

“On a typical construction contract, less than **15%** of the project is delivered directly by the main contractor. Do you really know what’s happening to the other **85%?**”

**Adam Sanford – SCF Framework Manager**

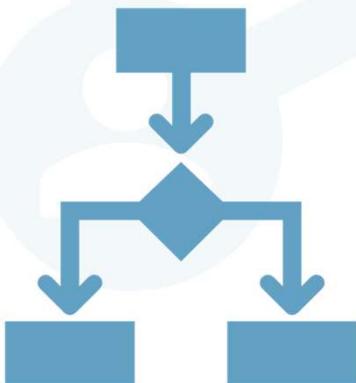
Traditionally, clients have exclusively looked to main contractors to report on the delivery of social value outcomes which raises the question of whether the supply chain should be more closely involved with the procurement process. SCF aim to enhance fairness and transparency across the supply chain, creating a fully integrated team that generates shared benefits.

## Supply Chain Engagement – SCF3

In **SCF3**, data was collected on **1907** packages, with **774** sub-contractors.

**69%** of orders were placed with companies that have **less than 50 employees**, the average value of these packages was **£283,000**.

We have no data on how the supply chain targets, or measures value.



SCF has exceeded progressively ambitious targets for employment and skills, apprentices, graduates and local engagement. Going forward, we want to continue to continue these successes and deliver true open book transparency from early warning notice of opportunity right through to completion of a project on site.

## Why Do I Need to Know My Supply Chain?



**Save Time** by reducing repetition for bidders and main contractors and creating better quality bids through standardisation.



**Save Money** by generating more interest, more competition and better supplier selection.



**Better Outcomes & Legacy** through easier performance management of trusted suppliers, forming successful, long term relationships.



**True Transparency** can be achieved to deliver exemplar projects and the open book process can be fully monitored through to completion.



### Improved Relationships

giving team members the confidence to seek impartial advice on buildability and design, sharing pipeline information to get better planning from the supply chain, leading to less strain on lead times and labour.



### More informed decisions

leading to better data quality and deeper intelligence across clients, contractors and regions.

## Do the Supply Chain Know They Work on SCF Projects?

Only **55%** of the survey respondents knew they were working on SCF projects, despite the fact that they have certain behavioural obligations on SCF projects.

Those who had heard of SCF were **8%** more likely to believe collaborative tendering led to them being **treated more fairly**.

By giving the supply chain the opportunity to be more involved in the value engineering and de-risking of projects, while being protected from unfair payment practices, the shared benefits of the integrated team approach would be more apparent.

## Collaborative Tendering

**88%** of respondents have been involved with **collaborative tendering**.

Of those respondents, **80%** believed it increased their ability to positively influence the design and

buildability, but only **60%** believed they were **treated more fairly** when collaboratively tendering...



Despite SCF mandating fair payment practice on all our projects, more needs to be done to improve equality in the supply chain. As the majority of responders would give free early advice on a project without even the guarantee of a bid, more needs to be done to provide the supply chain with enhanced transparency and equal opportunities.

## Supply Chain Management

**77%** of respondents have

worked with **more than 5** SCF contractors.

Only **4%** have only worked with a single SCF Contractor.



Generally, the industry has shifted towards being 'closer to fewer'. However, more could be done to measure risk exposure in the supply chain, who may work with multiple main contractors.

## Social Value, Employment and Skills

**All** businesses with **over 250 employees** have a formal employment and skills plan in place, but only

**14%** of businesses with **less than 250 employees** do. These businesses

account for **96%** of our orders placed.



The SCF believes that smaller organisations have the potential to collaborate and combine their resources and talent, developing formal employment and skills strategies, ultimately leading to deserved recognition for their efforts.

**92%** of respondents carry out social value or employment and skills

based activities, but only **49%**

believe that this activity increases their **ability to win work** or **increase the profile** of their company.



There is obviously willing in the supply chain to be involved in these initiatives, but potentially a lack of guidance or recognition for this. This has lead the SCF to endeavour to directly support value in the supply chain.