

South East Centre of Excellence

SW Centre of Excellence
7th April 2008

K Heard



Programme

Part 1 - Regional Centres of Excellence

Part 2 - SECE Buildings Workstream

Part 3 - The SECE Approach

Part 4 - The Benefits

Part 5 - The SECE Process

Improvement through efficiency

Part 1

The Regional Centres of Excellence



- Hampshire County Council has provided the lead for the Building Construction workstream in the South East Region since 2005
- SECE provides funding to HCC to set up and administer procurement arrangements for all South East authorities www.sece.gov.uk

South East Improvement & Efficiency Partnership

Surrey
Improvement
Partnership

HIOW
Improvement
Partnership

Sussex
Improvement
Partnership

Berkshire
Improvement
Partnership

Kent
Improvement
Partnership

MKOB
Improvement
Partnership

Fire Improvement Partnership

Progress through Partnership (LSP Support)

Commodity Goods & Services Partnership

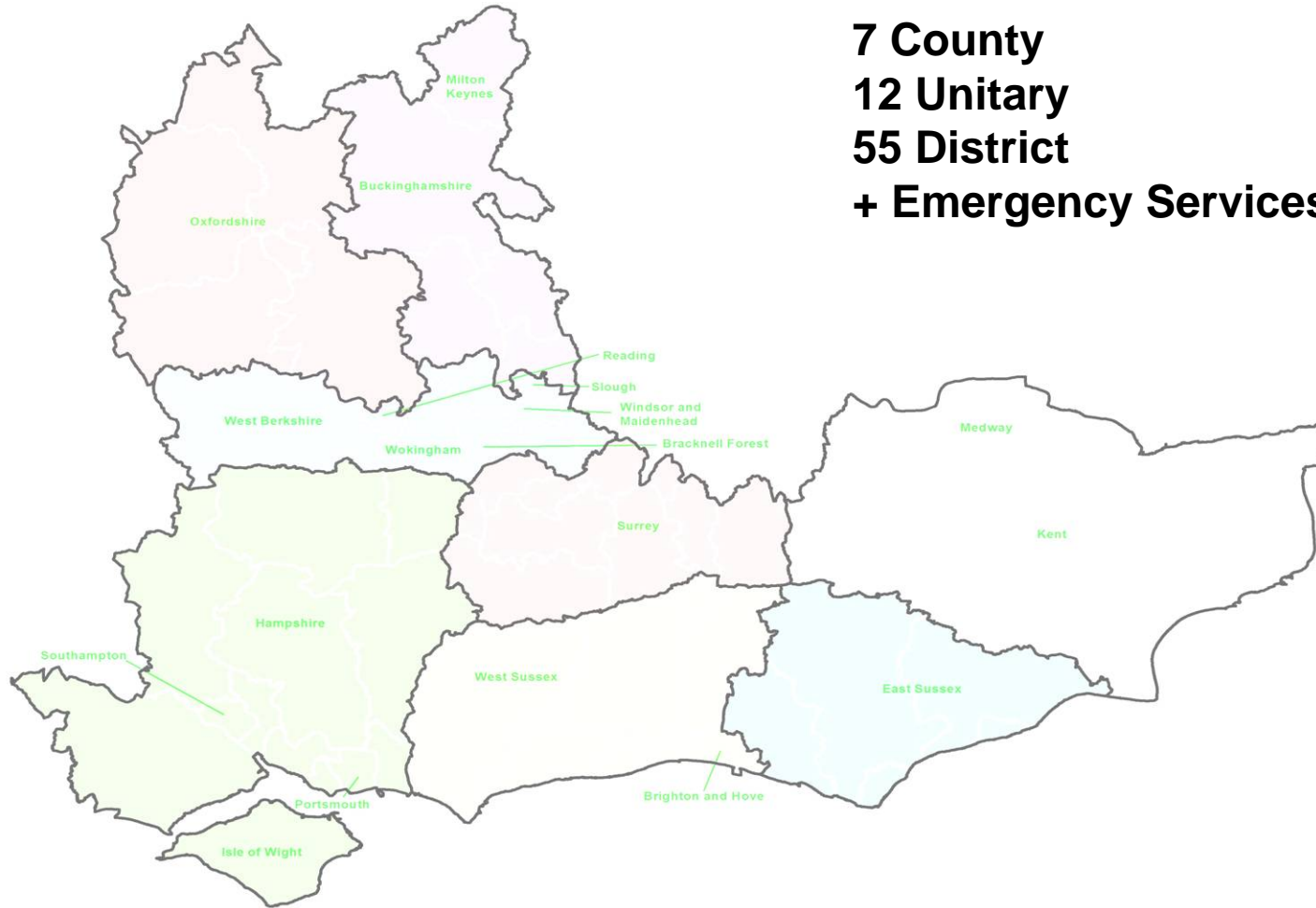
Corporate & Transactional Services Partnership

Waste Management Partnership

Construction Procurement and Asset Management Partnership

Social Care Partnership

SECE Region

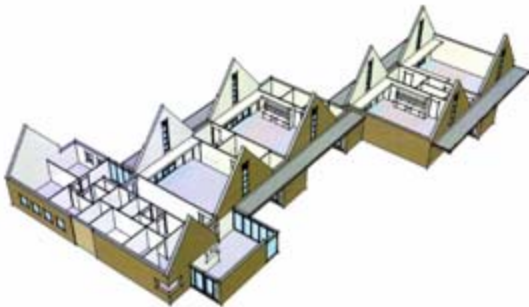


7 County
12 Unitary
55 District
+ Emergency Services

Improvement through efficiency

Part 2

The SECE Building Construction Workstream



SECE Goals

To work collaboratively with contractors on a repeat basis, reduce waste, and streamline processes through the whole life of projects, identify and manage risk effectively, and provide value for money

Improved processes

Use resources to ensure that wasteful activities are driven out.

To add value through collaboration in design, procurement and construction.

Seek out gains through aggregation

SECE Frameworks

Major projects £3m to £40M +

Commenced August 2006

In place until July 2011

Option to extend to July 2013

10 Contractors appointed through OJEU Tender

Medium and Small Projects

For projects of £100k to £3m

Commencing:- late 2007 for clusters of Authorities in Hampshire and Sussex.

Construction consultants - 2008 onwards?

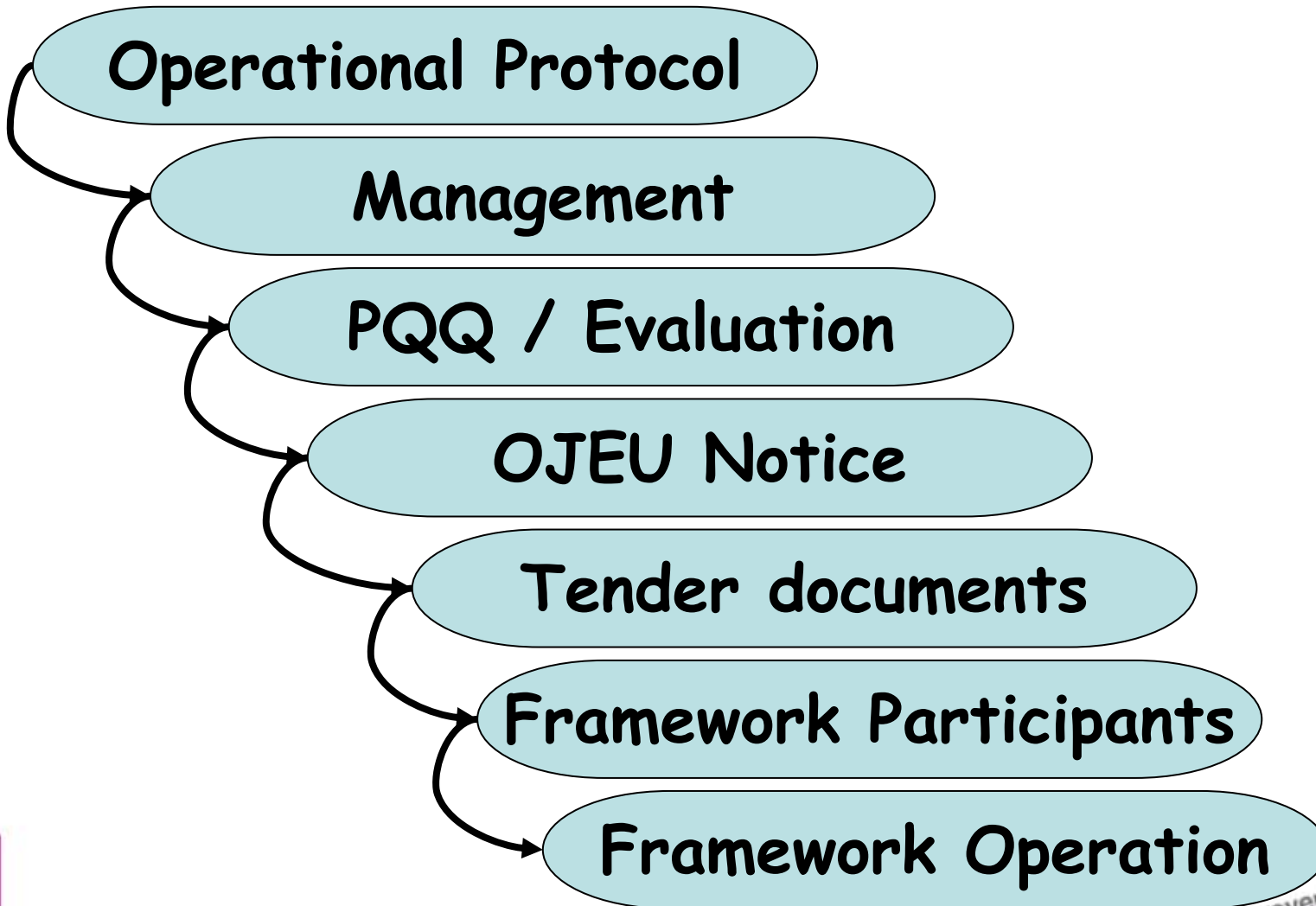
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Part 1 - Guardian Public Service Award National Winner – Finance and Procurement



