



**International Federation of Consulting Engineers**  
The Global Voice of Consulting Engineers

# Informed purchaser

FIDIC Briefing Note

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## Background

The international engineering federation FIDIC (the International Federation of Consulting Engineers) believes that its member associations and their members should strive to achieve the highest degree of quality and standards.

FIDIC has always had policy statements that it expects its members to follow to ensure high standards of service in the infrastructure industry. These standards are reflected in FIDICs contracts, policy work, events and committees.

## Informed Purchaser

In any endeavour, a well-informed team will produce results that are superior to those from a less informed or less capable team. Evidence shows that this is particularly true for engineering projects where the quality of the Project Team – that is, the Client (or Purchaser), the Consulting Engineer and other professionals, and the Contractor – is paramount in producing the best value and sustainable results. Each member of the team has vital role to play, if the project is to succeed.

FIDIC events and committees continue to demonstrate that there is consensus that the skill level of the purchaser of services has a direct bearing on the quality of the end product across both the public and private sectors.

### Observations

Some observations that may be useful to purchasers and members from FIDIC events include:

- Purchasers should maintain a stable staff and core competencies
- Purchasers should accurately assess their ability as project managers and augment where necessary
- Purchasers should fully understand contract conditions
- Purchasers should understand the negative implications of procuring consulting services based on cost compared with the benefits of quality based selection
- Purchasers should understand the cost to consultants of proposal preparation
- Purchasers should understand the importance of providing complete, proper and accurate data for bidding and implementation of projects
- Purchasers should understand and articulate what they expect from the consultant, define the scope, work within that definition, and not expect extra services without compensation;
- Purchasers should be technically competent in the subject of the project, and where lacking in-house skills, be prepared to engage skilled advisors
- Purchasers need to understand the importance of fair and transparent processes for the selection of consultants and contractors, in achieving a best value and sustainable outcomes

Well informed purchasers – whether government or private clients – are far more likely to undertake successful projects than purchasers who are inadequately informed or who are lacking in expertise. For a project to be successful in the best interests of the Purchaser, the consultants and the end user (the public), both the purchaser and consultant must have an identical vision for the project.

FIDIC is committed to the pre-eminence of quality in the selection of the Consulting Engineers by Purchasers, and makes a series of recommendations on best practice for selection.

FIDIC is similarly committed to the principle that quality should be a factor in the pre-qualification and selection of Contractors, and makes a series of recommendations to this purpose in the FIDIC Guide for Quality of Construction.

### Characteristics of the Informed Purchaser

As the leader of the Project Team, the Client or Purchaser should be informed, that is, knowledgeable and competent in all aspects of the project. This knowledge and competency can be in-house or brought in for the Project. A key part of the competency is the capacity to manage the project.

At the outset or conceptual stage of a project, purchasers should evaluate their in-house capabilities and assess whether they have the expertise to properly develop and manage their project or

program. Proper expertise goes beyond the need for a contract administrator who may not have the technical understanding of the details required for a successful project or programme.

Staff and knowledge retention are particularly important. It may be necessary to retain outside expertise to perform project or program development tasks, including the procurement of consulting services and the procurement of construction or plant or equipment.

FIDIC member firms can provide suitably qualified and experienced experts to assist clients in preparing Project Designs , Requests for Proposals, Terms of Reference, and Information to Consultants, and in evaluating bids and negotiating agreements with Consultants and Contractors.

### Summary

In summary, a well-informed Purchaser:

- Has the technical knowledge to articulate and share the vision of the project
- Has a clear understanding of the methodology required to execute the project
- Can evaluate the skills of consultants for projects using a proper and transparent selection process, based on Quality
- Understands the risks associated with the project and is willing to allocate these in a fair and appropriate manner
- Understands the adverse impact of demanding an earnest money deposit or a security deposit for consulting services
- Knows the significance of specifying a reasonable time frame for submissions and for approval of a project, and the importance of project monitoring
- Understands the importance of specifying unambiguous payment terms and methodology for approval of invoices
- Knows the essential difference between a consultant and a contractor; and
- Has project management and technical skills, either in-house or contracted in to support management.

### FIDIC recommends:

- Members should work with purchasers of consulting services to ensure they are fully informed on both the technical aspects of the specific project and on the proper processes for the procurement and management of consulting services and/or the supply of plant or equipment.

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**Endnotes**