

# the Voice of efca



European Federation of Engineering Consultancy Associations

Representing FIDIC in Europe

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## There is power for change in public procurement but a sustainable economy depends on good recognition of knowledge-based services

### EFCA 20 years young

It is 20 years since EFCA was created out of the merger of two engineering consultancy organisations, CEBI and CEDIC, to represent the interests of an increasingly dynamic and creative sector, in Brussels. Now, with members in 24 countries, representing a sector that employs 1 million people and generates over €150 billion a year, EFCA continues to build on its achievements and good relations developed over the years with the policy and decision-makers of Europe, making sure the voices of engineering consultants continue to be heard. The federation is running a number of events to mark this special occasion, culminating in the annual conference in May (see below).

### Annual conference to focus on winning strategies

Engineering consultancy firms are facing difficult times and need to reflect on their roles and identity, business structures, partnerships and goals. With strategic focus, innovation, courage and creativity come opportunities, and it is these EFCA is targeting in its 2012 annual conference on "Developing the engineering world – winning strategies". This flagship event will be asking: Do we know how to grow in our business? How to satisfy our clients? Are we prepared for winning strategies?

The conference takes place in Lisbon on 25<sup>th</sup> May 2012 and is hosted by EFCA national member, the Associação Portuguesa de Projectistas E Consultores (APPC). See [www.efca-conference2012.com](http://www.efca-conference2012.com).

### Young professional of the year

Charlotte Spliethoff, 29, project manager and geotechnical consultant at Grontmij (NL) has won the 2012 EFCA competition for Engineering Excellence Among Young Professionals. Ms Spliethoff has developed a specialty in the design, inspection and testing of dykes, building on her

***If the European institutions are serious about turning the EU into a knowledge society and greening our economy they need to look at the whole construction sector in a different way. And this includes with the public procurement directive, an important and powerful driver for change.***

Most people see the bricks and mortar of construction, the visible results. But public and politicians alike are often not aware of the 'invisible' beginnings of a project, where the vision is turned into concrete plans.

According to Jaap de Koning, incoming chair of EFCA's Internal Market Committee, every infrastructure and construction project is built twice, once on paper and once in reality. "The initiation and design phase is crucial," declares Mr de Koning, "This is where consulting engineers and architects pool their information, knowledge and cross-sector experience to create the most innovative, most cost-effective plans for the client.



Jaap de Koning, chair, EFCA Internal Market Committee

"This phase clearly illustrates the difference between knowledge-based services, and those related to the physical construction. Consulting engineers are involved in a creative process which lays the paper foundation for a project. Procuring their services must be adapted to this task," he says.

"Contractors make these plans a reality," Mr de Koning adds. "But if the plans are weak or not forward-looking, there will be costs down the line to rectify the problems." For large projects especially, this could mean great expense to the taxpayer.

### Positive developments

The EU is currently revising the Public Procurement Directive and EFCA welcomes the ambition to make it more flexible and transparent. EFCA strongly proposed the need for a sustainable economy and the ambition of Europe to become a knowledge-based society.

***"EFCA strongly proposed the need for a sustainable economy."***

The EU has already proposed some changes which reflect an improved understanding of the nature of knowledge-based services and their role in achieving these goals. EFCA welcome many of the changes which include: allowing greater negotiation during a competitive procedure, and a degree of modification during implementation; increased support for innovation (a new procedure and closely defined variants); making more use of 'lots' to break down a project; enabling sub-contractors to be paid directly, selecting companies on the basis of their senior management capacity (rather than a proposed team), and being more realistic in their 'proof' of relevant experience; and removing the two service categories ('A' and 'B'). There is also a new emphasis on sustainable development in the award criteria (especially relating to life-cycle costing), improved access to public markets for SMEs, and more transparency in the competition for service concessions.

background in geology, geo-ecosystems and climate research. She was recently team leader for the final section of the International Levee Handbook to be published in 2013.

In his congratulations, EFCA President Jan Bosschem, Chairman of the competition jury, said: "Charlotte's entry impressed the jury because of her achievements to date relative to her age, and through the levels of innovation and sustainability in her project, which were essential criteria in our evaluation. She is a fine example of the talent that is required in the next generation of leaders in our sector."

