

Framework Information Day

13th March 2018

<http://www.southernconstructionframework.org.uk>

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Agenda

- Welcome
- Who and what we are
- Duties, performance and the mini competition process
- Governance, obligations, commitment
- Framework data
- Procurement format, timetable, Accreditation
- Questions

Who and what we are

Keith Heard

<http://www.southernconstructionframework.org.uk>

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**150 public authorities
£5bn major projects**

Why did we build a Framework

- Compulsory competitive tendering led to disputes
- Out turn costs well in excess of tendered cost
- Lack of contractor input into the design
- Lost aggregation benefits through the supply chain
- No other benefits through the authority capital spend

SCF aims to be

- Positive partnership with the private sector
- Leaders in two stage open book
- Positive experience with real benefits
- Vehicle for delivery of social value
- Engaged with and fair to supply chain

The budget cannot be wrong !

- Process gives the best possible product for available budget
- Integrated approach eliminates project risk
- Uses expertise of the whole team

Principles – 2 stage approach

- Plan together
- Develop the design together
- Procure together, involve the supply chain

Design & *Cost Development*

Contractor selected from framework on OHP, PC fee, construction staff cost, design & ability to meet client brief and project budget

Integrated team develop designs and costs, maximise efficiency within budget whilst finalising package procurement with tier 2 and 3

