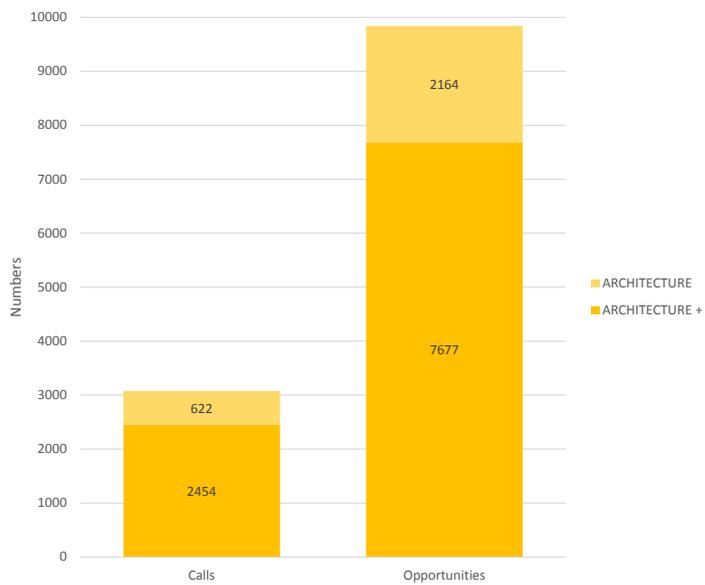


fig. 4.1  
Total numbers of notice calls and opportunities offered in architecture (Q1-2009 to Q2-2014)

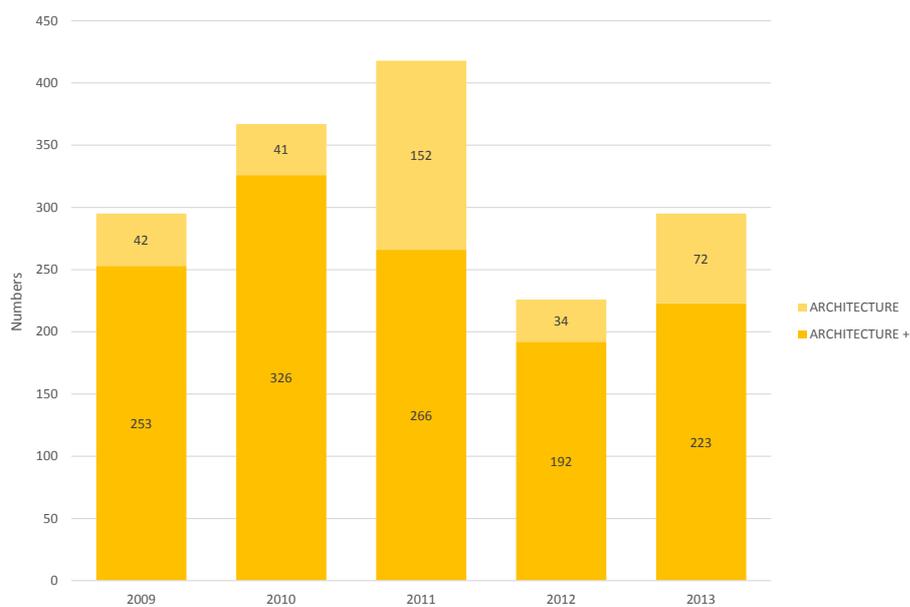


fig. 4.2  
Annual numbers of opportunities offered in lots in architecture (Q1-2009 to Q4-2013)

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### **'Hidden Architecture' - Patterns over 2011 Q1 -2013 Q4**

By examining in some detail over 2,100 calls, over a three year period the following patterns and trends were found. Architectural opportunities fell into three categories. Whilst 'architecture' and 'architecture+' are clearly identified, works contract notices in particular were found with a 'hidden architecture', where notices implied or required architectural design, most notably using words such as 'Design and Execute' 'Design and Build' in the notices. These notices did not use the terms expressed for architecture or architecture+.

Within services notices:

- 125 notices for architecture, - 27 of those within lots.
- 297 notices for architecture+, - 80 of those within lots
- 212 notices for 'hidden architecture', - 62 of those within lots

Within Works Notices:

- 61 notices for architecture, - 8 of those within lots.
- 268 notices for architecture+, - 37 of those within lots
- 478 notices for 'hidden architecture', - 66 of those within lots

What stands out is that Architecture + provided 39% of all calls. 'Hidden architecture' in contrast provided 48% out of the total of all these notice calls. Of the sample extracted the hidden market provides some of the most notable in scale, value and range. These can only be accessed through a sub-contract (fig 4.3).

This large portion of the public sector market for architectural services is not transparent or accessible to open competition by architects nor is it open to public choice in the selection of design consultants.

Only 13% of the market has been accessible to architects appointed directly, with 39% accessible to architects as part of a team (architecture+).

For architecture and architecture + the number of opportunities for architects per notice are greatest within works and services contract notices for architecture with no lots, and for architecture + in service contracts with no lots, whilst the least number of opportunities per notice was found for architecture + within works contracts having no lots. Surprisingly contracts with lots provide fewer opportunities per notice (fig. 4.4).

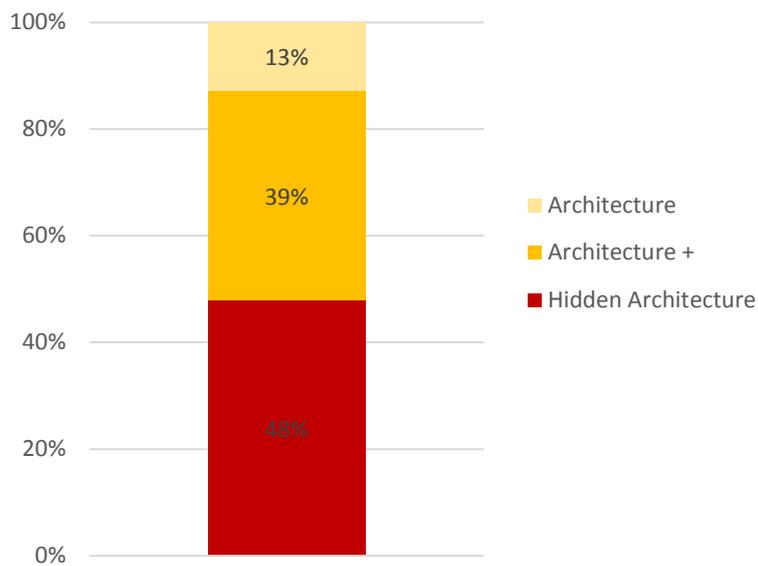


fig. 4.3  
% of architectural opportunities advertised in contract notices, by description within calls (Q1-2011 to Q4-2013)

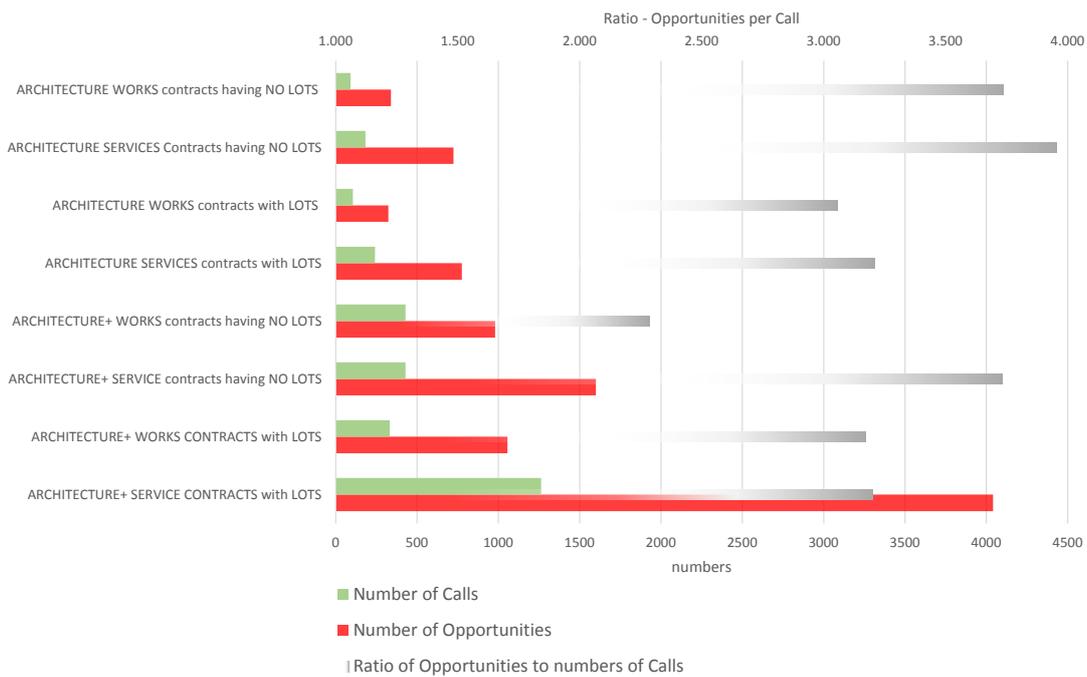


fig. 4.4  
Distribution and ratios of calls to opportunities, by derivation of calls (Q1-2009 to Q2-2014)

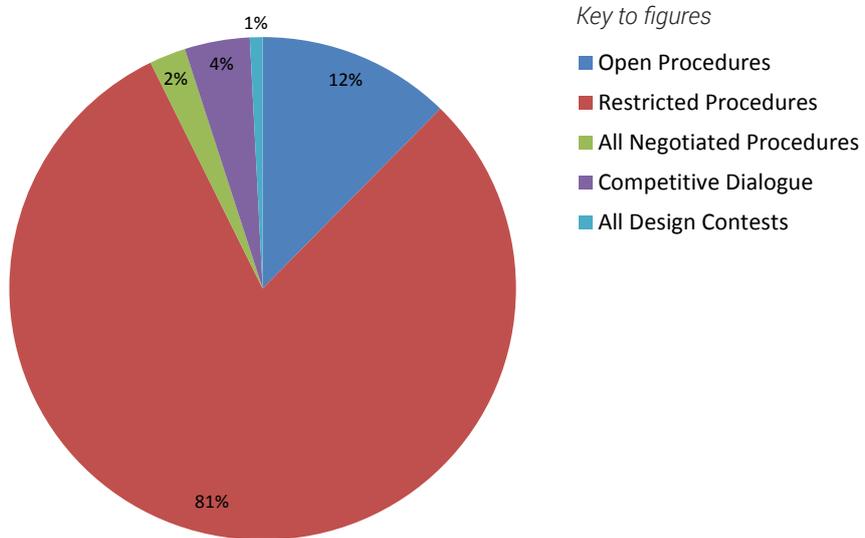
## 5 What are the procedures?

In this section a simple statistical analysis of OJEU records has been used to evaluate the numbers of contract notices issued inviting competitive submissions for architectural services filtered by CPV codes. This methodology allows comparison with EU partners. Procedures have been grouped together into their primary classifications: open or restricted (excluding design contests), negotiated, competitive dialogue or design contests (open and restricted).

