

# Development and Continuous Improvement of Construction Procurement Using Private Finance

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## ABSTRACT

It is more than a decade since the Private Finance Initiative (PFI) concept was launched in the United Kingdom. It has survived enquiries, critiques and political change to emerge as a key element of the Public Private Partnership (PPP) approach to public service provision.

500 projects have been procured across health, education, transport, defence and other sectors. Three quarters of those projects having a significant construction requirement engaging all branches of our surveying profession.

The PFI process has been exhaustively studied and analysed in the UK and many lessons learned about the dynamics of it. The growing use of the process in both developed and less developed economic, cultural and political structures has also given valuable lessons with a global perspective. In the UK the process has been refined by these experiences to mature as a robust mechanism to deliver efficient and effective public sector services.

However, the process needs to be further developed and improved to deliver greater benefit to all current and future users of public services.

To achieve such benefit the professionals involved in the process need continuous education and training to better specify the service outcomes needed and to understand the principles of risk management and business process improvement. Only then will they be able to demonstrate and secure twenty first century solutions to the otherwise intractable political realities of taxes, budgets and public finances.

This paper will address these issues of service specification, contract standardization, bidding costs and innovation in building businesses that will successfully deliver prime public services to all in our diverse societies.

## **BIOGRAPHICAL NOTES**

**Andrew Morley** is Managing Director of CCM Associates Limited the quantity surveying/construction economics business he formed in 1987. He had previously worked as commercial manager for international contractors and chartered quantity surveyors in Europe, the Middle and Far East and Africa.

Much of his company's work in recent years has been the provision of technical and commercial services and advice to contractors bidding for PFI/PPP projects. The company also undertakes pre and post contract services for infrastructure projects procured by traditional forms of contract. It is his experience of both of these procurement methods that persuades him that, in most cases, the PFI/PPP route is to be preferred.

Andrew is a Fellow of the Institution of Civil Engineering Surveyors (ICES) and a Member of the Chartered Institute of Arbitrators. He is a past member of council of the ICES and has served on many of its committees. Currently he is ICES delegate to FIG Commission 10 and Chairman of Working Group 10.3 Construction Procurement.

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