

# Current and future challenges from a Contractor's perspective

Mike Turner – Chair of the Contractors Forum

# What is the Contractors Forum?

- Established 2012
- Our goal is to create closer working relationships between contractors, clients and sub-contractors and we work closely with the NHMF to promote best practice in the procurement and management of repairs
- Approx. 60 members - Major Contractors, Specialist Contractors, Material Manufacturers & Distributors

# Agenda

- Market challenges and trends
- Soft Market Testing – our research & conclusions
- NHMF's new Framework solution

# Market challenges and trends

- Short term
- Medium term
- Long term

# Short term

- Brexit – labour supply & import disruption
- COVID-19
- JRS and remote working
- Reduction in budgets (essential repairs only)
- Material production outputs reduced
- Post pandemic churn

# Medium term

- Bounce back – insufficient capacity
- Budget recovery and backlog
- Building Safety
- Decarbonisation
- Workforce declining – training not enough
- High levels of inflation – labour & materials

# Long term

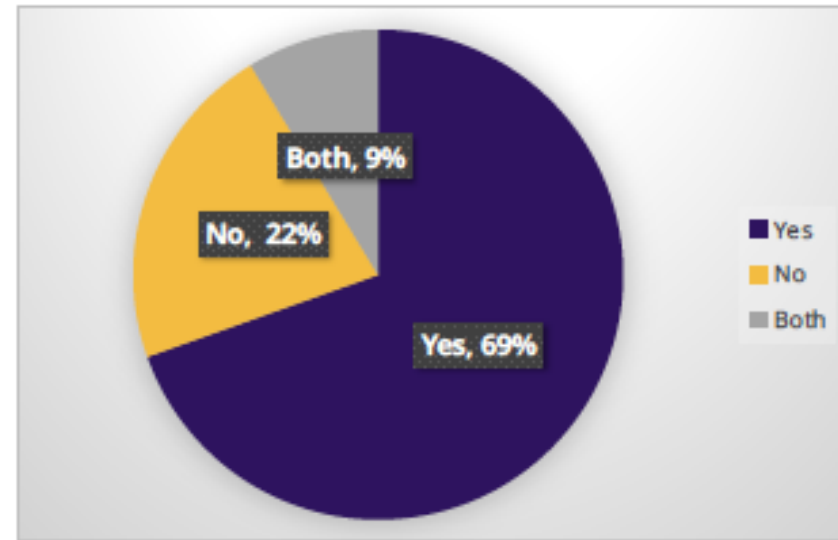
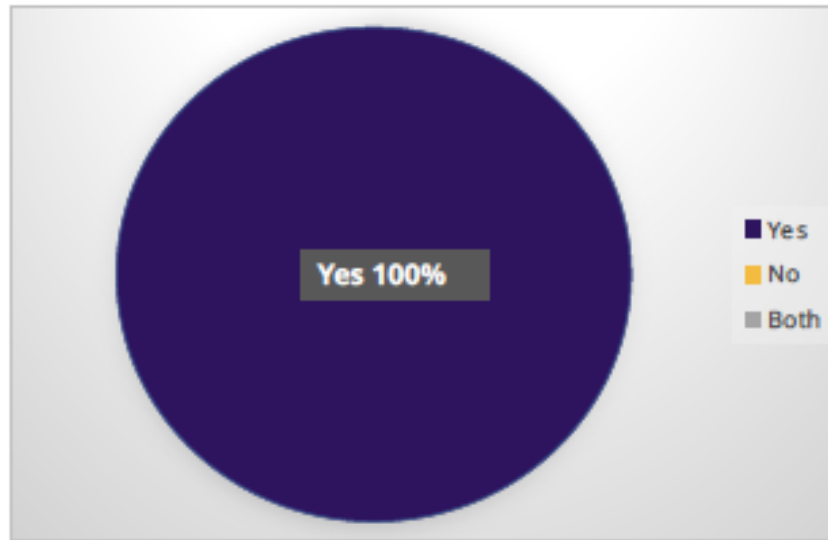
- Skills and training
- Direct delivery v Subcontracting
- Investment in Technology
- Client / Supplier relationships
- Market attractiveness – NP & Cash
- New entrants and consolidation

