



Capability Framework

for Construction and
Infrastructure Procurers

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CONSTRUCTION
SECTOR ACCORD

Foreword

The successful delivery of construction and infrastructure projects is underpinned by good procurement practices. However the role of procurement in these projects can vary significantly depending on the client's existing procurement capability, the project requirements and their respective markets. Construction and infrastructure procurement capability within government agencies is often limited, distributed across multiple team members and/or reliant on external consultants who are engaged to help inform the client's decision making. Not having the right level of procurement capability (knowledge and experience) on a project can significantly impact the project's overall success through an increased likelihood of the development of poor procurement strategies, selection of the wrong project delivery model and poor risk allocation in construction contracts.

Through the Procurement and Risk workstream of the Construction Sector Accord's Transformation Plan, the Accord aims to develop a leadership programme for construction procurement professionals. This programme will identify training and education gaps and offer a pathway to build capability across the sector. To help inform the approach to training, as an initial stage the Construction Sector Accord has developed the Construction and Infrastructure Procurement Capability Framework.

Industry and government's expectation on the construction and infrastructure procurement role will continue to evolve over time. New Zealand Government Procurement, the government's procurement functional lead, is in the process of developing a similar framework for general procurement practitioners which may potentially be expanded to cover sector specialisations such as construction. The Accord recognises this and intends to keep this framework as a live document and will update the capabilities as these expectations change. The Accord is also exploring options to make the framework more accessible and easier to use, and we look forward to sharing with the industry updates on this in 2022.

The Accord would like to thank those who have supported and have provided feedback to date on the capability framework and the wider leadership programme, and in particular thank the capability framework working group for their generous and expert input.

Construction and Infrastructure Procurement Capability Framework

This capability framework is intended to articulate the range of capabilities which are important for those undertaking or supporting the procurement needs throughout a construction or infrastructure project. While rare to find all these capabilities in a single individual, most agencies/clients should be able to consider the various attributes and note who among their project teams, and to what level, can cover each of the relevant knowledge areas. Each capability is written as a principal or senior level of proficiency.

This framework is intended to be used in the following way:

For Clients

Clients can use the list of capabilities by identifying which of the capabilities, and to what level, are relevant for their project needs. Clients can then use said capabilities to inform recruitment or consultant requirements to undertake the procurement role. These capabilities can also help differentiate the responsibilities and qualities between procurement and project management disciplines in larger teams.

An example of this would be a client who intends to use their engaged project manager to undertake the procurement. The client may want to test the project manager's ability to effectively conduct early market engagement and community engagement to inform the procurement strategy, or other capabilities under the Procurement Fundamentals category.

Similarly, a client who intends to use their corporate-focused procurement function may want to assure themselves that the procurer can demonstrate an understanding of the current industry challenges and can identify approaches to mitigate the risk for the client, or other capabilities under the Construction Industry category.

On a project level, clients can consider the list of relevant capabilities against the broader project team composition and identify whether there are any gaps in knowledge or experience which may be needed to ensure the project's success, such as legal expertise to interpret contract clauses and their implications for the project.

For individual practitioners

Individuals can use the list of capabilities as a benchmark to undertake the procurement role, and to help identify focus areas to develop and further their capability.

Individuals and their people leaders can also work through which of the capabilities are relevant for their operating environment, as well as the degree which would be appropriate, to help inform personal development plans. An example of this could be that an organization's expectation of a Junior Procurement Specialist supporting a construction project may only need to be able to draft procurement documentation to a certain level. That specialist in turn could identify that to progress in their role they would need to improve their understanding and then demonstrate what best practice looks like for the components within a procurement plan.

