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Good MEAT criteria and successful projects - Good practices from Holland

27 August 2020

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Webinar on MEAT (10.30 – 12.00)

- Speakers
- Webinar rules
- Introduction MEAT
- The legal perspective
- EFCA MEAT Guidance: the 5-step model
- Examples (Dutch)
- Q&A



- European Federation of Engineering Consulting Associations;
- 25 branche-organisations;
- Representing FIDIC in Europe;
- Based in Brussels;
- Industry employs about 1 million staff;
- Industry generates more than EUR 150 billion annual turnover .

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Webinar rules:

- Turn microphone and camera off;
- Use the chat function for questions;
- No break in the program;
- Sheets will be available afterwards;
- Content will be on Youtube.



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The origin of MEAT

Official Journal of the European Union

L 94



English edition

Legislation

Volume 57
28 March 2014

Contents	<i>I Legislative acts</i>	page
	DIRECTIVES	
	* Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (1)	1
	* Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (1)	65
	* Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (1)	243



2014 European Directives

- 2020 goals:
 - Europe 2020 strategy for smart, sustainable and inclusive growth
 - Need for innovation
 - Need for sustainable development
- Issues:
 - Intellectual services
 - MEAT
 - Competitive procedure with negotiation
 - Innovation Partnership
 - Life Cycle Costing (LCC)



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Procurement is the key to change





Dutch Experience

- April 2013: New Dutch Procurement Law
- Main principle: “comply or explain”
- Award criteria: MEAT



Dutch Experience

Economic Institute for the Construction Industry: 'The use of MEAT'

- More use of MEAT;
- More kinds of criteria;
- More bidders with low price and high quality.

Department of Public works and Waterways
(spends 8 bln Euro each year);

Results on procurement:

- 50% is rewarded on highest quality;
- 25% is rewarded on highest quality and lowest price.



Why MEAT?

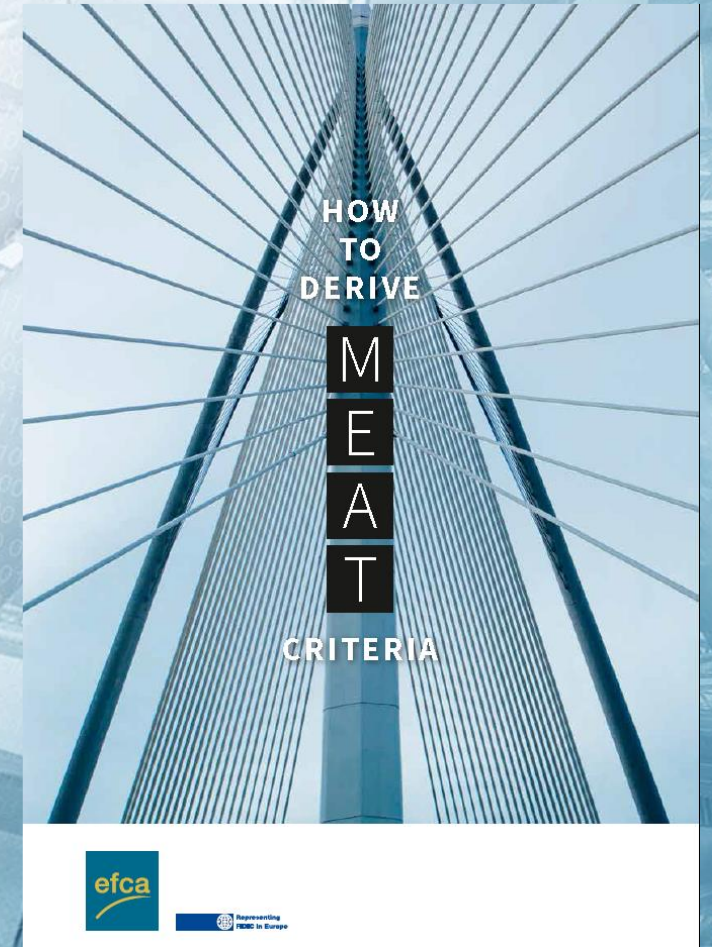
- It's in the European Directives;
- More Value for Money;
- No more race to the bottom;
- It's about your work.