Construction

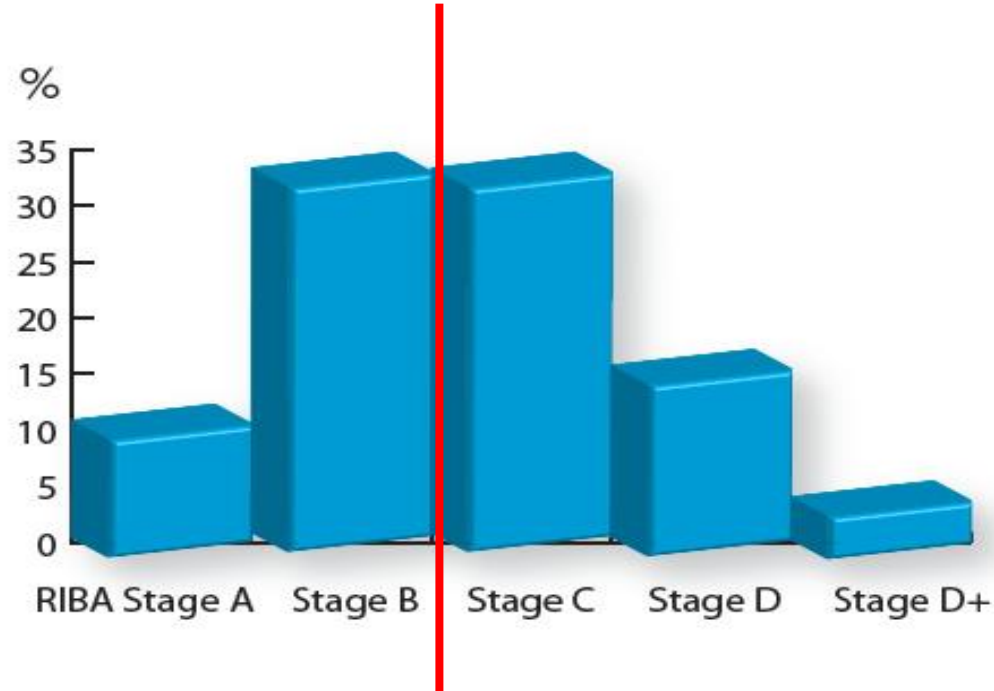
Construct to agreed lump sum

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Contractor Early Engagement

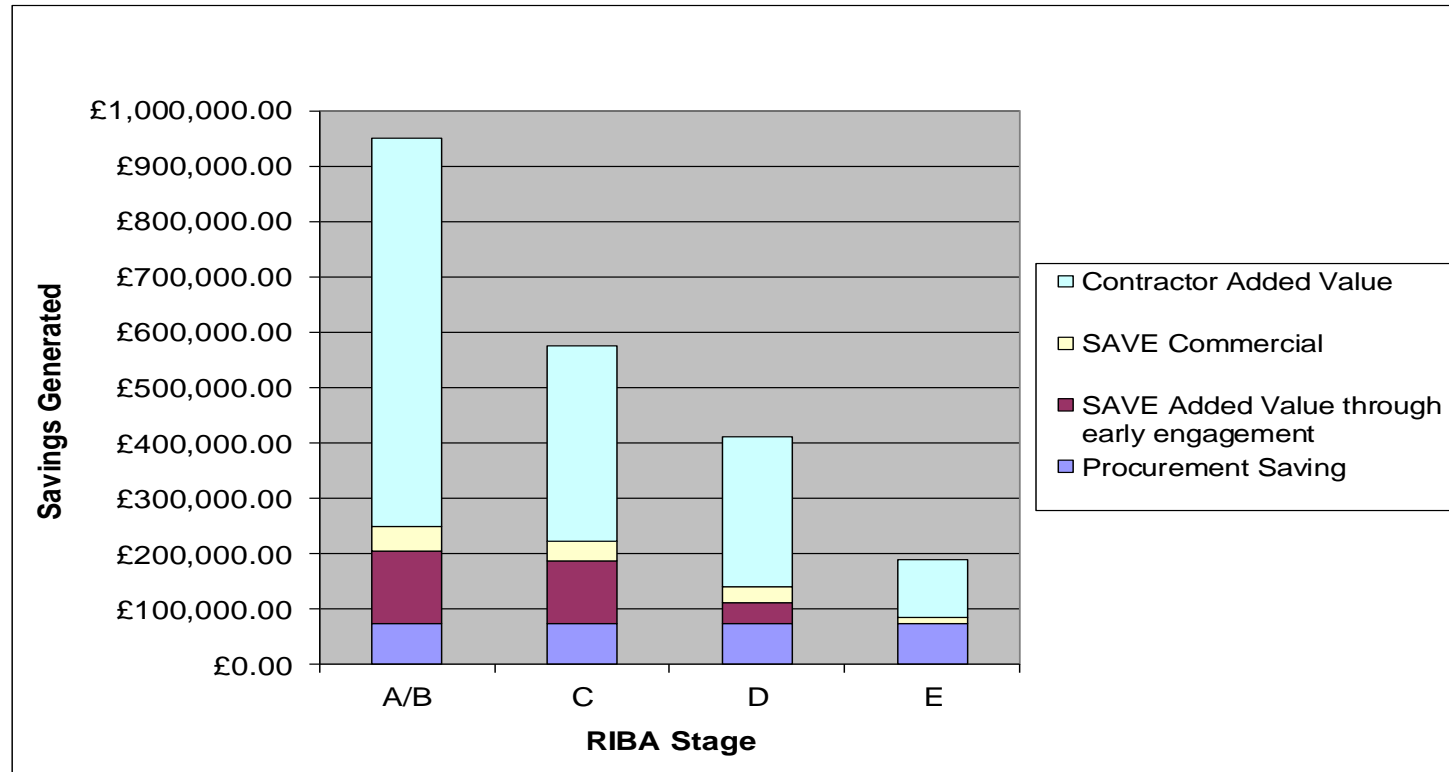


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Why engage early?



