

Proposal for PQQ Reform

Background

The Build UK [Action Plan](#) set an objective to “develop and implement a solution to the current bureaucratic and repetitive process of pre-qualification that meets the needs of clients and other stakeholders and is beneficial to the construction supply chain”.

As a result of substantial consultation with Build UK and CECA members and meetings with other stakeholders including clients and scheme providers, we are now in a position to set out the proposal for a reformed pre-qualification process that meets this objective.

This proposal builds on the best practice that already exists within the industry, with no intention to create a new accreditation scheme. It should feel both familiar and simpler for companies to complete.

Ambition

A recognised industry pre-qualification process that provides assurance to clients that the supply chain on their construction projects is competent which will release valuable resources to improve productivity and output.

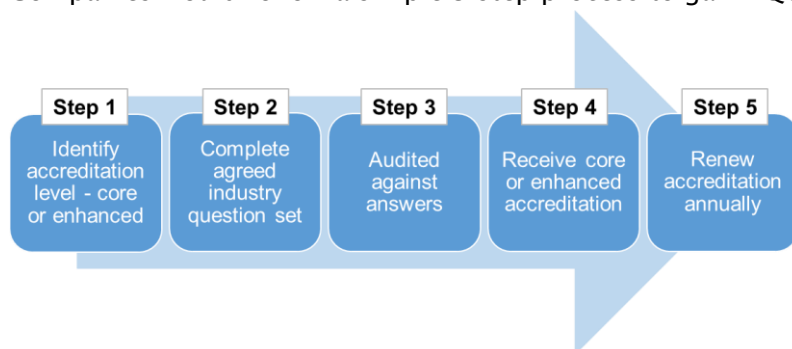
Principle

The proposal is for a PQQ process that enables companies to demonstrate that they meet the industry agreed standard on health & safety and business assurance. It is not intended to be a filtering process. Clients will be able to ask more questions on delivering the specific project later in the procurement process.

The main features of the new system are:

- Two levels of accreditation – core and enhanced
- An agreed industry question set
- A central source of information

Companies would follow a simple 5 step process to gain PQQ accreditation:



At present, companies gain multiple accreditations and repeatedly provide the same information. The ambition is that in future, firms will provide information once which can be accessed by all of their clients, and will only have to be accredited by a single provider on an annual basis. A central, cross-industry body will be established to manage the new PQQ system.

