

FRAMEWORK 1 - PROJECT REVIEW – THE FIRST YEAR

Introduction

Framework 1 was developed to construct educational buildings in the value range £500,000 to £5M.

The three Constructor Partners were appointed in December 2003. The Partners are <names omitted>. Since their appointment a number of Educational Projects have either been started or are in the early stages of design.

In addition to the school programme a decision was taken to introduce the Sure Start building projects which fell into the cost band of Framework 1 into this Framework Programme.

Major Benefits from the Framework

The following points give a representation of the gains in adopting a Framework approach to procurement which are not present in traditional “one off lowest cost” projects.

1. Savings on Tendering/Procurement Costs

Costs normally incurred in processing documentation through a traditional tendering route are reduced by working closely with the partners through the pre start on site stage thus avoiding for example the need to produce tender documentation. Succinct cost plans agreed with the Constructor Partner are now the “order of the day”.

The cost savings at this stage in terms of professional fee reductions could be as high as 1% - 2% of contract value during this stage of the process. Per £1M of capital works this equates to a saving of £10K - £20K.

2. Time Savings on Programme

The partnering process achieves a major saving in the programme route as opposed to a traditional route. In the pre tender areas it allows the partners to work together to develop a project with costs, to achieve an acceptable scheme which meets the needs of the end user. This process takes away the need for the protracted tendering process in favour of much shorter cost planning procedures and letters of intent to get the projects started quicker thus offering major savings on time with the associated savings on professional fees.

This could reflect a saving in time at this stage in the region of 10% - 15%, which per 12 month period equates to 5 – 8 weeks. When this factor is related to a school operational timetable it could equate to a project being completed half a term earlier, or more.

This parallel method of working between the partners continues through the post contract stages. The open book process alleviates the past confrontational areas of this stage.

3. Lesson learned and rolled forward within the delivery team

During the course of the pre and post contract process it is inevitable that there will be a learning curve. The lessons learnt will be taken on board by both parties and rolled forward to benefit the future projects. This exercise can also be spread throughout the other partners to the Framework for the benefit of the future schemes. The areas where this process of sharing information is the Special Interest Groups.

4. Benefits of Performance Management Systems

Throughout the Framework Partnering process there is a need to measure the performance of each of the partners using Key Performance Indicators to record how each is perceived by others on specific areas of performance. The results of the KPI's allow each of the Partners to investigate where a low performance has been indicated and put corrective measures in place to raise the standards in that area. However if continuous low performance is credited to a partner the opportunity is there to restrict the workload that is allocated to that partner.

5. Fewer Delays

Collaborative team working is a very positive formulae in ensuring that delays are now the exception rather than the rule. There is now more direction to certainty of outcome.

6. Added Value

The Framework has allowed the Partners to work in an environment of collaboration, commitment, confidence and continuity of work. The product of this is that there is a better understanding amongst the project team working together to achieve a common goal.

Project Specifics

The following projects and comments represent the initial schemes which were allocated to the Constructor Partners.

1. Alma Park C.P. School

The project involved the provision of a new classroom extension, internal alterations encompassing the provision of a new staff room/WRA suite, reception, toilets, new entrance and planting.

The project was delivered on time and within budget. The positives which assisted in achieving this were a result of the team approach driven by the partnership ethos of the Framework. The attitude to quick solutions to site/construction problems lead to the absence of delays and any consequential cost.

An area which the partners felt needed more input was in quality control. In terms of the Framework this is a lesson learnt which can be more controlled on future projects.

2. Chorlton Park C.P. School

The project involved the provision of a new nursery, toilets, entrance and reception area. Additionally there was some refurbishment and alteration work to the existing structure, external works, planting, fencing and the provision of new play equipment.

The content of the scheme was extended to include some additional items which were requested and funded by the client. Despite these extras the scheme was completed within two weeks of the original agreed completion date with costs contained within the adjusted Target Cost.

Again the positives which assisted in this satisfactory outcome revolved around the team approach promoted by the Framework partnership and the reaction and intention of both partners to providing quick solutions to problems.

It is also fair to report that both partners felt that more input was needed in the area of quality control.

