



CPQP

CONSTRUCTION PRODUCT  
QUALITY PLANNING

Technical Insights

**#FutureQuality**

# Technical Insights:

## Improving supplier controls to enable scale up of Platform Systems

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*In April 2022 the Construction Innovation Hub conducted interviews with industry professionals to gain insights into the ways in which supplier relationships were managed for Modern Methods of Construction (MMC) projects to support work aimed at scaling up of platform systems. The team interviewed UK-based participants working in MMC or as Tier one construction companies. Insights and recommendations from the research can be found below and have been included to inform development of the platform rulebook.*

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### The challenge for businesses

The Building Safety Act mandates evidence be provided that safety-critical products adhere to the specific requirements set out in building regulations. If products from a supplier are to be integrated into other assemblies, these requirements should be formally cascaded down and evidence received to verify this for future building safety cases and the Golden Thread. Under the new regime, an MMC manufacturer may still be liable for failures for these products if they are unable to show they took necessary precautions.

In order to meet these new regulatory requirements, there is an urgent need to upskill the industry in supply chain management in areas such as communications, assurance and supplier competency assessment. Dame Judith Hackitt described witnessing a leadership culture of indifference and ignorance following Grenfell. Going forward, the construction industry will need to control the supply chain in a more deliberate and practical way.

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### Supplier controls in the industry today

Our research found that there is a lack of a formalised process for engaging with suppliers in this category. As a result, MMC companies have created their own processes to address this need.

Some companies admitted to being less process-driven than others, but all recognised the importance of having even an informal, but mutually agreed way of working between themselves and their suppliers. As a result, these relationships are often governed by informal agreements rather than anything legally binding.

Even those suppliers with seemingly good processes on paper and who audit well, may not always operate that way in practice.

The current way of working with suppliers is often somewhat informal, most companies reporting that there are usually no negative consequences for the supplier if they miss key KPIs or milestones. Suppliers are thought of as partners in the building process and MMC companies are keen not to put unnecessary stress on these relationships (whilst recognising that at times, this may be needed).

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## What is Supplier Control?

Supplier control is the process associated with managing the relationship between MMC companies and product suppliers to the construction industry.

MMC businesses that implement formalised supplier control processes can expect:

- More certainty on critical factors like quality, sustainability, and accreditation of suppliers
- Success of projects tied to measurable KPIs linked to procurement (driving material outcomes for suppliers)
- A more equal relationship with suppliers
- Potential to identify supply alternatives
- Better vetting of labour
- Improved checking of standards
- Better understanding of supplier capabilities, demographics, geography (national, not just local)
- Consistent cascading of requirements to suppliers related to safety critical components.

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## Supplier Control methodologies

Supplier control is influenced by many external factors and historically there has always been some level of complexity which needs to be addressed. This has been exacerbated recently with Brexit, Covid 19 and war in Ukraine due to disruption in the supply chains. Inflation and the difficulties with the supply chain have had a knock-on impact on projects across the board.

Some methodologies that do exist include 'Supplier Assessment Forms' or Pre-Qualification Questionnaires (PQQ) documents that are set out to vet suppliers in the early days before working with them. These PQQs take different forms from company to company and have different focuses from Health and Safety to accounting. Third-party platforms for screening and auditing suppliers exist (e.g. Constructionline) however they are not ideal as they focus on the finances and sustainability of the organisation and not on compliance and quality. There are low levels of awareness of these third-party services amongst the participants in our research

An approved suppliers list exists as a tool in some organisations. These have often developed organically over the years of working with different suppliers. Some businesses do not take this approach in case it would preclude them from finding the right local providers who could be equally skilled and cost competitive and meet local KPIs set by government procurement teams.

It is most common for companies to have a selection of preferred partners whom they work with regularly - even if they do not have a formally approved suppliers list or process of approval.

There is an existing market in services that identify and audit labour with a number of propositions already available. However, there is a lack of awareness of the availability of these services amongst the community.

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## Further information

### Support for businesses

The Hub has developed several tools which can support improved supplier control.

**The Verification and Validation Guide** offers a standardised approach to testing based on best practices from aerospace and software engineering, adapted to the offsite construction sector. The V&V guidance helps reduce risks in validation processes as it enables more predictability and early planning. If processes are built around the best practice set out in the V&V Guide, it can then be used as a template to cascade requirements to suppliers.

**The Construction Products Quality Assurance (CPQP)** framework sets out a best practice approach for manufacturers to follow during the creation of new platform systems and offsite manufactured construction products. It includes support for supply chain sign-off and also demonstrates how to work with a supplier at an early stage in a project to avoid logistical issues later on.

**Finally, the Product Platform Rulebook** is a guide for companies looking to build new platform construction solutions including guidance around supply chain creation.

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Find out about solutions developed by the Hub's Quality Assurance and Conformity Assessment teams [here](#)

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