



ACEI ASSOCIATION OF
CONSULTING ENGINEERS
OF IRELAND

ACEI Submission to Government for Budget 2026

Accelerating the transformation
of Ireland's economy, society
and communities

AUGUST 2025

Introduction

The Association of Consulting Engineers of Ireland (ACEI) is the representative body for Consulting Engineering companies operating in Ireland.

Our 120 members (employing over 5000 highly skilled construction professionals) represent the leading consulting engineering companies operating domestically and internationally with a range of global clients.

Our members work with all levels of National and Local Government to design, deliver and manage our national infrastructure and positively shape the built environment. As such, the Consulting Engineering sector is uniquely placed to inform the Government's approach to the most efficient, sustainable and cost-effective delivery of critical infrastructure.

Consulting Engineers have the capability to design solutions to Ireland's housing, infrastructure and climate change crises. However, the attractiveness of critical public sector projects is being undermined by unfair contractual relations, inconsistency across client bodies, uncertainty in the pipeline and relative low profitability due to associated costs.

In 2021, 42% of EU contracts were only bid on by a single company.

Many contracting authorities in Ireland are reporting difficulties in securing sufficient response from the market for critical projects. This trend will continue as companies with limited resources and a strong pipeline of work will select less risky projects. This is a critical issue for the State's delivery of housing and infrastructure as 'design' phase represents the best opportunity to positively impact delivery timelines, reduce lifetime carbon and increase the efficiency of project delivery.

The ACEI welcomes the Government's commitment to infrastructure investment in the NDP. Notwithstanding this, Ireland ranks poorly in terms of investment efficiency in infrastructure in the IMD competitive index. The IMF and the Irish Competitiveness and Productivity Centre and the Government itself have all indicated that our efficiency in delivery must improve.

Our submission identifies measures that would increase the return on investment per euro invested by the Government in infrastructure. Where possible, we have identified cost neutral measures that will accelerate delivery and yield economic, social and/or sustainability benefits for the State.

The ACEI recommends that the Government examine the initiatives set out by the Construction Sector Group's Construction Innovation and Digital Adoption Working Group and invest significantly here. These measures are focused on building the capacity of industry to deliver the increasingly ambitious targets set out in housing and infrastructure. Currently, initiatives such as Digital Build, Construct Innovate and other efforts to digitalise the construction industry are building the industry's capacity.

Investment is now required to accelerate the positive impacts of these important initiatives that have been co-created by the State and industry. Investing €50million over three years to improve the industry's capacity to deliver the €200 billion NDP is an investment that will repay itself manifold in every community across Ireland in terms of enhanced infrastructure and housing delivered more cost-effectively and sustainably.

Key Points

1. ACCELERATE DELIVERY OF PRIORITY PROJECTS TO AND THROUGH DESIGN PHASE

The ACEI welcomes the establishment of an infrastructure delivery unit with the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. This section must be adequately resourced and empowered to identify key blockages on priority projects and with the support of relevant cabinet sub-committees, remove same. This should inject more certainty into the infrastructure pipeline and facilitate more long-term investment by the supply chain into capacity measures such as digitalisation and recruitment.

In the immediate past, when engaging with the State's bodies, there has been significant budget uncertainty that is undermining delivery and the ability of the sector to plan and invest. Most contracting authorities the ACEI engages with are reporting uncertainty around their budgets, many of which are still decided on an annual basis. ACEI welcomes the indication

that the Government will allow multi-annual budgeting for projects – the sooner information on this is made known, the sooner companies can plan and invest accordingly to build capacity and recruit.

The ACEI recommends that relevant contracting authorities are allocated funding on a 3–5-year basis by central Government and specific projects are identified in the coming weeks.

ACEI believes that the NDP and Housing for All identify key strategic priority projects that 'have' to be delivered. These projects' delivery can be accelerated by bringing these to and through the design phase in the coming two-year period. This could mitigate against the inevitable delays in the planning system that erode value and prevent efficient delivery.