Improvement through efficiency

Framework Establishment



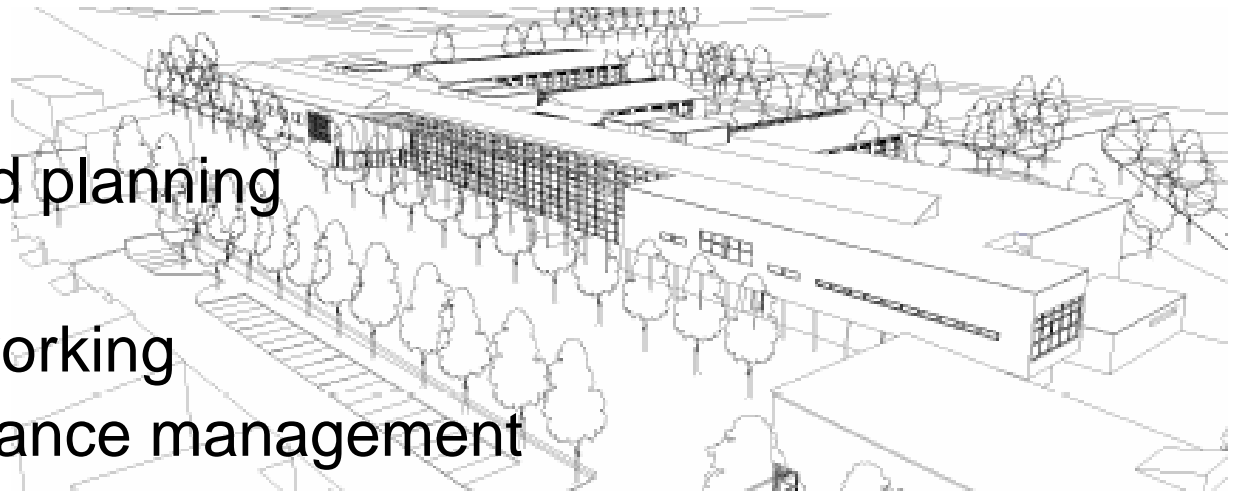
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The tender document

- Six template projects at outline design
 - **Special Needs School**
 - **Adult Day Care Centre**
 - **Primary School Extension**
 - **Nursing Care Home**
 - **Primary School**
 - **Secondary School**
- Optional large Civic Office Project at inception

Tender challenge

- Pick four projects and answer questions on
 - Management structure and cost
 - Preliminaries, overhead and profit
 - Risk
 - Cost planning
 - Programme and planning
 - Procurement
 - Collaborative working
 - KPI's / Performance management
 - Health, Safety and Environment
 - Project Controls
 - Framework Management



Improvement through efficiency

The Contractors

Tier 1 (10 no.)

Mace Plus

Warings

Mansell / Balfour Beatty

HBG

Kier Group

Morgan Ashurst

Willmott Dixon

Wates

Fitzpatrick

Costain

Tier 2 (7 no.)

May Gurney

Osborne

Mansell

Raymond Brown

Kier Regional

Morgan Ashurst

Rok

Tier 3

15 contractors

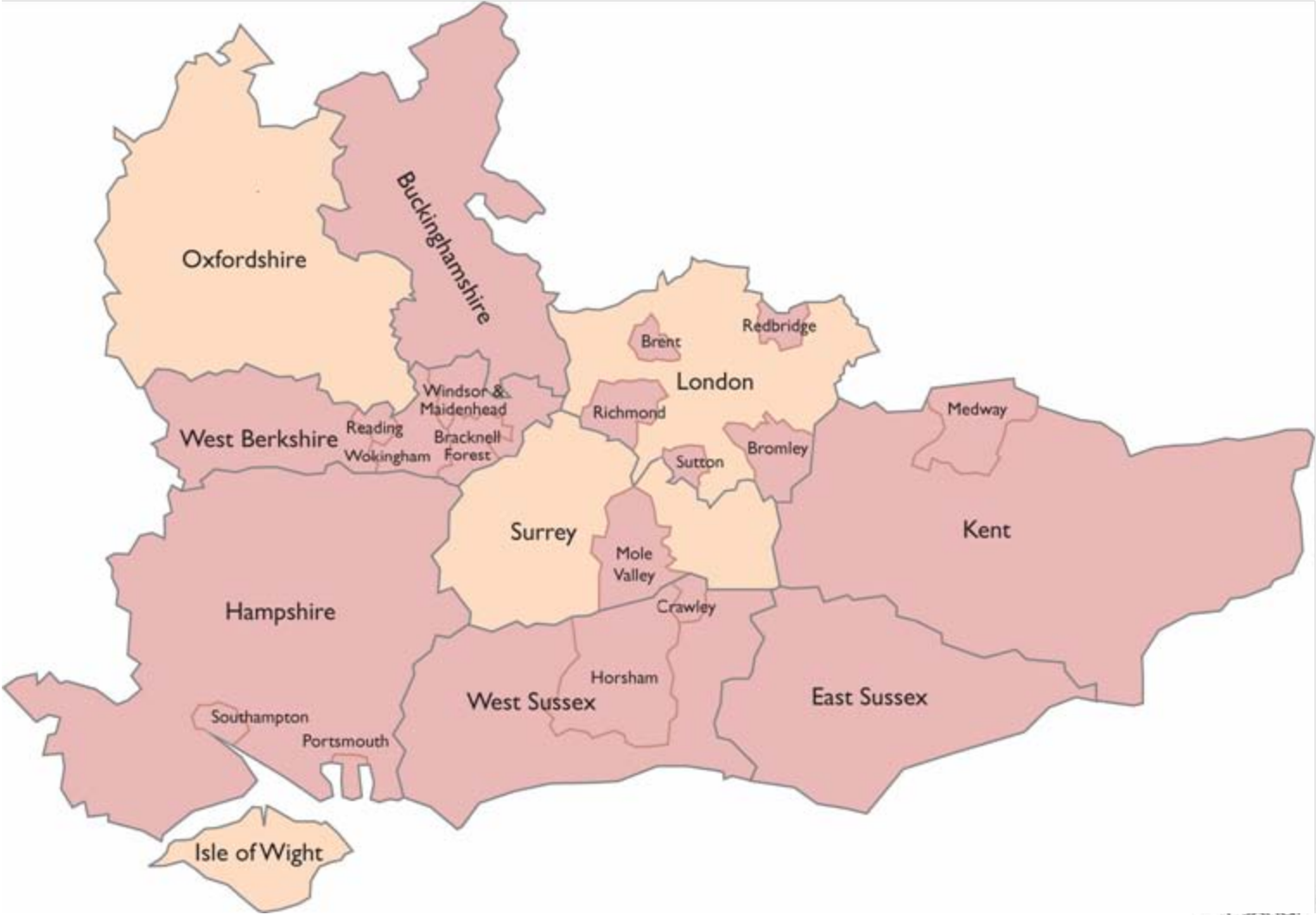
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Headline Figures Regional Framework – March 2008

	Value	No.
Total Projects	£1,180m	88
Total Proceeding	£809m	67
On Site		17
Total Placed with Contractors	£756m	59
Completed Projects		3
Total Authorities		37
Total Authorities Proceeding		30

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Participating Authorities



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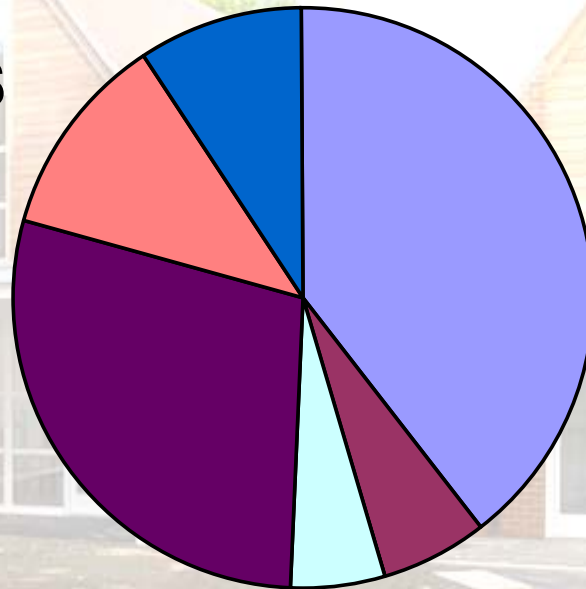
Regional Framework Programmes

