International standards for construction procurement: a perspective
A system is an established way of doing things and provides order and a platform for the methodical planning of a way of proceeding.

Systems are underpinned by:

- processes
- procedures
- methods

Procurement is the process which creates, manages and fulfils contracts.

Procurement

- is the process which creates, manages and fulfils contracts
- can be standardised

Key question – what in the procurement system can be standardised and at what level
Six basic procurement activities

1. Establish what is to be procured
2. Decide on procurement strategies
3. Solicit tender offers
4. Evaluate tender offers
5. Award contracts
6. Administer contracts and confirm compliance with requirements

Actions and deliverables / milestones which establish the procurement process
Procurement procedures

1. Establish what is to be procured
2. Decide on procurement strategies
3. Solicit tender offers
4. Evaluate tender offers
5. Award contracts
6. Administer contracts and confirm compliance with requirements

Procedures for packaging, contracting, pricing and targeting strategy, and procurement procedure

Rules governing processes relating to calls for expressions of interest and invitations to submit tender offers

Terms and conditions and administrative procedures
Governance / quality control activities

1. Establish what is to be procured
2. Decide on procurement strategies
3. Solicit tender offers
4. Evaluate tender offers
5. Award contracts
6. Administer contracts and confirm compliance with requirements

Decision to proceed/not to proceed

Confirm selection of strategies

- Accept procurement document(s)
- Ensure that finance is available
- Confirm short list / prequalification list

Ratify recommendations

Formally accept tender offer

Decides on compensation events which significantly increase cost and waivers of penalties
A procurement system comprises:

- **rules and guidelines governing procedures and methods**
- **procurement documents** which include terms and conditions, procedures and requirements
- **governance arrangements** to manage and control procurement
- **organisational policies** e.g.
  - the usage and application of particular procurement procedures
  - requirements for recording, reporting and risk management
  - procedures for dealing with specific procurement issues
  - secondary procurement goals and procedures
Approach to standardisation

Standardise at an international level

- Procedures & methods
- Procedures documents
- Governance arrangements

Standardise at an organisational level

Procurement system
Developing a procurement system

The starting point is to determine the objectives for the system.

Processes, methods and procedures can be based on the following universal objectives:

• **primary objectives**: the procurement system shall be fair, equitable, transparent, competitive and cost-effective

• **secondary objectives**: the procurement system may, subject to applicable legislation, promote objectives additional to those associated with the immediate objective of the procurement itself
Procurement fundamentals
Part 1: Processes, methods and procedures
Part 2: Formatting and compilation of procurement documentation
Part 3: Standard conditions of tender
Part 4: Standard conditions for the calling for expressions of interest

Key Performance Indicators relating to targeted enterprises and / or labour
Part 5: Participation of targeted enterprises in contracts
Part 6: Participation of targeted partners in joint ventures in contracts
Part 7: Participation of local enterprises and labour in contracts
Part 8: Participation of targeted labour in contracts

Reference and make procurement specific in procurement documents
Thank you