

Research Trends and Results

The latest trend of procurement systems in the field of consultant engineering

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1. Introduction

Since 2007 the Quality and Cost Based Selection (QCBS) has been introduced to get totally proper contract considering engineering as well as bidding amount. In this paper, the latest trend of bidding systems in the field of consultant engineering structured by Research Center for Land and Construction Management are outlined.

2. Current contract situation by procurement method

The number of orders that were made during in 2011 was ended up with fractional increase due to the disaster reconstruction works for the Great East Japan Earthquake comparing to the previous fiscal year. On the rate of the number of each method to the whole order number, although QCBS has been achieved approximately 43% but about 34% is still competitive price selection and 20% is Quality Based Selection (QBS).

3. Generation status to prevent dumping

The rate of low price of successful biddings has greatly decreased to 9.7% in FY2011 from 40.9% in FY2008. Especially the rate of QCBS has dramatically decreased to 0.7% in FY2011 from 39.1% in FY2008. Because of the introduction of the assessment system for certain accomplishments (multiply the number by 0.0 to 1.0 and engineering points of a bidder who's bidding price is lower than the threshold price for low price inquiry), and by raising of applied ceiling price range in FY2011 (ceiling price over ¥ 20 million to over ¥ 10 million in FY2011). On the other hand low price bidding is still frequently generated in competitive price selection and QCBS in cases where the ceiling is set to be lower than ¥10million.

4. Bidder's status in QCBS

Successful bidders who obtained first place in engineering point are increasing every year and it has become as much as 88.6 % in FY2010. Also the number of successful bidders who do not obtained first place of price points exceeds successful bidders who obtained first place in price in FY2011. (See drawing)

5. Performance evaluation points by procurement type

Average value of operation performance evaluation points of each type in FY2011 is 76.4 point in QBS, 75.9 point in QCBS, and 74.4 point in price competition selection. We estimate that switching over from recent competitive price selection to QCBS is contributed to quality assurance in consultant engineering.

6. Future investigation

As described above it becomes clear that introduction of the assessment system for certain accomplishment prevents dumping, and enlargement of QCBS contributes to quality assurance. On the other hand price competition selection and QCBS in case ceiling prices is lower than or equal to ¥10 million still frequently exists low priced successful bidding. Currently, the Regional Development Bureau who operates the procurement system made its own system by setting the standard value equivalent to threshold price for low price inquiry targeted to ceiling price lower than or equal to ¥10million. In future we intend to analyze the effect of such preventions of dumping.

Further we also intend to consider streamlining the procedure for QCBS to reduce the burden of bidders on the Regional Development Bureau.

Reference

Details are referred to following URL (Japanese)

<http://www.nilim.go.jp/lab/peg/theme03.html>

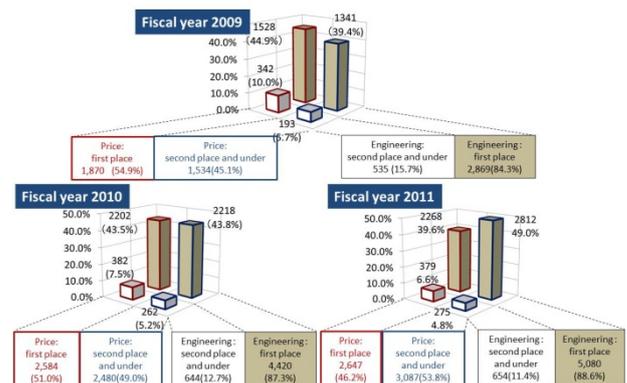


Figure: Successful bidder's status in QCBS