EDUCATION FURTHER

CIVIV OFFICES

**EDUCATION
SECONDARY**

POLICE FIRE NHS



EDUCATION GEN

EDUCATION PRIMARY

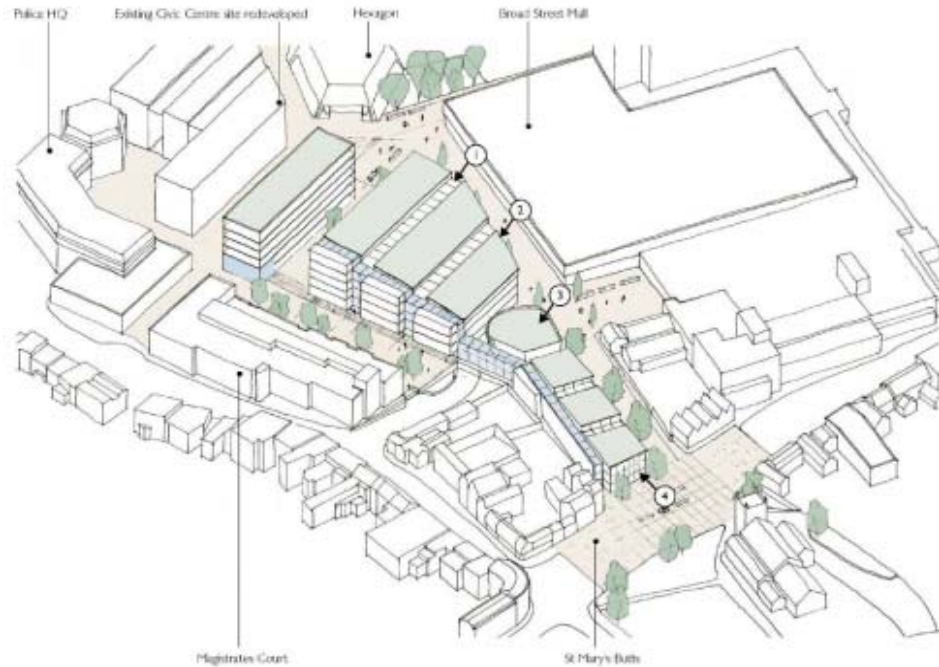




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Addington School



RBC Civic
Offices

SECE Framework Governance



Steering Group

SECE + 11 Authorities

- Provide scrutiny and support
- Develop arrangements
- Performance review

Strategic Forum

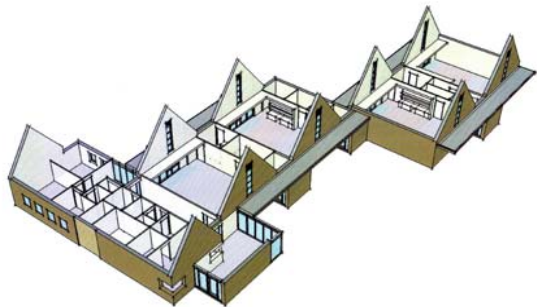
SECE + Contractors

- Capacity
- Performance
- Development

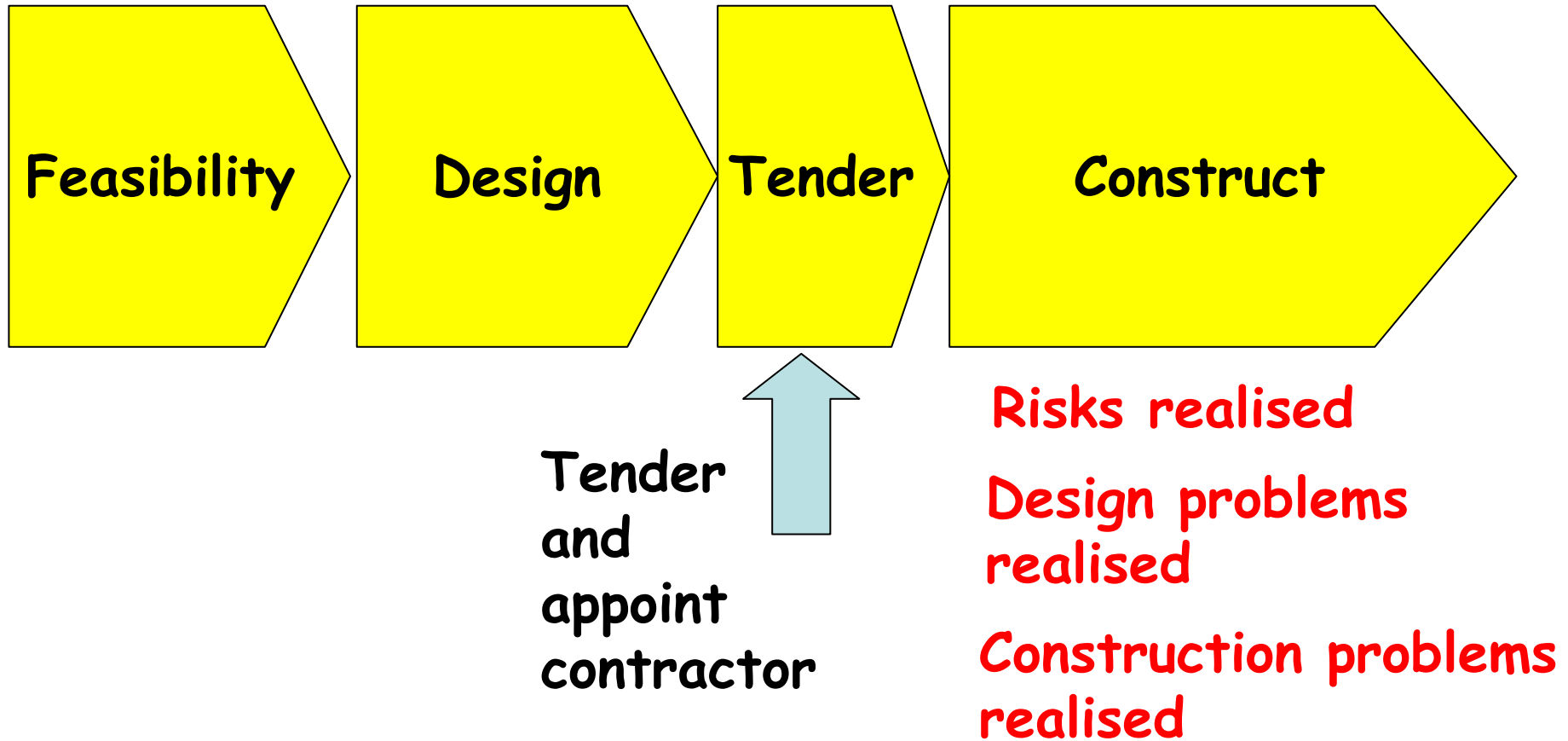
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Part 3

The SECE Approach

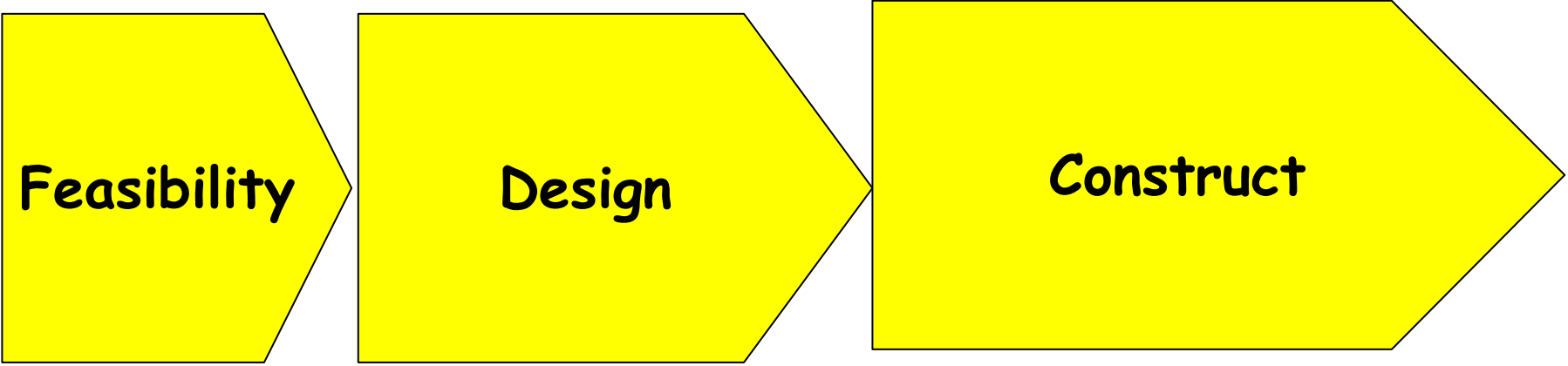


The Traditional Approach



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The SECE Approach – Develop & Construct



Pre-Construction Phase

↑
Select
Contractor

Buildability, Cost,
Programme, Risk

↑

Agreed packages of
work, contract sum
and programme.



Predictability

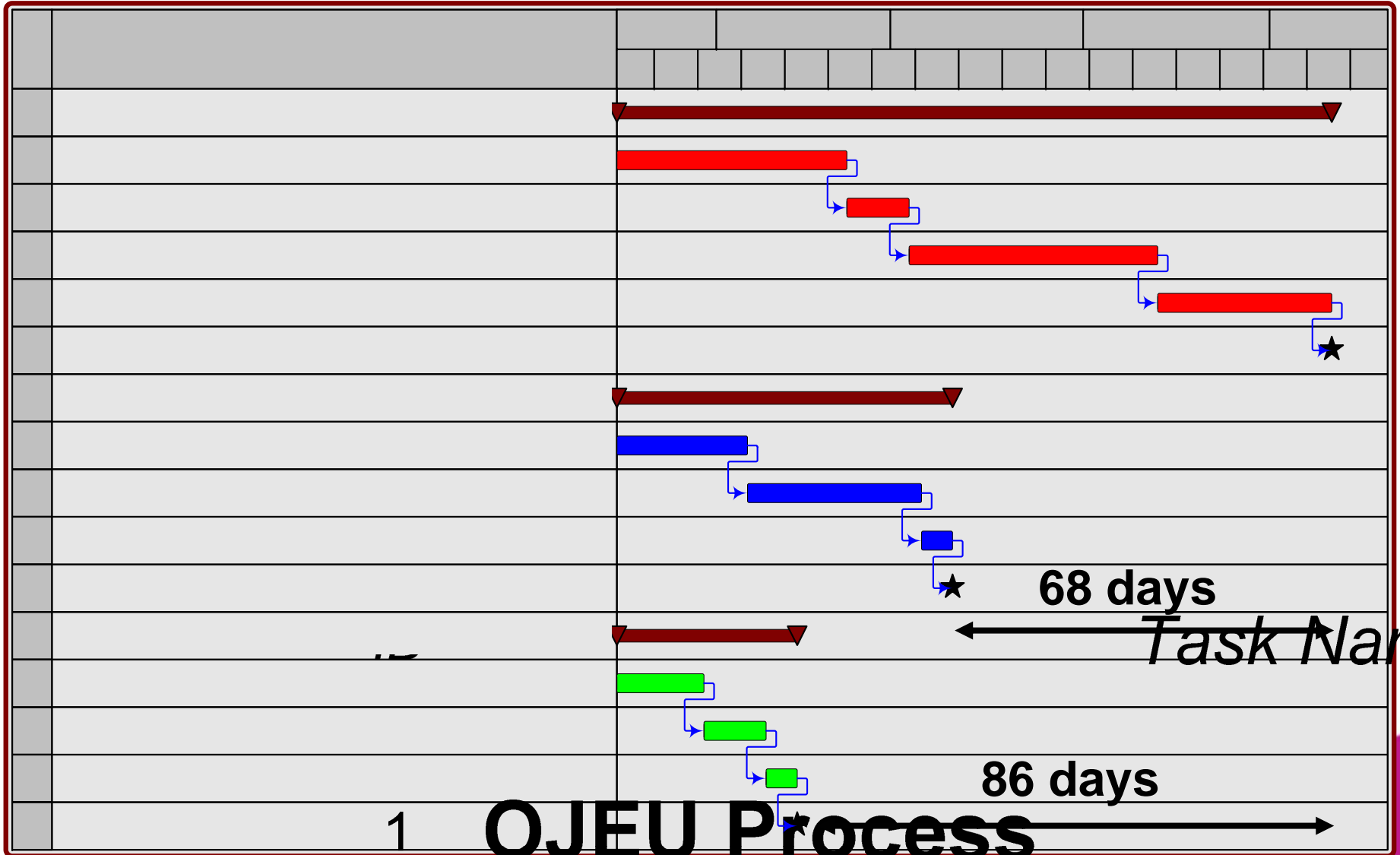
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Part 4