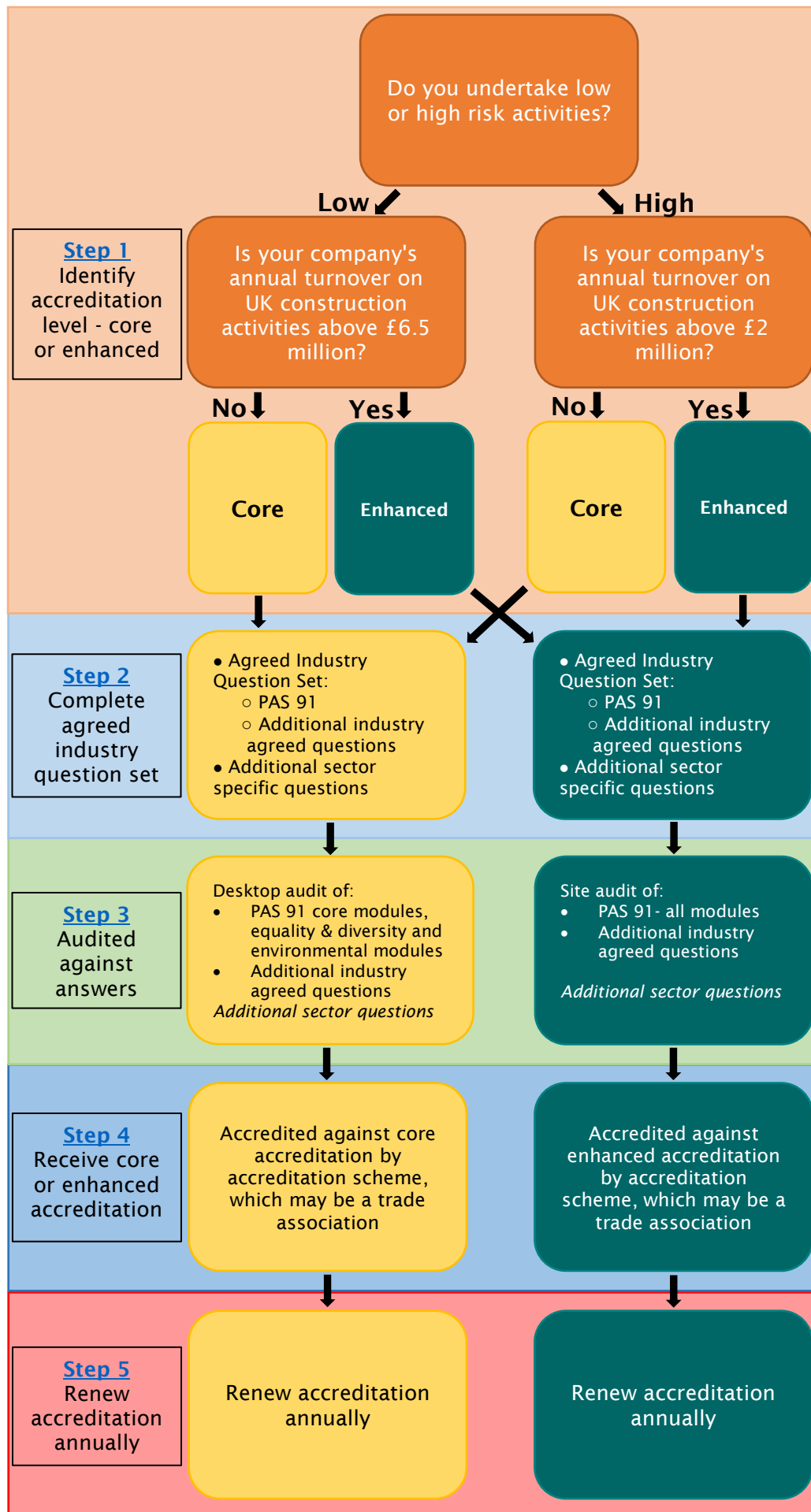
Action for members

Build UK members will be asked to approve the PQQ proposal at the Contractor and Trade Association Forums on 21 September.

Additional information

Information on each of the elements of the PQQ process is provided on the following pages:

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Step One: Identify accreditation level – core or enhanced

Companies will first need to identify which level of accreditation they require. There will be two levels of accreditation – core and enhanced.

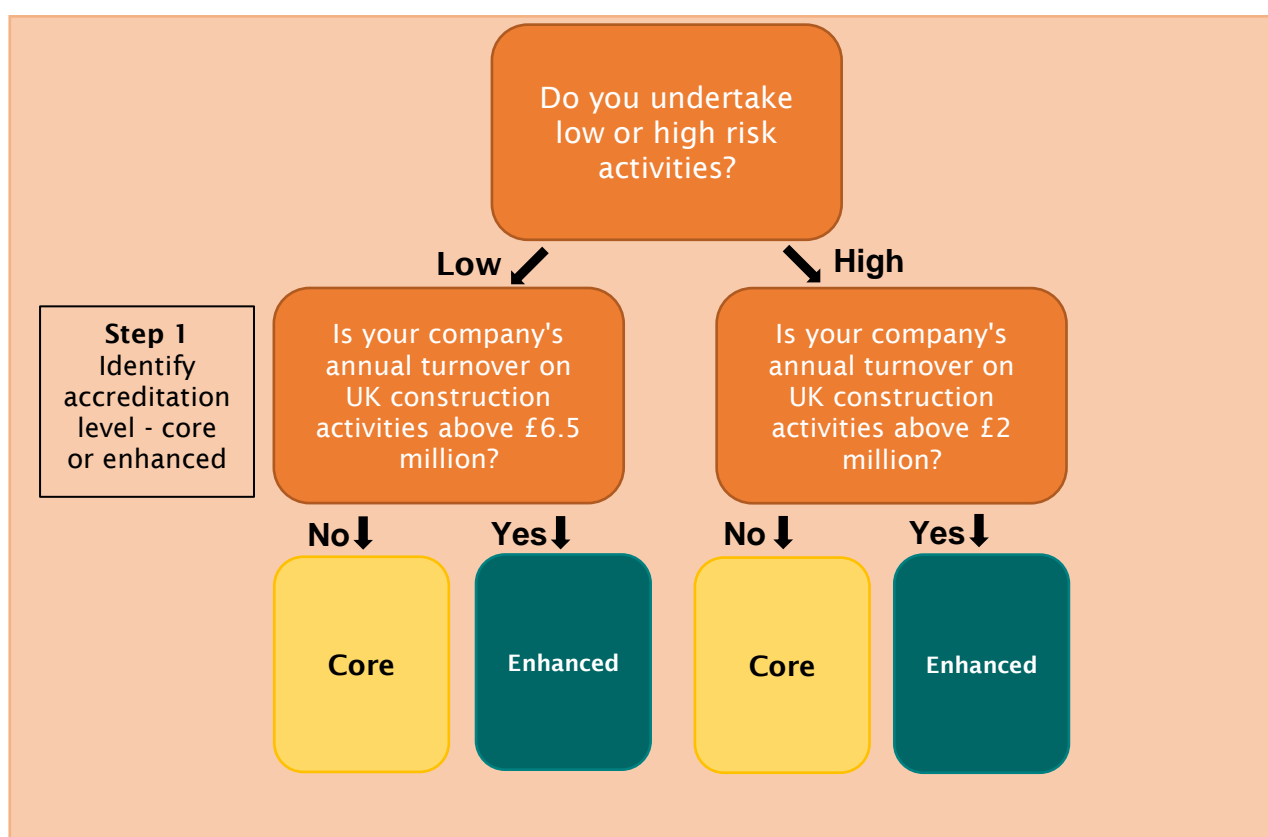
The process for deciding which accreditation level a company requires is based on current industry practices, and it is anticipated that the majority of companies will not experience any change in the level of audit and accreditation they require.