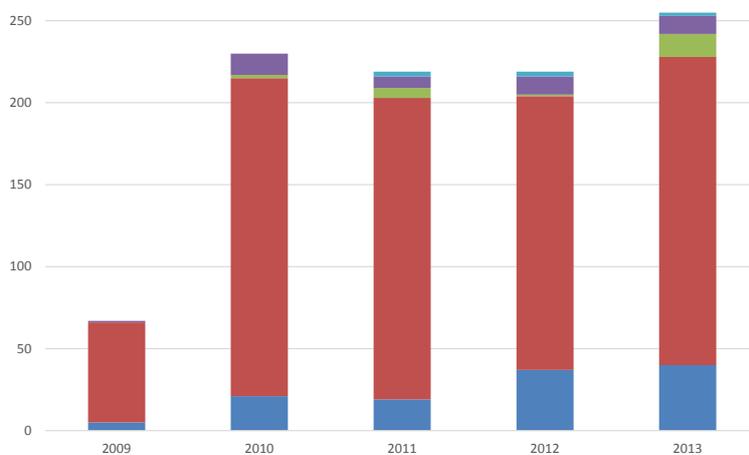
988 contract notices from Q1 2009 to Q4 2013 were issued for UK architectural services with the market shares by procedures as follows: 81% by restricted procedures; 12% by open procedures; 4% by competitive dialogue; 2% by negotiated procedures and 1% (0.8% actual) by design contests (fig.5.1).

**Restricted procedures** dominate the UK market. This is familiar to many UK architects as the 2 stage competition procedure requiring a PQQ (pre-qualification questionnaire) stage followed by an ITT stage (invitation to tender). In 2013 the number of restricted procedures increased 13% over 2012. Over all the period (and it appears largely due to their increasing use in Scotland) open procedures have improved their market share from 7.5% to 15% (fig.5.2).

**Design contests**, the only procedure provided for under law specifically for the selection of architectural and planning services, is almost entirely absent. Of the 8 UK design contests held over this period only two have been open calls.



*fig.5.1*  
All UK competitive procedures (Q1 2009 - Q4 2013)



*fig.5.2*  
UK annual competitive procedures (Q1 2009 - Q4 2013)



In 2013 in Germany 135 design contests accounted for 13% of this procurement market, in France 308 accounted for 26% of the market whilst in Austria it was 33%. All other countries in this evaluation made use of open design contest (fig. 5.3).

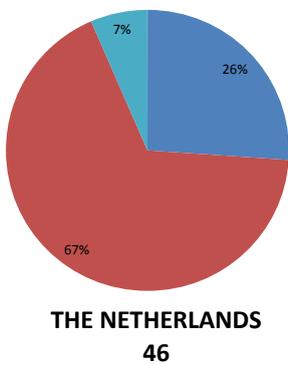
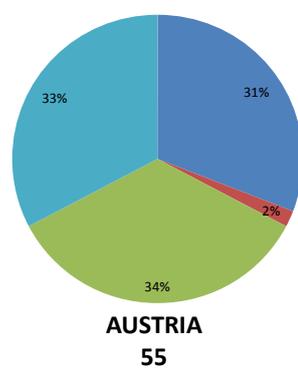
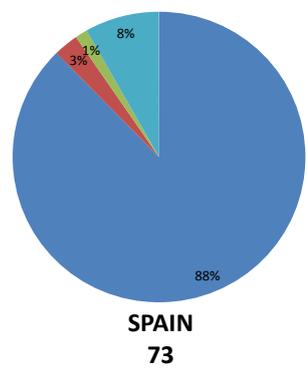
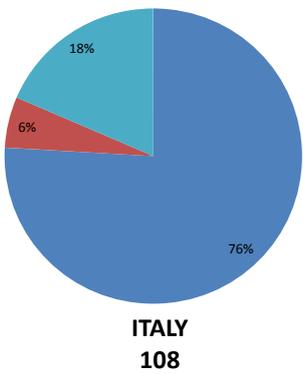
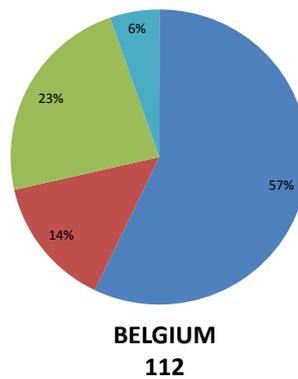
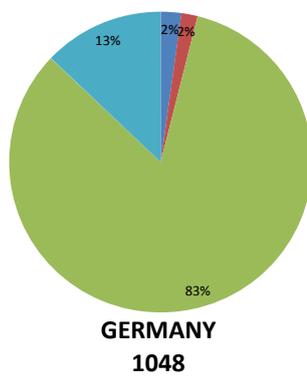
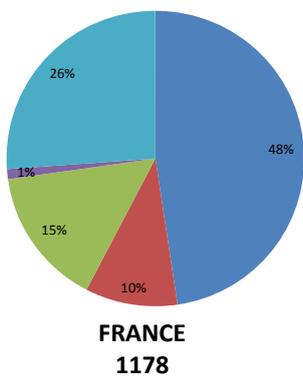
**Across the EU countries** in 2013 only 26 competitive dialogue procedures were used for architectural services, of these 11 were undertaken in UK (42%). France is the only other country to make any real use of this procedure, whilst the other nations illustrated here did not use it at all. With only 2% of the market, UK used very few negotiated procedures in relationship to all others. In 2013 Germany used negotiated procedures for 83% of their notices, Austria 34.5%, Belgium 23% and France 15% (fig. 5.3).

The Netherlands in 2013 was in some respects the most similar to UK as it used restricted procedures for 67% of its notices and no negotiated procedures. However its remaining 33% of notices were all open procedures.

**Competitive dialogue** procedures were reported to be the most expensive in which to participate, the cheapest was the negotiated procedure, whilst the most prevalent restricted procedures were not felt to enable selection based on best quality. (RIBA Procurement Survey 2011 of Chartered Architects)

Unlike UK, other countries use negotiated procedures and design contests for the same outcomes in preference to restricted procedures and competitive dialogue, and use significantly more open procedures whether directly or as part of a design contest. This has an impact on market access, quality of outputs and the efficiency of the procurement processes.

Although many factors influence the choice of procedures UK practices are clearly not typical.



Key to figures

- Open Procedures
- Restricted Procedures
- All Negotiated Procedures
- Competitive Dialogue
- All Design Contests

fig.5.3  
Competitive  
procedures 2013.  
Country comparisons  
(ranged by  
descending number  
of notices issued)

## 6 Who are the clients?



This section evaluates the general client organisation type for service contract notices in architecture and architecture+, which are reported to have concluded with an award notice and the values given for the award notice.

The trends and totals over the period (Q1 2009 - Q4 2013), between the numbers of award notices (fig 6.1), the numbers of awards made (fig 6.2) and the values of awards (fig 6.3) by sector are compared.

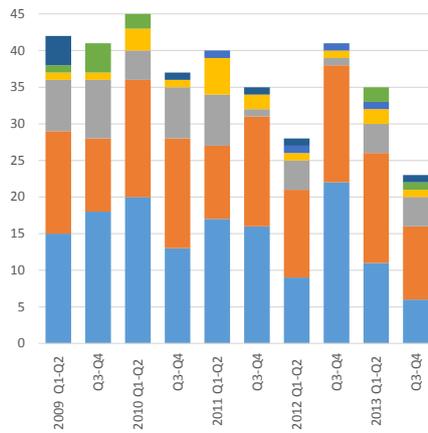
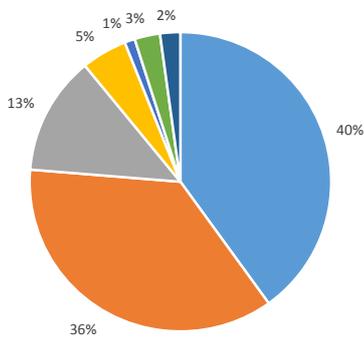
The category definitions are defined by the Procurement Directives. 'bodies covered by public law' covers various universities, housing providers, other arms length organisations and those such as charities in receipt of public funds.

There is significant discrepancy in client organisation practices between the numbers of award notices issued, the numbers of awards being made within those notices and the values of the procurements (fig 6.1, 6.2 & 6.3). 2013 is also significantly different from the values by market share over the period (fig 6.4 & 6.5).

Independent policies adopted by the Northern Ireland Executive, Scottish Parliament, Welsh Assembly and local and regional authorities, along with variances in the directions adopted by others, by implementation of differences in standing orders can be seen to contribute most towards these differences.

Over the period regional and local authorities along with bodies covered by public law held by far the largest share of the market, in notices, awards made and values. This was followed by utilities organisations with 9% of the market share by value, but with a negligible presence in 2013.

**Regional or local authorities** issued 40% of contract award notices, 28% of awards and accounted for 53% of value over the period 2009 - 2013 by share of the market (fig 6.1, 6.2 & 6.3). But since Q3 - Q4 of 2012 their activity has been in steep decline as a consequence of financial cuts (fig 6.3 - bar chart). In 2013 they only accounted for 17% of the market by the numbers of awards made (fig 6.4) and 8% (£20.76m) of the market by value (fig 6.5). The correlations over the period indicate they issued a high number of notices relative to the number of awards being made in each notice, yet each award has a higher value than the average.



*key to all figures*

- Regional Or Local Agency/Office
- National Or Federal Agency/Office
- Utilities
- Ministry or Any Other National/Federal Authority
- Other
- Body Governed By Public Law
- Regional Or Local Authority

fig. 6.1  
Contract award notice (CAN) numbers by client type (% Q1 2009 - Q4 2013 totals, and half year numbers)

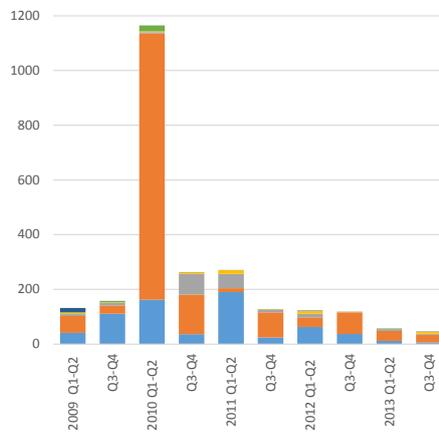
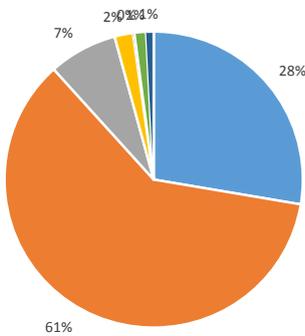


fig. 6.2  
Award numbers by client type (% Q1 2009 - Q4 2013 totals, and half year numbers)

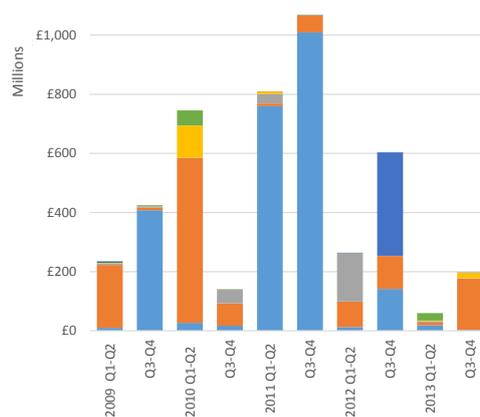
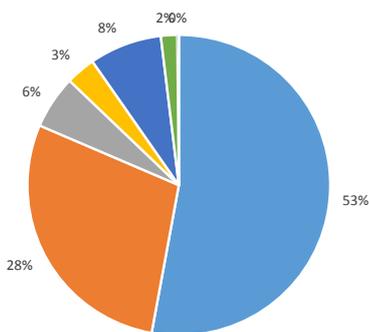


fig. 6.3  
Award notice (CAN) values by client type (% Q1 2009 - Q4 2013 totals, and half year values)



**Bodies covered by public law** issued 36% of contract award notices, 61% of awards yet accounted for 29% of value over the period 2009 - 2013 by share of the market (fig 6.1, 6.2 & 6.3). Their presence in the market has remained more consistent, but in 2013 they had 62% of the market by numbers of awards and 71% by value, whilst the presence of other organisations declined (fig 6.4 & 6.5).

