

Next Generation Supplier Arrangements Collaborative Delivery Framework

Procurement route Collaborative Contracting

Overall Delivery Model

£0 to £250k	£250k to £50m	£50m plus
FCRM Operational Framework	Collaborative Delivery Framework <ul style="list-style-type: none"> • Pipeline development work • Business case development and design 	Independent procurement approach
Specialist Frameworks: *Client Support Framework, Mapping and Modelling framework and Marine and Coastal Works Framework		
Incident Management: Both the FCRM Operational Framework and Collaborative Delivery Framework to provide Incident Management support and resources		



Project details

Organisation	Environment Agency
Year	2019
Project value	£5.2bn
Type of project	Flood and Coastal Risk Management

Key benefits of the approach

-  efficient and timely delivery of the future £5.2bn flood risk investment programme
-  reduced delivery risk for the Environment Agency through the collaborative contracting approach
-  strong internal and supplier alignment
-  flexible delivery model enables the client to accommodate changing of funding priorities
-  valuable supply chain response into the incident response activities
-  cost savings through successful engagement with stakeholders
-  significant CO₂ reductions

Summary

The Environment Agency delivers its future £5.2bn capital programme through the Next Generation Supplier Arrangements (NGSA) Collaborative Delivery Framework. The NGSA comprises 6 Collaborative Delivery Teams, aligned with the current Regional Flood and Coastal Committee and the Environment Agency Area boundaries. Collaborative Delivery Teams bring Environment Agency staff and appointed delivery partners closer together to work in partnership with others to achieve shared programme goals and objectives. To maximise the benefits of collaborative working, teams are collocated arounds geographic hubs.

These integrated teams work together to optimise the annual delivery programme and determine the most efficient and sustainable approaches to appraise, design and deliver a range of new and refurbishment work. The Collaborative Delivery Framework has developed an incentivisation mechanism, based on NEC4 forms of contract, to encourage the delivery of capital programme outcomes.

Lessons learned

procurement

One size does not fit all. Client organisations need to understand and articulate business needs, demands, capabilities and appetite for change to develop an effective business transformation. It is important to acknowledge the organisational readiness and capacity to change and consider testing the approach through pilots.

business management

Knowledge and understanding of the market trends and suppliers is essential. Moreover, the selection of partners is critical. Building industry knowledge and critical insight through market testing and supplier events, provides an essential foundation for development and incorporation of industry best practice into the overall commercial approach.

client flexibility

Clients should ensure sufficient dedicated resources for the development of the approach and create a supportive environment for the team. The transformation plan needs to retain sufficient flexibility to be adapted as the transformation progresses, while providing confidence of delivery. Clients should also pay attention to transition between the new and legacy commercial arrangements.

Key challenges

engagement

Fundamental to the delivery of a new procurement is the engagement of a wide range and number of internal & external stakeholders to progress the approach. Successful engagement improved decision making and risk management, and saved time and money in developing the procurement approach.

well understood risks

The Environment Agency as a risk aware organisation seeks to make decisions based on an appropriate evidence base - the risks need to be well understood and mitigations in place were needed.

investment in change

From an early stage the organisation recognised and accepted that a significant transformation programme, both within and outside the organisation, needed to be a profound shift to the new model. This required investment in achieving cultural, behavioural and leadership change. Nonetheless, to develop new contractual arrangements, governance, methods, technology and procedures.

Positive opinions



Richard Chubb
JBA Consulting, Peterborough

“The strength in the relationships that have built up through the new NGSA model bring so many benefits to delivering a programme. Risks and opportunities are identified quickly and through good relationships and clear lines of communication. Decisions are made quickly to the benefit of all. The partnership model puts the project and programme outcomes at the centre of our focus, which ensures we all pull in the same direction and have a common purpose.



Richard Neall
Chief Executive, One Group Construction

“NGSA has raised the bar even higher and the benefits are obvious. Our teams are now working hand in hand to understand each other's long-term aspirations and how best they can be achieved. Programme managing the long-term needs of our stakeholders, whilst also being jointly committed to any emergency situations, is proving the value of this collaborative relationship on a daily basis.



Objectives & vision

The Environment Agency relies on support and performance of its supply chain in achieving its organisational objectives. The expiry of the existing Water and Environment Management (WEM) Framework in July 2019, which facilitated the delivery of the majority of the Flood and Coastal Erosion Risk Management (FCERM) capital programme, provides an opportunity to evolve the Environment Agency's relationship with the whole supply chain and introduce even more effective, innovative and sustainable commercial arrangements. This NGSA was developed to improve efficiency and effectiveness of capital project delivery and asset management while ensuring even more valuable supplier input to incident management activities.

The Environment Agency Next Generation Supplier Arrangements (NGSA) were developed over a period of two years and the business case for the approach was developed through the HM Treasury's Green Book appraisal methodology. The implementation of the approach has been supported by a significant transformation programme during the enablement, mobilisation and transition phases of the role out.

The reason for this approach

The journey of the Environment Agency into collaborative contracting has taken place over a 20 year timespan. At the turn of the millennium, the Environment Agency has progressed through project and then programme delivery towards the development of collocated integrated delivery teams. This has aided in establishing long-term programmes of work that deliver numerous benefits such as cost and time savings.

The Next Generation Supplier Arrangements benefitted from the implementation of the £300m from Thames Estuary Asset Management 2100 Programme (TEAM 2100) - the Environmental Agency's 10-year programme to refurbish and replace tidal flood defences in London and Thames Estuary. For TEAM 2100, the Environmental Agency formed an integrated team with engineering and programme management firm Jacobs, construction partner Balfour Beatty and other specialist contractors. The NGSA approach built on learning from collocation, integrating delivery partners and developing longer term programmes of work.

The NGSA represents a step towards change from conventional traditional transactional contracting approaches. The Next Generation Supplier Arrangements is aligned to asset management methods and challenges teams to maximise value from the Environment Agency's investments in its assets. It optimises investment through sustainable and whole-life cycle principles. Fundamental to the delivery of a new procurement route is the engagement of a wide range of internal and external stakeholders to progress the approach. The successful engagement and integration improved decision making and saved time and money, while developing an improved risk management.

The difference from traditional approach

- through this procurement approach, an integrated team is formed containing the contractors and key supply chain partners
- the NGSA represents a step change from its conventional traditional transactional contracting approaches
- this route is built on learning from collocation, integration of delivery partners and development of longer-term programmes of work
- it is aligned to asset management methods and challenges teams to maximise the value gained from optimising sustainable and whole-life cycle principles

Observations

Environment Agency

“The willingness of everyone to work together and share ideas was great to see and demonstrated a joint desire to achieve an efficient and sustainable flood and water environment management strategy in the Lee catchment.

This will help shape the integrated Lee programme and the long-term strategy while taking into consideration the objectives and drivers of different teams. - **Dr. Gemma Manache, Programme Manager**

“Collaboration is really important because we can achieve so much more when working together. A great example of how we have worked collaboratively in the SW Hub is through the co-creation of the collaboration, relationship management and collocation plans by the Environment Agency, Kier and Atkins staff valuing and embracing each other's unique contributions. - **Alex Roe, EA South West**

For more information on the case study click [here](#)