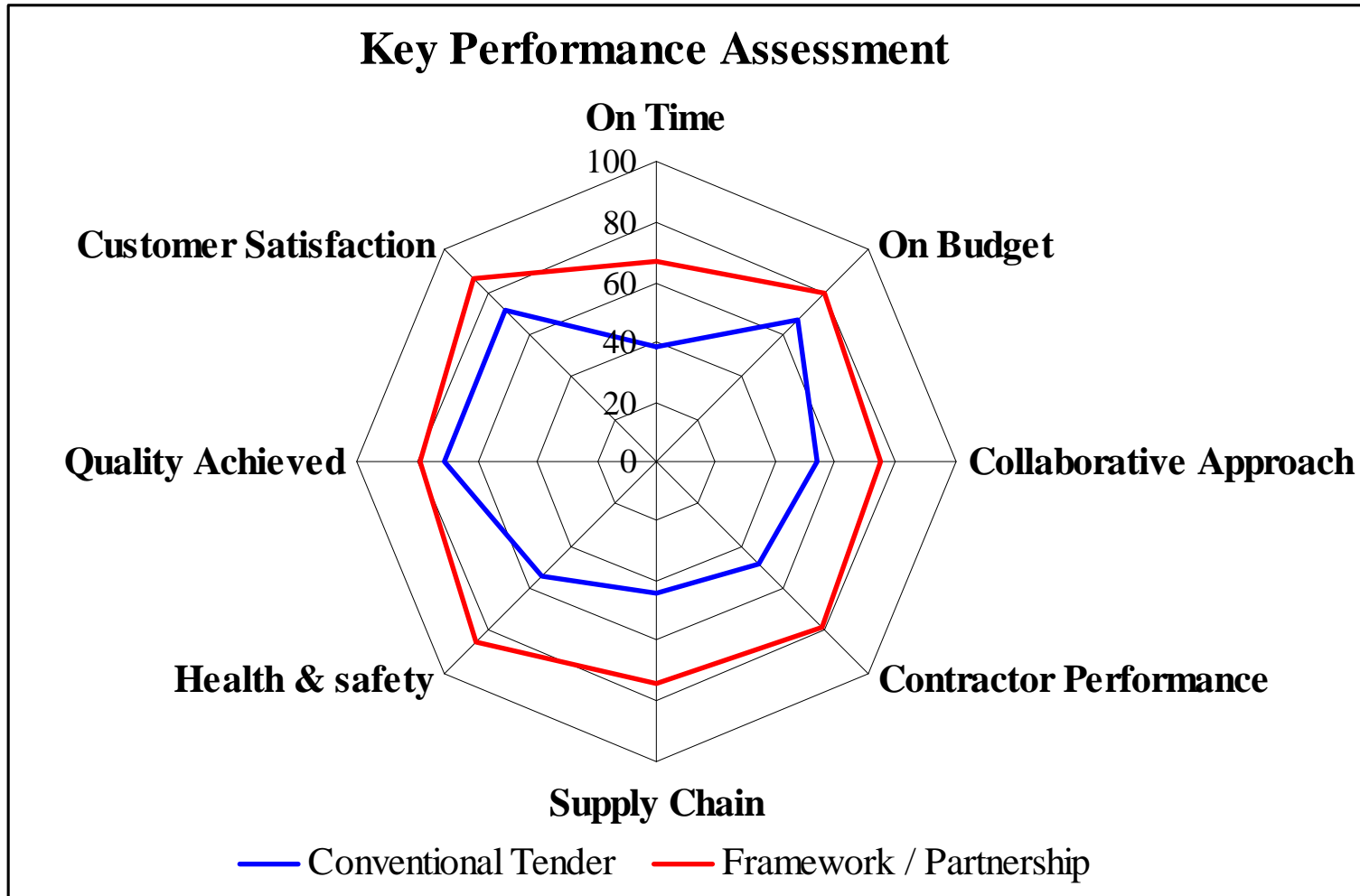
The Benefits



The waste (and cost) of tendering £50,000 to £100,000 per project

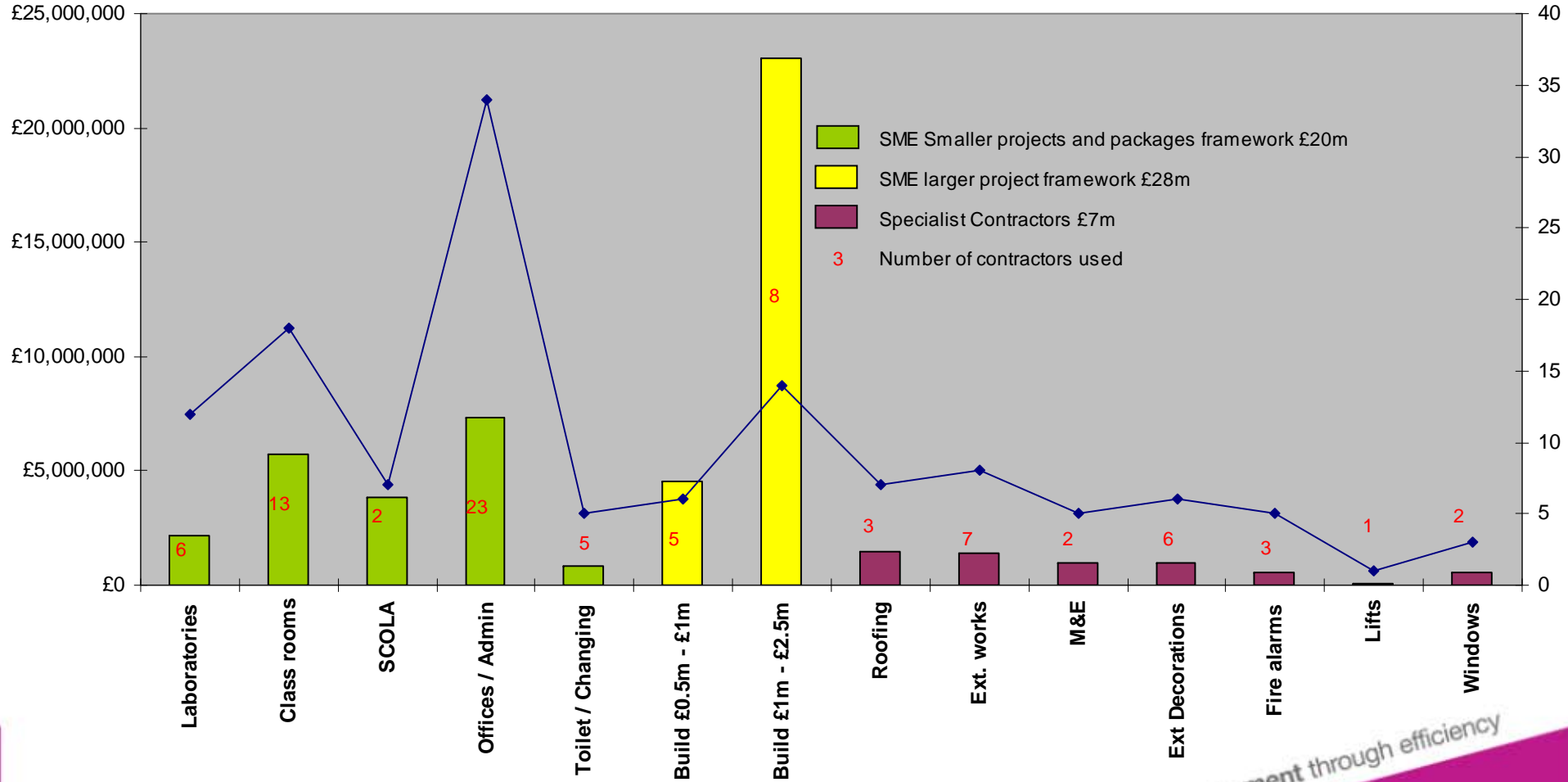


Added Value – Better predictability