In both cases, you are welcome to take and adapt the capability statements to suit your organisation's context. If you have any suggestions on how we can improve this framework please reach out to us at

Accord@mbie.govt.nz

Capability Statement Categories

Relevant Construction Capabilities

1. Construction Industry	13
2. Construction - Project Delivery	10
3. Construction - Risk	5
4. Construction - Contracts	8

General Procurement Capabilities applicable to Construction

5. Procurement Fundamentals	12
6. Procurement – Planning	7
7. Procurement – Sourcing	7
8. Procurement – Contract Management	6

General Soft Skills

9. Personal Attributes	10
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Relevant Construction Industry Capabilities for the role

1. Construction Industry (13)

They can...

I can....

- Identify local, national and international industry players, and explain their roles, inter-relationships, and drivers
- Speak knowledgeably about the current state of the national supply market (e.g. suppliers, issues, challenges, trends, news)
- Speak knowledgeably about the current relevant or local supply market (e.g. suppliers, issues, challenges, trends, news)
- Speak knowledgeably about current national and local project pipelines and demand
- Identify the relevant construction and infrastructure legislation, and the health, safety and wellbeing legislation, and articulate each party's responsibilities
- Articulate the obligations under Te Tiriti o Waitangi
- Explain how the construction industry delivers on its obligations through processes, practices, initiatives and accreditations
- Discuss the challenges the industry is currently facing, and stay up to date on current and future initiatives to address the challenges (e.g. Construction Sector Accord, Building for Climate Change)
- Apply the Construction Sector Accord's goals, principles and guidelines
- Hold credible conversations with construction industry professionals
- Develop and maintain meaningful relationships with relevant suppliers and industry bodies
- Actively position and maintain the credibility of the procuring organisation as a client of choice
- Proactively engage with other buyers, identifying potential market and community impacts and opportunities

2. Construction Project Delivery (10)

They can...

I can....

- Identify relevant legislation that applies to a project and explain the implications
- Articulate the components of the investment decision-making process within the procuring organisation, or for central government; Treasury's 'better business case' model and process.
- Provide relevant advice and input to the commercial components of the investment decision-making process, as required
- Proactively and appropriately engage with mana whenua and Iwi where opportunities exist
- Differentiate between the types of construction project delivery models, and their application, advantages and limitations
- Differentiate between the types of sourcing methods, and their application, advantages and limitations
- Assess project criteria (e.g. time, innovation, budget certainty, broader outcomes desired, whole-of-life objectives, risk etc.) and identify the most appropriate delivery model

- Explain project structures, including different roles and parties, their complex relationships and governance, and describe Procurement's role and influence in the delivery of the project and in addressing project capability gaps
- Discuss and apply the New Zealand Government Procurement's Construction Procurement Guidelines
- Define the people and skills required to deliver a complex construction project, and how to establish a successful project team

3. Construction Risk (5)

They can...
I can....

- Explain the concept of risk and risk management, the impact risk has on a project and price, and how to best balance where risk sits
- Describe common risks within design and construction from each party's perspective
- Recognise key risks relating to any type of construction project, and explain Procurement's role in mitigating them, or influencing others to mitigate them
- Competently advise on risk allocation, implications, and appropriateness
- Continually reflect on practice and outcomes, and implement changes to improve risk exposure

4. Construction Contracts (8)

They can...
I can....

- Explain contract fundamentals
- Explain how particular contracts are structured and their associated key terms and conditions
- Differentiate between the various construction industry standard contracts, associated pricing mechanisms, and determine which contract form is most appropriate for a project
- Interpret contract clauses, what they mean and the implications for the delivery of the project
- Explain key aspects and conditions of tendering, and how they relate to the contract
- Determine when it's appropriate to modify clauses, the implications of the modifications, and potential alternatives
- Use contract clauses appropriately to allocate risk
- Comprehensively review tender tags and explain their implications

General Procurement Capabilities relevant for the role

5. Procurement Fundamentals (12)

They can...
I can....