When deciding whether they need a core or enhanced level of accreditation, a company will need to take into account the following two factors:

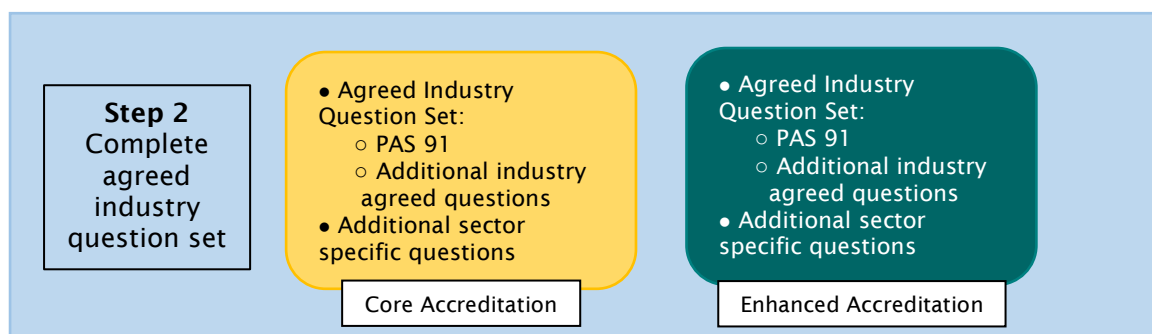
- The level of risk involved in the trade they carry out
- Their annual turnover in UK construction activities

N.B – Categorisation of low and high risk activities is currently being finalised and will be circulated shortly.

The decision making process is as follows:



Step Two: Complete agreed industry question set



Companies will need to complete an agreed industry question set once a year in order to gain their core or enhanced level of accreditation. The **agreed industry question set** will consist of:

- **PAS 91** – which is widely used by contractors and central Government
- **Additional industry agreed questions** – questions which cover regulatory or legislative compliance and are outside PAS 91.

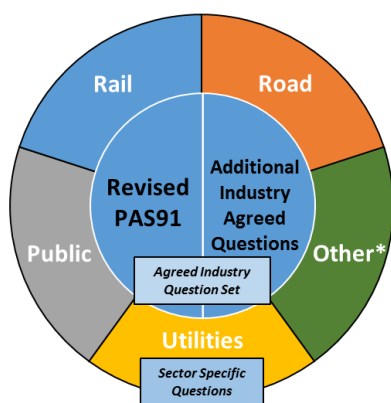
N.B. – The additional industry agreed questions are currently being finalised and will be circulated shortly.

Notes on agreed industry question set:

- It is the intention that the industry will determine the content of PAS 91 & the agreed industry question set.
- Companies should answer all the questions in the agreed industry question set as the majority of clients will ask for these at some stage of the PQQ process. However, the answers companies are audited against will depend on their level of accreditation.
- A company would not have to answer all questions positively. For example, if a company is too small to have a BIM policy and is not being audited against this question, they can write N/A and not be penalised.
- If a company holds a certificate or accreditation that provides them with an exemption on completing a PAS 91 module or series of questions (e.g. ISO 9001) then they will not have to complete those sections of the agreed industry question set.