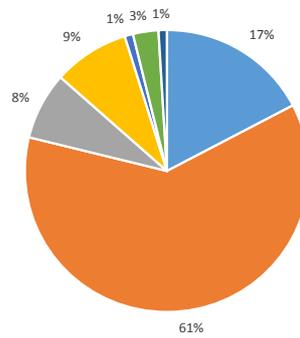
The correlations over the period indicates they issue a small number of notices relative to the numbers of awards they make, and the value of each award is lower than the average. Yet in 2013 this trend appears to change relative to the average, as award values relative to the numbers is reversed, indicating that larger awards are now more prevalent.

**Utilities** organisations issued 1% of notices, a negligibly small amount of awards (4) yet accounted for 8% of the market by value (fig 6.1, 6.2 & 6.3). Statistically although the numbers of awards issued is exceptionally small the value of these awards is particularly high in relation to all others.

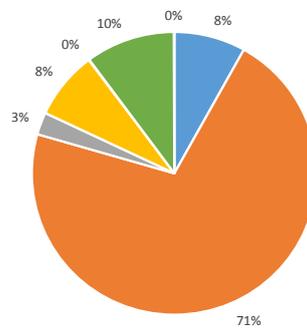
**Ministries or other national authorities** have issued 5% of award notices, made 2% of awards, and account for 3% of the market by value (fig 6.1, 6.2 & 6.3). In 2013 with an enlarged share of the market they issued 9% of all awards with 8% by value (fig 6.4 & 6.5), indicating a median performance ratio of award numbers to value against the average.

*key to all figures*

- Regional Or Local Agency/Office
- National Or Federal Agency/Office
- Utilities
- Ministry or Any Other National/  
Federal Authority
- Other
- Body Governed By Public Law
- Regional Or Local Authority



*fig. 6.4*  
Award numbers by  
client type (% 2013)



*fig. 6.5*  
Award notice (CAN)  
values by client  
type (% 2013)



When the average values of awards is compared to the total numbers of awards being made in contract award notices issued both by regional and local authorities and by bodies covered by public law over the period, trends in both cases are similar (fig 6.6 & 6.7).

The trend in the numbers of awards being made is falling whilst the trend in the average values of awards is rising. This is consistent across the market as a whole (fig. 6.8).

The trend over the period Q1 2009 - Q4 2013 for contract awards has been towards a smaller number of awards of higher relative values.

**This has impacts which are a concern as higher value awards contribute to diminishing market access and competition.**

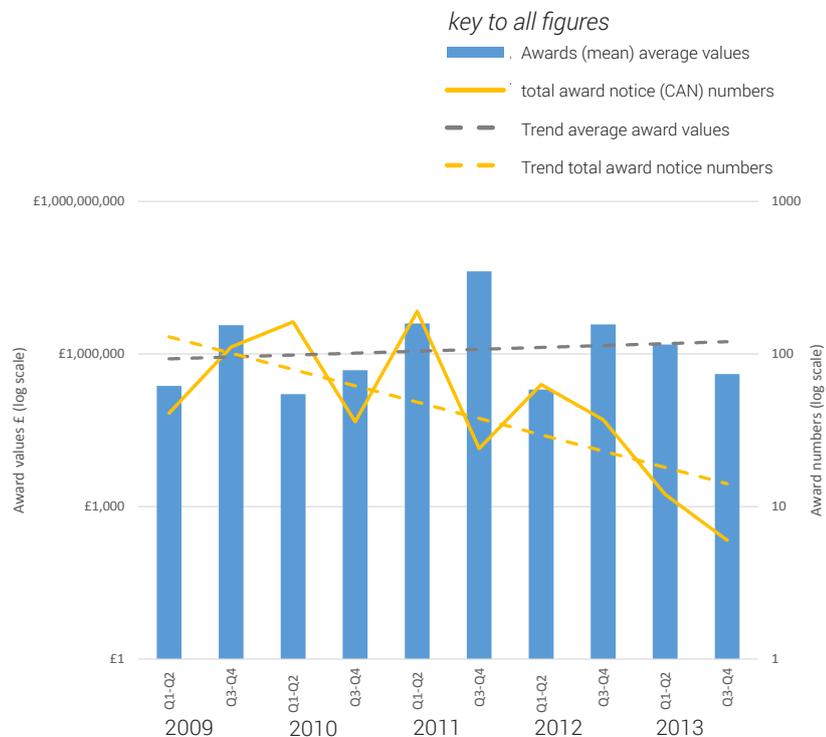


fig. 6.6  
Regional or local  
authorities Contract  
award numbers and  
average award values  
(Q1 2009 - Q4 2013)

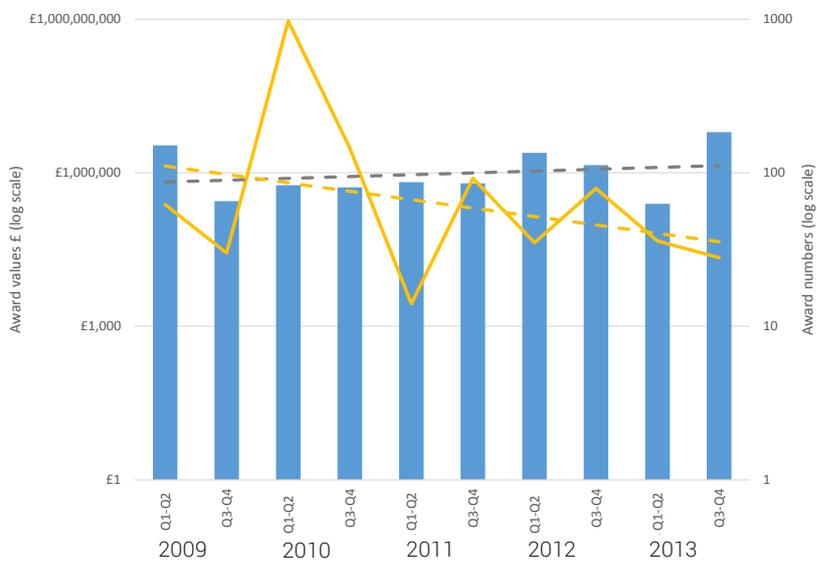


fig. 6.7  
Bodies covered by public law Contract award numbers and average award values (Q1 2009 - Q4 2013)

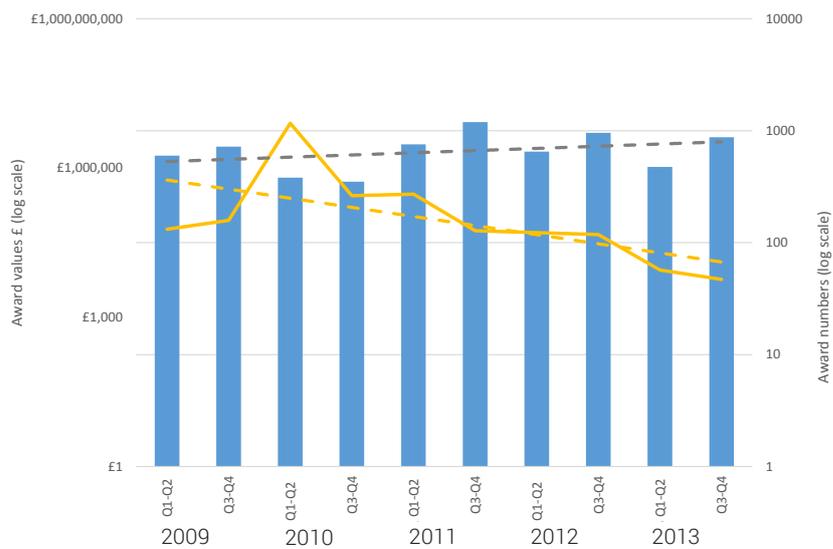


fig. 6.8  
All types of client organisations Contract award numbers and average award values (Q1 2009 - Q4 2013)

## 7 Which sectors?

This section evaluates sectors for service contract notices in architecture and architecture+, which are reported to have concluded with an award notice, along with the numbers of awards made in each award notice and the values attributed to the award notice.

The trends and totals over the period Q1 2009 - Q4 2013, between the numbers of award notices (fig 7.1), the numbers of awards made (fig 7.2) and the values of awards (fig 7.3) by sector are compared.

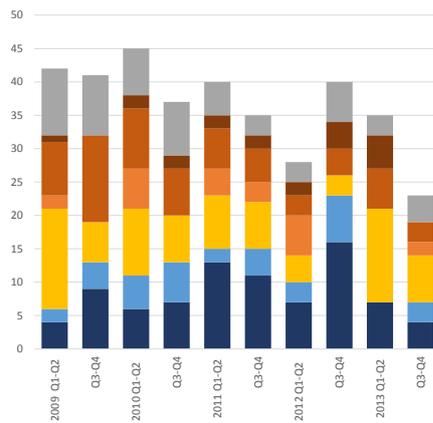
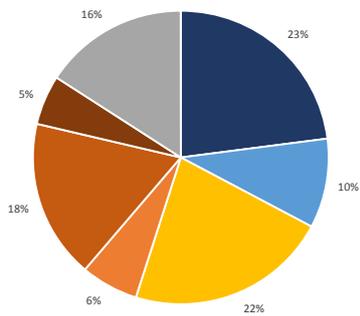
The 'all other' category covers central, national, regional and local government, economic and financial affairs, fire, police, defense and prison services, research facilities, conservation and restoration etc.

'General public services' covers those awards across an estate, such as a local authority's building stock, as well as those called by procurement hubs seeking services across a wide geographic or client base, (most typically as framework contracts). This category however also describes specific contracts on e.g. existing libraries, employment facilities etc.

