



BSI Standards Publication

Construction procurement — Guidance on strategy and tactics

National foreword

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Guidance on strategy and tactics**

*Marchés de construction — Recommandations en matière de
stratégie et de tactique*



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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see www.iso.org/patents).

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see www.iso.org/iso/foreword.html.

This document was prepared by Technical Committee ISO/TC 59, *Buildings and civil engineering works*, Subcommittee SC 18, *Construction procurement*.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

Introduction

Procurement is defined in the ISO 10845 series as "the process which creates, manages and fulfils contracts". Procurement accordingly commences once a need for goods and services or any combination thereof has been identified and it ends when the goods are received, the services and construction works are completed, and contracts are closed out. It embraces the concepts of (see ISO 21502):

- planning for procurement when procurement strategies are developed, procurement criteria are identified and contract specifications are developed;
- the evaluation and selection of a contractor in accordance with selected criteria;
- administering contracts involving the monitoring of contract performance, managing contract changes and corrections, dealing with claims and ending contracts and closing contracts;
- closing contracts when the contract obligations of the parties have been met or the contract is closed early in accordance with the termination clauses.

Delivery management is the critical leadership role played by a knowledgeable client to plan, specify, procure and oversee the delivery of construction works projects resulting in project outcomes. Procurement yields the necessary resources to deliver projects while delivery management provides the necessary leadership and oversight management and forms part of the governance or quality oversight arrangements for construction-related projects.

ISO 10845-1 describes generic procurement processes and establishes generic methods and procedures for procurements enabling a procurement system to be established within an organization. ISO 10845-4 contains standard conditions for the calling for expressions of interest enabling respondents to be prequalified to be admitted to a database or be invited to submit tender offers. ISO 10845-3 contains standard conditions of tender enabling the process of offer and acceptance to be conducted. ISO 10845-2 establishes a uniform format for the compilation of calls for expressions of interest, tender and contract documents, and the general principles for compiling procurement documents for supply, services and construction contracts, at both main and subcontract levels.

ISO 10845-1 describes a number of techniques and mechanisms associated with targeted procurement procedures, all of which are designed to promote the participation of targeted enterprises and targeted labour in contracts. Key performance indicators (KPIs) relating to the engagement of enterprises, joint venture partners, local resources and local labour in contracts are needed to implement many of these procedures. ISO 10845-5 to ISO 10845-8 establish KPIs to measure the outcomes of a contract in relation to the engagement of target groups, and to establish a target level or performance for a contractor to achieve or exceed in the performance of a contract.

The ISO 10845 series only addresses parts of the procurement and delivery management system required for the delivery of construction works projects. It focuses on the characteristics of procurement processes, methods and procedures and the detail relating thereto, concentrating on the acquisition phase of procurement i.e. the areas which are commonly of greatest interest to regulators. The ISO 10845 series introduces the concept of procurement strategy for a particular procurement, provides a range of methods to solicit tender offers, but falls short of providing definitive guidance on the development of a procurement strategy and procurement tactics and ignores the funding options that are available.

There are a number of options relating to how construction works are funded and how design and interface responsibilities are allocated. There are also options relating to the different types of contracts that may be entered into during the life cycle of a project, how contractors are to be remunerated, how secondary objectives are to be promoted through a contract and how the market is to be approached to solicit tender offers. Such choices impact upon procurement and project outcomes.

This document provides guidance on the development of procurement strategy and the procurement tactics which are necessary to effectively implement a procurement strategy.

[Annex A](#) describes basic delivery management principles and practices which can inform decisions made regarding the options for engaging the market for new or refurbished construction works.

Construction procurement — Guidance on strategy and tactics

1 Scope

This document provides guidance on:

- a) options for engaging the market in satisfying a client's need for new or refurbished construction works;
- b) the development of procurement strategies for one or more projects involving the acquisition of goods, services or any combination thereof, irrespective of complexity, size, duration or life cycle stage;
- c) the formulation of procurement tactics which enable identified procurement strategies to be effectively implemented.

This document is applicable to the private sector, public sector or community organizations.

NOTE A client can be a project owner or an entity within a supply chain which contracts for goods and services.

2 Normative references

There are no normative references in this document.

3 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

ISO and IEC maintain terminology databases for use in standardization at the following addresses:

- ISO Online browsing platform: available at <https://www.iso.org/obp>
- IEC Electropedia: available at <https://www.electropedia.org/>

3.1

construction works

everything that is constructed or results from construction operations

[SOURCE: ISO 6707-1:2020, 3.1.1.1, modified — The US preferred term and notes to entry have been removed.]

3.2

framework agreement

agreement between a client and a contractor, the purpose of which is to establish the terms governing *orders* (3.3) to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged

[SOURCE: ISO 10845-1:2020, 3.17, modified — "employer" has been replaced by "client".]