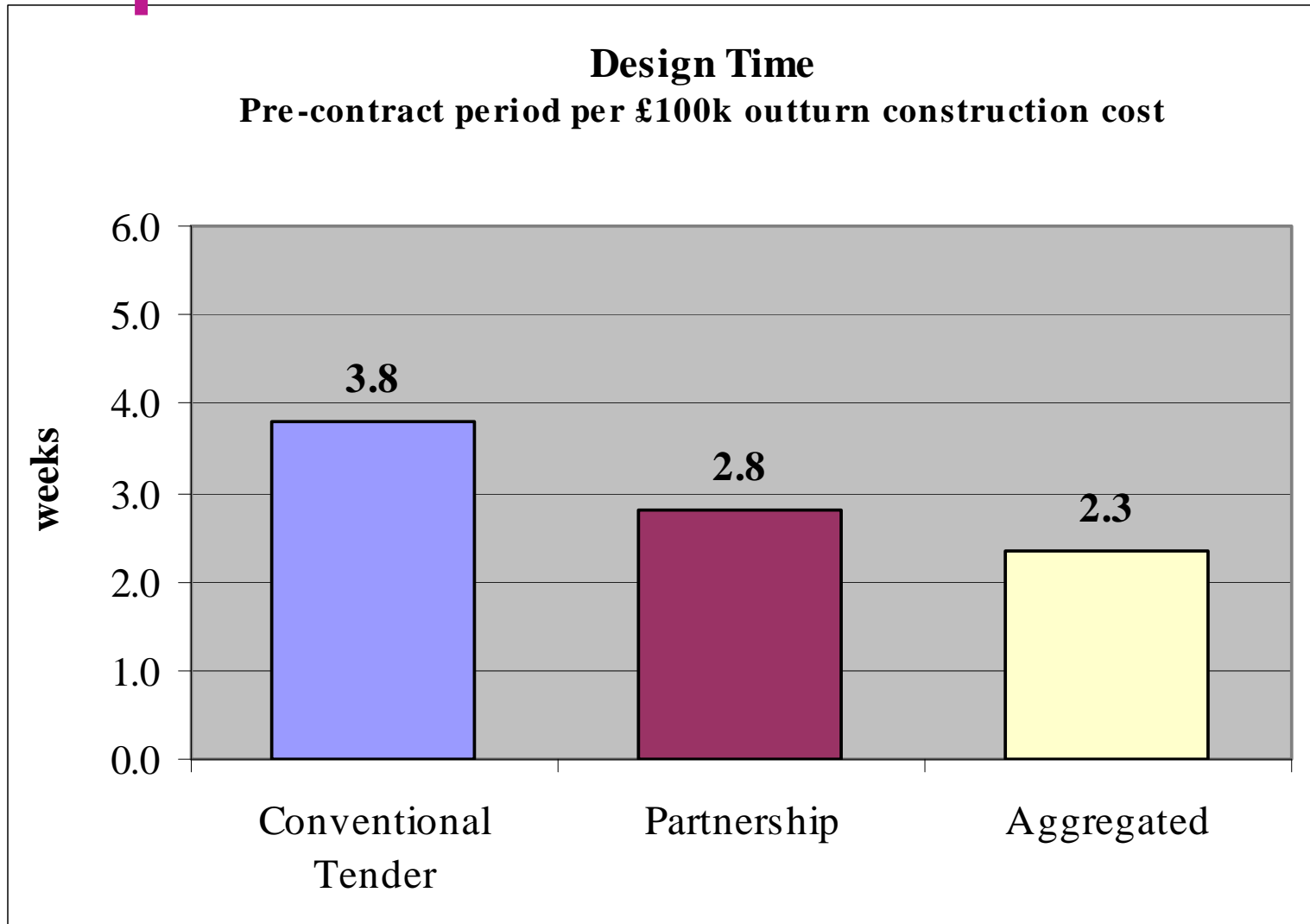
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Specialist Supply Chains



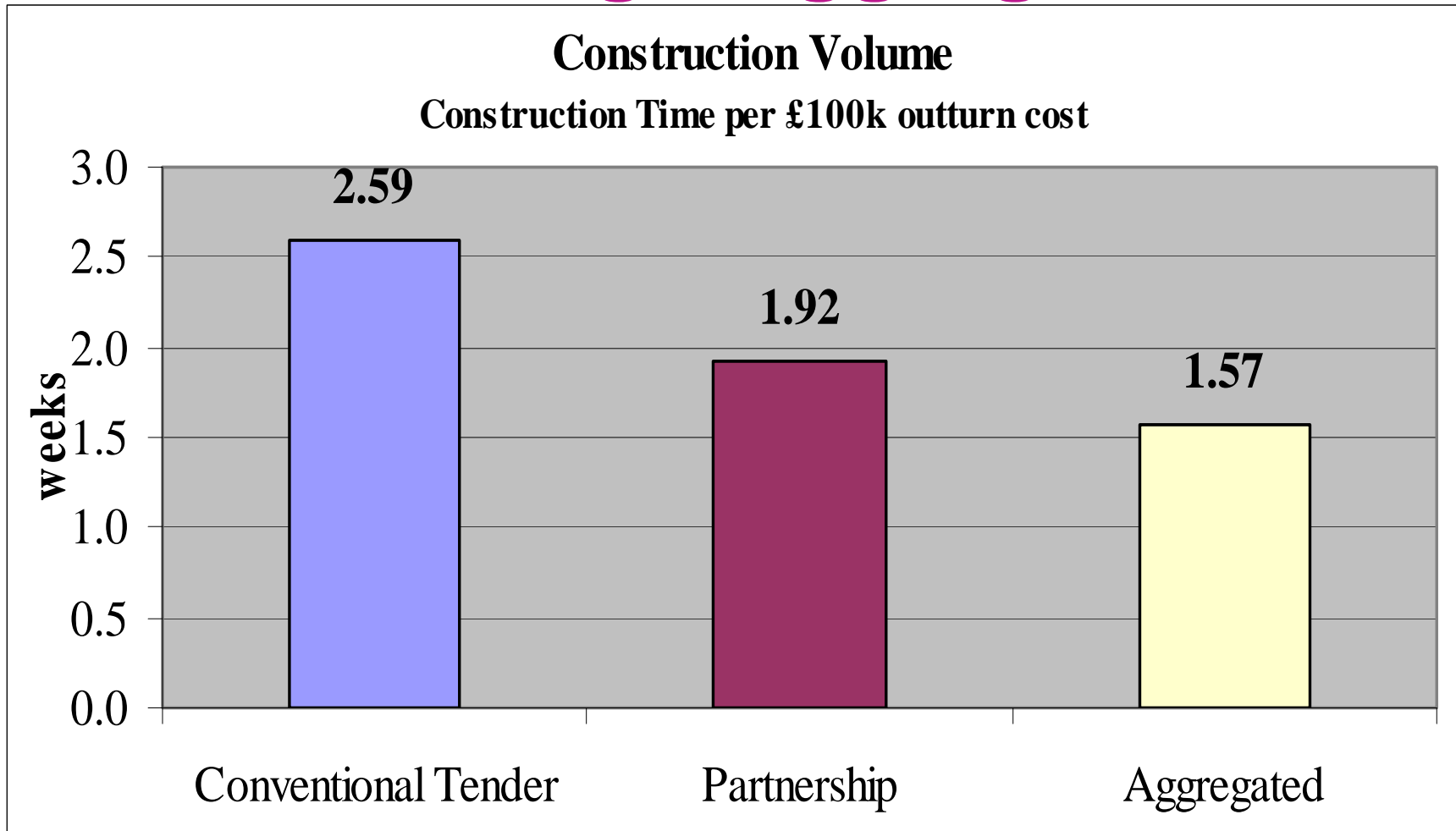
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Improved Processes



