



RESEARCH — PROCUREMENT OF ARCHITECTURAL SERVICES

Prepared by the Australian
Institute of Architects 2019



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CONTENTS



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Section	Page
1 Introduction	2
1.1 Looking back	2
2 Executive summary	3
3 Project definition	4
3.1 Quality-based selection	4
3.2 Project aim	4
3.3 Data sources	4
3.3.1 National procurement policy documents	4
3.3.2 Client interviews	4
3.3.3 Member survey	4
3.4 Research limitations	5
4 Research findings	6
4.1 Overview	6
4.1.1 Policy document review	6
4.1.2 Client interviews	6
4.1.3 Member survey	6
4.2 Five recurring themes	7
4.2.1 Clarity	7
4.2.2 Equality and opportunity	9
4.2.3 Risk	12
4.2.4 Quality	14
4.2.5 Time and cost	16
5 References	19

2018 National Award for Public Architecture | Punchbowl Mosque | Candalepas Associates | Brett

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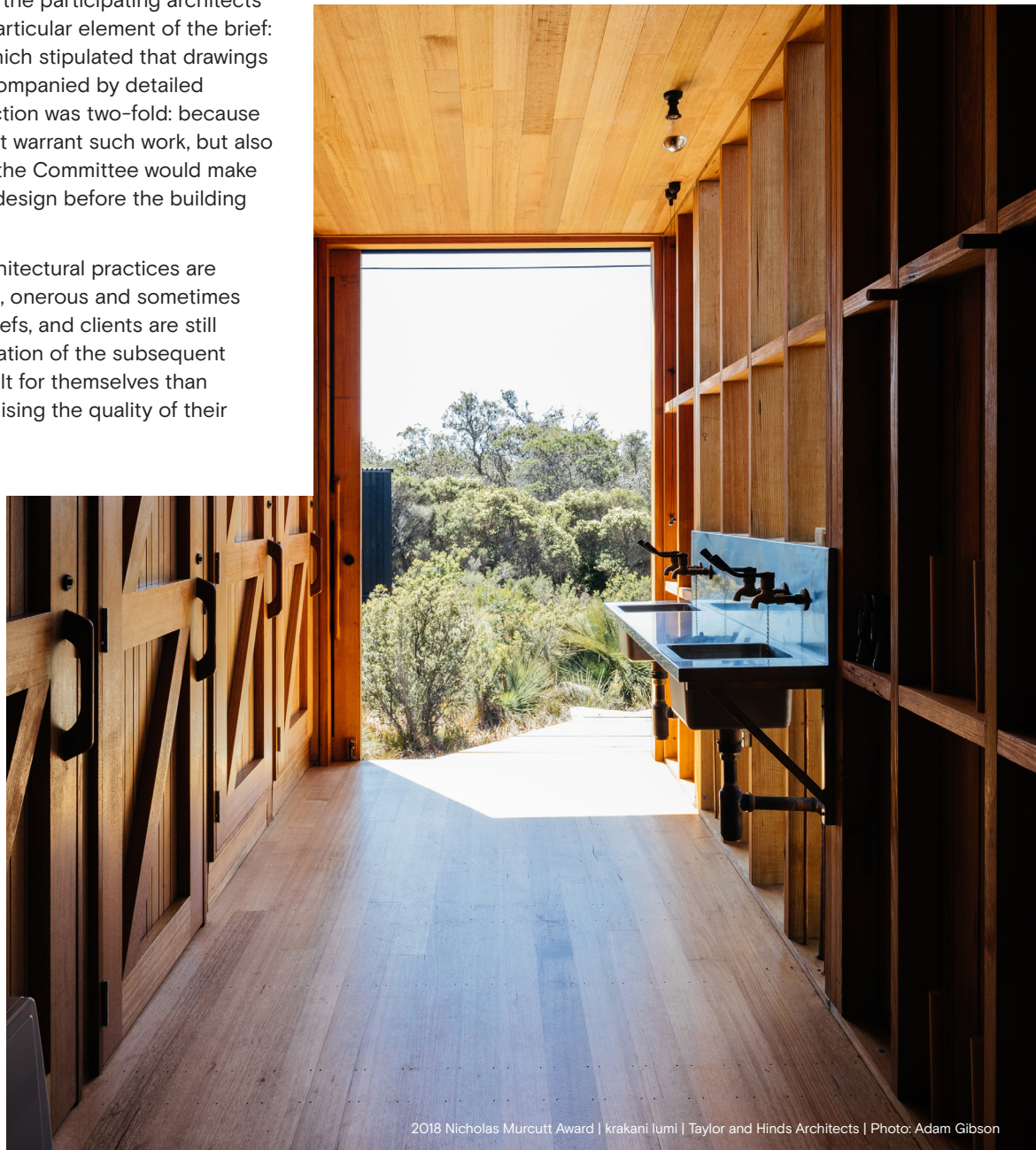
1_ INTRODUCTION

1.1 LOOKING BACK

In 1864, the Melbourne Town Hall Committee decided that Melbourne needed a new Town Hall, and that it would be built for the princely sum of £25,000. The winning design was awarded £200, and second place £50.

An unconfirmed site coupled with a long list of space requirements that would not fit into even the largest of the potential sites and a shifting brief during the tender period had many architectural firms disgruntled, but pursuing the opportunity none-the-less. In this all-too-familiar situation, the participating architects were in unison on one particular element of the brief: objection to Clause 7, which stipulated that drawings for the Town Hall be accompanied by detailed specifications. The objection was two-fold: because the prize of £200 did not warrant such work, but also because they expected the Committee would make changes to the winning design before the building was built.¹

Over 150 years later, architectural practices are still responding to vague, onerous and sometimes unreasonable project briefs, and clients are still unwittingly making evaluation of the subsequent submissions more difficult for themselves than necessary and compromising the quality of their projects.



2018 Nicholas Murcutt Award | krakani lumi | Taylor and Hinds Architects | Photo: Adam Gibson

2_ EXECUTIVE SUMMARY

This report documents research undertaken by the Australian Institute of Architects to understand the current experiences and perceptions of architects and clients of current procurement practices for government and institutional projects. The research included analysis of industry and government policy documents, interviews with government and institutional clients, and an online survey of Institute members.