**General public services** accounted for 23% of award notices but 62% of awards made and 59% of market value over the period. The notable discrepancies between award numbers and values can be seen to be attributable in large part to the emergent use over the period of large aggregated generic 'general public service' framework procurements, covering a wide area, scale, typology and/or project discipline for multiple clients. These have made significant inroads into the market over the period.

Three single hub procurements have been omitted to illustrate the scale of these impacts by example (fig 7.2a and fig 7.3a).

- Q1 - Q2 2010 England a single notice having 872 awards  
(OJEU ref. 2010/S 100-151522 & 2011/S 205-333068)
- Q1 - Q4 2011 Scotland 2 notices having 1 lot each accounting for £1.4bn  
(OJEU ref. 2011/S 36-059208 & 2012/S 96-159307; 2011/S 159-262657 & 2012/S 238-391718).



key to all figures

- All Others
- Transport & Energy Infrastructure
- Recreation, Culture and Leisure
- Health
- Education
- Housing and community amenities
- General Public Service

fig. 7.1  
Contract award notice numbers by sector (% 2009 - 2013 totals, and half year numbers)

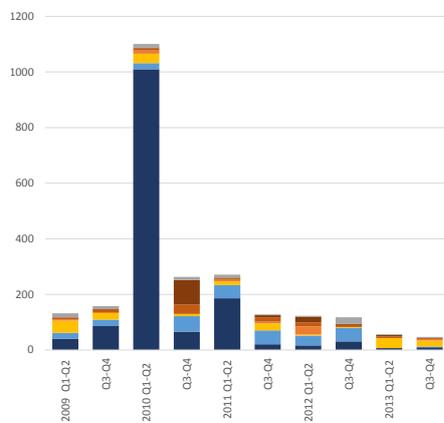
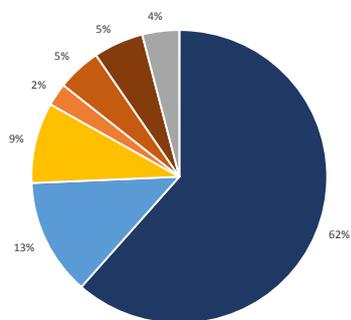


fig. 7.2  
Award numbers by sector (% 2009 - 2013 totals, and half year numbers)

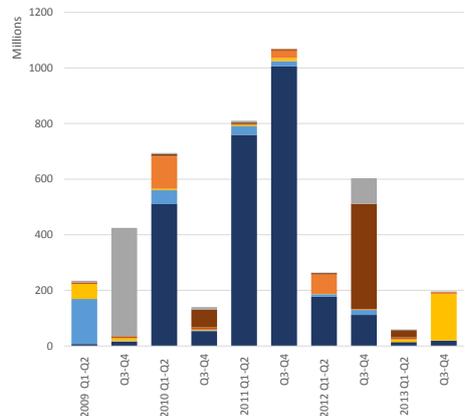
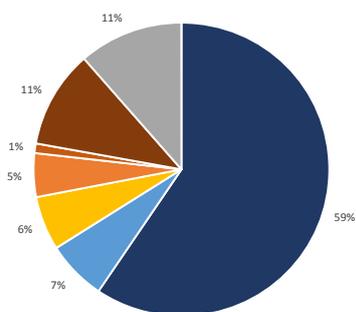


fig. 7.3  
Values of award notices by sector (% 2009 - 2013 totals, and half year values)

How the enormous values these procurements represent in relation to the national market can be anything more than speculative is not apparent. Speculative financial values excessively raise perceived risk and the generic nature of criteria applied for assessing the suitability of design service. These contribute towards reducing efficiencies, denying market access and hence competition whilst the process distances clients and stakeholders from choice and transparency in selection of their suppliers.

Since Q3 - Q4 2013 it appears however that in this sector this type of procurement has been in decline. This is to be warmly welcomed.

**Housing** with only 7% by value and 13% by numbers of awards shows an apparent paucity given that historically most procurements have been tendered and the widely acknowledged need for more and better housing.

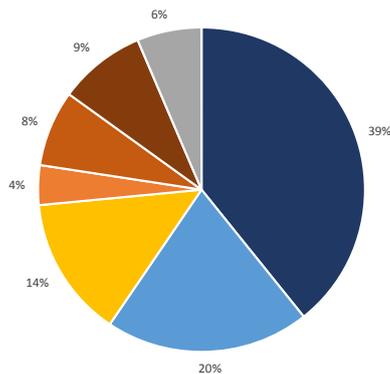


fig. 7.2a  
Excluding noted 3  
no. Procurements

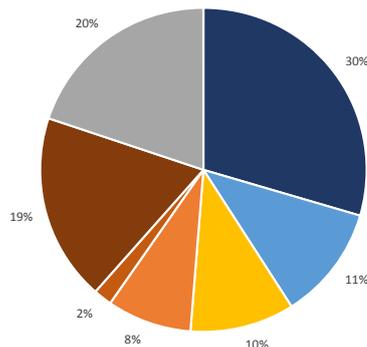


fig. 7.3a  
Excluding noted 3  
no. Procurements

*key to all figures*

- All Others
- Transport & Energy Infrastructure
- Recreation, Culture and Leisure
- Health
- Education
- Housing and community amenities
- General Public Service



**Education** has seen an increase in the numbers of calls concluding in 57 awards in 2013 compared to 7 in 2012, with a disproportionate increase in values in 2013 to £177.3m against £3.1m in 2012. This is largely arising in higher education, with most work at primary and secondary stage being acquired by contractor lead / PFI works contracts, with architectural design services sub-contracted.

**Health** is nearly absent due this sector being largely acquired through PFI style design, build, finance and maintenance works contracts, with architectural design services sub-contracted.

**Infrastructure** accounted for only 5% of the awards made and 11% of the market value over the period, however there were negligible awards made in this sector Q3 - Q4 2013.

Overall the figures warn of the implications of a significant decline in public sector activity for architecture and architecture+ from a peak in Q3 - Q4 2012 with only higher education bucking the trend.

## 8 Frameworks

Framework awards provide clients the opportunity to establish an approved list typically over a 4 year period from which they can call off their consultants or contractors to undertake an anticipated programme of procurement. In these circumstances assessments for winning an award are most typically made on generic criteria covering bundles of an anticipated programme of procurement. The extent of framework competitions therefore identifies the market sector for procurements where the specifics of an individual brief, output or work is not defined in the contract notice or at the award notice invite. The winning of an award does not confer a commission and maybe a more speculative supplier opportunity.

After contract award stage the call off process frequently entails a further mini competitive procedure held between a shortlisted number of candidates on the framework, where fees and terms maybe re-tendered, and specific outputs sought to defined briefs. Where this process is undertaken it is done without oversight by the Public Contract Regulations or Procurement Directives and entails all parties in additional cost.

One value of analysing frameworks is that all other contract awards other than frameworks are most typically individual market ready projects having specifically defined briefs and outputs.

**27% in architecture and architecture+** of service award notices were for framework appointments by numbers of awards as a proportion of the market over the period Q1 2009- Q2 2014 (fig 8.1). Over this period however the trend in numbers of framework appointments has increased from nearly 22%, to almost 33% as a percentage of the total numbers of service awards being made. Frameworks now account for almost a third of architectural services commissions (fig 8.2).

**61% don't report the value,** estimated value or value range of the services framework contract being awarded, within the award notices submitted over the period.

Two thirds of service contract awards are for specific projects with more defined briefs, but this market share is in decline (from 82% in Q1 2009 to 68% in Q1-Q2 2014).

17% for architectural design services in works award notices were for framework appointments, by numbers of awards as a proportion of the market, in the period Q1 2009 - Q2 2014 (fig 8.1). Over this period however the trend in numbers of framework appointments has decreased from nearly 24%, by almost 8% to 16%, as a percentage of the total numbers of these works awards.



By Q1 - Q2 2014 frameworks in works awards accounted for less than a tenth of the market share. This trend however is largely skewed by the returns, between Q3 - Q4 2009 and Q1 - Q2 2010 (fig 8.2). Taken over the subsequent period and in 2013 the trend towards increasing use of frameworks is more consistent with the trend in service contracts (fig 8.1).

**Within works framework contracts being awarded 93% don't report the value, estimated value or value range of the works framework contract being awarded within the award notices submitted over the period.**

**There is little transparency in the reporting of framework awards in both works and services having so few values.**

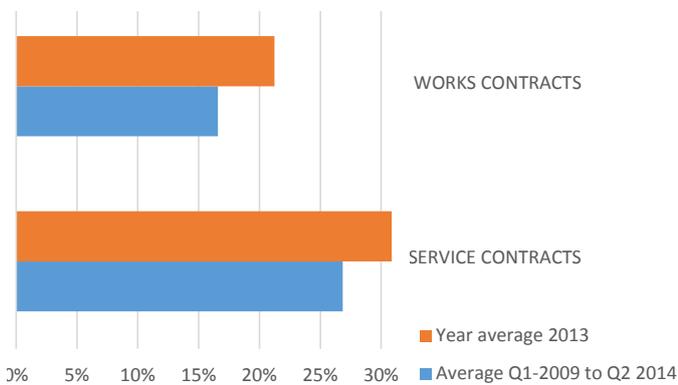


fig.8.1  
Works and services frameworks as a proportion of all architectural contract awards by numbers (means Q1 2009 to Q2 2014 relative to means 2013)

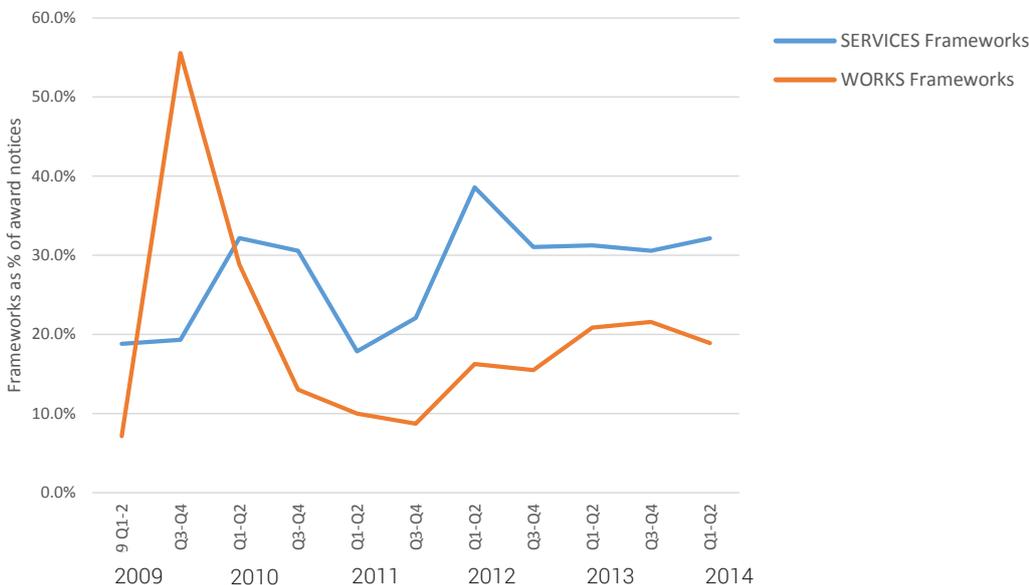


fig.8.2  
Works and services frameworks as a proportion of all architectural contract awards by numbers (Q1 2009 to Q2 2014)

## 9 Regional distributions



Each OJEU notice within the EU defines UK regions geographically by NUTS code (Nomenclature of Territorial Units for Statistics), and in tiers allowing national and regional breakdowns. The tier 1 regions are illustrated (fig.9.1).