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Gains Through Aggregation

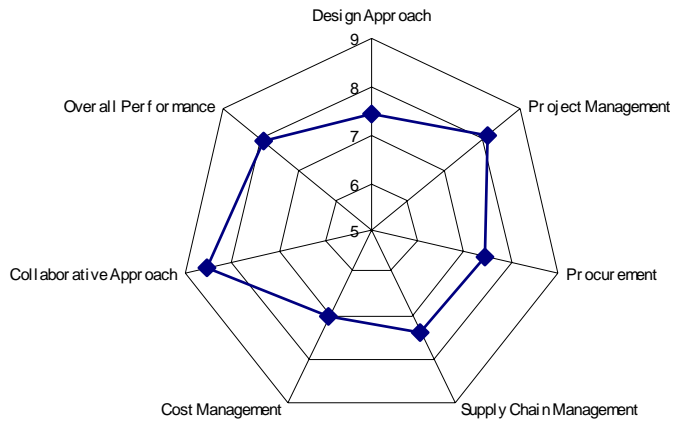


Improvement through efficiency

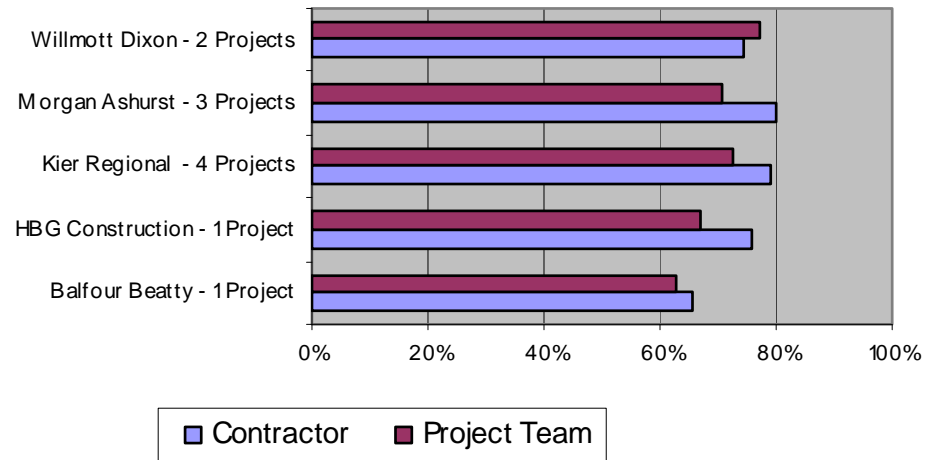
Management Reports

Pre-contract

Pre-Contract Contractor KPI Scores - Combined



Pre-Contract Average KPI Scores

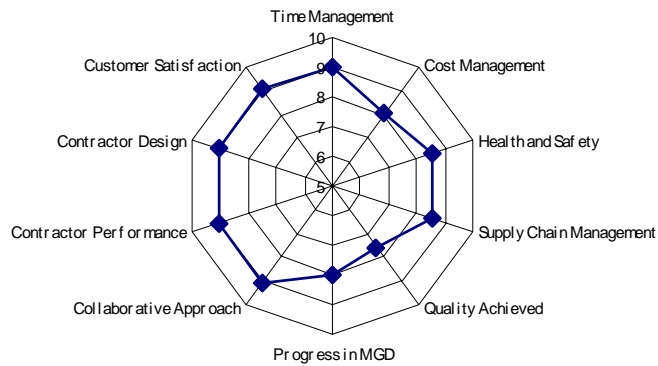


Improvement through efficiency

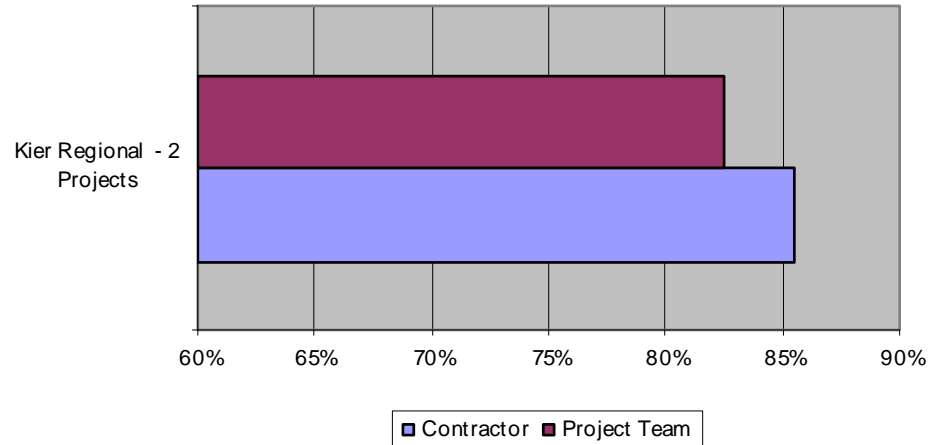
Management Reports

Post Contract

Post-Contract Contractor KPI Scores - Combined



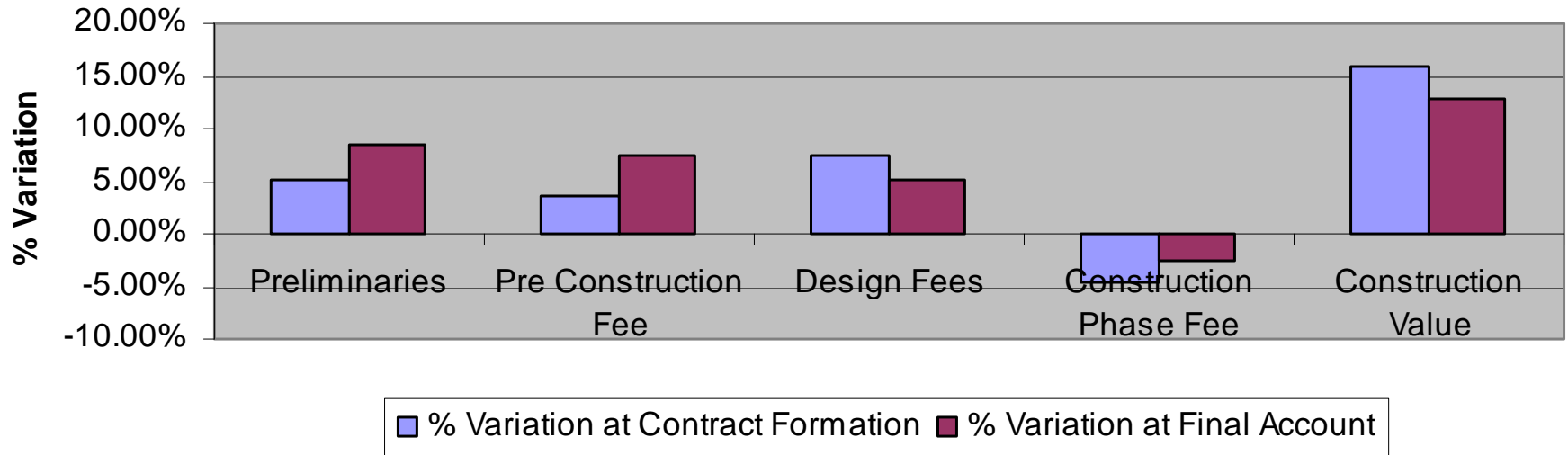
Post-Contract Average KPI Scores



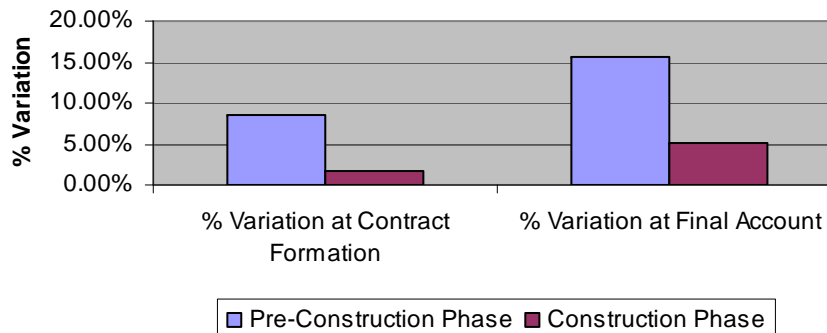
Improvement through efficiency

Management reports

Cost Predictability



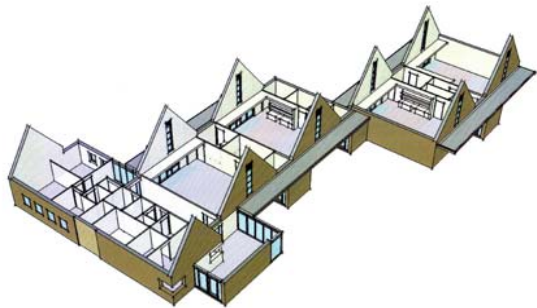
Time Predictability



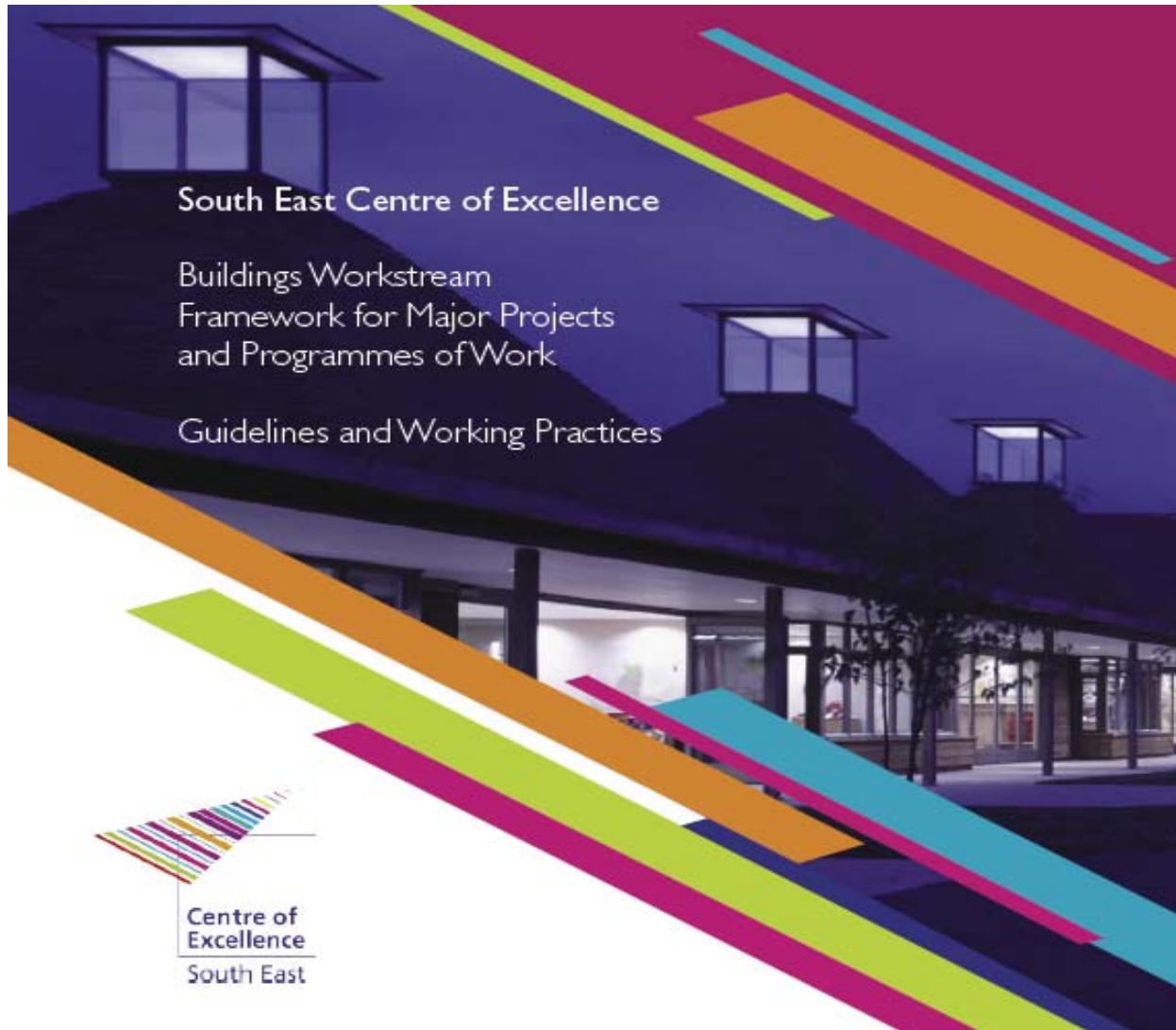
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Part 5

Running a SECE project



Guidelines and Working Practice



South East Centre of Excellence

Buildings Workstream
Framework for Major Projects
and Programmes of Work

Guidelines and Working Practices



Centre of
Excellence
South East

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SECE PROCESS schematic Rev 3