Clients and architects agree about the changing nature of procurement methods (both for architectural services and buildings more generally) and the shifting of risk away from clients through contractual arrangements. However, there is misalignment in how clients and architects perceive some aspects of the Expressions of Interest (EOI) and Request for Tender (RFT) processes: specifically, evaluation criteria, weightings, and feedback, as well as the amount of detail requested by clients.

While many of the clients that participated in this research explained processes and standard documents that address these issues, the survey shows that, nonetheless, there are still clients that do not consider them adequately. This is having a detrimental effect on the willingness of practices to compete for government and institutional work, and consequently on client outcomes.

Importantly, and unfortunately, some architects believe that clients disingenuously claim that design quality and team suitability are fundamental to selection decisions, when fee is actually the main criteria. This distrust is driving down fees for clients but compromising the quality of work delivered, and dissuading some practices to submit for work.

The clients interviewed have a respect for the contribution that architects make to ensure a high quality built outcome, and the responsibility that all parties have to be fair and reasonable.

“

We want to be seen as a good client. We pay our bills. We want to be seen to be listening, we're fair, we're not so bloody minded and trying to take some contractual advantage or a sharp interpretation. We want to work with these people.

(Client, Federal Government)

This goodwill and professionalism cannot be over-valued, and the architectural community must nurture it to ensure a positive relationship with their potential clients. Many of the issues raised in this research focus on what clients can and should do to ensure an effective process to engage architectural services. However, reflecting the intent of this project, one client firmly believed that the onus is on the architectural community to advocate for new ways of engaging consultants to undertake design projects.

“

The Institute should put the same amount of money that they put into their awards for each other into how they frame this conversation. It shouldn't be me who says, 'here's a new way of doing a design competition'. The Institute needs to be getting a position and then offering alternatives to their client base, saying 'think about this, think about that'.

(Client, Education Sector)

Building on existing policy positions from other consultant peak bodies and the data from this research, the Institute has a base upon which to expand the understanding of clients of the issues that hinder EOI and RFT processes, and to advocate for more effective and efficient means to procure architectural services.

3_ PROJECT DEFINITION

3.1 QUALITY-BASED SELECTION

The selection of an architect is a crucial early step in the delivery of a successful built project. Thoughtful and thorough consideration at the early stage of consultant procurement maximises the possibilities for design quality, cost savings, and a productive working relationship between the client and consultant group.

Government agencies and institutions in Australia have adopted various methods of quality-based selection (as opposed to cost-based selection) to commission architectural services, including Expressions of Interest (EOI), Request for Tenders (RFT), Request for Proposals (RFP) and Design Competitions. Each of these methods has merit, and provides agencies with options to suit the burgeoning type of projects commissioned in the public sector.

Over time, however, the variance and complexity of these methods has increased, as has the onus on architectural practices to respond with more detail and take on greater risks associated with changing procurement models. Many government and institutional clients are aware of the difficulties for consultants in the architectural services procurement process, and taking steps to address them. Policy frameworks of all public agencies are constantly undergoing refinement. In the context of ongoing change, this research seeks to explore the perceptions and experiences of clients and architects of procurement practices, with a view to improving the procurement process.

3.2 PROJECT AIM

The National Council of the Australian Institute of Architects has identified procurement of architectural services as a key policy priority. The aim of the research is to investigate best practice EOI and RFT methods in public sector and educational institutions that commission architectural services, with a view to producing Guidelines for clients. RFP and Design Competition methods have their own specific parameters and are not addressed in this project.

The objective of the Guidelines is for potential clients to review their own EOI and RFT methods and documents, and align them with best practice to enable an effective and efficient process that maximises the potential for high quality built outcomes, and reduces bidding and assessment costs for all.

3.3 DATA SOURCES

Qualitative and quantitative data from both the architectural community and clients was collected via a desktop review of industry peak body policy documents, interviews with government and institutional clients, and an online survey of Institute members.

3.3.1 National procurement policy documents

- Consult Australia: Model client policy²
- Office of the Victorian Government Architect: Government as Smart Client³
- Government Architect of New South Wales Advisory Notes: How to select consultants⁴
- NSW Government Action Plan: A ten point commitment to the construction sector⁵
- Queensland Government Procurement Guidance: Engaging and managing contractors and consultants⁶
- Union International des Architectes: A guide to competitive quality based selection for architects⁷
- Tasmanian Government Department of Treasury & Finance: Best practice for engagement of consultants⁸
- Australian Construction Industry Forum: A guide to project initiation for project sponsors, clients & owners⁹

3.3.2 Client interviews

The researcher conducted semi-structured half hour telephone interviews with nine client representatives from procurement teams in Federal, State and Local Government, and tertiary, secondary and primary education institutions from across all states and territories of Australia except the Northern Territory.

3.3.3 Member survey

The Institute invited its members to undertake an online survey via email link. The survey was open for two weeks from the 22nd of October 2018 to 5th of November 2018. Eighty-five members responded. The responses came from members in all states and territories of Australia except the Northern Territory (35 per cent from New South Wales, with the next largest representation of 21 per cent from Tasmania). The sample included a cross section of practice sizes (42 per cent small practices of up to nine staff, and 28 per cent from large practices of over 100 staff). Education represented the most common market for practices to be delivering projects in the public sector. Three quarters of respondents had worked in this sector followed by State (72 per cent), Local (68 per cent), and then Federal Government projects (36 per cent).

3.4 RESEARCH LIMITATIONS

This research focusses on the EOI and RFT methods of procurement of architectural services. RFP and Design Competition procurement processes entail significant issues of time, cost and intellectual property that are beyond the scope of this project. The confidentiality constraints of tender documents during and after a tender process precluded reference to specific clauses within documents. Eighty-five architects offered responses to the survey. Nine clients participated in interviews. The data from client interviews is not directly comparable to responses from the architects, and represents a much smaller range of views.

Figure 1. How many employees work in your practice?