Some procurement outputs are national (eg Royal Mail), or over more than a single region (e.g. those notices issued by some national housing providers or trans regional procurement hubs). These are the UK wide figures illustrated.

Frequently regional NUTS codes are defined by where the procurement is to be executed some however, particularly those undertaken by government or procurement hubs, specify the address of the procurement authority offices.

Most notices however specify regional outputs either by NUTS code, or within the notice description. This has allowed Project Compass CIC to refine the analysis of regional procurement trends, derived from all award notices issued for works and services having architecture and architecture+ as a requirement, over the 2009-2013 period under the UK tier 1 regional NUTS codes. In addition the numbers of awards made within each award notice is accounted to create the basis of this regionally specific evaluation.

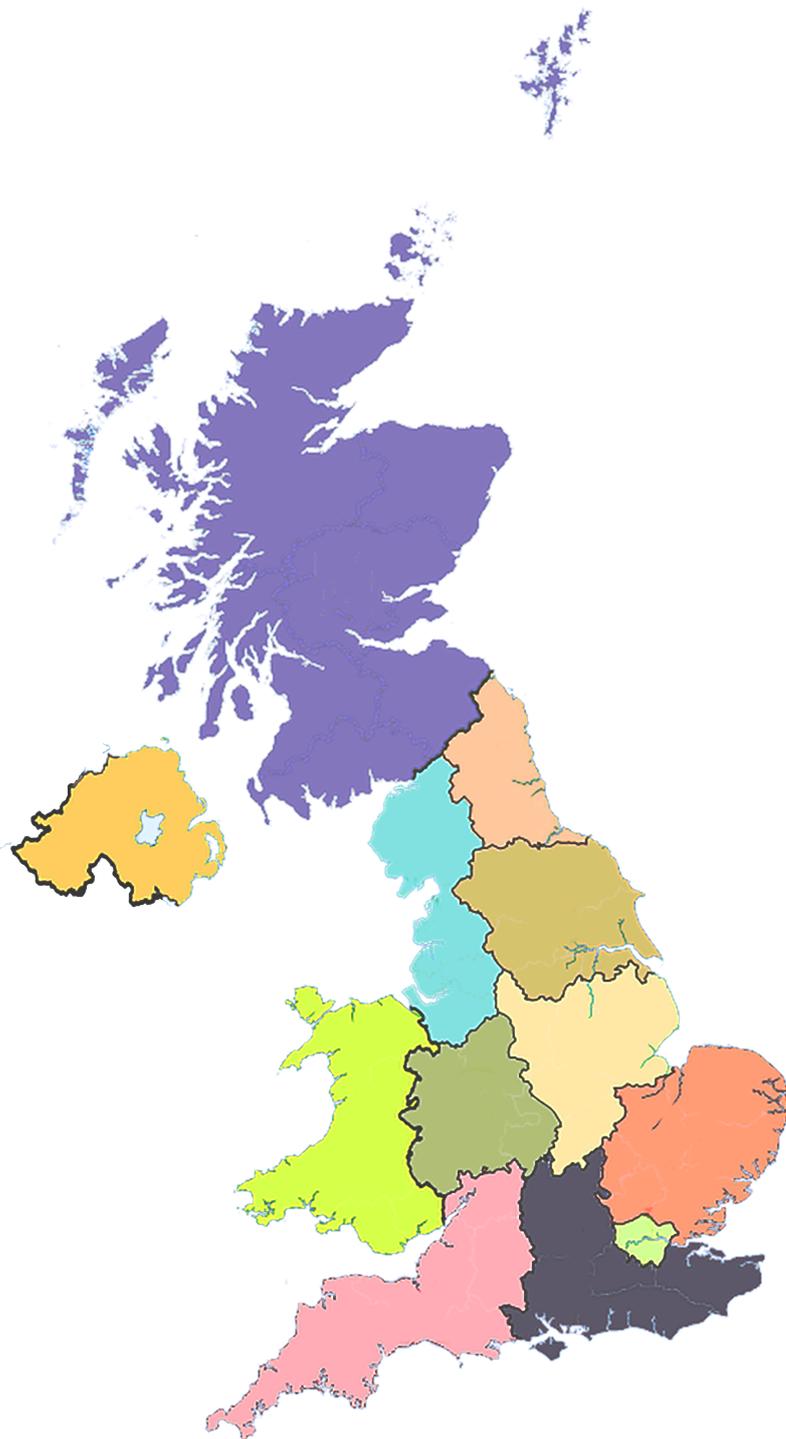


fig 9.1  
UK Regions

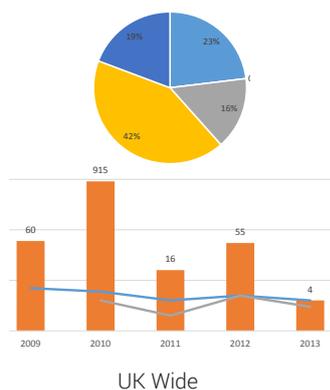
The proportions of public expenditure being made by different procurement authorities in 2013 varies across the regions. Regional and local authorities and public law bodies account for the bulk. National or central government make more significant contributions UK wide, in Scotland and N. Ireland, but with none in Wales (fig 9.2).

Over the entire period the North East made only 58 awards, with none in 2010. This compares to 1,050 UK wide, 888 in London and 119, in South East England, the second lowest number of awards made (fig 9.2).

The differences between the numbers of award notices issued and the numbers of awards made in each notice reflects the relationship with the numbers of lots and opportunities being offered, for architecture and architecture+, in each notice.

In 2013 only four regions, Wales, Northern Ireland, North West and North East England made on average more awards per notice (reflecting the use of lots) than there were as a whole over the period. Over all other regions there have been fewer lots issued per award notice in 2013 than the average over the previous period.

Entering the values of an award within the award notice facilitates economic transparency, yet with the exception of Scotland, in all other cases across the regions this is not being fully or consistently undertaken. In 2012 and 2013 the East Midlands reported no values, whilst in the same period, Yorkshire & Humberside, South East and North West England report significant declines.



*key to all figures*

- national or central government
- regional or local authority
- utility
- body covered by public law
- others (& not specified)
- numbers of awards made
- numbers of award notices (CAN)
- award notices numbers recording award values



fig 9.2  
 Procuring authorities  
 (2013 pie) above  
 Numbers of Awards  
 made, award notice  
 (CAN) issues &  
 total of notices  
 including values  
 (Q1 2009-Q4 2013  
 log scaled)



In 2009 to 2013 the largest number of award notices were issued by Scotland - 110 notices, followed by London with 99. Only 26 UK wide notices were issued, the same as for Yorkshire and Humberside, with the East Midlands issuing 25 with only 19 in the North East (fig 9.3).

The number of awards announced within the notices over this period highlights the focus of public sector procurement. There were 1,050 UK wide awards, 888 in London, 547 in the South East, and 519 in Scotland. The awards in the greater geographic area of 7 regions, (N. Ireland, Wales, the East and West Midlands, the North East, South West and East of England) collectively was 52 awards less than London at 836 awards (fig 9.4).

Of the 1,050 UK wide awards an aberrant single framework notice, in 2011 for generic architectural, construction, engineering and inspection services with a total value range of £0.3b and £0.5b, was responsible for a total of 872 awards (OJEU ref. 2010/S 100-151522 and 2011/S 205-333068). This contained 8 lots for architects with 34 contract awards and 28 lots for contractor / developers having 599 contract awards.

**Awards in 2013 have declined 52%** taken over all regions relative to the average numbers of awards over the period (and OJEU ref. 2010/S 100-151522 and 2011/S 205-333068 for statistical reasons) (fig 9.5).

Areas that previously were consistently robust have seen significant change in the numbers of awards over the previous year.

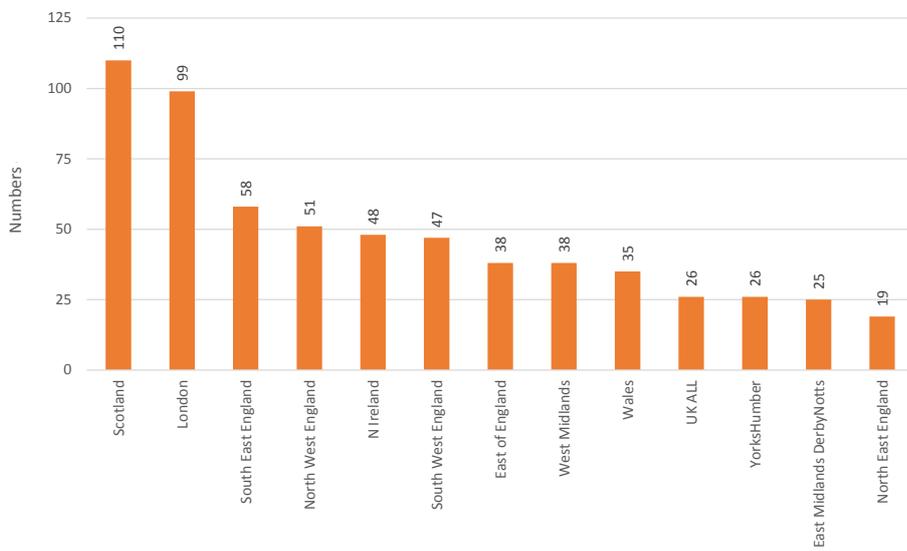


fig 9.3  
Numbers of award notices (CAN)  
by region  
(Q1 2009 - Q4 2013)

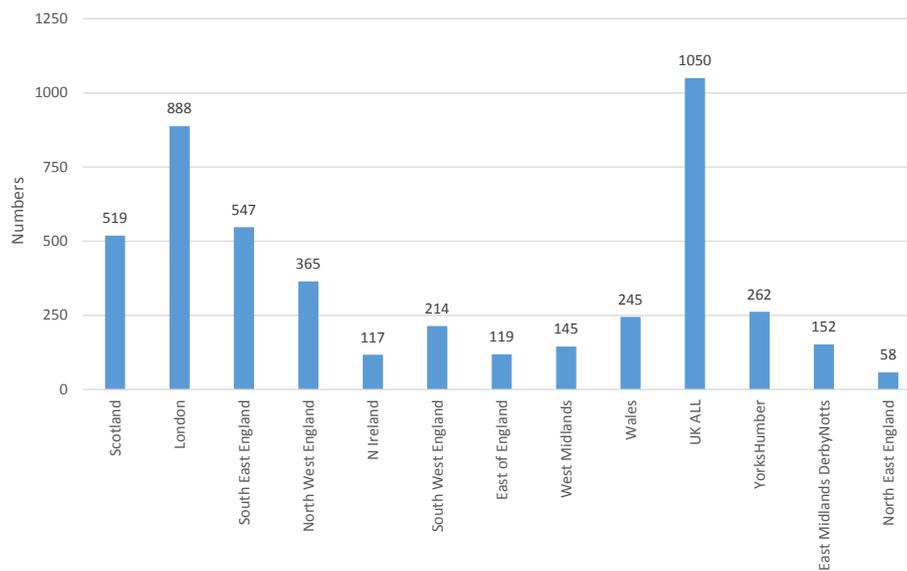


fig 9.4  
Numbers of awards  
by region  
(Q1 2009 - Q4 2013)

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**London has declined 87%** in 2013 with 23 awards.