# Soft Market Testing

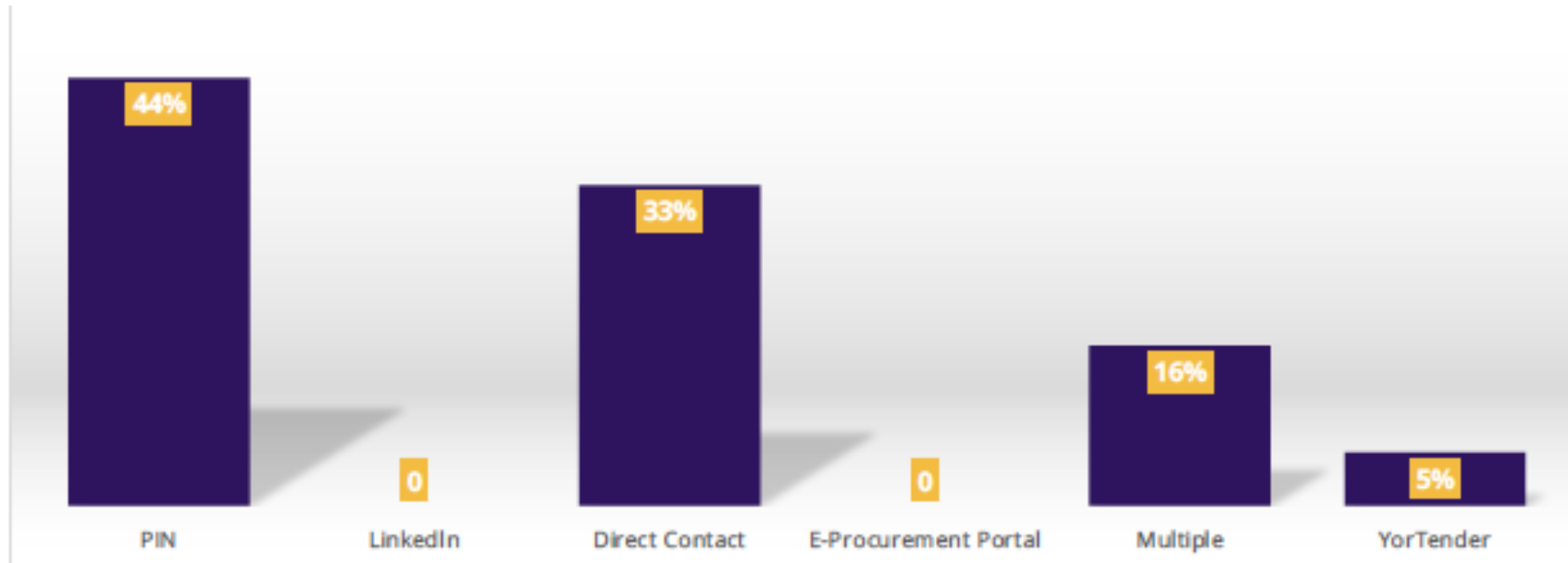
- How can SMT be used to improve procurement success and outcomes?
- NHMF CF research project
- Conclusions in May 22



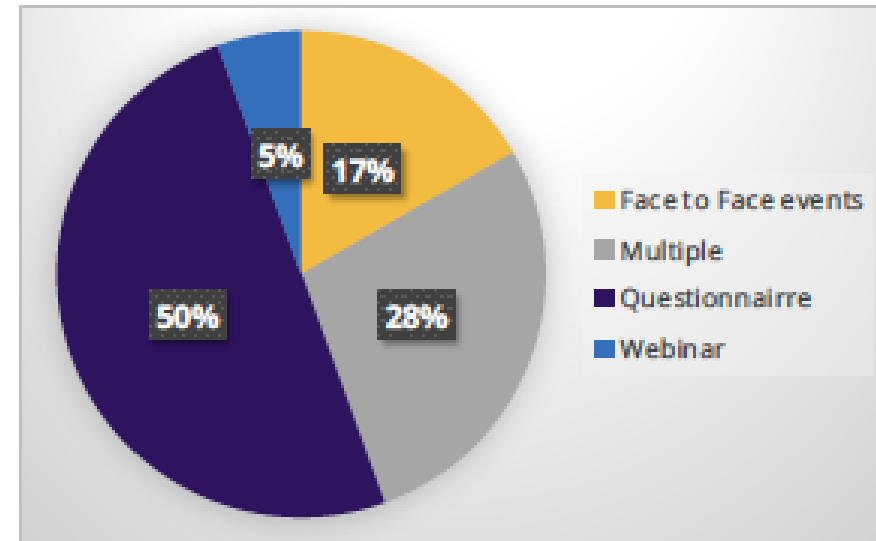
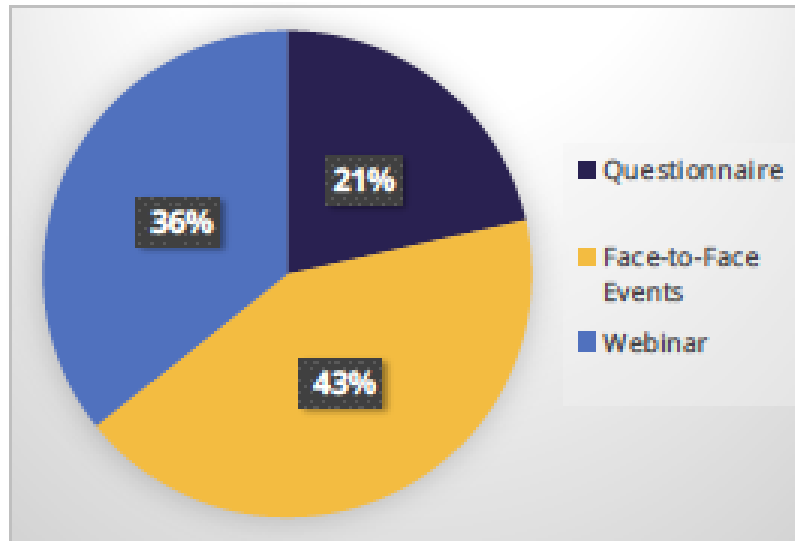
# Have you used SMT or a pre-Market Engagement questionnaire previously?



