

# SCF Frameworks Supply Chain Survey Report 2021



At SCF, we survey our main contractor's supply chain to seek their views on industry issues. In our [2018 survey](#) we identified that only half of respondents knew they were working on SCF projects despite having certain behavioural obligations.

In 2020, SCF partnered with [Local Supply Chain \(LSC\)](#). This is a procurement portal designed for the construction industry that enables our main contractors to further collaborate with the supply chain. Through this software, SCF can help share with suppliers the benefits of collaborative tendering, early specialist engagement and the delivery of social value.

At the end of 2020, we decided to survey the supply chain to observe the benefits that initiatives such as LSC have brought to the framework, as well as understanding the supply chain's views on further industry issues such as fair payment, Covid-19 support, and low carbon construction.

## Local Supply Chain

After our successful launch of LSC, suppliers are

**10%** more likely to be familiar with the collaborative values and behaviours associated with our framework.

In line with recommendations from the [Government Construction Playbook](#), SCF shares its pipeline with the supply chain early in the procurement process.

**80%** of Suppliers with an LSC profile use the portal to access and express an interest within our pipeline.



LSC enables main contractors to source and engage SMEs through the Work Radar initiative.

**85%** of SCF spend is with SME's, of which 60% are local to site.

**93%** of survey respondents work for an SME.

## Fair Treatment and Payment

Single stage tendering can often place excessive risk on contractors and the supply chain. SCF mandates [fair payment](#) practices on all projects equally applying to client, main contractor and through the supply chain.



**+93%** suppliers undertake work for both private and public sector clients. From these suppliers more than **2/3** felt that contractual payment terms were more favourable on public sector works compared with private sector.



**80%** of suppliers believe that they are treated more fairly by contractors when undertaking collaborative tendering.

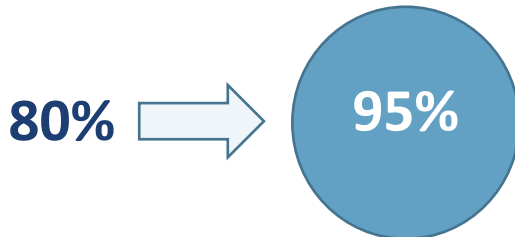
**98%** of payments from SCF main contractors to the supply chain are made on time.

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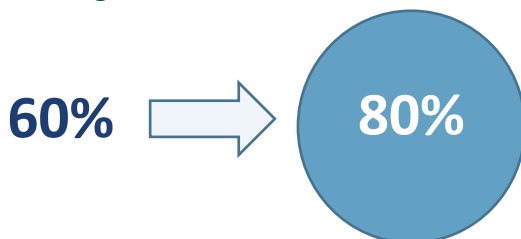


## Collaborative Tendering

SCF is an industry leader in 2-stage open book tendering. Collaborative tendering is unique in bringing contractor, client, and suppliers into one integrated team at the start of construction projects. Early supply chain engagement contributes to de-risking projects, through early identification of risks and the use of intelligent design led solutions.



95% of suppliers believe that collaborative tendering increases their ability to positively influence the design and construction process. This is 15% greater than in 2018.



60% of the supply chain prefer the concept of collaborative tendering over fixed price bidding. This increases to 80% after suppliers have direct experience with collaborative tendering.

This survey has highlighted the value that the supply chain places on collaborative procurement and how this has become integral to their business strategy.

**85%** of suppliers would provide early specialist advice with no obligations of being invited to tender.

**82%** of suppliers believe that their ability to offer early specialist advice, comment on buildability, and provide value management helps their company to secure work.

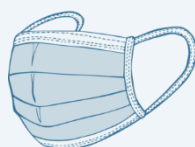


**75%** of suppliers who were familiar with SCF's collaborative values and integrated team approach would choose to work on an SCF project over another project.

> **82%** of suppliers would like to work with us to report and share their successes in adding value through early specialist engagement.

## Covid - 19 Mitigations

Cabinet Office has supported contractors in providing the supply chain with the necessary mitigations from Covid-19.



**35%**

of suppliers have sought Covid-19 mitigations such as extensions of time, revised payment terms and the sourcing of PPE.

**90%**

of these suppliers believe that the main contractor adequately considered their needs and completed their duties in a safe and timely manner.

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## Delivering Social Legacy

Over the last 12 months, we have launched our [Social Legacy Toolkit](#). The importance of social value in procurement has been reflected within the supply chain, where an increasing number of SMEs recognise the importance of delivering social legacy and the role this plays in securing workload.

14%



54%

The percentage of SME's with a formal Social Value strategy in place has increased when compared to the 2018 survey.

49%



70%

The number of suppliers that believe delivering social value helps their company in securing work has increased when compared to the 2018 survey.

The CITB has highlighted the importance of strengthening the construction industry via the engagement of young people. To align with this guidance, SCF contractors have committed to delivering the CITB's benchmarks for apprenticeships, work placements, and job creation.



**93%** of suppliers have a social value strategy that outlines apprenticeship enrolment and the upskilling of staff.

**>80%** of the supply chain engage apprentices.

**90%** of the supply chain support charities or carry out Corporate Social Responsibility.

We have encouraged the CITB's Shared Apprenticeship Scheme for over 8 years. Our main contractors continue to support SME's by promoting the benefits of the scheme.

However, **62%** of suppliers do not currently utilise a shared apprenticeship scheme but would like to learn more information surrounding their local scheme.

## Utilising BIM

The supply chain recognises the value that BIM brings to the construction industry.

**2/3** of the supply chain believe that BIM helps their business to design and prepare work packages.

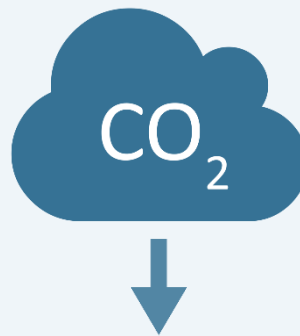
However, **<50%** believe that BIM helps their business to install and handover work packages.

As a result, **56%** of suppliers would like to receive more training around how to get the best from BIM.

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## Delivering Carbon Reduction

In 2019, UK government committed to bring all greenhouse gas emissions to net zero by 2050. In response to legislation, the construction industry has seen initiatives, such as sustainability training platforms, share low carbon intelligence throughout the supply chain. However, the construction industry still has a long to go to consistently deliver carbon neutral projects.



>94%

>94% of suppliers see ways to reduce carbon emissions during construction or improve design or specification to reduce carbon emissions during the life of the building.

<50%

However, less than 50% of suppliers believe that they are given an opportunity to implement their carbon reduction ideas on most projects.

50%

Currently, only 50% of the supply chain believe that implementing carbon reduction measures helps their business secure more work.

With a rising demand for carbon reduction within project delivery, SCF anticipates a greater integration of low carbon innovation from the supply chain.

As a result, in 2021 SCF published its [“Client Carbon Neutrality Tool”](#) in order to support clients with carbon reduction throughout project delivery.

In addition, SCF has recently launched its partnership with the [Supply Chain Sustainability School](#) in attempt to support the sharing of carbon reduction knowledge throughout the supply chain.