**Scotland has declined 86%** in 2013 with 15 awards (average p.a. awards 2009 - 2013: Scotland 104, London 178). The West Midlands, East of England and Yorkshire & the Humberside have also seen disproportionate declines. Only Wales with 57 awards and the North West with 99 awards appear to have really bucked the trend. (average p.a award numbers 2009-2013: Wales 49, North West 73). Although annual data for 2014 is incomplete Project Compass CIC can report that the regional trends are consistent with this decline over Q1 - Q2 2014.

Where the difference between the average total numbers of awards made over the period and the 2013 award numbers is plotted against the equivalent difference in values (for only those awards where values are given) across the regions there is a notable correlation apparent between the numbers of awards being made regionally and their values (fig 9.6).

Award numbers are declining across the regions as are their individual values, with only 3 exceptions.

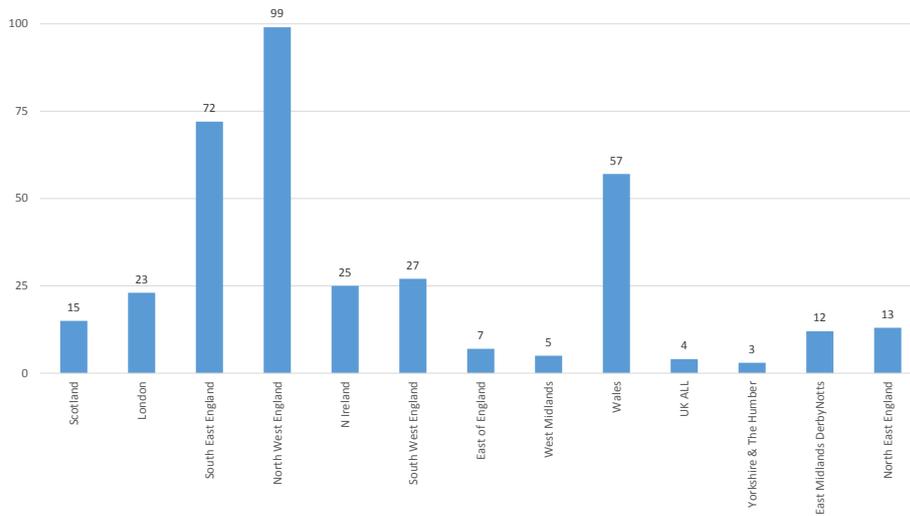


fig 9.5  
Numbers of awards  
by region (2013)

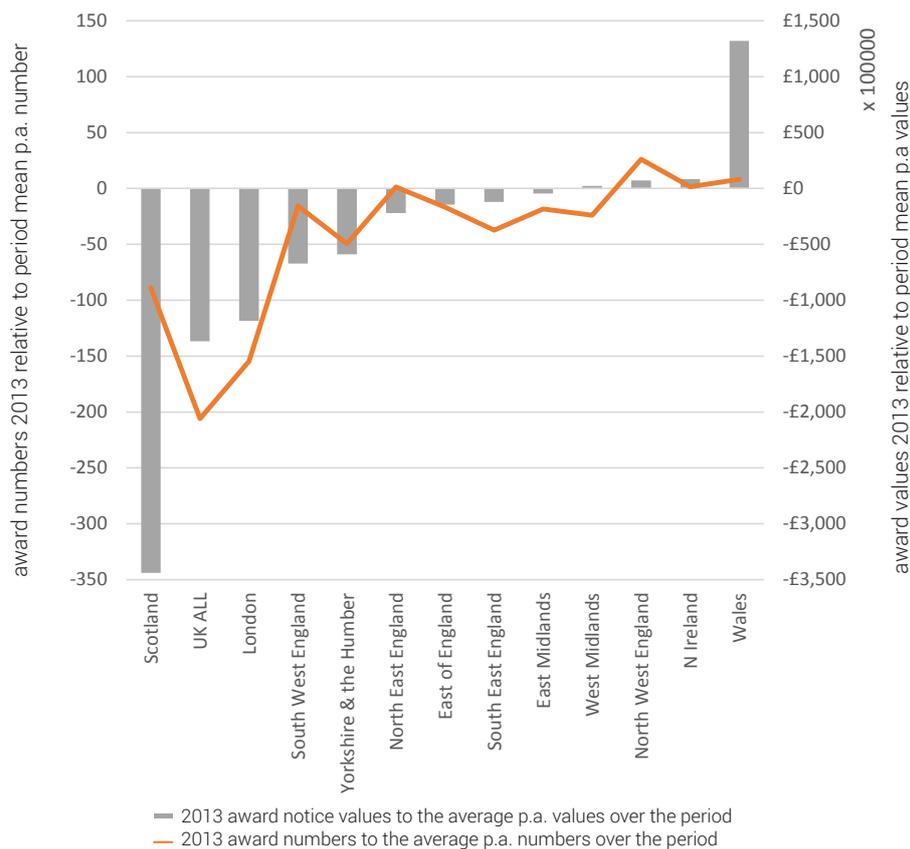


fig 9.6  
Difference in 2013  
award numbers to  
period average award  
numbers p.a.,  
with differences in  
2013 values to period  
average values.  
(period Q1 2009-  
Q4 2013)

## 10 How long are procedures taking?



Tender opportunities for architectural services contracts in the public sector that have concluded with an award are taking considerable time. In 2010 the mean average was 277 days with the longest procedure taking 1,387 days. Those concluded in 2013 took on average 221 days with the longest award having taken 510 days to conclude.

This is high compared to the EU average across all public procurement of 133 days and with the median at 108 days. (Source: *Public Procurement in Europe: Cost and Effectiveness* prepared for the European Commission by PWC, London Economics and Ecorys Research and Consulting March 2011).

Over the 2009 to 2013 period competitive dialogue procedures took the longest by an average 481 days, restricted procedures took 293 days, negotiated procedures 233 days, open procedures 209 days and the fastest were accelerated restricted procedures which took 194 days.

The wasted resources and economic delays created by the time taken from contract notice calls to the conclusion of a contract award has been of considerable concern to the UK Government who have moved to address the situation. The numbers of exceptionally long procurements have been reducing most significantly, so that the average time taken is also reducing as a consequence (fig. 10.1).

The time taken by the main procurement authorities; the government, bodies covered by public law, regional and local authorities and utilities indicates appreciable improvement over the period. Since 2011 government departments in particular have moved to reduce their average procurements from 459 days to 169. With the exception of utilities all the main authorities have shown a marked trend towards accelerating processes over the period. The relative performance of the main procurement authorities is now a welcome improvement and a reversal of that found in 2009, with government successfully driving the efficiency agenda (fig. 10.2).

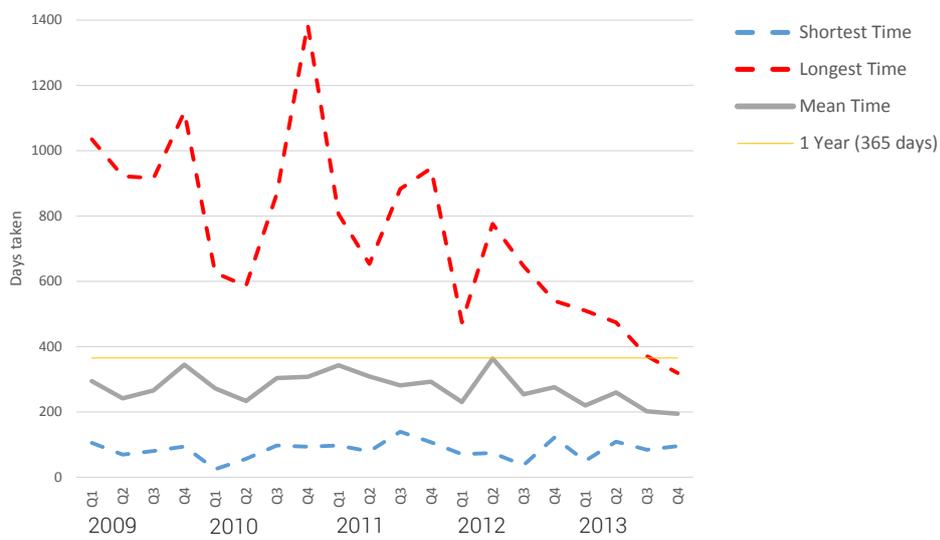


fig.10.1  
Times taken from contract notice to award notice issue (all procedures and authorities) Q1 2009 - Q4 2013

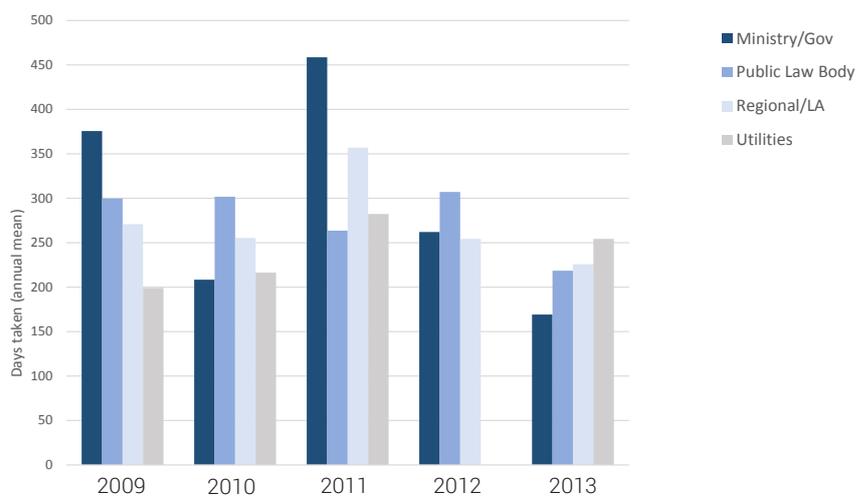


fig.10.2  
Time taken by authorities (annual mean) Not including 2 or fewer procedures per annum

---

In evaluating the time taken by procurement procedures those having 2 or less per annum have been excluded. Design contests for this reason aren't shown because of the small sample size (8No.) (fig. 10.3).

Competitive dialogue procedures are the slowest procedure by a considerable margin. Restricted procedures are also consistently long. The accelerated restricted procedures, negotiated and open procedures are all on average appreciably faster, yet happen to be the least used routes to a procurement in the UK (ref Section 5). Only negotiated procedures, which have been used with some effect by the utilities, appear to be getting slower since 2009.