The event has been running for three years and aims to demonstrate the diversity and attractiveness of a career in the engineering consultancy sector.

## ↳ Consulting potential in sustainable cities

Complementing Jaap de Koning in his call for the construction industry to be viewed in a different way, is Stellan Fryxell, TENG BOM, Architect Partner and member of the FIDIC-EFCA Committee on Sustainable Development, shining a light on the potential for consulting engineers in the systems approach needed for 'sustainable cities'. "If we organise ourselves right, we can do it with the same toolbox we have now, but using new, efficient ways of working. We have to work side-by-side, different companies, different engineers. Teamwork is essential. It is also rewarding," he says.

"If you tell me these are hard times economically, I would say we must think about the long-term. Investment in infrastructure, and more holistic systems now means huge savings over time. We must raise infrastructure investment compared to our GNP."

EFCA and FIDIC (the world federation) will jointly publish a White Book on the topic under the title "Rethink cities".



[www.efcanet.org](http://www.efcanet.org)

## Important changes

The re-cast of the directive is now with the European Parliament but EFCA is still calling for some important changes to be incorporated into the final text. "We need a definition of 'knowledge-based services'," says Mr de Koning, "and a realistic minimum number of days to prepare a tender. We don't understand the logic in further reducing the time limits to submit offers, and are worried because contracting authorities tend to take the 'minimum' as a recommendation rather than adapting it to the project being tendered."

Mr de Koning would also like contracting authorities being prevented from "cherry picking" the best ideas from all offers, especially as e-procurement dawns. He says the potential for public authorities to limit or distort competition through an "exchange of services" between themselves, should be minimised; and, where they are encouraged to group together for purchasing, what happens with contracting services should be clarified.

According to Mr de Koning, if the value of knowledge-based and creative services provided by consulting engineers and architects is not recognised in procurement law, their potentially significant contribution towards the EU goals, especially innovation, a resource-efficient Europe, deepening the single market, investing in growth (especially through PPPs), and sustainable development through a green economy, is also constrained. He reminds the institutions that: "the foundation for the construction industry meeting EU policy objectives is most frequently laid down by the creative services."

The European Commission has had an open-door policy that EFCA has welcomed, and consultations with DG Internal Market have been constructive. "But if the Commission and the Parliament aim for Europe 2020, and a new sort of society, the leverage is in knowledge-based and creative services. Consulting engineers can be a major force for change here, if the directive lets them."

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## Co-contracting – a flexible alternative to market domination

Although outside of the directive, EFCA are also promoting a more fair and flexible approach to public-private partnerships. At present, the largest contractors in Europe are not only winning all the contracts, these contracts are for the complete package from design to operation, locking out SMEs except in a sub-contractor role. It's not just a matter of direct access to contracting authorities, say EFCA, but of retaining the benefits of independent consultancy. Seen in a new light, engineering consultancies are 'networks of inter-sectoral and inter-disciplinary competencies'. Involving such networks in a 'co-contracting' approach will help the successful introduction of new forms of integrated contracts.

EFCA represents thousands of small businesses across Europe, so it is important to maintain the profile of the European Commission's 2008 code of best practices to facilitate access by SMEs to public procurement contracts:

"An increased involvement of SMEs into public purchasing will result in higher competition for public contracts, leading to better value for money for contracting authorities. In addition to this, more competitive and transparent public procurement practices will allow SMEs to unlock their growth and innovation potential with a positive impact on the European economy."

***Engineering consultancies are networks of inter-sectoral and inter-disciplinary competencies – appropriate partners for co-contracting.***

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**EFCA has member associations in 26 countries, and is the sole European federation lobbying on behalf of engineering consultancy and related services, a sector that employs around one million staff in Europe. EFCA contributes with a strong and cohesive input to legislative actions of its national associations on issues affecting market conditions. Furthermore, the organisation works as a Europe-wide platform for national associations and their member firms to gather relevant facts and discuss issues with their counterparts.**