

CMA Market Study

Questions

1. Do you agree with our articulation of the characteristics of a well-functioning market as set out in paragraph 1.11? If not, what could be changed and why?

With reference to point b [REDACTED] would propose an amendment to “*articulate any quality / cost/ time trade-offs.*”

2. Do you agree with our proposed scope (both the product and geographic scope) and themes for this market study, as set out in Section 3. If not, what areas would you suggest we include, exclude or prioritise, and why?

[REDACTED] have nothing to add

3. What, if any, are the key differences in the markets for the supply of roads and railways across the 4 nations of the UK that should be reflected in our analysis?

Northern Ireland has a land border with an EU member state and is subject to the provisions of the Windsor Framework, with implications for both rail and road infrastructure procurement. [REDACTED]

[REDACTED] which adds further complication with differing technical standards.

4. Please suggest any rail and road infrastructure projects across the UK that could be useful case studies to inform our market study. We are particularly interested in understanding where:

a) the project realised good outcomes in terms of cost, quality and innovation (including some explanation of the factors driving this in each area); or

b) the project realised poor outcomes in terms of cost, quality and innovation (including some explanation of the factors driving this in each area); and/or

c) the project yielded important lessons that could inform improvements in the operation of the market.

[REDACTED] no applicable projects

5. How does public procurement and contracting in the markets for the supply of roads and railways contribute to, or undermine, the characteristics of a well-functioning market? In your answer, please comment on:

a) engagement between the procuring body and potential suppliers during the early stages of project design;

do engage in Pre Market and Early Contractor involvement and find the exercises to be beneficial in understanding the capacity and appetite of the market.

b) the use of different types of procedures (eg open competition, frameworks);

utilise mostly Frameworks however for larger schemes have seen benefits from open competition.

c) the design of tenders, including the number and type of requirements and the use of quantitative (eg price) and qualitative evaluation criteria;

The nature of the NI supply market would sometimes discourage qualitative evaluation. There is a risk of a “race to the bottom” for price only evaluation.

d) the approach to risk allocation across different parties; and

general approach is to apportion risk to the contractor as they are often best placed to manage and mitigate these risks.

e) the use of contract mechanisms (eg insurance provisions) and pricing mechanisms (eg fixed price, cost plus).

The construction industry mostly utilises NEC suite of contracts in which there are a number of pricing mechanisms available. Clients, contractors and professional service providers have extensive experience in agreeing the most appropriate option for the particular work package.

6. To what extent do you think the structure of the industry contributes to, or undermines, the outcomes of a well-functioning market? In your response, please comment on:

a) differences in the size and degree of specialism of different companies;

Contracting Authorities prefer not to perform the role of Principal Contractor and therefore tend to utilise tier one contractors for large civil works schemes. This limits the opportunity to engage with and support SMEs.

b) the tiered nature of the supply chain and use of subcontracting; and

As above (part a)

c) financial arrangements, such as payment periods and the use of retentions.

Project Bank Accounts have assisted with payment of sub-contractors and transparency. Retentions tend to be too small to be effective.

7. What, if any, are the significant procurement, planning or other regulatory barriers that inhibit the performance of this market? What could be changed and why?

Long term funding visibility is the main barrier at this time

8. What are the opportunities for further innovation in the markets for the supply of roads and railways across the UK? If yes, what are the barriers to achieving these and how might they be overcome?

has nothing to add

5.6 We propose to publish full responses, or where appropriate, a summary of responses to this Statement of Scope. Therefore:

(a) Please supply a brief summary of the interests of organisations you represent, where appropriate.

[REDACTED]

have established Framework Arrangements to appoint contractors and professional services providers to assist in the delivery of civil works projects.

Typically, the work to be undertaken using this Framework is of a Civil Engineering Nature.

Works Packages may be awarded under Traditional or Design and Build contracts.

An overview of the type of works to be undertaken using the Framework is as follows;

- Bridges (under/over line, viaducts, footbridges)
- Culverts
- Tunnels
- Earthworks and Retaining Structures
- Rock Cuttings (including cliffs)

- Sea and River Defences
- Platforms
- Gantries
- Miscellaneous Structures e.g. water towers
- Drainage systems
- Permanent Way (e.g. ballasted track, slab track, switches and crossings, rail welding, track electrification)
- Piling / Specialist foundations
- Steelwork
- Vegetation removal
- Handrails & Walkways
- Supplier designed solutions – including temporary works
- Railway support systems – Lighting columns, train wash refuelling etc
- Civil works to support Signalling & Telecoms systems (e.g., cable duct routes, bases)

(b) Please consider whether you are providing any material that you believe to be confidential, and if so, please explain why this is the case. Please provide both a confidential and non-confidential version of your response where applicable.

Not applicable

5.7 If you are responding as an individual (ie you are not representing a business or other organisation), please indicate whether you wish your response to be attributed to you by name or published anonymously.

Publish anonymously