**Clearly the time being taken by procurement procedures for architectural services might be accelerated by using fewer restricted procedures and competitive dialogue, and more open, negotiated procedures and accelerated procedures.**

Acceleration in the time being taken to award contracts since 2011 is very welcome, but the general trend within this procurement sample might suggest two explanations. This improvement in efficiency might, over all the period, be seen to reflect the clear trend that time periods accelerate as the notice numbers diminish (fig. 10.4). Reduction in the average time being taken overall appears to have been achieved by reducing the timescales of the longest procurements which have had the most significant impact on the average. The time being taken relative to the overall numbers of all awards being made is however showing a notable improvement in 2013 over 2012 (fig. 10.5).

This pattern remains a key concern. It might suggest that the skills and abilities to process individual procedures efficiently remain limited and that any success in up-skilling a wider procurement market is not yet apparent.

While there is still some way to go to meet the EU averages there is a clear trend towards improved practice which would further benefit from adopting more diverse procurement practices and up-skilling of client procurement practices in the wider procurement market.

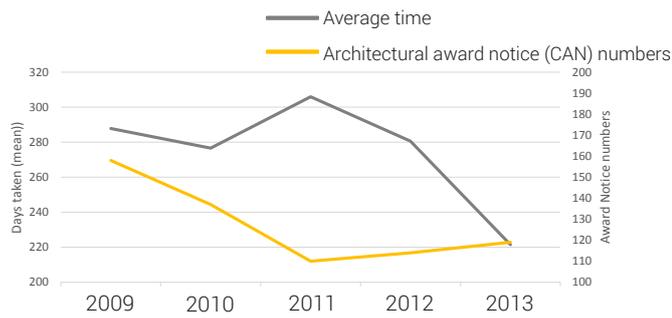


fig.10.4  
Architectural service award notice numbers relative to the time taken to award (mean annual)

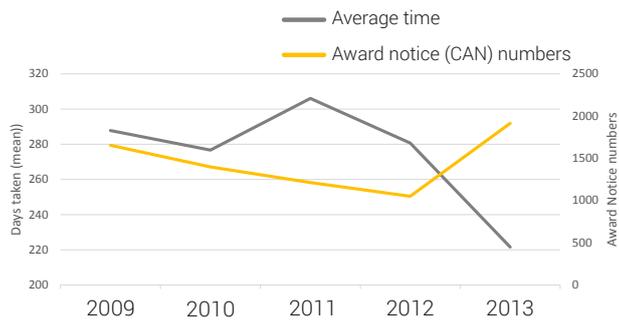


fig.10.5  
All awards by numbers relative to the time taken to award (mean annual)

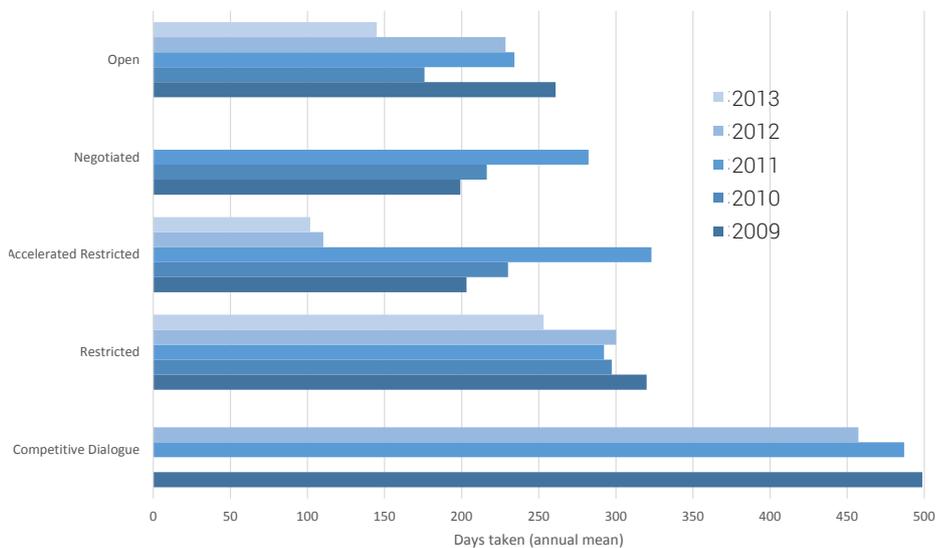


fig.10.3  
Time taken by procedures (annual mean)  
Not including 2 or fewer procedures per annum.

## 11 Which contractors are winning?



The numbers of calls for architectural design, architecture and architecture+ within all works and service awards (including those within lots) have been evaluated for the period Q1 2009 - Q2 2014.

15,524 awards to 4,233 firms are recorded over this period for works and services.

**54.8%, or 2,320 firms, of all those firms winning, only won a single award** (14.9% of all the awards).

**94.5%, or 4,000 firms, of all firms winning awards, won 1 to 10 awards, and won only 56.8% of all the awards.**

**The remaining 5.5% of firms won 43.2% of all awards** (fig 11.2 & 11.3).

For all firms the average number of awards won was 3.66 (0.66 per annum). The median number of awards won however was 77.

The top 10 firms comprising 0.24% of the market by numbers of all firms winning awards, won on average 127 awards each (23 per annum) and captured 8.17% of all awards (fig 11.4).

Contracting, construction management and integrated service providers lead the field with professional consultancy led firms trailing with engineering represented by Arups at 11th.

Not only are there difficulties in firms accessing the public sector market but there are clear difficulties in progression within it. The market profile is significantly skewed and shows little natural correlation between the numbers of participants and the numbers of awards being won (fig 11.1).

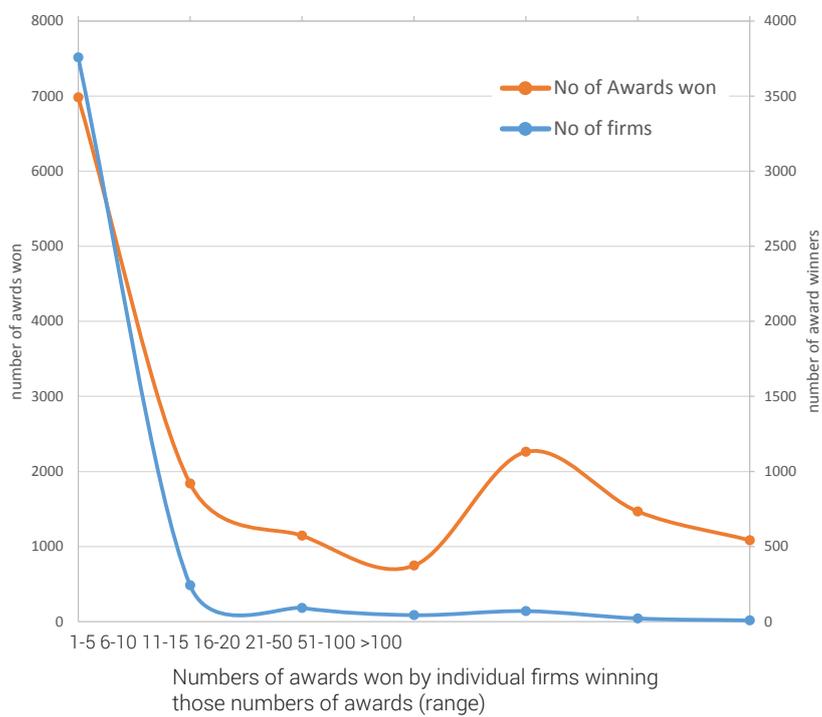


fig.11.1  
 Numbers of awards won relative to the numbers of firms winning (Q1 2009 - Q2 2014)



A small number of firms are apparently acquiring a disproportionately large number of awards particularly in the ranges above 16 to 20 awards each, whilst the ratio between the numbers of participant firms to the numbers of awards won by them is particularly low for all firms winning less than 10 awards. Such clear market misalignment would indicate that there are a range of discriminatory factors that have permitted it (fig 11.1). Discriminatory markets are contrary to the fundamental principles of the European Treaties and the Directives.

The number of award values entered in these notices is insufficient to draw sufficient statistically verifiable conclusions but it is evident that the larger firms are also being awarded higher value procurements, which given the application of onerous risk criteria in assessments based for example on previous experience and finance etc. is to be expected. Merging of companies appears more prevalent with larger firms and is also thought to be more likely to skew the percentage of market share further (eg. Leadbitter and Thomas Vale continued to trade under their former names despite and following acquisition by Bouygues).

KEY

range of award winning firms by the numbers of awards they won

- 1-5
- 6-10
- 11-15
- 16-20
- 21-50
- 51-100
- >100

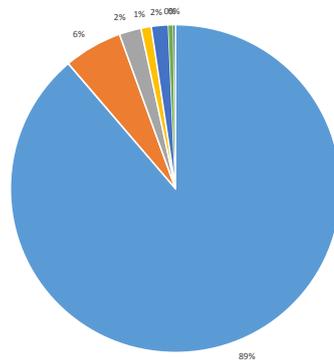


fig.11.2  
Numbers of award winning firms by the numbers of awards they won, in proportion to all award winning firms (ranged values, Q1 2009 - Q2 2014)

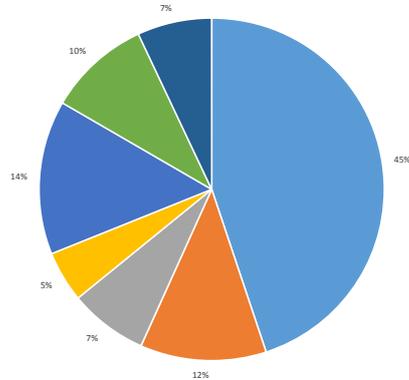


fig.11.3  
Numbers of award winning firms by the numbers of awards they won, in proportion to all awards won (ranged values, Q1 2009 - Q2 2014)

award numbers

1	Lovell	154
2	Wates	153
3	Mansell	149
4	Atkins	139
5	Kier	138
6	Capita	120
6	G&J Seddon	120
8	Keepmoat	111
9	Davis Langdon	95
10	Galliford Try	90

fig.11.4  
10 top firms winning works and service awards containing architecture, by numbers of awards won (Q1 2009 - Q2 2014)

## 12 Which architects are winning?



The numbers of all service contract awards, including those made in all lots having a description calling for architectural design, architecture and architecture+ for the period Q1 2009 - Q2 2014, are evaluated in this section. This section represents less than half the awards made in the previous section and whilst manifesting many similar characteristics has notable variances.

6,701 service awards to 2,267 firms are recorded over this period.

1,496 firms, or 65.9% of all those firms winning awards, only won a single award, or 22.3% of all the awards made. 2,155 firms winning between 1 to 10 awards comprised 95.06% of all firms winning awards, yet won only 59% of all the awards. The remaining 4.9% of firms won 41% of service awards (fig 12.3 & 12.4).