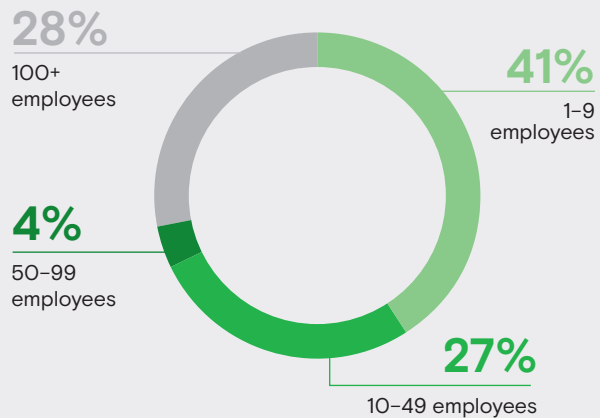


Figure 2. What state of Australia are you located?

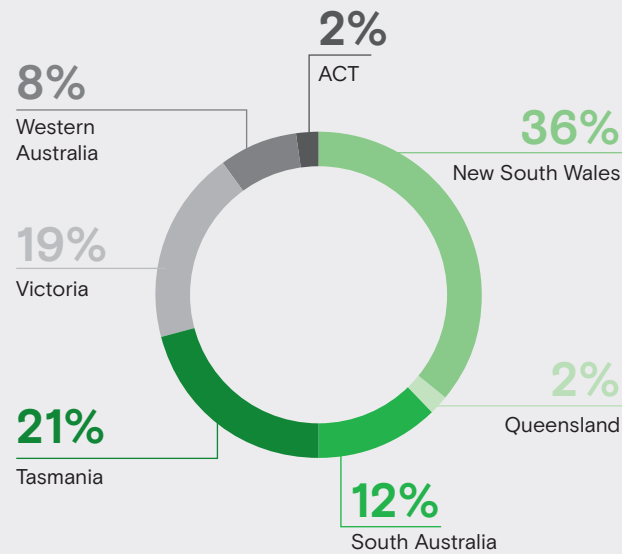
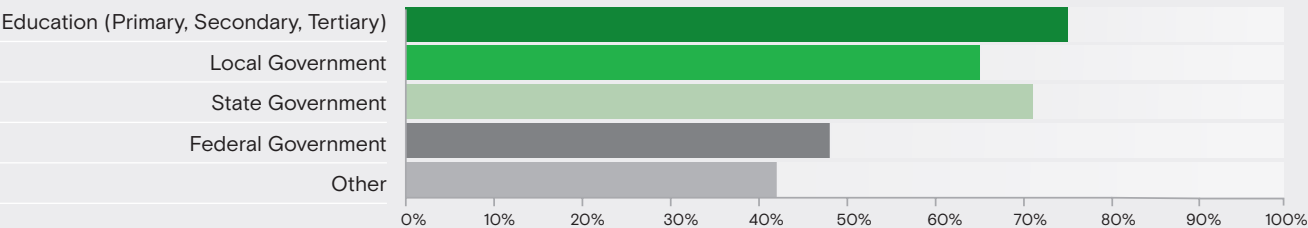


Figure 3. To which of the following sectors have you provided architectural services?



4_ RESEARCH FINDINGS

4.1 OVERVIEW

4.1.1 Policy document review

The Institute is not alone in seeking to clarify and improve the methods by which clients engage consultant teams. Analysis of guidelines from industry peak bodies and government departments clearly indicates the challenges of procurement processes are widespread and similar in nature across all types of projects and sectors. Policies, frameworks and advisory notes seek to address these common concerns at various levels of detail, and with a range of priorities, including risk, time and cost management, depending on the sector.

This literature review, combined with the Institute member survey and interviews of staff across various government and institutional procurement teams, reveals five recurring themes:

1. Clarity
2. Equality and opportunity
3. Risk
4. Quality
5. Time and cost

The fifth concern, the time and cost of production and evaluation of an EOI or RFT, is a direct product of the first four issues. Without clear and concise tender processes that provide equal opportunity, a fair distribution of project risk and a focus on quality design, clients can squander precious time and public resources in the procurement of architectural services, and undermine the potential quality of their built project.

4.1.2 Client interviews

The client conversations indicated:

- Awareness of the concerns of architects about procurement processes, while **asserting the needs of the client to obtain the necessary information and contractual arrangements** to deliver the best possible value for money
- Confidence in their standard documents, but **cognisance of the need for ongoing improvement** to ensure probity, quality assurance and a robust consultant environment

4.1.3 Member survey

The survey responses reflect many of the issues identified in the desktop review of policy documents and discussions with clients, and confirm a widespread disenchantment with the procurement process. Areas of concern included:

- **Increasingly onerous requests for detailed information**, particularly in company information and resourcing of projects. Two thirds of respondents indicated that the extent of submission requirements (ie too many or too detailed) would prevent them from responding to an EOI or RFT
- **Limited feedback from clients**. Almost half (42 per cent) of all respondents indicated their most recent EOI or RFT had no formal feedback mechanism, and a number indicated that any feedback they received was of limited value
- **A 'closed shop' approach** that excludes smaller and emerging practices based on inexperience, and discourages new ideas and fresh approaches. Almost half of all respondents (45 per cent) indicated that none of their submissions completed in the previous twelve months allowed them an opportunity to deliver a project type they had not delivered previously
- **Increasing frequency of requests for design proposals or ideas for no payment**, betraying a lack of respect for intellectual property and architectural expertise. Sixty-eight per cent of surveyed architects indicated that they would not respond to an EOI or RFT that contained a request for a design response
- **Distrust by architects of selection criteria** that emphasise design quality and team suitability and a corresponding belief that fee is the basis of most architect selections. This is leading some practices to discontinue submitting for public sector work altogether.
- **A lack of clarity in criteria weightings**. While clients usually include assessment criteria, weightings of those criteria are far less common, but critical to understanding the priorities of the client
- **Changing contractual arrangements** (in particular novation) that shift risk from client to consultants, creating legal and insurance barriers to participation
- **Re-tendering at each phase of design**, undermining continuity in design services and quality of built outcomes



2018 Harry Siedler Award | Barwon Water | GHD Woodhead | Photo: Trevor Mein

4.2 FIVE RECURRING THEMES

4.2.1 Clarity

Research responses indicate that clarity requires EOI and RFT documents to provide concise questions, information and documentation, clear evaluation criteria and weightings, and word limits to help architects provide concise responses

The procurement process is complex, and not easily broken down into simple instructions or responses. In client interviews, the most regular response to questions about their approach to procurement was “It depends!” on the project size, complexity, budget and building typology. Equally, architects understand that cut and paste responses from one EOI or RFT submission to the next are unsuitable, and quite likely counterproductive.