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Scope

Framework of Principal Building Contractors

Three “lots”, SW, SE, London

Can bid for any or all lots

Varying project value requirements, but no maximum limit

Available to all public authorities in the South

Any new build, refurbishment or remodelling building works

48 month framework

Facilitates main forms of contract

Framework Plan

Lot 1 - SW

10 Contractors

Projects > £2m

Lot 3 London

8 Contractors

Projects > £5m

Lot 2 - SE

8 Contractors

Projects > £4m

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Framework Value

Lot	Lower value forecast 4 year throughput	Higher value forecast 4 year throughput
SW	£500,000,000	£1,500,000,000
SE	£500,000,000	£1,750,000,000
London	£900,000,000	£2,000,000,000
Total	£1,900,000,000	£5,250,000,000

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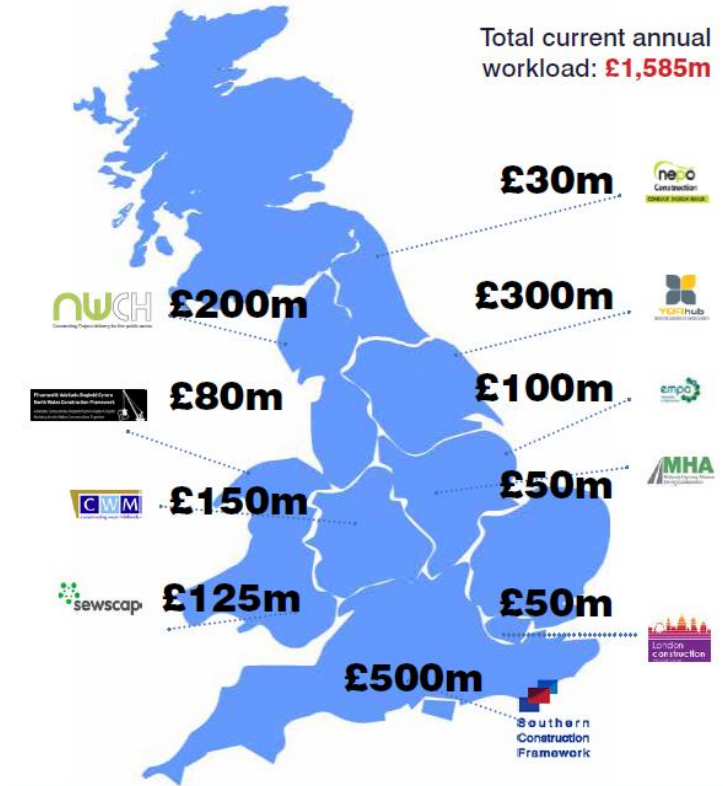


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The NACF



- Sharing best practice
- Developing social value
- Market intelligence
- Comparing KPI data
- Supporting the LGA
- Supporting central government
- Driving continuous improvement
- Delivering value to the public sector

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Duties, performance and the mini competition process

Jon Williams

<http://www.southernconstructionframework.org.uk>

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Mini Competition Part 1

Client completes MC1 documents and submits to SCF

SCF issue MC1 through their portal

1 Week

Contractors return MC1 response

SCF in parallel with Client agree shortlisted Contractors

Client advises which Contractors have been shortlisted and invited to MC2

4 Questions:

- Preference for type of project
- Ability to deliver (capability)
- Capacity of contractor and supply chain
- Ability to add value



Mini Competition Part 2

Client issues MC2 document on their chosen procurement portal

2 Weeks

Contractors return MC2 response

Client selects Contractor

Client issues Pre Construction Services Agreement

Weighting:

Technical: 50-80%

Client specific questions

Cost: 20-50%

OHP %

Pre construction fee%

Design fee %



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How we select contractors – the Mini Competition process

- Two-part process
- Mini Competition part one (MC1)
- Ask you four questions on capability, capacity and added value
- 5 working days to complete
- Self scored by you – moderated by us and the client
- Purpose of MC1 is to create a shortlist for the next stage
- MC1 managed by Lot specific framework manager
- If successful at MC1 you are invited to complete MC2

How we select contractors – the Mini Competition process

- Mini competition part two (MC2)
- The clients invitation to tender stage
- Quality questions based on ten key headings – financial and social both mandatory
- Commercial return setting out your rate (expressed at % against client cost plan)
- Between 10-20 working days to complete
- Self scored by you – returned to and evaluated by the client
- If successful you are selected as ‘preferred contractor’

