

1st European Engineers` Day



Engineering Quality and Public Procurement

**„Knowledge based services
between the priorities
competition and compatability“**

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Introduction



- Modernisation of EU public procurement legislation
- January 2011- Green Paper on the modernisation of public procurement policy
„Towards a more efficient European procurement market“

Introduction



- **Europe 2020 Strategy**
- Developing an economy based on **knowledge and innovation**
- Promoting a **low-carbon, resource-efficient and competitive** economy
- and fostering a high – employment economy delivering social and territorial cohesion

Introduction



- Public procurement plays a key role to achieve these objectives
- Engineers are important participants
- We need adequate procurement rules for engineers' services

The Facts



Recognition of intellectual and creative intellectual services

- **A special kind of services**
 - “it is impossible to define and describe precisely the expected results, before they have been delivered
- This would also apply to performance requirements

The Facts



- **Engineering services are linked to the development of public works**
- **The costs of engineering services represent about 10% of construction costs**
Less than 3% of total construction & operation costs

The Facts



Reducing costs below the fair and reasonable fees will invariably reduce the quality disproportionately

- The objective of the award process in design contracts should be:

To get the best engineer with a reasonable price

The Facts



principle of award:

**the technical and economically
most advantageous tender**

and

**The open procedure is totally
inappropriate for intellectual- and
engineering consultancy services**

The Facts



an unlimited number submit tenders

> significant effort

- **engineers for preparation of their tenders**
- **contracting authorities for evaluation of all tenders**

Total transaction costs increased

Improvements and proposals



principle of award:

no price influence in the quality offer

seperate quality and price

Best practise example: QBS

(Quality based selection)

„on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices“

Improvements and proposals



in Europe

- **a new award criterion:
„the most qualified engineer or
engineering company“**
alternativ
- **Negotiation procedure:
implementing the right to negotiate first with
the the canditate that submitted the technical
and economically most advantageous tender**

Improvements and proposals



ECEC:

both proposal have significant merits
and challenges

- **innovation**
- **creativity**
- **top and best technical solutions**

Conclusion



In a nutshell:

- The appraised value of an engineering service cannot be defined and fixed under pressure of low price competition, because

„YOU GET WHAT YOU PAID FOR“