We do notice when things have just been copied and pasted, a very generic statement. We'd almost rather not have it.

(Client, Education Sector)

Standardisation, then, is not the answer. Rather, clarity in instructions and responses is the fundamental requirement for, and from, both parties. Concise language and a logical progression of information are critical to a high quality scope and response. Repetition, verbosity, jargon, superfluous information, or worse, omission of critical information, all affect the ability of architects to understand the requirements, and fully appreciate the priorities, of the project. Similarly, they impinge on the ability of the client to understand and evaluate a submission.

4.2.1.1 Clear and concise information, questions and criteria from clients

Practices need clear scope and evaluation criteria to assess realistically their chances of success. A concise project brief and scope of works saves all parties time, money and effort by allowing the architect to tailor their proposal directly to the project requirements. It also affords the client the best opportunity to receive uniform proposals to compare and evaluate.



If the evaluation criteria are clear, then page limits can help reduce workloads. If not, the page limits requires a lot of re-writing to cover the range implied in the question.”

(Architect)

The member survey responses indicate that problems in clarity relate as much to the omission of important information as the clarity of that which is included. Inadvertent omission of previous site studies or other supporting information can have a major bearing on the approach, budget or timing of a project. While most clients believe it a fair assumption that the project budget be provided, others indicated they intentionally hold back information.



It doesn't seem fair, but generally speaking we don't reveal any information in regards to the budget. Value for money is what we want to know – what is the best way you can deliver the services, and what's the best offer you can make to do it?”

(Client, State Government)

Inclusion and clarity of criteria and weightings are the most commonly cited omissions. The survey indicated that while criteria are usually included, they are often unclear and not accompanied by weightings that will help architects discern the client's priorities. Clients generally defended this practice by noting that priorities of a project are made clear by other means, or kept confidential in order to test the priorities of the architects themselves.



We don't publish the weightings, but we publish the criteria in order of what's important.

(Client, State Government)

Clients just don't believe that weightings are required. They would not necessarily have the same weightings for every job. I think it might raise more questions if the weightings of one job are different to another job.

(Client, Project Manager)

We don't provide the weightings, but we'll give you a pretty good indication about it. We'll do a briefing and we'll make it clear whatever the priorities are.

(Client, State Government)

I'll never give you a percentage weighting, but I'll give you a fair indication. Most project managers would do that quite openly in discussion, but they are not going to put it in writing.

(Client, Education Sector)

The client interviews indicated a very strong consistency in responses about evaluation criteria, which change depending on the size and complexity of a project. Clients believe that fee is a much more important factor in evaluation of small, simple projects. Evaluation criteria for larger projects is more heavily weighted towards methodology, experience and understanding of the project. The human factors of communication and effective relationships with stakeholders are an increasingly important consideration. Architects, on the other hand, were sceptical of clients that indicate fee was not the primary evaluation factor, a position difficult for clients to defend without transparent criteria and weightings.

4.2.1.2 Clear and concise responses from architects

Many clients indicated that architects have a tendency to oversupply information, while architects contended that a lack of information within the brief necessitates a comprehensive approach to cover all angles. The simple solution to this issue is the inclusion by clients of word limits, and the adherence to those limits by architects. Word limits improve the comparability of submissions, and eliminate the need for architects to produce long and detailed responses. They also enable clients to gauge if the architect has a clear appreciation for the key issues of the project before the process of designing the building form begins.



We put word limits on things, but I think the problem is that (long responses) tell me they haven't really defined the problem. The hardest thing is to get them not to reach for the yellow trace.

(Client, Education Sector)



The 2017 Daryl Jackson Award | East Sydney Early Learning Centre | Andrew Burges Architects in association with the City of Sydney | Peter Bennetts

Most architects and some clients indicated a preference for word limits, although notably some clients did not want to restrict responses to project methodology questions in particular.



The things we always want to know are – demonstrate an understanding of the project and what it's about. Show us how clever you are, what you're thinking, and what you are able to offer here beyond business as usual.

(Client, Education Sector)

Clients use word limits to exclude marketing material and overly long submissions, although the survey indicated that around half (51 per cent) of all recently delivered EOIs and RFTs do not use this mechanism. Where they are implemented, clients indicated they have no qualms exercising their right not to read anything beyond the word limits.



We quite often get 100 pages of adverts. The people evaluating (the proposal) don't see all of that because it comes to the procurement team first. We rip all of that out.

(Client, State Government)

Architects tend to (go over the word limits). You can appendix what you want, but we tend to say it's at our liberty whether we read it and your risk when you put it in.

(Client, Education Sector)

For architects, sticking to word limits, where provided, is a straightforward measure to save time and improve the chances of success in any bid.

4.2.2 Equality and opportunity

The issues of equality and opportunity to bid for and to win projects is a major source of discontent for practices across the spectrum (small and large practice, city and regional practice, local, national or international practice). The process must be fair to all who wish to participate, in order to allow a diverse market of ideas and ways of working to flourish.

Foremost for architects is a perceived lack of appreciation in the client body for consideration of the number of bids and processes, with the consequent costs to business. The government procurement process is open to all in many cases, but is sometimes perceived to be skewed towards larger consultant organisations. An open tender may appear to give all practice types and sizes an opportunity to compete, but can lead to large numbers of bids, thus reducing everyone's chances of success. Fifty four per cent of survey respondents indicated that an open tender process would prevent them from bidding for a project.

The cost to business of unsuccessful bids may, as indicated in the Consult Australia Model Client policy², lead to a lack of competition and a subsequent increase in costs to clients. The clients interviewed in this research indicated a strong understanding of this issue, with a range of policies of select tender or EOI plus RFT to minimise the costs and breadth of submissions.

Most of the clients interviewed had policies in place to support smaller practices. Larger agencies procuring many projects were more likely to be actively pursuing local, small or untried architects, particularly in association with larger firms.



We will make a deliberate effort to try and spread the love, making sure that we're inviting different architects when we have new work so that we can be fair to new talent and work with different firms."