Pre-construction duties under two-stage procurement

- Whole point of two stage and early contractor involvement – add value
- Form part of the integrated team – collaboration is key
- Bring market intelligence and buildability advice
- Help to develop the design
- Jointly discuss and mitigate risk
- Agree procurement strategy and provide ‘open book’ costs to the team
- Provide cost and time information to the framework

Managing Performance

- Key performance indicators
- Focus on cost, time, quality and collaboration
- Underpin our key themes
- Trusted
- Supportive
- Integration
- Demonstrate value

SCF our commitments

Keith Heard

<http://www.southernconstructionframework.org.uk>

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Governance

HCC / DCC

Client User Groups

Contractor Framework Account Managers / SCF
Monthly

Contractor Directors 1:1 / SCF
6 monthly

Clients / contractors / SCF
Annual Forum

H&S Forum

*Monthly
reports, data
management*

*Employment
and skills*

Working groups

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Obligations

- Be a partner!
- £30m turnover
- Health and safety
- Environment and sustainability / WRAP
- Employment and skills
- Fair payment / Project bank accounts
- BIM
- Continuously improve

Performance management

Contractors will have to maintain minimum performance standards across a range of KPI's and company standing

Performance data to be collected for:

- Project performance
- Contractor, designer and client teams
- Localism, sustainability, H&S

Capacity and engagement required

- Multiple projects / multiple clients
- Regional spread
- Variable project size and complexity
- Develop and Construct or Construct only
- Has consistently delivered £500m / annum since 2006
- Currently around £700m / annum and growing

All partners expected to be able to share the workload, delivering excellent service, and improving the Framework together

Funding mechanism

£15k Subscription

Paid annually

0.25% Project levy
included in tendered OHP

– *Variable over life of
framework*

¼ paid on appointment to
pre-construction

Balance paid on
acceptance of tender

Framework Data

Chris Carey

<http://www.southernconstructionframework.org.uk>

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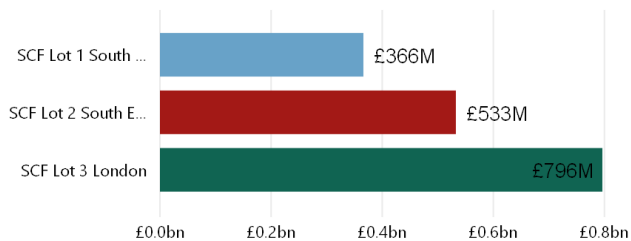
Value of work

£2bn

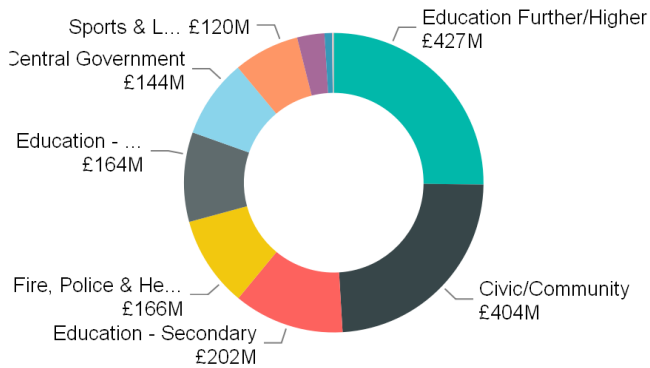
Number of projects

115

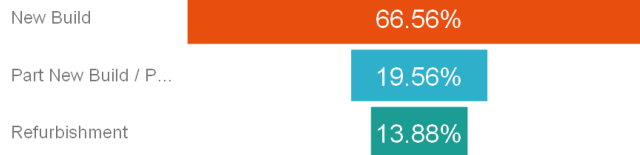
Value of work by lot



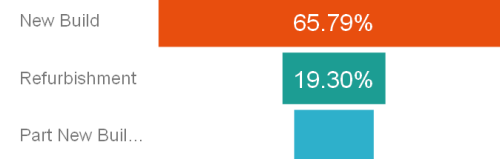
Spend by sector



% spend by 'type of work'