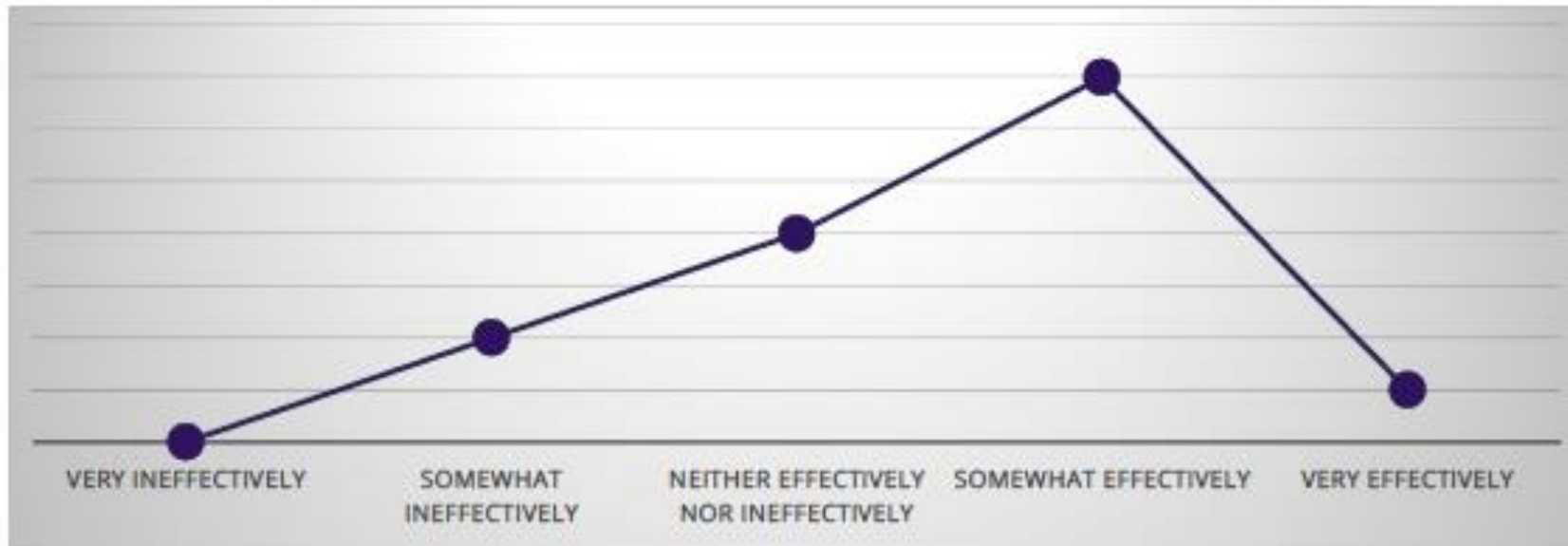
# What are the client routes for conducting Soft Market Testing?



# What is your preferred method of conducting Soft Market Testing?



# How effectively have Clients incorporated the feedback given to help shape procurement?



# SMT – Findings

- Contractors
  - 43% preferred Face to Face Events
  - Wanted engagement in dialogue
  - Explore the contract requirements and needs
  - Disliked Questionnaires & remote engagement
  - A method of Client and Opportunity selection

# SMT – Findings

- Clients
  - 50% preferred Questionnaires
  - Only 17% preferred Face to Face
  - Concerns over process transparency
  - Is it just a process?

# SMT – Key learning

- Allow time for SMT in the process
- Short & simple questionnaires – analysis is key
- Engage a 3<sup>rd</sup> Party to support or manage
- Contractors are aware of the market – clients need to be too
- Contractors have high expectations of clients and what they will bid for!