Further infrastructure recommendations in the areas of Housing, Water, Transport, and Education follow based on our members' experience:

HOUSING



- Increase financial incentives to underpin the growth of a dynamic MMC and Off-site construction sector.
- Enable local authorities to deliver more affordable housing by increasing funding and recruitment of suitably skilled engineers and officials.
- Ensure that the 60,000 required houses are adequately serviced by infrastructure through planning-led infrastructure investment

WATER



- Outline the project prioritised under ring-fenced investment provided to Uisce Eireann
- Ringfence funding for strategic water and waste-water projects that support growth as set out under the NPF.

TRANSPORT



- Advance design phase of key road infrastructure projects to enhance regional accessibility and to provide high-quality international connectivity aligned with NPF National Strategic Outcomes
- Roll out electric vehicle charging points across the network.
- Prioritise commitments to rail projects nationwide for balanced regional development and continue to fund safety works and capital improvements to the rail network.
- Continue to support the redevelopment of Dublin Airport and other airports and ports.
- Refine governance model to enable more multi-annual budgeting for TII and NTA to enable the delivery of active travel, rail, and bus connects whilst Metro ramps up over the coming years.

EDUCATION



- Accelerate the roll-out of the primary and post-primary schools' building programme and refurbishment of existing schools.
- Increase support for third level colleges to invest in their infrastructure priorities to meet the demands of the higher education sector.



2. IMPROVE CONTRACTUAL RELATIONS TO ACCELERATE NDP PROJECT AND HOUSING DELIVERY

There is now widespread agreement that the existing government contract is a significant barrier to the effective delivery of infrastructure and the development of a competitive construction industry generally. Increasingly, the State's own contracting authorities are reporting a reducing number of companies tendering for public sector work partially due to how risk is unfairly allocated to consulting engineers.

Whilst there has been some welcome reform recently, such as the introduction of Limits on Liability Caps, progress needs to be expanded and accelerated particularly pertaining to consultancy contracts. The Government should invest significantly in resourcing the OGP to accelerate reform and rigorously promote and promulgate updated procurement policies across the public sector.

ACEI proposes the following to ensure public sector projects can attract a range of sufficiently qualified consultants:

A. NET CONTRIBUTORY CLAUSES

The ACEI, and the Construction Industry Council, have engaged with the OGP to chart how Net Contribution Clauses can be introduced. NCCs are essential to ensure the consulting engineering sector can deliver optimum results for the State. Our legal advice identifies no material legal impediment in the Civil Liabilities Act to their introduction, in fact, Clauses 35(1)(f) and (g) of the Act allow for proportionate clauses.

The introduction of NCCS requires no fiscal intervention from the State, is risk-free, and would increase the attractiveness of public sector projects vis-vis private sector for consulting engineers. Their introduction would also have a profoundly positive impact on the availability of affordable PI insurance in the Irish market. Finally, NCCs bring more certainty to contractual relations between clients and the project teams and should reduce disputes and associated legal costs in projects involving the State, representing better value for money for the Exchequer.

B. AMEND PUBLIC PROCUREMENT PROCESSES FOR BETTER OUTCOMES

Consulting Engineers provide intellectual services to Government clients. Sophisticated procurement models can be utilised to ensure best outcomes for the State. The use of MEAT criteria is to be welcomed. However, in the event that all tenderers receive the same score procurement effectively becomes a lowest-price procurement. To avoid this outcome, the contracting authority should not be allowed to select the tenderer offering the lowest price. Instead, the authority should be required to award the contract to the tenderer whose price is closest to the median of all submitted prices.

This approach provides an incentive for the contracting authority to conduct a more competent quality evaluation, while also discouraging tenderers from attempting to capitalise on price being the decisive factor by submitting strategically low bids. Lowest price in procurement creates barriers to designing innovative solutions in intellectual service providers and drives non-collaborative behaviours across projects that leads to increased legal costs.



C. NEW PUBLIC SECTOR PROJECTS

The OGP and Public Agencies should move to percentage fees of the Net Construction Value of the project for all new contracts.

Fees should be converted to a lump sum figure based on the Stage 3 tender return price. Note that under previous procurement approaches in Ireland, percentage fees applied to the full duration of the project and outturn cost.

The fixed fee should be adjusted if the contract sum exceeds by 15% of the tender price.