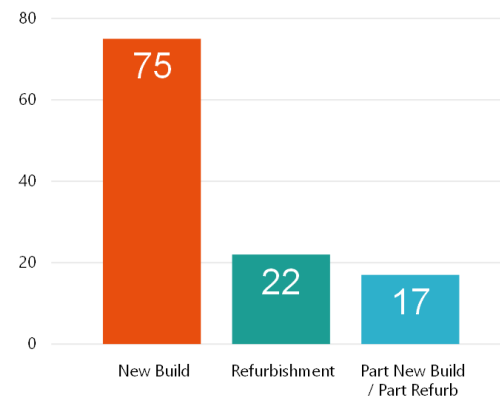
% of projects by 'type of work'



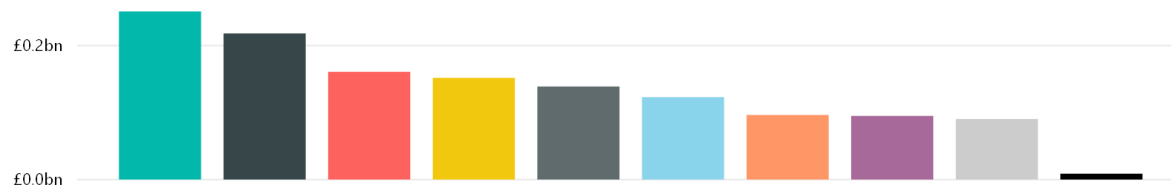
Spend by 'type of work'



Number of Projects by 'type of work'