(Client, State Government)

Responses indicate that smaller firms are an important element of the system that can provide innovative or fresh thinking. Clients believe that they are well catered for in ‘buy local’ policies where the project size or focus is relevant.

“

Firms are getting together to increase their value proposition by partnering with others that might have some particular expertise in relation to the project.

(Client, Project Manager)

More and more clients on larger projects have a team of architects led by an established practice but supported by emerging practices. That’s a way of getting diversity and innovation.

(Client, Project Manager)

One tenderer expressed concern over our request for two A3 pages only of design concepts because it disadvantaged small practice. But that limit was put in expressly to combat this.

(Client, Local Government)

However, discontent certainly exists in the architectural community about the systemic disadvantages to regional, emerging and small practice.

“

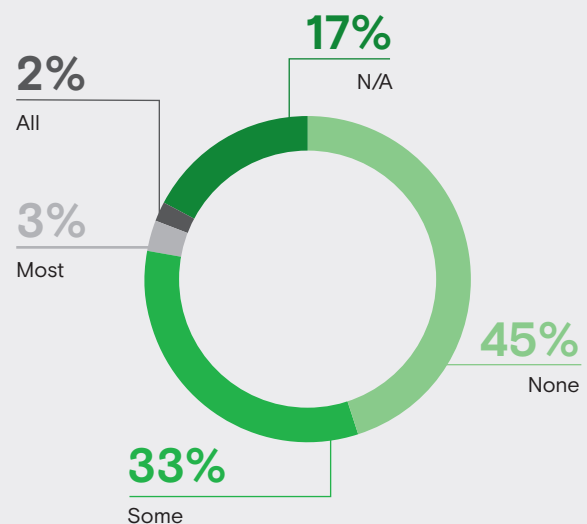
There is a tendency for regional projects to be awarded to city based practices aligned with the city based project managers and hence less opportunity for regional practices to participate.

(Architect)

Evidence required of similar projects completed in the past four years’ – given the typical delivery time of a project, this is a criterion that favours large practices with offices in several states.

(Architect)

Figure 4. In the public sector EOI/RFTs that you have delivered in the last twelve months, how many have given your practice an opportunity to deliver a project type that you have not delivered previously?



“

Often experience is required in a very particular type of building and three projects are required within the last three years. These criteria are often impossible to satisfy for many practices and make the most recently used architects likely to win successive projects.

(Architect)

Clients actively countered this view in the interviews with the existence of various policy positions relating to SMEs and local suppliers. Client procurement guidelines and policies, as well as prequalification panels, contain specific clauses to encourage or mandate local or small business involvement, in order to develop talent and level the playing field for smaller practices. Others simply saw it as good practice in fostering talent and providing local jobs.

“

We don’t have a minimum local content policy, but we seek to maximise it.

(Client, Federal Government)

“

I certainly recommend that to work with government, consultants should absolutely 100 per cent be on those (prequalification) panels because it gets you a far better chance of working with government... they cater for the SMEs specifically. The strategic direction of those panels ensures that the smaller enterprises are not left out.

(Client, State Government)

In particular, smaller organisations (e.g. smaller state and local governments and institutions), delivering lower value projects are well placed to build capacity and experience for emerging consultants. But there are inherent capacity and experience constraints to be considered.

“

We don't preclude people, otherwise what happens is that the only people who can bid for a job are those that have worked with you before. But when you are doing projects between \$200 and \$400 million, you need a tier one team. Each of the projects is assessed on its merits.

(Client, Federal Government)

In an increasingly globalised world, some architects perceive the mandating of overseas design partners as a problem. However, inclusion of overseas architects in bids was not a big factor in client interviews, with some expressing an aversion to it, and others not delivering projects of an appropriate size or public significance to warrant it.

“

We don't often go with an international architect because we find it too difficult to liaise with them.

(Client, Education Sector)

Feedback is one area that appears to be highly contested. All clients indicated a process of written notification of an unsuccessful bid, and an accompanying offer for verbal feedback by meeting or telephone.

“

We offer a face to face debrief for every single competitive candidate. We don't have to do that, but we do that as a way of trying to connect with industry. You have to have 360 degree feedback.

(Client, Education Sector)

Yet many architects expressed frustration at the lack of opportunities for feedback, and the quality when it does occur.

“

We were once told we didn't win a tender because we didn't have enough 'sparkle' in the interview.

(Architect)

We nearly always have to initiate the dialogue in order to extract meaningful feedback.

(Architect)

The feedback is mostly general and does not provide adequate information to be able to compare our tender response to the awarded tender.

(Architect)

Honest feedback should be provided, yet it is increasingly rare

(Architect)

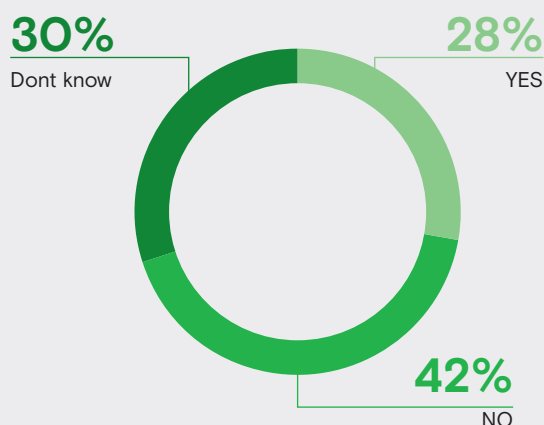
Feedback has not eventuated despite several requests

(Architect)

We received feedback, but it was not helpful. Just generic answers... 'you were very close... submissions were of a high quality'...etc."

(Architect)

Figure 5. In the last submission you completed, was there are formal feedback mechanism for unsuccessful bidders



One suggestion from a client (as practiced in the UK some time ago), is that in the tender notification letter, all tenderers are listed alphabetically and the tender prices are listed in numerical order from highest to lowest. In this way, the tenderers are informed of who submitted for the project, and the range of prices of work, without divulging the winning consultant's price. While not providing feedback on particular strengths and weaknesses of submissions, this method does at least allow for transparency about fees.

