

the Voice of efca



European Federation of Engineering Consultancy Associations

Representing FIDIC in Europe



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EUROPE 2020

Targets

Employment:

75% of 20-64 year olds to be employed

R&D/innovation:

3% EU GDP to be invested in R&D/innovation

Climate change/energy:

Greenhouse gas emissions 20-30% lower than in 1990

20% energy from renewables

20% increase in energy efficiency

Education:

Reducing school drop-out rate to <10%

At least 40% of 30-31 year olds completing third-level education

Poverty/social exclusion:

20 million fewer people in poverty/social exclusion

Contribution of engineering consultancies

Providing a creative service to the building and transport infrastructure market as well as the energy, car and other manufacturing industries, consulting engineers are contributing directly to the targets of Europe 2020 and are at the forefront of adopting approaches covered by the EU's flagship initiatives – such as in the use of ICTs, the efficient use of resources (especially energy), and the development of new skills. Bringing together different disciplines and experience from different sectors they also have a pivotal role in promoting innovation. The EU also recognises the unique contribution to the economy of SMEs, and the majority of engineering consultancies are in this category.

Policy support urged to improve competitiveness and reach the 2020 goals

With the publication of Europe 2020, the EU strategy for a smart, sustainable and inclusive Europe, the European Federation of Engineering Consultancy Associations (EFCA) sees its firms playing a key role in creating economic growth for Europe. But supporting policies have been slow in the coming. EFCA is urging EU institutions to update the policies, speed up procedures, and proactively support EU firms in their bid to become more competitive in the European and international markets.

Mr Jan Bosschem, EFCA President, puts these changes top of his list for action. He is keen for policy makers to be aware that while the strategies for growth and the policy reviews are pointing in the right direction, their slow translation into practical changes continues to limit the competitiveness of European firms, and this means progress towards the creation of a more sustainable society is not as fast as it could be.

"We fully support Europe 2020," says Mr Bosschem, "but there has to be a more enabling environment to help our members be more efficient and better embrace innovation."

Incentives for innovation

"If you look at public procurement, we still have a regulation that provides little incentive for tenderers to invest in research and innovation, and without a focus on quality we are not going to be able to keep up with other parts of the world." BRICS nations, for example, not only have thriving economies, they are also able to steam ahead with public projects completing in one or two years. "We still face too many hurdles and too many delays," warns Mr Bosschem.

Contracting authorities are not in an easy position, their budgets are being slashed and there are more calls for accountability. But new financing models are coming on stream, making good use of private sector funds, and from the engineering consultancy side, the knowledge, expertise and technologies are available to create cost-effective, sustainable public projects – in any sector. Mr Bosschem believes new opportunities are available but authorities need to be encouraged, by procurement regulations, to take them.



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MODERNISING PUBLIC PROCUREMENT

EFCA and the Architects' Council of Europe (ACE) are formally raising the issue of quality criteria with European legislators drafting the new European policy and regulation on public procurement. In the 1992 and 2004 procurement directives, 'value-for-money' was considered a purely financial issue but it has become increasingly important for contracts to be awarded with quality and some degree of flexibility in the main selection criteria. Lifecycle costs, plus other costs and benefits for society as a whole (sustainability, environmental impact etc.) should also be considered.

The following publications can be downloaded from the Publications section of the EFCA website:

- EFCA policy paper: *The Modernisation of EU Public Procurement Policy – Towards a more efficient European Procurement Market*
- EFCA Guidance on Procurement of Public Private Partnerships

TAKING HOLD OF OUR FUTURE

A briefing paper for the engineering consultancy industry

Many firms, especially small and medium-sized enterprises (SMEs), in the engineering consultancy and architectural industry have fallen prey to financial and market pressures and have either closed or been absorbed by larger companies. To survive, and prosper, those remaining are having to take control of their own future, carefully assessing the markets, evaluating their own capacities, and giving themselves a strategic pathway to take them forward. This briefing paper, published by the European Consulting Future Committee of EFCA, gives food for thought for those firms coming to terms with the changing environment and helps to highlight where the opportunities and pitfalls might be found. More information: <http://www.efcanet.org/>



www.efcanet.org

Firms can still do much internally to engender innovation to be able to offer the most appropriate solutions to clients, and engineering consultancies are being encouraged to do just that by EFCA. "We also need more pull from the market", says Mr Bosschem. "Innovation is central to Europe 2020, so procedures must not discriminate against it."

Intellectual services

"We really need the European Commission to finalise their proposals and bring the changes in as soon as possible"

"We need a system of public procurement that recognises intellectual services and the added value of good design for the overall sustainability of a project," Mr Bosschem continues. "It is clear that we cannot always afford the cheapest solution in the short-term if we are to take account of the

complete life-cycle of a project. So let's update the procedures to reflect this."

EFCA estimates that just 3% of total project costs go to the early design phase, so cash-strapped authorities will not be saving much by shaving costs here. Ironically, cutting design costs could actually lead to a higher overall budget (when operation and maintenance is included).

EFCA is also urging the European Commission and Member States to speed up procedures. "Delays are costly no matter how you look at it," says Mr Bosschem, who is particularly keen to make selection procedures and signing off on projects faster.

Shortage of engineers

The serious shortfall in young engineers entering the industry is another area of major concern for EFCA and its members. Older EU Member States in particular are already looking abroad for available and affordable skills. Companies have started to outsource technical activities to countries like India or Egypt, though others are seeking answers closer to home in newer member states such as Romania. "But the fact remains that interest in science and engineering has been falling in our schools and universities, and we need proactive policies to stimulate a new generation of competent, enthusiastic engineers," says Mr Bosschem.

Many companies have already approached education establishments and are forging links, such as in Germany, the UK and France, to raise awareness of the industry and what it has to offer, and to re-ignite an interest among students. "We are already facing competition for good people within the sector," Mr Bosschem explains, "and a 'war on talent' between consultancies is only going to grow if we don't get more engineering graduates entering the market."

Partners for change

The recent European Commission review on modernising public procurement was welcomed by EFCA which pushed for changes during the consultations (see blue box). But the issue is now also one of time. "We really need the European Commission to finalise their proposals and bring the changes in as soon as possible," says Mr Bosschem.

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EFCA has member associations in 26 countries, and is the sole European federation lobbying on behalf of engineering consultancy and related services, a sector that employs around one million staff in Europe. EFCA contributes with a strong and cohesive input to legislative actions of its national associations on issues affecting market conditions. Furthermore, the organisation works as a Europe-wide platform for national associations and their member firms to gather relevant facts and discuss issues with their counterparts.