- Articulate and apply the good practice principles of the Government Procurement Rules in a pragmatic way
- Articulate and apply the probity principles and Procurement Good Practice as outlined by the Office of the Auditor General
- Discuss and apply international procurement and supply chain guidelines (e.g. relating to corruption, modern slavery, environmentalism, etc.)
- Discuss the benefits of procuring for public value / corporate responsibility and broader outcomes, and the government's current broader outcome priority areas and how they can be delivered through a project
- Explain Procurement's role and responsibilities within the organisation, in relation to the delivery of construction projects
- Recognise key sourcing risks and Procurement's role in managing them
- Explain and adhere to the financial and relevant approval processes within the organisation
- Explain the potential components of a Procurement Strategy, including when and why each is required
- Explain the potential components of a Procurement Plan, and when and why each is required
- Explain the different sourcing processes, and when and why each is used
- Explain the principles of good contract management, and how they are applied
- Explain the range of contract management tools and techniques, including when and why they're applied

6. Procurement – Planning (7)

They can...
I can....

- Identify the actual outcomes and objectives of the procurement, and how they link to the particular project's need (subject to project constraints)
- Develop a comprehensive procurement strategy suitable for high risk, high value or high complexity projects
- Develop comprehensive procurement plans for different project components, following best practice and adapting to current and future challenges
- Define the people and skills required to deliver the end-to-end procurement activity, and determine where and how to get them
- Craft the selection criteria and response questions to meaningfully differentiate suppliers, and provide the opportunity for suppliers to demonstrate real value
- Undertake meaningful early market and community engagement to obtain market insights and feedback, and to identify and assess possible alternatives and opportunities for broader outcomes
- Influence key stakeholders and decision makers to consider and prioritise optimal best for project and broader outcomes

7. Procurement – Sourcing (7)

*They can...
I can....*

- Conduct sourcing activities in line with procurement strategy and plans, and in line with the best practice Government Procurement Principles
- Draft clear procurement documentation, in line with best practice, and position the project as an attractive opportunity
- Lead the sourcing activities whilst applying good management techniques
- Manage key risks relating to the sourcing activity, and proactively identify new risks as they arise
- Recognise and manage conflicts of interest in order to protect the integrity of the sourcing activity
- Determine and manage due diligence activities to address critical risks and concerns about suppliers
- Confidently lead the negotiation process to achieve a successful outcome for both parties

8. Procurement - Contract Management (6)

*They can...
I can....*

- Draft contract management plans to ensure adherence to obligations and agreed processes, and realisation of expected benefits
- Implement relational contracting principles to facilitate a successful long-term relationship
- Stay up to date with similar contracts and proactively identify opportunities for improvement
- When responsible, monitor the supplier's performance in general on a regular basis, and provide recognition or constructive feedback to encourage an enhanced level of service
- Stay up to date with the supplier's health and ability to maintain and deliver contracted value, and use the support mechanisms and processes if needed
- When responsible, identify warning signs or red flags relating to contract performance and/or the wider supply chain, and take appropriate action

General Soft Skills relevant for the role

9. Personal Attributes (10)

*They are...
I am...*

- Regarded as having strong commercial acumen, and using a deep understanding of how business and commercial relationships work to make good decisions or recommendations
 - Regarded as a credible and trusted adviser, and invited to get involved in projects and programmes at an early stage
 - Known for being open-minded, flexible, curious and creative when solving complex problems in order to achieve successful outcomes
 - Regarded as resilient, adaptable and one who maintains confidence and composure in the face of criticism, setbacks, ambiguity or change
 - Known for taking a pragmatic, realistic and outcomes-focused approach to contractual or commercial arrangements
 - Known for being a critical, logical and strategic thinker who adapts their thinking style as needed
 - Relied upon to build relationships and positively influence internal and external stakeholders at every level (e.g. from trades people to executives)
 - Recognised for clearly articulating and communicating complex concepts, both verbally and in writing
 - Proactive with ongoing training and personal development, and strives to continuously improve and learn
 - Known for being dependable, reliable and delivering on the agreed quality and timeframe
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