

Abstract

Title: Cost Factors Influencing Procurement Routes for
Main Contractors in Ireland

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Purpose: The dissertation stemmed from the researcher's experience in the tentative tendering stages of exchequer funded, privately financed, multinational and public private partnerships projects and the internal costs accrued by the main contractor therein. An increased understanding of the procurement options available to main contractors on the Irish market was sought. By researching all available procurement routes accessible to Irish Main Contractors along with their specific costs it was envisaged that one could be identified as a market priority and therefore serve to meet the overall goals of main contractors in achieving healthy profit margins.

Methodology: A comprehensive Literature Review was carried out engulfing all published data on the subject matter. Four separate markets were identified, Public Works Contracts, Public Private Partnerships, Foreign Direct Investment and Privately Financed Projects were all investigated relative to the Irish main contractor's procurement options. Quantitative research was carried out in the form of semi structured interviews with experienced active industry personnel, a questionnaire was sent out to five different sectors of the market and two case studies of projects executed by the same main contractor were carried out on each of the four identified markets.

Findings: The research established that in the current economic market one form of procurement could not be solely identified and pursued by main contractors in order to maximise their profits. It also found that PPP's are comprehensively more expensive for main contractors to tender in comparison to the other three markets researched. There is an abiding consensus within the construction industry that investing in construction and infrastructure can be used to stimulate the economy as a whole but that the procurement routes available to the government in exchequer funded projects cannot achieve that stimulus in the short term. It is therefore the opinion of the industry that in order to stimulate the economy in the short term foreign direct investment should be encouraged and so main contractors should familiarise themselves with procurement routes associated with large multinational investment.

Keywords: contracts, costs, procurement, risk, tendering.