Most Economically Advantageous Tender

- Report FIDIC 2017 on the use of Award Criteria:
 - 40% only price;
 - Awareness of the consequences by only using price;
 - More eager to use MEAT;
- But: how?
- EFCA Guideline on using MEAT (spring 2019), a 5-step model to derive good award criteria.





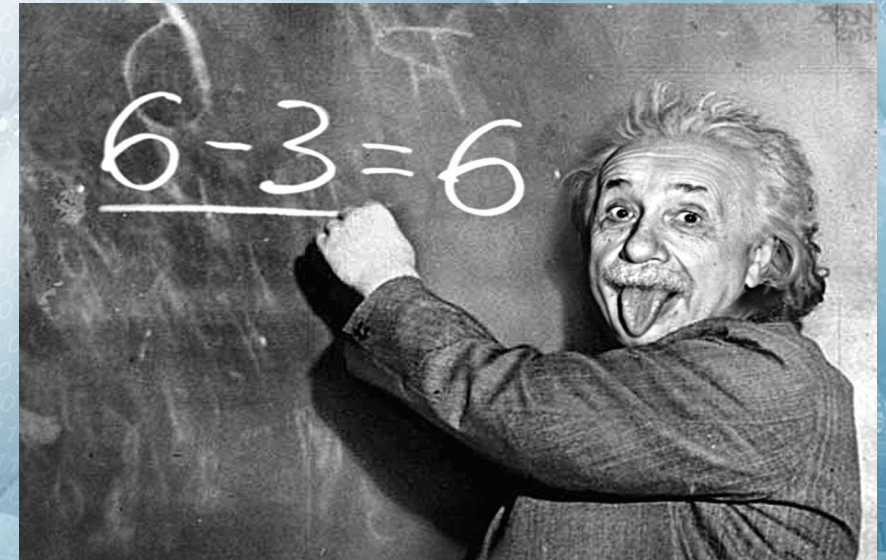
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What is MEAT?

- Most Economically Advantageous Tender;
- Award Criterium;
- ‘more than just price’;
- (almost) a science...






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What is MEAT?

Award on criteria. minimal score=0 , maximum score = 5.

Nr.	Criteria	Weight	A	B	C
1	Price	50,0	3,90	4,45	5,00
	total price	million €	6,250	5,685	5,125
2	Quality	20,0	4,68	3,61	1,59
3	Project control	15,0	3,39	4,86	2,78
4	Maintenance	10,0	4,26	3,58	1,24
5	Planning (construction)	5,0	5,00	1,00	3,00
		100,0	4,07	4,09	3,51



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What is MEAT?

Rekenvoorbeeld beoordelingssystematiek

Onderstaand rekenvoorbeeld is enkel bedoeld om de systematiek van het bepalen van de fictieve inschrijvingsprijs (de economisch meest voordelige inschrijving) inzichtelijk te maken. Uit onderstaand rekenvoorbeeld wordt duidelijk dat Inschrijver B de economisch meest voordelige inschrijving heeft gedaan.