Gateways		Feasibility 1 ▶		Scheme Design 2 ▶		Design / Procurement 3 ▶				End of Construction 4 ▶				
RIBA stages		Appraisal		Feasibility		Design		Design		Production Information		Construction		Post contract
RIBA Intermediate Stages	Inception	A Appraisal	B Strategic Brief	C Outline Proposals	D Scheme Proposals	E Detail Proposals	F Production Information	G Package Procurement	H Contract Action	J Mobilisation	K Construction	L Handover		
Stage Content	Inception Project Brief Project Initiation Budget	Appraisal Cost Applications	Feasibility Planning assumptions Impact on business	Outline Proposals Spatial arrangement Costs Identify packages	Scheme Proposals Cost estimate Planning Consent	Detailed proposals Quality Standards Costs	Production info Building Control	Tender Documents Pre-tender H&S Plan Cost Estimate	Tender appraisal Agree contract	Mobilisation Site set up Construction info	Change Control Specialist design	O&M Documentation Aftercare Exit Strategy		
Project Management	Project Brief Project Initiation Document (PID) Strategic Programme Identify stakeholders	Establish Governance & ToR Project Controls Develop Brief Quality indicators & Plan Strategic programme Risk Register Stakeholder management plan	Project Execution Plan Communications Plan Roles & responsibilities (RACI) Planning assumptions Quality plan & success factors Impact on business practices Stakeholder management plan	Confirm • Project Brief • Risk Register • Strategic programme • RACI Value Management [VE, VM] Monthly Reporting	Confirm / update • Brief changes • compliance with statutes • Risk Register • strategic programme • PEP Value Management [VE, VM] Change Control Monthly reporting Allocate risk employer, contractor, other	Confirm / update • risk register • value engineering • change control • PEP • quality plan • strategic programme Monthly Reporting	Update • risk register • value engineering • change control Notdy Insurance Monthly Reporting	Update Risk Register Value Management Monthly Reporting Change Control Confirm insurance arrangements Monthly Reporting Change Control Confirm RACI roles clear and allocated	Finalise build programme & resource dependencies Ensure PEP & controls in place Confirm business case (costs v benefit) Monthly Reporting Change Control Confirm RACI roles clear and allocated	Monthly Reporting Change Control	Change Control Manage and Close out Project Risks Monthly Reporting Contract administration	Post Project Review Post occupancy review Close Project File Residual risks		
Design Management		Options Appraisal	Feasibility Studies Surveys; existing services, structure, elevation, width	Outline Design Report Agree package split plans and estimate scope gaps Buildability & site constraints Appearance	Scheme Design Report Buildability & site constraints Contractor Design team Confirm surveys Materials & system selections Planning application	Detail Design Quality specifications	Package production information & specifications Building control application	Respond to technical queries from tenders	Update production info Update quality plan	Issue Construction Org (Design) Fabrication & Working Org (Contractor)	Respond to contractors queries Review specialist design	Monitor & Close out Defects		
Cost Management & Business Case	Budget	Initial order of Costs Pre Construction Fees Business case & impact on business	Set budget Assessment of preliminary costs Confirm pre construction fees Identify costs to next Gateway Confirm business case	Elemental Cost Plan	Market testing Cost Plan Life-cycle cost plan Check business case Identify costs to next Gateway	Update • cost plan • life-cycle cost plan • business case	Cost checks & Pre Tender Estimates Market testing	Package Tender Reports Cost tracking of package returns	Tender Evaluation & Recommendation Identify costs to next Gateway	Monthly Cost Reporting	Cost Reporting and Protect Costs	Agree Final Contract Sum Final Project Cost Analysis		
Procurement	Appoint Project Manager	Select & Appoint Professional Consultants	SECE team confirm contractor insurance and financial stability Appoint Contractor for • Contract only • Develop & construct with novated design team • Develop & construct with contractor design team	Outline Procurement strategy	Procurement Strategy & form of contract Confirm interfaces and scope fully allocated Confirm risk allocation and transfer Confirm design & specialist design responsibilities	Confirm • procurement Strategy & form of contract • interfaces and scope fully allocated • specialist design responsibilities	Pre tender package information reviews	Tender Tracking & Monitoring • transfer of risks • packages free of enclosures • interfaces between packages covered • finalise preliminaries Agree Contract	Procure Packages; confirm • transfer of risks • packages free of enclosures • interfaces between packages covered • finalise preliminaries Agree Contract	Place Sub contract Orders	Continue to place sub contract orders	Procurement review		
Health & Safety	Advise Contracting Authorities on dates		Confirm framework contractor and designer competence Appoint CDM Coordinator	Initial hazard identification Initialise the H&S information register Open H&S File	CDM Design Review Initialise H&S information flow	Develop hazard register	Prepare H&S info. Pack Issue H&S info. register	HSE Notification	Contractor's Construction H&S Plan Contractor's Method statements	Client H&S Duties, confirm adequacy • mobilisation period • welfare facilities Construction Phase H&S Plan	Contractor H&S compliance management	Complete and handover H&S File		
Performance Measurement									Contractor and Client Team Appraisal	Consultant Performance Measures Contractor and Client Team Appraisal	Project Performance measures Learning feedback Value appraisal			
Handover						Define Project Handover Requirements	Define Project Handover Requirements	Handover Requirements for PM/Maintenance approval e.g. testing & commissioning strategy		Testing & Commissioning Handover Action Plan	Resource review CDM / As Built Manuals			
Evaluation & Approval	Project Initiation Document (PID) Brief Budget	Options Appraisal Report Business Case Funding approval Stakeholders approval Project Governance	Impact on business practices Project execution plan Roles & Responsibilities Quality plan Feasibility & Business Case Funding reports Costs to next Gateway Stakeholder management plan Is project fit to proceed?	Client Outline Design Review & Approval Cost plan approval Risk register Value management report Strategic programme Hazard Identification	Scheme design report & approval Procurement Strategy Approval Form of contract Business readiness for change Funding approval Planning consent Is project fit to proceed?	Detailed Design report & Approval Risk register and risk allocation Packages and interfaces fully scoped and allocated	Pre tender production information reviews Cost checks & market testing Project Handover Requirements	Package tender & cost tracking reports Insurance arrangements HSE notification	Tender evaluation report Agree contract Contractor and client team performance review Testing & commissioning strategy Is project fit to proceed?	Client H&S Duties, confirm adequacy • mobilisation period • welfare facilities Construction Phase H&S Plan	Change control/report Manage & close out risks Contractor H&S compliance Contractor and Client Team appraisal Handover Action Plan Supply chain appraisal	CDM / As built manuals Project Performance measures Post project review Post occupancy review Close out defects Final accounts Was project justifiable and deliver the requirements?		

FEASIBILITY

PRE-CONSTRUCTION

CONSTRUCTION

Accessing the SECE Building Frameworks

(Public Authority Client signs standard "Partnership Agreement")

Contractor selection:-

- All contractors to have opportunity for all projects / programmes
- SECE led short listing process - evidence based
- Client led mini competition
- Client appoints contractor

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Pre-selection

Project Name	
Client	
Estimated Project Value	
Scope of Work	

Date of assessment	
By	

Note: a score of 1 in Questions 1, 3 or 4 will automatically remove a contractor from further consideration

			Contractor 1		Contractor 2		Contractor 3		Contractor 4	
	Contractor's:-	Client's Project-specific weighting	Score 1 to 5	Weighted Score	Score 1 to 5	Weighted Score	Score 1 to 5	Weighted Score	Score 1 to 5	Weighted Score
1	Preferred type of work	0.14		0.00		0.00		0.00		0.00
2	Relevant Experience	0.14		0.00		0.00		0.00		0.00
3	Capacity	0.14		0.00		0.00		0.00		0.00
4	Geographical location	0.14		0.00		0.00		0.00		0.00
5	Client Preference	0.14		0.00		0.00		0.00		0.00
6	KPI Score	0.14		0.00		0.00		0.00		0.00
7	Tender template score	0.14		0.00		0.00		0.00		0.00
Weighting to total 1.00		1.00	TOTAL	0.00	TOTAL	0.00	TOTAL	0.00	TOTAL	0.00

% SCORE

0%

0%

0%

0%

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Mini Competition

Flexible common approach. Mini competition process must be applied to all framework projects / programmes and be:-

1. Fair, transparent and auditable.
2. Concise.
3. Predominantly about quality and value, rather than lowest fee cost.
4. Not re-open questions in the 2006 Framework OJEU Tender process.
5. Project-specific.

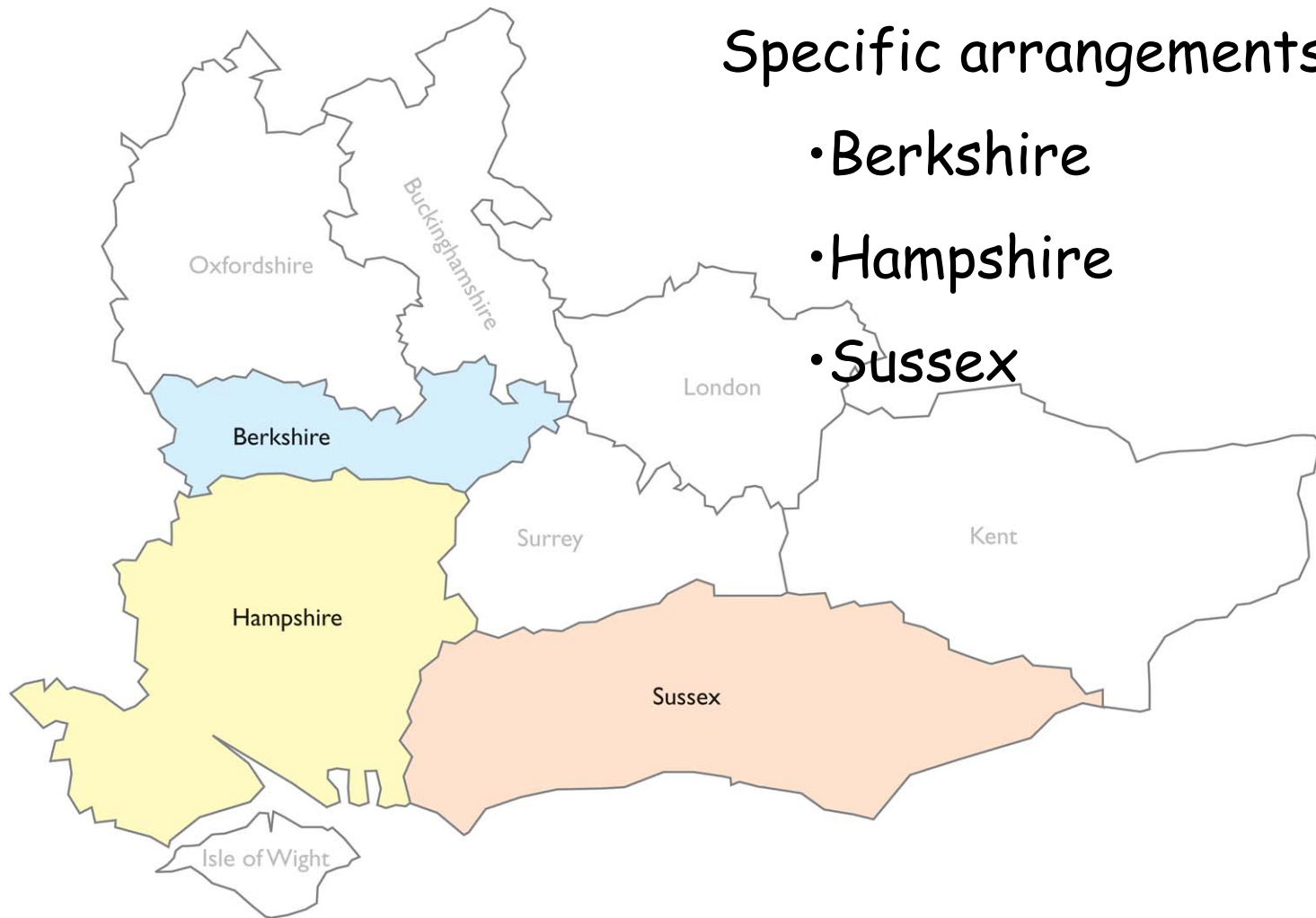
Typical Mini competition questions Specific for the Project