The average number of awards won was 2.95 (0.53 per annum) for all firms and less than the average 3.66 for works and service awards in the previous section. This indicates a more competitive market with each firm winning a smaller number of opportunities. The median number of awards won was 64, which also reflects the smaller market size.

The 10 top firms comprised 0.44% of the market by numbers of all firms winning awards, won on average 71.3 awards each (12.9 p.a.) and won 10.64% of all service awards (fig 12.1).

In a field where it might be hoped public clients would be seeking dedicated architectural services, rather than from facilitators or providers of generic services, the field is dominated by Atkins with 128 awards (1.91% of the market share), with Capita winning 78 awards some considerable way behind.

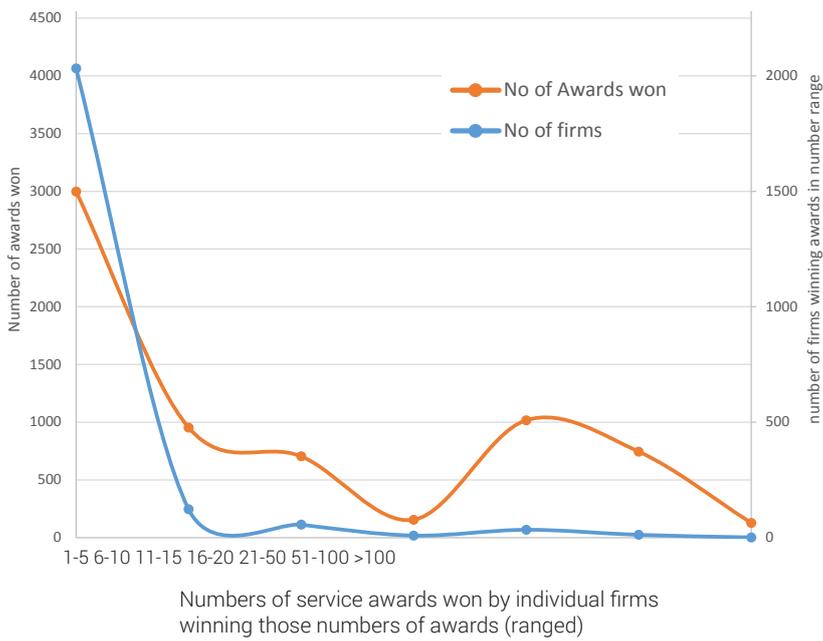


fig.12.1  
 Numbers of service awards won relative to the numbers of firms winning (Q1 2009 - Q2 2014)



Of the 56 firms who captured 30.5% of the market in all service awards, by winning more than 15 awards over the period, only 13 were architectural led consultancies. They represented 2.47% of the firms and won 15.6% of all service awards. It would appear from the data that as the public sector seeks ever larger contracts with single points of contact to off load the process and procedures of production, in a context informed largely by risk reduction, architectural firms are losing their foothold.

As in the previous Section 11 the market profile is skewed by a small number of firms apparently acquiring a disproportionately large number of awards above the apparent glass ceiling which is reached at the range of 16 to 20 awards each. In this case the schism at this threshold is even more apparent (fig 12.1).

But in services there is also an apparently lower ratio between the participating firms and the numbers of awards won by each of them in the range 1-5, and there are more difficulties in progression from within this environment,

Sections 11 & 12 indicate that over the period Q1 2009 - Q2 2014 it has been particularly difficult for all but the largest firms to win awards, in a market which is disproportionately dominated by larger players in works and services. In particular the severity of the step change for those below and above the 16-20 threshold in service contract awards suggests a nearly insurmountable glass ceiling separates the market, whilst those winning 1-5 awards are being relatively disadvantaged.

**The evident dearth in the public sector of architectural firms winning service awards for architectural design, architecture and architecture+ might be a wake up call.**

fig.12.2 (left)

10 top firms winning service awards containing architecture, by numbers of awards won (Q1 2009 - Q2 2014)

		award numbers
1	Atkins	128
2	Capita	78
3	Arups	73
4	Aecom	67
5	Davis Langdon	64
5	Sweett Group	64
5	Mott MacDonald	64
8	Scott Wilson	61
9	Turner & Townsend	59
10	Halcrow	55

fig.12.5 (right)

10 top architectural firms winning service awards containing architecture, by numbers of awards won (Q1 2009 - Q2 2014)

		award numbers
1	PRP Architects	46
2	Aedas	33
3	Ridge & Partners	30
4	Nicol Thomas	24
5	HTA	23
5	BDP	23
6	HLM Architects	21
8	Kendall Kingscott	19
9	Pellings	18
10	Pollard Thomas Edwards Architects	17

KEY

range of award winning firms by the numbers of awards they won

- 1-5
- 6-10
- 11-15
- 16-20
- 21-50
- 51-100
- >100

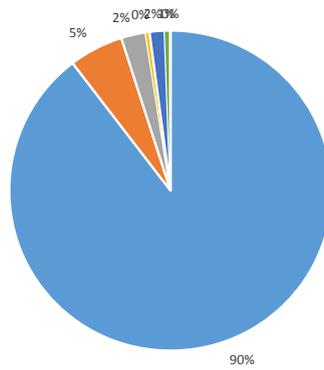


fig.12.4  
Numbers of service award winning firms by the numbers of awards they won, in proportion to all awards won (ranged values, Q1 2009 - Q2 2014)

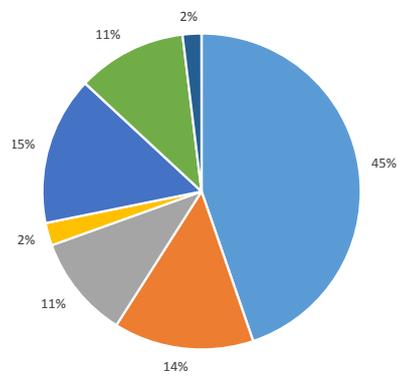


fig.12.3  
Numbers of service award winning firms by the numbers of awards they won, in proportion to all award winning firms (ranged values, Q1 2009 - Q2 2014)

## 13 About the data

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### Section 1 - Contract notices and contract award notice numbers

Captures data from Q1 2009 - Q2 2014 for all contract notices and cancellation notices containing architectural design in both works and services.

### Section 3 - Contract notice procedures - 2013

This section evaluates the total numbers of contract notices in 2013 across all procedures and project disciplines that called for architectural or building design where this is described within the notices themselves or by the CPV codes. This is for both services and works where the notice descriptions call for building design works having architectural opportunities under Directive 2006/14/EC. It includes contract notices for works calling for (e.g. a) prime design build contractors and contract notices in services addressed to other project disciplines or professional lead consultants. These are the notices shown by the normal OJEU search criteria returning architectur\*\* services in the filters. It does not include calls made under prior information notices (PIN).

### Section 4 - How many lots and architectural opportunities

In part 2 of section 4 details of notices over a 3 year period were extracted from over 2,100 calls and the opportunities categorised into architecture, architecture + and 'hidden architecture', in works and services contract and award notices. 'Hidden architecture' has been defined as opportunities where notices implied or required architectural design, most notably using words such as 'Design and Execute' 'Design and Build' in the notices.

### Section 6 - What are the procedures

Exclusively to this section, and to enable comparisons with other EU member states, data has been extracted directly from the OJEU statistical data base under CPV code 71000000 and all sub tier headings to capture architecture and architecture+ in services contract notices.

Procedures have then been grouped together into their primary classifications: open or restricted (including accelerated restricted procedures but excluding design contests), negotiated, and competitive dialogue. Design contests (open and restricted) are issued under separate notice classifications and have then been accounted accordingly with the numbers of open or restricted procedures adjusted down according to this notice classification, to deliver the outputs being reported.



Some countries such as Austria have been screened to exclude contract notices issued by for example Italy where an erroneous NUTS code for that country has been entered. The numbers of Italian notices appearing under the NUTS code for Austria is considerable and signifies considerable issues in notice completions within Italy.

### **Section 8 & 9 Client types and Which sectors**

The sector category descriptions are provided for within notices by a standard OJEU range. These have then been confirmed by analysis of the notice descriptions where the standard range description has not been completed or where there is an apparent anomaly with other descriptions. The sector categories have then been refined down from the standard range into the 7 categories illustrated.

Where a procurement notice indicates multiple categories in various sectors, if the notice description indicates a clear priority this has been recorded as the default, otherwise the notice is most typically attributable to General Public Service.

### **Section 12 - Regional distributions**

Where ever a UK NUTS code has been entered in an award notice without a region these have been screened and the descriptions have been analysed so that where a specific location is apparent the notice has been allocated under the regional location of the output. Values in this section have only been captured where these values are entered in the incomplete or returning values

### **Section 13 - How long are procedures taking**

Project Compass CIC data on award notices has linked back to the emanating contract notices by reference both to the originating contract notice ref. No. (where given in the award notice), or as is frequently the case when no originating contract notice reference number is given, by the descriptions of the contract within both the award notice and the contract notice, with the outputs curated to ensure their veracity. This provides a greater level of certainty and higher degree of granularity to the figures being reported than might be provided otherwise.

### **Section 14 & 15 contractors and architects**

In section 14 & 15 the names of individual groups, firms or entities have been checked and were multiple names for the same firms are recorded eg. Xname, Xname Group, Xname Group Limited, Xname Limited, Xname (UK) Ltd, Xname UK Ltd; Yname + Zname, Yname and Zname, Yname & Zname; X1name, X1name Partnership, X1name LLP; divisions of a company group such as Wates, Wates Construction and Wates Living Space etc. the entities have been checked and merged, which has reduced the numbers of entities by over 40%, but improved the output definition. The data represented does not account for companies which have merged or de-merged over the period.

## 14 About Project Compass CIC



**Project Compass CIC** is an independent, not-for-profit UK Community Interest Company based in London. Its purpose is to contribute to enhancing professionalism in public sector construction procurement that improves outputs for UK construction culture, through support, research, expertise, guidance and analysis. It aims to promote and improve opportunities to create a high quality built environment by making access to procurement easier, simpler, fairer, more economical and transparent.

Project Compass CIC is working in partnership with Architectuur Lokaal in The Netherlands (under the brand of Steunpunt "Helpdesk") on a range of initiatives and services allowing comparative analysis and expertise to be drawn upon.

[www.projectcompass.co.uk](http://www.projectcompass.co.uk) provides free to use search and notification functions for public sector notices above OJEU thresholds, along with industry intelligence from its Sesame online analytics tool that derives data from its comprehensive database of past and current OJEU notices. Its Compass facilities to provide and promote best practice online project procurement guidance and practice are under development.

In this first report, insights and trends are derived from data spanning 2008 (Q3 & Q4) to 2014 (Q1 & Q2), although data within this report is represented across only the full years 2009 - 2013 unless noted otherwise.

For any further industry specific analysis of our databases, please contact Project Compass CIC.

**Support Project Compass CIC** in its endeavors to advance better procurement culture and practice in architecture and construction, Project Compass CIC is sustained by voluntary contributions from industry and supporters and we invite you to join in supporting us.

**Project Compass is part of the european architectural procurement network [thefulcrum.eu](http://thefulcrum.eu)**

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