Subcriteria/ aspecten	Max.score 100	Max.waarde € 750.000	Inschrijver A		Inschrijver B		Inschrijver C	
			Score	Waarde	Score	Waarde	Score	Waarde
A1	5	€ 37.500	3,5	€ 26.250	2,0	€ 15.000	1,0	€ 7.500
B1	15	€ 112.500	14,0	€ 105.000	10,0	€ 75.000	6,0	€ 45.000
B2	10	€ 75.000	8,0	€ 60.000	8,0	€ 60.000	5,0	€ 37.500
B3	10	€ 75.000	8,0	€ 60.000	5,0	€ 37.500	5,0	€ 37.500
B4	15	€ 112.500	15,0	€ 112.500	11,5	€ 86.250	4,0	€ 30.000
C1	10	€ 75.000	7,5	€ 56.250	8,0	€ 60.000	2,5	€ 18.750
C2	20	€ 150.000	18,0	€ 135.000	14,5	€ 108.750	5,0	€ 37.500
D1	15	€ 112.500	7,0	€ 52.500	8,0	€ 60.000	8,5	€ 63.750
Toegevoegde waarde		(K)	81,0	€ 607.500	67,0	€ 502.500	37,0	€ 277.500
Inschrijvingsbedrag (lumpsum)		(P1)		€ 695.000		€ 550.000		€ 399.000
Fictieve inschrijvingsprijs		(P1-K)		€ 87.500		€ 47.500		€ 121.500



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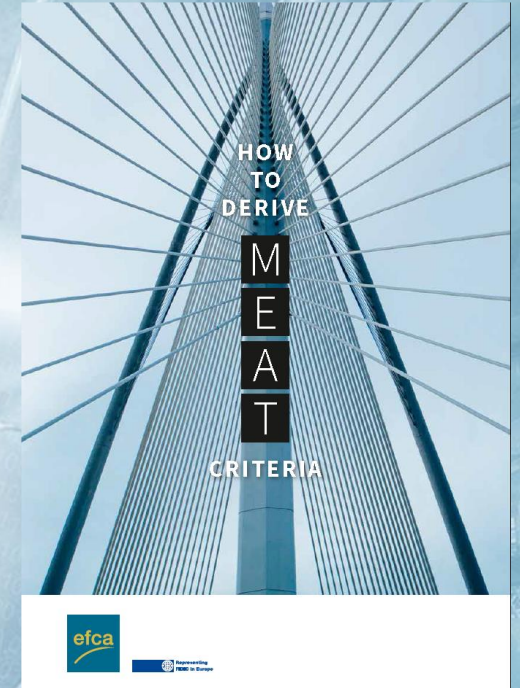
The legal perspective: Andrea Chao





TABLE OF CONTENTS

EDITO	5
INTRODUCTION AND GOALS	6
THE METHODOLOGY	7
Step 1 Formulate main project goals	7
Step 2 Derive possible quality criteria	8
Step 3 Choose a maximum of 4 criteria	11
Step 4 Attribute weights to the criteria	12
Step 5 Test your set by performing a crash test	12
APPENDIX	13
Eligibility criteria	13
Selection criteria	14
Award criteria	14
EXAMPLES	
ILLUSTRATING THE IMPLEMENTATION OF MEAT CRITERIA	16
Award criteria for the selection of engineering services	16
Award criteria for the selection of a contractor	23
Award criteria for the selection of an architect	29





Step 1: what are the projectgoals?

- Not the product;
- Think of theme's relating to project- or procesmanagement;
- Two types of goals.

Examples:

- Reduction of hindrance;
- Energy-neutral;
- Deliverance on a milestone.



Step 2: derive possible quality criteria

Guidance: 8 fields of criteria (45 examples):

- Functionality;
- Availability;
- Aesthetics;
- Sustainability (of the product);
- Sustainability (of the process);
- Lifecycle costs;
- Risk management;
- Environment.



Step 2: derive possible quality criteria

Important:

- Contract / projectrelated;
- Information must be verifiable;
- Enough information for the bidders;
- Innovation is not a criteria.

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Step 3: choose maximum of 4 quality criteria

Why 4?

- Statistics;
- Tender costs for bidders;



Step 4: attribute weight to the criteria

How?

- Ratio price/quality criteria;
- Rank quality criteria to their importance.

Important: Price is between 20 and 50%



Step 5: perform a crash test

- Fill in possible offers;
- Low price, low quality / high price, high quality
- If needed: change the parameters.

Advantage: feeling of the costs of quality, if you use monetarisation.



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Questions?

????????

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Thank You for Your Attention!

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