Another issue related to fairness identified by architects is the increasingly common request for 'design ideas' within RFTs. Architects believe the schematic design process is creeping backwards into the RFT stage, where clients are requesting ideas about the physical form of a building as a starting point for selection. This is viewed negatively in two ways – one is the time and resources required to produce design ideas in the short timeframe of the RFT process, and the other is the devaluing of design expertise (i.e. ideas for free). Architects firmly believe that this type of response must only belong within the context of a design competition, for which there are best practice guidelines such as the Institute Design Competition Guidelines and various advisory agencies such as Government Architects.



We as a profession seem more than happy to give away free work in our race to the bottom.

(Architect)

Many of the current interactive tendering practices seem to be a disguise for getting design input without the normal remuneration.

(Architect)

Clients noted that design competitions are not common, and less prevalent now than perhaps ten years ago. Some indicated they had paid for design ideas in the past, but that it was not standard, nor necessarily desired practice because design responses were not important at the early stage of the project, compared to demonstrating a good fit with the client.

4.2.3 Risk

The risk profile of any design project is dependent on the size, type, location, contractual arrangements, economic circumstances and other myriad factors. Clients understandably seek to minimise risks to their projects and operations, just as architects seek to minimise risk in their designs and their businesses. Risk must be shared, but should be proportionate to the services delivered.

Public sector project processes increasingly seek to externalise risk through various contractual requirements and building procurement models. The Deloitte Access Economics report commissioned by Consult Australia² notes that "In the past, risk was borne by the public sector as part of their day-to-day operations... There has been a shift of many project and risk responsibilities from public sector client organisations to construction companies who then contractually pass the risk on to professional services firms", either because of a presumption that consultants are most suited to manage those risks, or less encouragingly, because of a stronger bargaining position.

This risk is both at the micro scale of procuring architectural services, and at the macro scale of procuring buildings through novation, design and construct and other methods. A number of architects expressed the problems associated with the shifting of risk.

“

Conditions of engagement are increasingly complex and appear to focus only on reducing client risk – not good outcomes. Clients are less open to discussing onerous contract agreements, and often require acceptance of conditions at time of EOI without amendment.

(Architect)

There is a greater reliance on architects providing a large sub-consultant team, and carrying risk of scope and fee.

(Architect)

There has been a major increase in risk shifting (to consultants) without any commensurate increase in fees.

(Architect)

We were asked to engage an asbestos consultant as part of our team. However our PI will not cover us if we engage anybody directly for asbestos services.

(Architect)



2018 National Award for Interior Architecture | Monaro Mall, Canberra Centre
| Universal Design Studio and Maher Architecture | Photo: Dianna Snape

While there are obvious benefits for clients, it is potentially counterproductive in the longer term. The Deloitte Access Economics report found that “firms often respond to onerous risk by either pricing it into their bid or deciding not to bid on a particular project, which in turn drives up price by reducing competitive pressure”.² This is evident in survey comments.

“

We’ve stopped doing them over recent years. They’re time consuming, costly and onerous.

(Architect)

The clients interviewed were cognisant of this issue, expressing concern at the gaps in responsibilities of head contractors and consultants, and other coordination issues.

“

We want to have short and sweet returnable schedules, particularly when there is a two-stage process. We want to make sure that the risk is shared between government and tenderers, and make sure there are not too many costs involved in tendering.

(Client, State Government)

If you look at the world of services consultants they seem to have international arrangements (with offices that don’t have heavy commitments on at any particular time). That lack of coordination is incredibly frustrating for us. It’s the architect’s responsibility. We should not be wearing the additional cost and delay associated with those aspects of not being coordinated.

(Client, Federal Government)

We are finding in novated projects that there are gaps between what’s in the architectural scope that’s been written at the start of the project and what the builder is being asked to do in their contract. The builder may assume because it is design related activity that it is in the architects’ scope of services. Greater clarity of post novation responsibilities would benefit everyone. We are certainly going to make that clearer in our documents going forward.

(Client, Project Manager)

There is a definite trend towards staged procurement of work (breaking up the process due to uncertainty of funding and approvals), which leads to short term appointments and, often, discontinuity in teams and a lack of prior knowledge across project stages.



More and more tenders break up the commission into a number of phases so that architects have to re-tender for the project at each stage.

(Architect)

Educational institutions are doing more staged appointments. So they may be engaged to do some work for a business case or master planning work and then we'll have to tender again for further stages.

(Client, Project Manager)

It's unclear what's driving this phenomenon, but it may be financial approvals, lack of certainty about projects proceeding, or just a lack of good thinking and an aversion to responsibility.

(Client, Project Manager)

It's creating extra work potentially unnecessarily, and wasting a lot of effort because if you do have staged appointments, and you go back out to tender and inevitably a different architect, sometimes you are starting again. That is frustrating for our stakeholders because they say we have to answer the same questions with a different team. So inefficient.

(Client, Project Manager)

In this case, non-standard contracts and innovative delivery methods are not necessarily delivering high quality design outcomes or efficient design processes, but there are many competing demands to juggle, not least of which are the issues of clarity and probity.



(The process) is more rigorous in probity. Something that was a ten page RFT (will now be) over 100 pages because we are trying to reduce risk. We are saying 'here is the contract that we want you to sign, here's what we want'. We don't want to find out downstream that there's a problem so we are bringing all our risk up front.

(Client, Education Sector)

However, the changing nature of contractual arrangements towards more contractor led delivery does have an upside for architects according to some clients. Early contractor involvement at some institutions and government departments is allowing ongoing and small projects to be clustered together to form larger bodies of work, cutting down the number of EOI and RFT processes.

4.2.4 Quality

Quality is a subjective term that can relate to a variety of elements of the design and delivery process. By definition in the project goals and aspirations, the client may measure quality in programming, functionality, aesthetics, maintenance and operational requirements, social outcomes, sustainability etc. But, specific to this research, quality also relates the information and method by which the architectural team is selected.

The quality of the brief contained in an EOI or RFT directly relates to the quality of the response. Without a clear project scope and deliverables, consultant teams are unable to provide consistent information that will allow a fully informed, quality-based selection. However, the issue of quality inputs from the client runs much deeper in the EOI and RFP processes. A strong consultant procurement stage can enable the highest quality design and delivery.