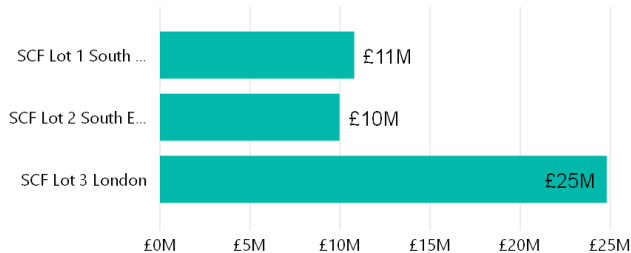
Value of work by Contractor



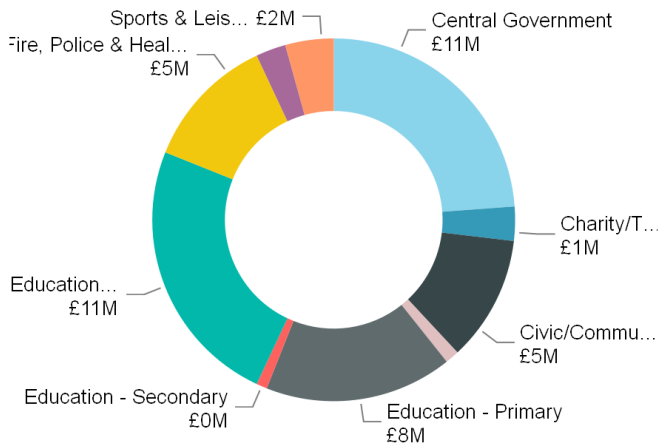
Added value

£46M

Added value by lot



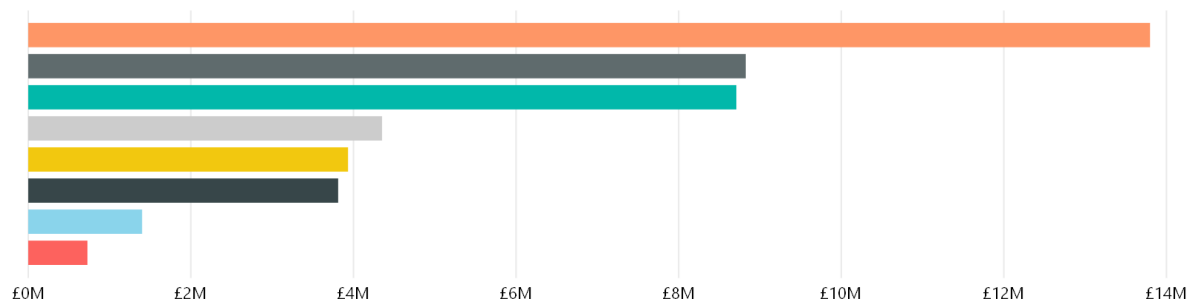
Added value by sector



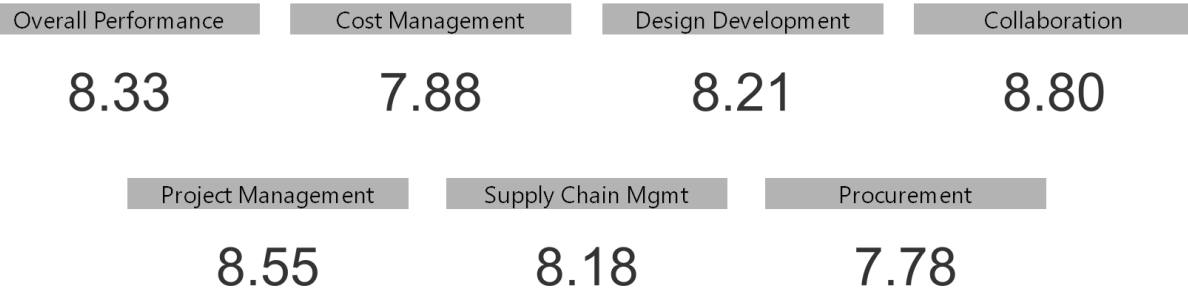
Added value by 'type of work'



Added value by Contractor



Contractor Performance KPIs



Procurement Timetable Accreditation

Jon Williams

<http://www.southernconstructionframework.org.uk>

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ITT likely composition

Technical questions:

- Theme or scenario questions based on key success criteria for the framework

Commercial

- Not to exceed fees for OHP, Design, staff preliminaries, plus staff rates for information (not scored, but binding)
- Standard template design(s) to be priced as £/m² under RICS NRM for new build.

Comprehensive Accreditation

- Quidos Limited - ACDC Register - Gold accreditation
- Competitively procured - Contractor accreditation service
- Ongoing monitoring & exception reporting
- Not required at SQ stage
- Must be accredited at Framework contract stage
- Cost is £645 / annum
- www.acdcregister.co.uk

Comprehensive Accreditation

- Constant financial monitoring – Experian (Gold = 45 score)
- Accounts – Companies House
- H&S – HSE database + contractor policies –SSIP Portability
- Equality & Diversity
- Insurances, certificates, licenses at expiry
- Trade Accreditation at expiry
- Annual review processes
- Suspensions/terminations – notified by e-mail and visible in the client portal

Timings (indicative)

Activity	Date
OJEU Notice issued	19 th March 2018
Clarifications close	17 th April 2018
SQ Close	30 th April 2018
Tender period start	13 th August 2018
Clarifications Close	21 st September 2018
Tender close	5th October 2018*
Award	31 st January 2019
Commence	26 th April 2019

*Corrected since presentation 13th March 2018

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Summary / Recap

- Key contractor traits:
- Contribution to SCF
- Champion added value
- Underpin successful legacy of SCF, iESE, CFSW and SECE
- Stimulate customer satisfaction
- Embrace new initiatives and ways of working
- Never stop collaborating
- Delight framework users!

Summary

- Evidence benefits of SCF
- Steward & manage – cost / time / quality
- Drive innovation
- Provide projects with intelligent support
- Appreciate / value your supply chain
- Excellent KPI's with Min Standards

Next Steps

Hants CC Procurement Portal

<https://in-tendhost.co.uk/hampshire/>

Presentation – see SCF Website

WARNING

SQ & ITT Guidance/Content will supersede any guidance in this presentation

Therefore rely on what is in SQ & ITT

Questions

<http://www.southernconstructionframework.org.uk>

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