

# PROCUREMENT: THE EXERCISE OF ASSESSING VALUE



*By Collin Pullar, President, Saskatchewan Construction Safety Association*

Procurement trends have changed dramatically over the past number of years. At one point in time, a contractor relied heavily on their relationship with the owner or direct consumer of the service they provided. In the construction world, that would mean the procurer would have a relatively good understanding of the work and feel confident in the reputation of the company they were considering working with. As organizations became more complex and consumer options increased, the trends have been toward more centralized purchasing services. The advantages and implied value, in this practice, include greater financial coordination and controls through standardization. This has been very effective where a “one size fits all” approach was suitable. Items such as bulk stationery, fuel purchases, basic tools and equipment typically fit well with this approach, as these are generally well understood, low-risk purchases. In terms of assessing value, the most common assessment has been the price. The assumption was that quality, craftsmanship and safety were a given.

Over time, businesses and consumers alike have learned that price is often not the best indicator of value. Sometimes, “cheap” can actually result in inferior, sloppy or even dangerous work product. The impacts can be far-reaching in terms of unexpected delays, financial, human and political costs. This is particularly true when procuring for large commercial and industrial projects, whether publicly or privately financed. The exercise of assessing total value by procurement specialists now takes on a more sophisticated path. It goes beyond the price and looks to ensure companies have the skills and practices to identify, mitigate and reduce the risks associated with a project. Having the ability to control avoidable losses and deficiencies in a project makes sense to be considered in the total value assessment.

This is where the highest-performing companies set themselves apart. Companies that have properly trained,

competent workers who view safety as a strategic asset, act differently than those that don't. They know there is value in protecting their high-value skilled workers who have to deliver in a competitive environment. They invest in methodical safety management practices that reduce potential injuries to skilled workers affecting quality, costs, deadlines or reputation. I was recently in a meeting with a number of senior industry leaders, when one of them said “planned work with people who have the ability to execute, results in predictable productivity, quality and safety”. This is how their company actually approaches procurement –this is how they view total value!

At the Saskatchewan Construction Safety Association, we are fortunate to have the opportunity to work with and assist many companies with training and supporting their efforts to become higher-performing companies. We've recognized that strong and methodical safety management is one of the several business disciplines they employ to be successful in a competitive business and labour force environment. Many companies start out working with our Certificate of Recognition (COR®) program as a foundation to building strong safety practices, and a supporting culture, that can have a positive impact on their ability to deliver. As procurement practices evolve in the public, private or P3 domain, safety is an aspect that needs to carry increased weight in the total value assessment – it's about you going home safely and being confident that your project will be on time, on budget, with zero deficiencies. That's total value!

*Collin Pullar is the President of the Saskatchewan Construction Safety Association, an industry-driven enterprise with nearly 9,000 residential and commercial construction member companies in Saskatchewan. Its mission is to provide high-quality safety training and advice to construction employers and employees that will lead to reduced human and financial losses associated with injuries. [www.scsaonline.ca](http://www.scsaonline.ca)* 