The quality of information within the scope has been addressed in the previous sections of this report, and in particular relating to clarity. Design quality, however, is a separate and complex consideration that exists largely in relation to fee evaluation. The client interviews and architect survey indicate the delicate balancing act that all parties need to make between high quality design and the fees that clients are willing or able to afford.

The Office of the Victorian Government Architect³ notes that processes that encourage fee-bidding drive down design quality, leading to poor outcomes. Overall pressure on teams to do more with less leads to less design effort and design resolution. The likely quality of documentation is diminished, leading to unexpected costs during construction. In addition, the design cost savings through competitive tendering of fees are easily lost and magnified by extra construction costs. The client interviews clearly indicate intent to deliver high quality built projects with a fair fee to architects. Quality, according to clients, is determined variously by previous experience, the ability to communicate and interact, and a creative and thorough design method. Clients sometimes couch this in terms of 'value for money'.



When it comes to architectural services, there is a best practice manual that (government) put out to make sure that it's not a race to the bottom. By virtue of the fact that (consultants) have prequalified, they demonstrated that they're good value for money.

(Client, State Government)

It's not about price. It's about getting the best team and approach. Price is just one of the factors.

(Client, Education Sector)

We make decision not so much around the cost. It's more around interaction now, and the skill set is really important.

(Client, Education Sector)

We are looking for four skillsets—space planning, good designer, project manage really well, and be able to interact and have good interpersonal skills with the (user group).

(Client, Education Sector)

You won't get the job if you can't communicate and have trust with the client and their community.

(Client, Education Sector)

But there are always limits to the budget, and other consideration. Clients also expressed a tendency for some architects to pursue design ideas without regard to the client's constraints.



On occasion, some architects believe their architectural purity is so pure that the client doesn't have a say. He who pays the bill...

(Client, Federal Government)

An underlying distrust exists in architects that clients select consultants more often on fee than quality. This is driven partly by the lack of transparency in selection processes when criteria and weightings are not clearly stated, and partly by the gradual lowering of fees over time. But clients defended their processes, and their right to include fee as a selection criteria.



It was an odd submission. Eight were invited for an EOI, and we needed to nominate an indicative fee. We were knocked out by our indicative fee.

(Architect)

Notwithstanding the weighting of the criteria, it is common knowledge that cost is the deciding factor, and not quality.

(Architect)

Architects complain (about fees) and rightly so. Some of the fees are ridiculous at the moment. If you look at the fees in the context of the cost of the project, I think it's ridiculous. I'm a big advocate for a little bit more fee.

(Client, Education Sector)

You need to understand that most organisations don't just do it on price. We put a lot of trust in our cost managers. Maybe the cost managers need better managing. I accept that's a challenge and we need to change that. I don't run around with an open cheque book, but there's a balance between price and quality.

(Client, Education Sector)

The expertise of the evaluation panel is also important for design quality, which can be difficult to evaluate for those not involved in design on a regular basis. The requisite skills have, over time, eroded in the public sector due to the gradual shifting of various risks (financial, reputational, and political) to the private sector through funding and procurement models, and contractual arrangements.

“

Authority has moved further out (to the individual government agencies). Outsourcing has produced more variation and a lack of shared understanding. They don't have a whole of government approach. They don't understand the broader program of work and the implications on the community.

(Client, State Government)

We will typically bring in independent external experts from the architecture profession to the evaluation board. We avoid the risk of public perception that there were three public servants with no architectural merit between them.

(Client, Federal Government)

Having the Government Architect involved was very helpful as a backup advisor that was slightly removed from the process. We were working with an uninformed client, so it needed independent advice for reassurance.

(Client, Local Government)

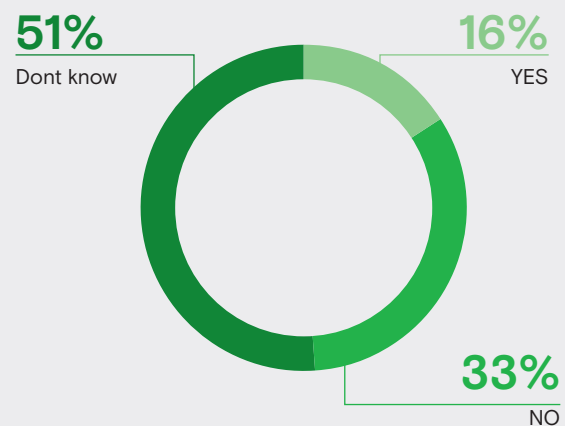
Involving an architect on a submission evaluation panel is one way to alleviate the apprehension that quality is not the focus, although the survey indicated that this is either limited in practice or not well advertised through the process.

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The Government Architects office knows our team as well. We have people like that quite often on our evaluation panel.

(Client, State Government)

Figure 6. In the last submission you completed, did the evaluation panel include an architect?



4.2.5 Time and cost

Time and cost are a direct product of the previous four themes of clarity, equality and opportunity, risk, and quality. Great design takes time, effort and money. The financial and operational rewards of investing in a thorough process and appropriately skilled team to deliver a building that is the right fit for the client far outweigh any extra time and resources in the preparatory, evaluation and architect selection phases of design.

Architectural practices regularly spend significant amounts of money on submissions to win work, most of which goes unpaid. While it is an accepted cost of business, unnecessarily high costs of bidding because of poor EOI and RFT documents and processes can dissuade practices from tendering for future work, thus lowering competition and ultimately raising the costs to clients in the longer term, as noted earlier.²

This was evident in the survey, where a number of respondents indicated that as the process has become more onerous, their participation has diminished, or ceased altogether.

“

I don't know that local government people necessarily understand the amount of work that they are asking for in an EOI. And sometimes the feedback that can be provided can be a bit flippant and not take into full account (the work required). I think you owe it to the architectural firms that have invested, you owe it to them to go through a very rigorous evaluation if they've taken the time to produce a rigorous EOI.

(Client, Local Government)

Due to the onerous nature of the submission process and the seeming closed shop, we have withdrawn from submissions and fee tendering.

(Architect)

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It is becoming uneconomic to participate. Submissions take more time = money to prepare than could be recovered in fees from projects won.

(Architect)

Some clients are aware of this issue and are actively addressing it.

“

We are pretty conscious when we shortlist through an EOI. We try to limit it to no more than four (architects) because I am really aware of the cost to the industry, but I'm also really aware of the cost to us.