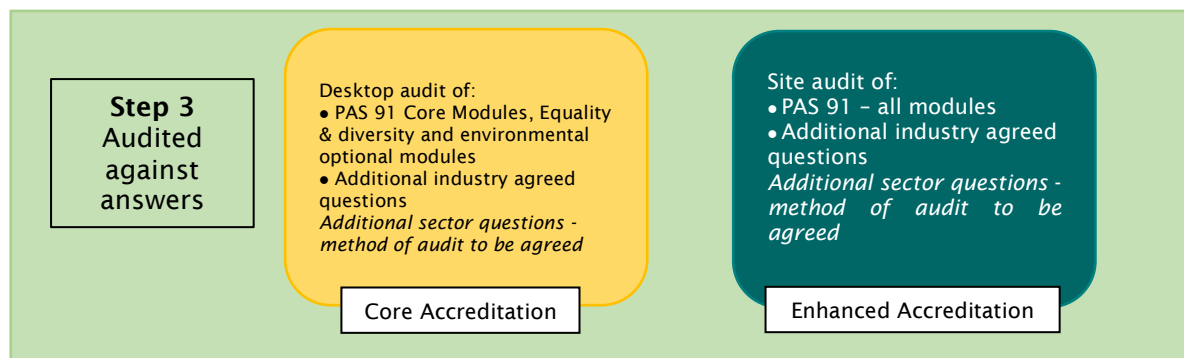
In addition, there will be the option to complete **sector specific questions** which companies will only have to complete if they want to work in a particular sector. These will cover any additional technical questions or other issues that clients in that sector ask. Build UK and CECA are confirming these sector specific questions and method of audit with a view to eliminating duplication.

The structure of the question set – known as the Fison Circle - is shown below:



Other to include other sectors within construction which require certain sector specific questions.*

Step 3: Audited against answers



Once companies have identified their risk band and completed the agreed industry questions they will be audited against their answers in order to gain accreditation.

The type of audit companies must undergo will depend on whether they are aiming to achieve core or enhanced accreditation.

The table below shows the level of accreditation undertaken by the main industry schemes.

Accreditation level	Core accreditation				Enhanced accreditation		
Type of audit	Desktop				Site based		
Modules	PAS 91 (core modules)	PAS 91 (H&S)	PAS 91 (optional modules – Equality & diversity and environmental)	Additional agreed questions	PAS 91 (all core and optional modules)	PAS 91 H&S	Additional agreed questions
Current schemes							
Achilles Building Confidence (Desktop Audit)	✓	✓	✓	✓	N/A	N/A	N/A
Achilles Building Confidence (Site Audit)	N/A	N/A	N/A	N/A	✓	✓	✓
ConstructionLine	✓	(SSIP)	✓	✓	X	X	X
SSIP members	X	✓	X	X	X	X	X

There are other sector specific accreditation schemes including RISQS, UVDB, FPAL and those run by trade associations that broadly meet these levels of accreditation. The intention will be to align the schemes that are used in construction to reduce duplication and recognise all those that meet the required standard.

Step 4: Receive core or enhanced accreditation

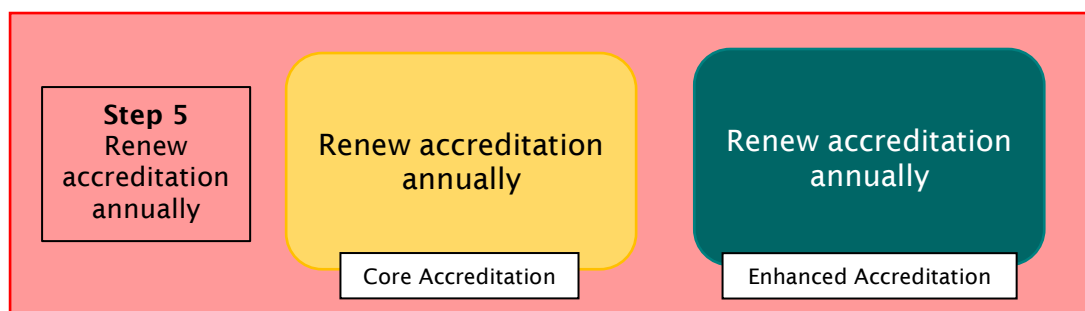


Following satisfactory completion of the audit process companies will receive accreditation against their identified risk band.

In order to carry out PQQ accreditations, accreditation bodies must be able to carry out desktop audits for the core accreditation or site based audits for the enhanced accreditation to the required industry standard. It is the intention to set out an agreed standard of accreditation and schemes that meet that standard will be recognised across the industry.

To enable existing and new accreditation schemes, including trade associations, to meet these new standards, it is proposed to implement a transition period until July 2018.

Step 5: Renew accreditation annually



To reduce duplication, the proposed PQQ process will enable the storage, exchange and updating of data provided in response to the agreed industry questions, along with confirmation of accreditation. Build UK and CECA are currently considering the most effective means of achieving this.