Public Building Construction and Procurement in Germany

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German construction industry

- 1,939,000 employees
- 329,000 enterprises (around 90% SME)
  - Mainly companies with less than 10 employees
    (in some trades over 90%)
- Over 80% of sales revenue of construction industry by SME
Nominal German construction volume

Construction
- Housing
  - New Construction 64.3 bn. EUR
  - Existing Construction 135.7 bn. EUR
- Commercial Construction
  - Building Construction 73.1 bn. EUR
  - Civil Engineering 30.3 bn. EUR
- Public Construction
  - Building Construction 19.0 bn. EUR
  - Civil Engineering 28.4 bn. EUR
Structure of public construction

• Federal construction
  – Buildings
  – Civil Engineering & Infrastructure
  – Army
• State construction
  – Buildings
  – Civil Engineering & Infrastructure
• Municipal construction
  – Buildings
  – Civil Engineering & Infrastructure
Diversity of legal conditions

Due to German federalism there are different legal conditions on federal, state or municipal level, e.g. awarding manual (VHB).

Concerning federal construction there are even different legal conditions for
  – Building
  – Civil Engineering & Infrastructure
  – Army
Separation of planning & construction

1. Awarding of planning services
2. Execution & completion of planning services (no participation of contractors)
3. Awarding of construction works separately for each trade

There are different contract regulations, awarding conditions and EU thresholds for planning services and construction works.
Thresholds for EU wide tendering

• Planning services
  – 221.000 €
  – For federal ministries & upper federal authorities
    144.000 €
  – For army
    443.000

• Construction works
  – 5.548.000
Rules to be applied above thresholds

- Directive 2014/24/EU on public procurement
- GWG: German Act against Restraints of Competition
- VGV: Public Procurement Regulation
- VOB / A: German Construction Contract Procedures

For construction works, the VGV refers to the VOB.
Rules to be applied below thresholds

Federal & State laws

UVgO – Rules of procedure for the award of public supply and service contracts below the EU thresholds

VOB / A German Construction Contract Procedures

Planning Services

Construction Works
Awarding of planning service

- Regularly competitions with subsequent negotiations
- Contract based on VGV/UVgO and the HOAI
  (Official Scale of Fees for Services by Architects and Engineers)
Awarding of Construction Works

- Tendering with bill of quantities
- Bidding & submission
- Awarding to the most economical bid
- Contract based on the VOB
  (German Construction Contract Procedures)
Thank you for your attention