Competitiveness and Procurement Strategy: A Client-Contractor Partnership

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ABSTRACT
Current literature offers little understanding about how procurement methods are enacted in practice. Developments in procurement are often viewed as the result of simply responding to recommendations or requests from particular constituents within the sector. The research seeks to remove itself from such deterministic leaning, counselling instead that procurement methods manifest over time within a complex web of interconnections between various actors, their situated context and the broader industrial structure. Attention is given to how a client and construction firm worked together in order to realise an innovative procurement method, set against the backdrop of initiatives promoted by various commentators. A case study of a medium-size regional contractor is presented to understand how the first partnering arrangement was enacted within the UK social housing maintenance sector in the UK. The case study finds that the enactment of new procurement methods strongly relies on iterative learning between clients and contractors. It is also found that to a certain extent, the construction firm needs to initiate new procurement in order to remain competitive within the sector. Findings point toward a pro-active initiative by the contractor, essentially selling a ‘procurement first’ to their client. Encouragement may be drawn from this example by other contractors seeking to offer more than simply responsive procurement solutions.

KEYWORDS: dynamic capabilities, firm competitiveness, procurement strategy, partnering arrangement, strategising