(Client, Federal Government)

So while clients may be attempting to keep the number of participants invited low, the amount of information currently being requested is still too great for many surveyed architects. Two thirds of respondents indicated that the extent of submission requirements (i.e. too many or too detailed) would prevent them from responding to an EOI or RFT.

Figure 7. What would prevent you from submitting a public sector EOI or RFT?

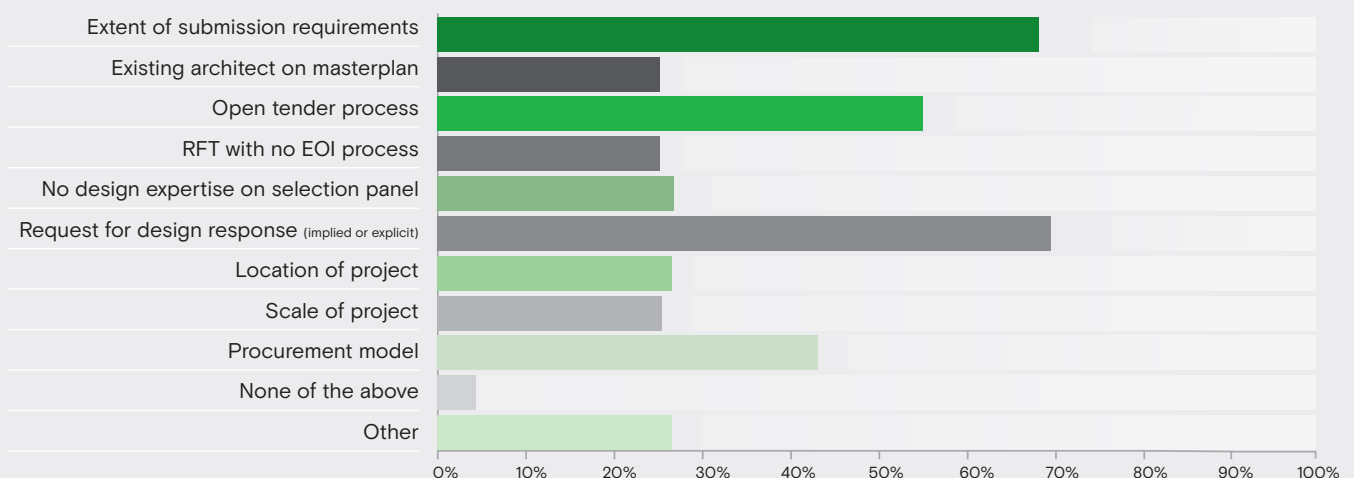
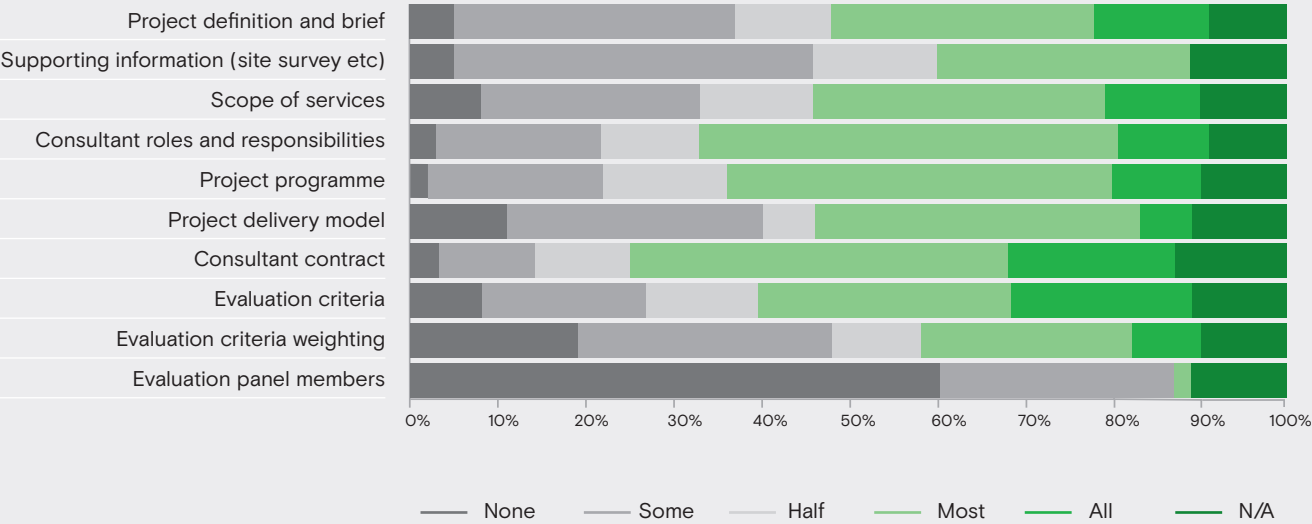


Figure 8. In public sector EOI and RFTs that you have submitted in the last twelve months, how many have had overly onerous obligations relating to the following?



Approximately one third of survey respondents believed that all of the EOIs and RFTs they had delivered in the previous year had overly onerous obligations relating to experience, capability and resourcing, project understanding, relevant experience, methodology and the fee.

One of the strong sentiments of architects was that some information requested at the EOI stage should be provided at RFT stage, or even after a preferred consultant has been selected. This allows the client more time to develop greater detail on scope, which in turn gives a more accurate picture of the project to which the architect can respond. In particular, architects believe that detailed resource management data (e.g. hours per individual per stage) are unnecessary for a client until the brief is fully developed.

Despite rigorous qualification systems, government is requiring more and more information relating to proposed personnel and their availability for the duration of the project, which is not within the control of the business.

(Architect)

Increasingly competitive submissions, fuelled by feedback by government departments stating where areas could have been addressed in more detail and as justification to award one team the commission over another.

(Architect)

We do like to see (the breakdown of resourcing) because when we weigh up the tenders we can see the differences in how many hours have been allocated, For example, if someone is putting in a huge chunk of hours but they are junior, versus a director. We do look at that.

(Client, Education Sector)

I believe the qualifications of those preparing briefs and evaluating submission have moved to a lower level with an increasing proportion of irrelevant and time wasting questions.

(Architect)

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