3. Cravenwood C.P. School

The scheme includes the provision of a new hall and classroom extension, refurbishment works to the existing school, the provision of a new playground area and ancillary external works.

The construction works are proceeding on site and is currently on programme. The costs are also being contained within the budget. The positives which have been evident on this project so far has been the intention of the parties to keep this project on programme and effective control to keep the costs within the budget.

It is a factor of this scheme that the early cost control needed better liaison between the partners and this area is of consequence one which is being developed in current projects.

4. Claremont C.P. School

The scheme includes the refurbishment/remodelling of the existing infant school building, a new build link building incorporating a staffroom, office and new entrance, provision of an all-weather playground, resiting the car park, new bin stores and landscaped areas.

This scheme is one of the early projects for the Framework Agreement. The partners were initially involved in working to achieve a scheme that met the Client requirements and remain within the budget. The project achieved a programmed start on site and is currently running within budget. As the Framework developed it was noticeable how the team became more interactive in their approach to deal with any problematic areas.

Probably because this scheme was one of the first for the Framework it did take time for the partners to develop a working relationship but as stated this did progressively evolve.

5. The Wells Centre

Specific circumstances surrounding this project have determined that it probably was too far advanced in design to be handled through the Framework Programme. The project is over budget and has overrun the initial programme.

The programme did benefit in the pre-contract stages in that initially it was going to be processed through a traditional route but because the project was introduced to the Framework Programme the timescales to get the project on site was greatly reduced.

6. Cheetham Community School

This scheme includes the provision of a new classroom extension, refurbishment to part of the existing accommodation, the provision of a new outdoor playing area and associated external landscape works.

This project has just started on site and currently the partners are working together to achieve a scheme which meets the Client needs and remains within the budget. Because of the difficulties met with on the Wells Centre contract there is a will to work in a more partnered way.

7. Levenshulme H.S. Sports Hall

This scheme includes the provision of a new Sports Hall with changing accommodation and new parking areas.

This project is in the same status as the Cheetham School scheme. Again there is currently a will to work in a partnered way having learned from the difficulties met with in the Wells Centre contract.

A table is annexed to this report which outlines the current status and results of five of the above projects. From the information available so far it is showing that in the main the benchmark of +/- 5% is being achieved.

The information available from the table does show that positive gains are already being achieved from the projects under this Framework Agreement.

Lessons Learnt

This process of putting into place a Framework Partnership has provided the opportunity to take note of where there are lessons to be learnt for future agreements. It was very evident that the process required to achieve the appointments was a very steep learning curve adopting new documentation and methodologies which had to be developed to assist in the selection of the partners.

It has also been a feature that new procedures and mechanisms have had to be put into place to deal with the ongoing developments of schemes and the Framework itself. This need has been necessary on both the early stages and the on – site stages.

Working in partnership is proving to be much more productive than the more traditional approach of working in separate camps.

- it builds trusting relationships
- it brings all “project knowledge” together at the inception of a project
- the above reflect a set of circumstances which are more conducive to achieving a “better value” output in terms of cost, time and quality.

The advantage or outcome of this learning curve is primarily that we can now go forward on future Frameworks with a degree of confidence in our approach to the various stages. It also gives us more confidence in going forward into years two and three on this Framework.

Additionally, it has given us a deeper insight into the approaches and methodologies which our constructor partners adopt in their business approaches. This sort of background information assists on any type of future work programme which the City Council will proceed with.

General Conclusion

To date the results from the projects are showing savings in time and cost. To maintain the momentum of these gains there must be a continuation of the positive attitude amongst the partners in sharing their knowledge and experiences on future projects. By this approach further benefits will be passed onto the client and end users.

Additionally there needs to be better continuity of workload. The Constructor Partners have unanimously stated that their initial submissions were based on a certain level of turn-over with dedicated staff, particularly in the area of management, having been allocated to this Framework. One area which has caused problems to the flow of workload is the protracted timescales now required for the CAPEX approvals, however now these are better understood by all parties, this can be programmed for.

At this point however it is fair to say that there is a positive approach by all partners to take this Framework forward to achieve its targets.