D. EXISTING / LIVE PUBLIC PROJECTS

All current live projects, which were procured under a lump sum model, should have the professional fee quantum reviewed. If the current project value exceeds that set out at consultant procurement stage by more than 10%, the effective comparable percentage fee at bid stage should be applied to the increased Net Construction Value and future payments for consultants be adjusted accordingly.

As added, work is being imposed upon consultants with State Agencies to try to mitigate the construction cost impacts of severe inflation, this added service should be recognised as such by state agencies, and paid for accordingly based on submitted hourly rates, adjusted to take account of inflation.

E. MANDATE THAT COLLATERAL WARRANTIES USED BY HOUSING BODIES CONFORM WITH OGP GUIDELINES

Approved Housing Bodies and the Housing Finance Agency are currently utilising unfair and onerous collateral warranty obligations on consulting engineers. The effective impact is to increase insurance costs for consulting engineers, putting their businesses and their involvement in housing projects at risk. These CWs place conditions that run counter to the advice of the OGP's conditions of engagement with consultants. The overall effect is to make housing projects funded by the HFA less attractive, riskier and in some cases beyond the reach of credible consulting engineering firms.

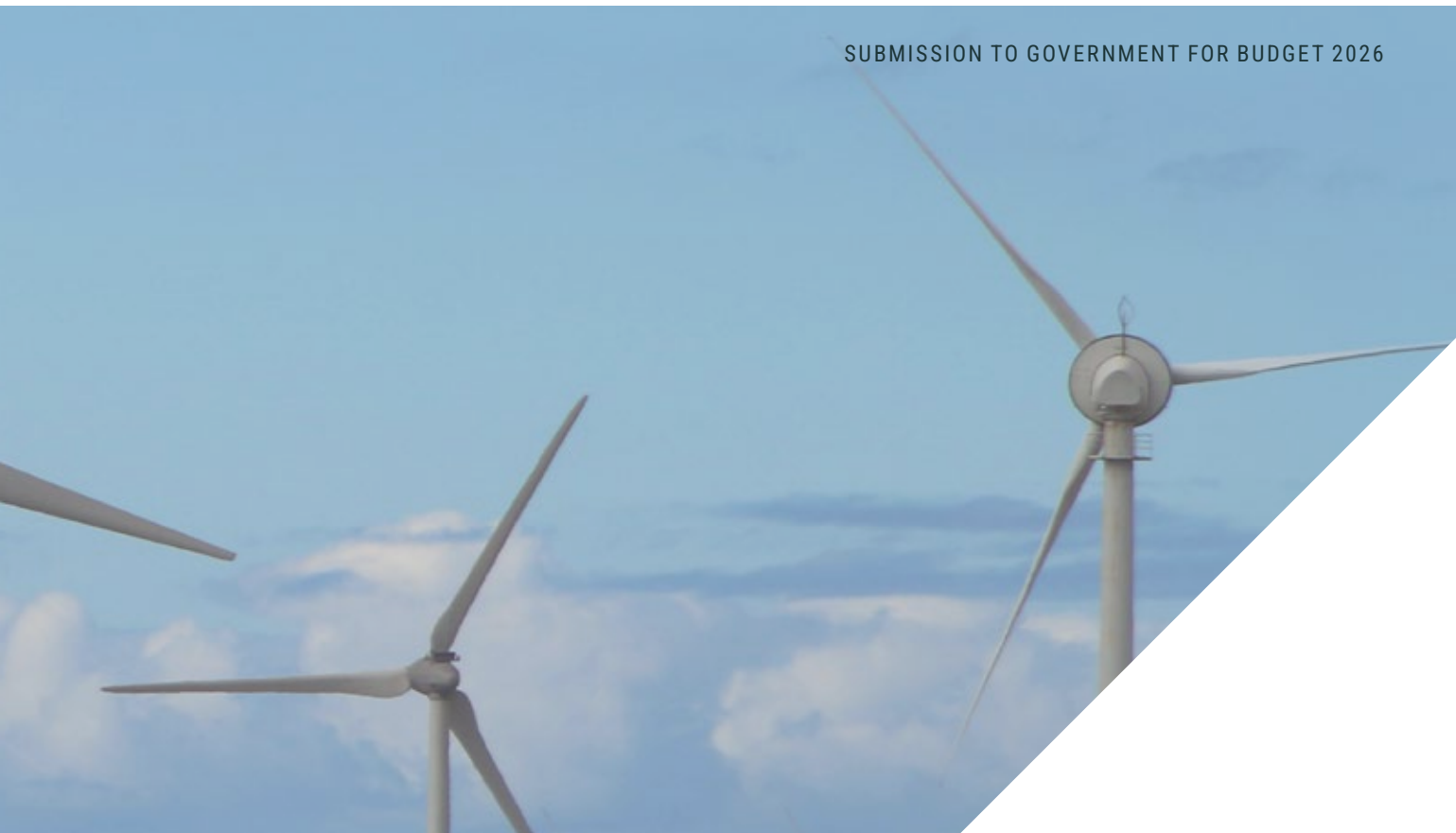


3. INDUSTRY SKILLS SHORTAGE

The continuing shortage of skilled and experienced staff is an ongoing problem for consulting engineering firms, and the wider built environment sector. Funding in promoting construction careers secured within the Housing for All strategy is welcome but grossly inadequate to produce a campaign of similar scope and ambition to the STEM campaigns of the last decade. Sufficient investment (circa €3 million per annum initially) for a comprehensive ‘awareness campaign’ aimed at attracting people into the industry is required.

Other initiatives should include:

- Place all roles associated with engineering on the Critical Skills Occupation List and apply all rights and supports to spouses e.g., spouses should be entitled to work immediately.
- Accelerate the streamlining of the visa application and work permit systems across the Dept of Justice and the Department of Enterprise.
- Reduce the current working permit processing times to ensure that international human resources can be readily deployed.
- Radically increase the State’s investment in national initiatives aimed at attracting more young people (domestic, diaspora and internationally) into the engineering and construction sectors.



4. CLIMATE ACTION AND SUSTAINABILITY

High-level recommendations from the ACEI for the Government in this area are that:

- The NDP should prioritise the delivery of infrastructure projects that makes Irish society more resilient, better transitions us to a sustainable low carbon society, and enables the development of renewables that are critical to addressing climate action.
- Make a senior appointment responsible for retrofit initiatives, reporting to the Minister for the Environment, Climate and Communications, to provide leadership in this area, particularly in relation to the 500,000 homes and commercial buildings requiring renovations.

The continuing provision of energy in the current climate is a key concern. ACEI recommendations to Government in relation to addressing this, using renewables, include:

- Develop a fully costed Solar Energy Strategy with implementation timelines and align State Bodies such as Enterprise Ireland accordingly.
- Strengthen policy framework to incentivise electricity storage and interconnection.
- Promote research and development in “green” hydrogen.
- Develop a long-term plan to take advantage of a potential of at least 30GW of offshore floating wind power in the Atlantic.

5. LEVERAGE DIGITALISATION TO ACCELERATE DELIVERY

Digitalisation of the construction and engineering sectors is essential to accelerate delivery of environmentally sustainable projects over the next generation. Put another way, without digitalisation, the State as a client and relevant industry sectors will not be able to collaborate effectively to deliver the NDP and housing in an economically and environmentally sustainable manner. The Government's BIM mandate is a solid first step in driving digitalisation across the delivery ecosystem. Recent commitments to fund digitalisation and BIM uptake by local authorities is also to be welcomed. However, significant investment is required to ensure that the State's contracting authorities and the industry are operating to shared information specifications that will over time lead to reduced costs and conflicts.

To truly leverage the State's BIM mandate:

1.

Government Departments with responsibility for major capital project delivery should collaborate to develop and publish common asset information requirements, including for classification and data exchange as necessary, and identify the use cases that should be met on publicly-funded projects.

2.

In return for Government funding for BIM implementation on capital works projects, public clients and their supply chains should be required to provide input to the iterative development of common, specific information requirements, which will inform both the project on which they are working and be fed back to DPENDR and the Build Digital Project for achieving a consistent national approach.

3.

OGP/Build Digital Project should periodically publish updates to the common requirements and any associated guidance working towards a point where each public client will be empowered and equipped to manage and publish their own specific information requirements.