	WEIGHTING
Details of proposed management (and design team). specific experience and appropriateness	20%
Disruption and risks to client's operations, logistics, operative access waste etc	20%
Comments on the proposed programme	15%
Comments on the costs, and any value improvements	15%
Communication with stakeholder groups	10%
Pre-construction fee & Preliminary estimate	20%

Sub Regional Framework/Cluster Initiative



The “Cluster” initiative



Specific arrangements for

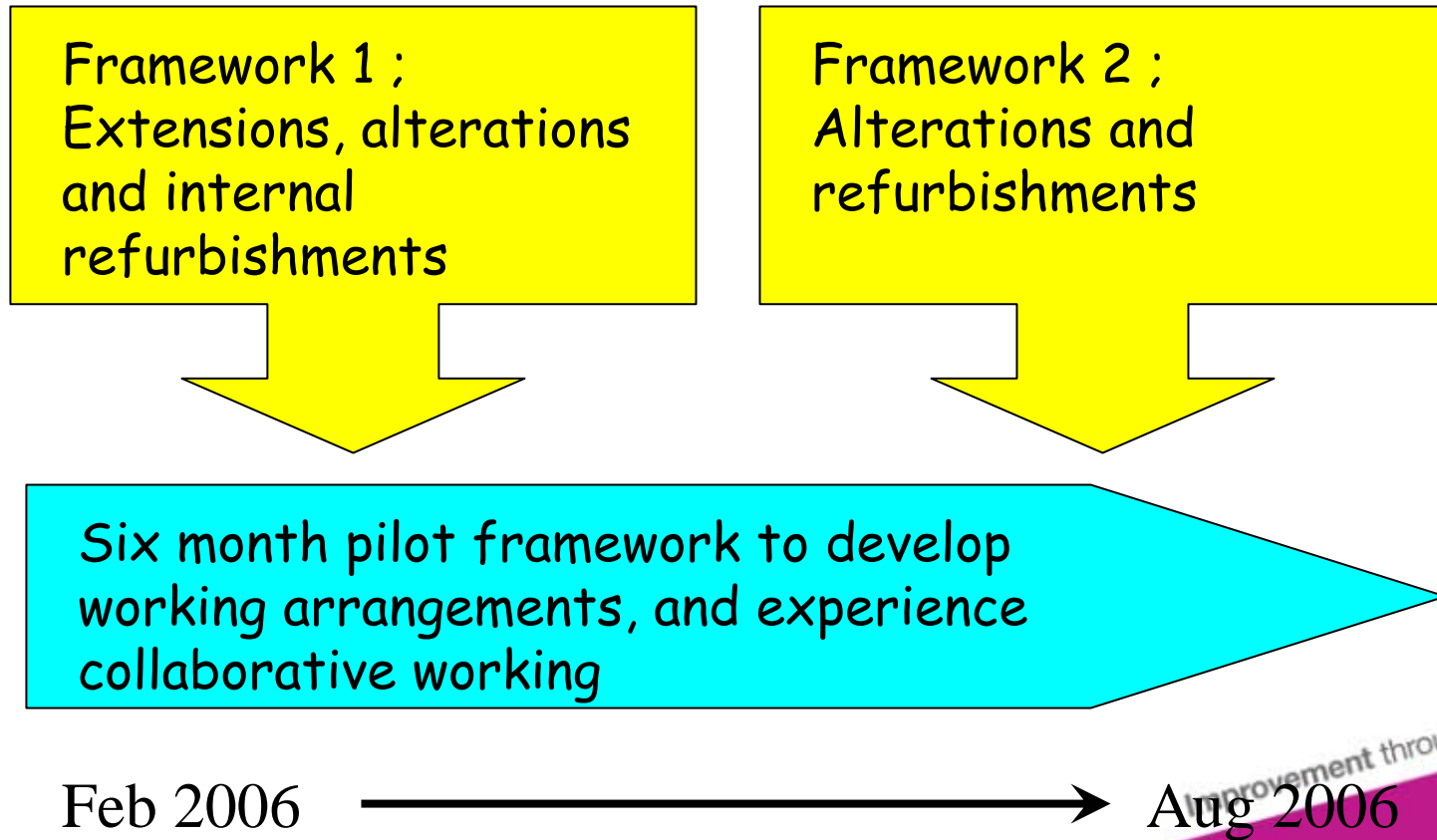
- Berkshire
- Hampshire
- Sussex

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PILOT STAGE COMPLETE

Two tenders based on template projects

- 50% Ability
- 50% Financial analysis



Framework Banding

- Hampshire

- Tier 3 Up to £500k
- Tier 2 £500k to £2,500k

- Sussex group

- £100k to £750k
- £500k to £3,000k

Contract Notice

October 2006

Frameworks starts

Nov / Dec 2007

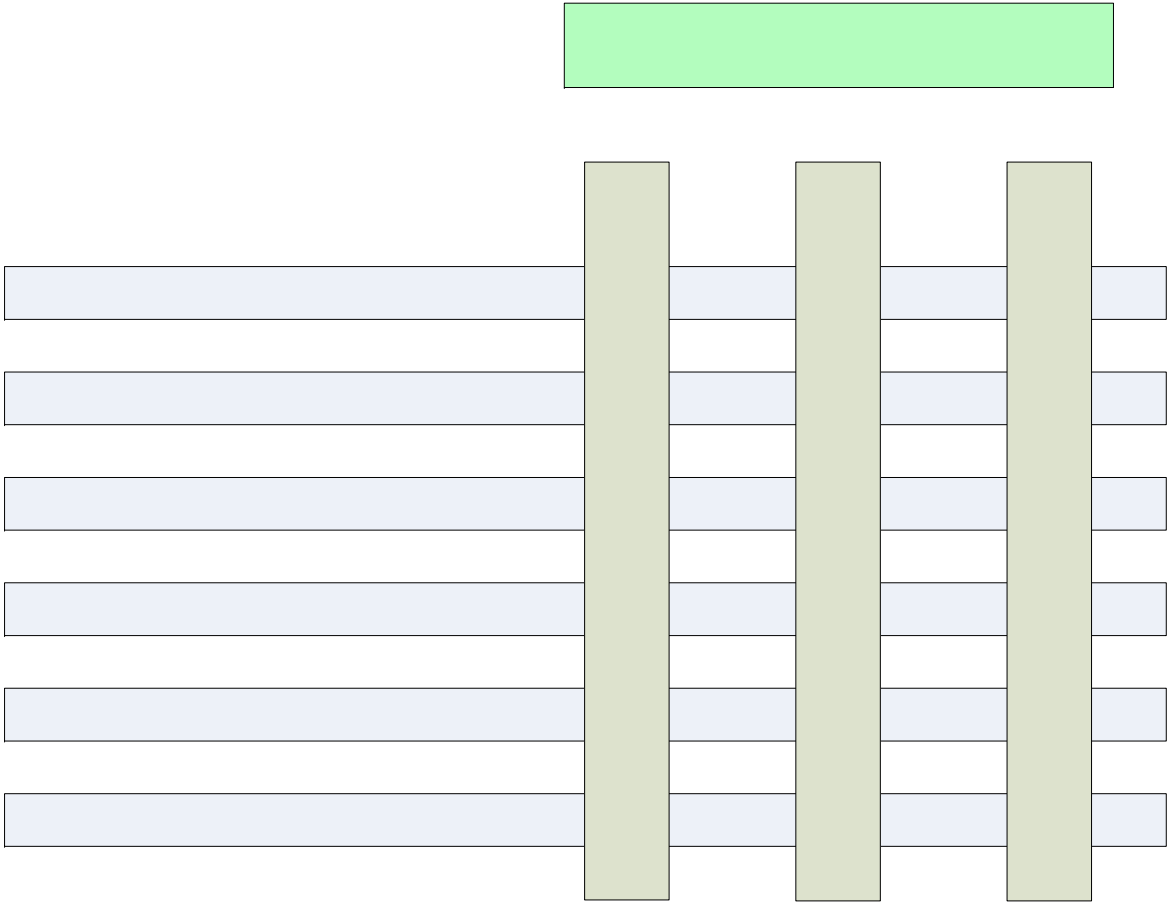
Duration

4 Years

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Consultancy





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Questions?

Discussion?

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