

Encourage innovation, efficiency and effectiveness by involving all those who can contribute to the success of a project from the earliest possible stage

In order to do this you will need to:

- 2.1 Establish and document the needs of clients, stakeholders, and end-users at the earliest possible stage.
- 2.2 Explore markets, discuss your needs openly with others, and encourage innovation. Do not be constrained by current or traditional ways of doing things. (We have always done it this way!).
- 2.3 Find out what other authorities have done/are doing.
- 2.4 Use the most appropriate types of contract and payment arrangements.
- 2.5 Encourage continuous improvement by establishing long term relationships.

Innovation is the effective generation and implementation of a new idea which enhances overall organisational performance.

See the following pages for how you can encourage innovation.

2.1

Establish and document the needs of clients, stakeholders, and end-users at the earliest possible stage

- Make it standard practice to include representatives from clients, stakeholders and end users at relevant meetings of the corporate procurement team;
- Also, make it a requirement within your procurement guidance documentation, to find out what the end-user actually needs. Ensure their needs and the objectives of the project are agreed and documented at the outset.

2.2

Explore markets, discuss your needs openly with others, and encourage innovation. Do not be constrained by current or traditional ways of doing things. (We have always done it this way!)

- Before packaging contracts and inviting tenders, find out what the markets can provide. Invite interested organisations for exploratory discussions and outline your initial thinking, needs, and opportunities. Be open, be receptive and learn from their ideas. Involve clients and end users in this process.
- Make it clear that in due course, following EC Procurement procedures if necessary, that tender invitations will be requested which will be evaluated on an objective quality-based process.
- Give them a written outline of what you tell them. Indicate the certainty and variables.
- Work with your strategic partners to establish the contributions that small firms, ethnic minorities, social enterprise and voluntary and community sector suppliers can make in their supply chains. This is particularly important so as not to involve just the big firms at the expense of local businesses.

Find out what other authorities have done/ are doing

- It is unlikely that you are the first authority in the country to let contracts of this kind. Find out what others are doing, by joining networks, Constructing Excellence Clubs and by participating in Regional Clusters (Demonstration Projects) and Forums. Learn from the experiences of others. Above all else - do not reinvent the wheel!

**If you always do
what you always
did you will
always get what
you always got!**

Sir Michael Latham

Use the most appropriate types of contract and payment arrangements

- Be cautious about developing bespoke contracts, as they could prompt suppliers to add premiums to their bid prices. Use national standard forms wherever possible, and do not make amendments to them, as this will risk the receipt of higher tender prices.
- Bespoke contracts or amendments to standard forms should not be accepted unless they result from a careful examination of the client's objectives and priorities, that they are technically and legally sound and that they can be applied consistently throughout the contractual chain.
- For detailed guidance on selecting forms of contract, have a look at:
 - ▶ A Guide to Standard Forms of Construction: outlining key characteristics and components' Local Government Task Force.
 - ▶ 'Which contract?' 1999 by RIBA Publications.
- Use friendly, non-adversarial forms of contract such as the ACA Standard Form of Contract for Project Partnering (PPC2000), or the New Engineering Contract (NEC) family of agreements published by the ICE.
- Use the opportunity to simplify payment systems for work done by exploring the potential benefits of new technology.
- Ensure that you will be able to measure and monitor outcomes in the most efficient way.

Encourage continuous improvement by establishing long term relationships

- Get the Corporate Procurement Team/Group, in liaison with Chief Officers as necessary, to identify areas where long term relationships can potentially be developed using partnering or framework agreements (see section 1.2 earlier). For what partnering agreements involve and how to manage them look at:
 - ▶ ‘Trusting the Team’ 1995 Reading Construction Forum
 - ▶ ‘Procurement through Partnering: 20 frequent questions answered’ Local Government Task Force.
 - ▶ ‘How to Use a Partnering Approach for a Construction Project: A Client Guide’ from the Chartered Institute of Building www.ciob.org.uk
 - ▶ The ACA Standard Form of Contract for Project Partnering (PPC2000: Amended 2003) ISBN 1 901171 11 6
 - ▶ Term Partnering Contract (TPC2001);
 - ▶ See Appendix 1 within the Supporting Information, for the ten golden rules for establishing a partnering agreement.
- Establish framework agreements to enable you to select a number of firms to work with you over the next few years. This will enable you to develop and implement your outline construction programmes without having to go out to tender on every project /service.
- Seek legal advice at an early stage, and check out the EC Procurement Directives, to make sure you follow the most appropriate path;
- Appoint a partnering/framework advisor, where necessary and where one does not exist in-house, to guide in the selection process, assist teambuilding and to provide a first port of call in the event of any misunderstanding or disagreements;
- Select partners/framework contractors by using a quality based selection process (see Operational Issues section 1).
- Develop and maintain with partners/framework contractors a related Information/Anecdotal database so that experience of all involved is not lost, but learnt from and shared.
- Use benchmarking to help ensure that quality and costs remain competitive (see section 4).

Why do all this?

- To help design out risks, reduce tendering costs, reduce waste;
- To build up and retain a knowledge base and a wider range of expertise and experience;
- To give greater predictability of design and construction time and out-turn costs;
- To reduce learning curves;
- To improve buildability of design without compromising quality;
- To increase commitment to quality and the probability that the needs of the client and end users will be satisfied;
- To improve feedback, giving added value to subsequent projects/services.
- To build quality design into procurement of assets to improve the built and natural environment for local citizens, including the learning environment for school students
- So that the finished building will ensure maximum functionality.

Further information

Partnership Approaches to Procurement:
Local Government Task Force
www.lgtf.org.uk

'A Guide to Project Team Partnering'
published by the Construction Industry
Council (CIC) in 2002
[www.cic.org.uk/information/
Publications/publications](http://www.cic.org.uk/information/Publications/publications)

'The Partnering Toolkit: A guide for the
whole supply chain' published in 2002
by BSRIA [www.bsria.co.uk/bookshop/
system/index.html](http://www.bsria.co.uk/bookshop/system/index.html)

'Integrated Supply Chain' and 'Integrated
Project Team' workbooks from the
Strategic Forum for Construction. These
offer guidance into the processes,
methods and tools required to create and
maintain an integrated supply chain.
[www.strategicforum.org.uk/
sfctoolkit2/home/home.html](http://www.strategicforum.org.uk/sfctoolkit2/home/home.html)

'Improving your Supply Chain: 20
Success Factors' Local Government Task
Force.