



Southern Construction Framework

Quick Start Guide 2015



Contents

| | |
|---|----|
| Introduction | 3 |
| Purpose of this document | 4 |
| SCF Philosophy and Background | 4 |
| Principles - 2 Stage Approach | 4 |
| Benefits of using the Framework | 5 |
| Evidence of excellent delivery | 6 |
| Framework Governance and Management | 6 |
| Who may use the Framework? | 6 |
| What is it? - Southern Construction Framework | 7 |
| SCF Lots | 8 |
| Scope of the Framework | 8 |
| What building projects can the Framework deliver? | 9 |
| Key Activities to Optimise Benefits of using this Framework | 9 |
| Working Collaboratively with SCF? | 10 |
| The SCF Quality process | 11 |
| Contractor selection | 12 |
| The Contractor Selection Process Map | 13 |
| The SCF Framework Manager contact details | 14 |
| SCF Solutions – Optimised Design | 14 |
| Forms of Contract to be used for Underlying Contracts | 15 |

“What’s important to us is that there is competition between the contractors on the framework because it gives us competitive rates and overheads and one who is really up for delivering what we wanted.”

Steve Clow
Assistant Director Head of Property Services
Hampshire County Council

Version 2 amendment:
Remove heading contract
selection

Introduction

The Southern Construction Framework went live on 29th April 2015. This new framework replaces existing arrangements covering the South East and London area (SEaL) and Construction Framework South West (CFSW).

The new framework builds on a wealth of experience and continues to be based on collaborative 2 stage open book process which is recognised as one of the Government Construction Strategy procurement routes. This is a single framework with three lots; South West (CFSW), South East (South East 7), and London (LCP).

The Southern Construction Framework will follow the principles and practice of the previous CFSW and SEaL Frameworks, as well as the Government Construction Strategy (2011), the Industrial Strategy for Construction (Construction 2025), and guidance to new models of construction procurement, specifically Two Stage Open Book, which was published in January 2014 (Link below).

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275722/Two_Stage_Open_Book_Guidance.pdf

The SCF strategy builds on the success of previous southern frameworks, and other regional frameworks, including:

- ✓ **Make best use of design and construction resources**
- ✓ **Improve the effectiveness of design management**
- ✓ **Utilising BIM and innovative standardised solutions**
- ✓ **Involving contractors at an early pre-construction stage**
- ✓ **Improve procurement processes by clear open and transparent supply chain engagement**
- ✓ **Fair payment terms**
- ✓ **Improve construction processes**
- ✓ **Maximise environmental performance and sustainability**
- ✓ **Promote equalities and social inclusion**
- ✓ **Effective Cost management**

saving
>£100m

from 2011-16

“Collaboration is so important to us and we worked hand in glove at all stages with the contractors and framework support staff.”

Mike Penny, District Senior Manager
Hampshire County Council

Purpose of this document

To provide an overview of how this framework may be used.

A Practice Guide has been produced which gives more detail on governance and processes. This Guide is available to registered users of the SCF arrangements.

SCF Philosophy and Background

The underlying philosophy is to improve the predictability of project cost, time and quality performance through the early collaborative engagement of the contractor in the project design. It moves away from lowest price tendering and encourages collaborative arrangements to drive out waste from the project process.

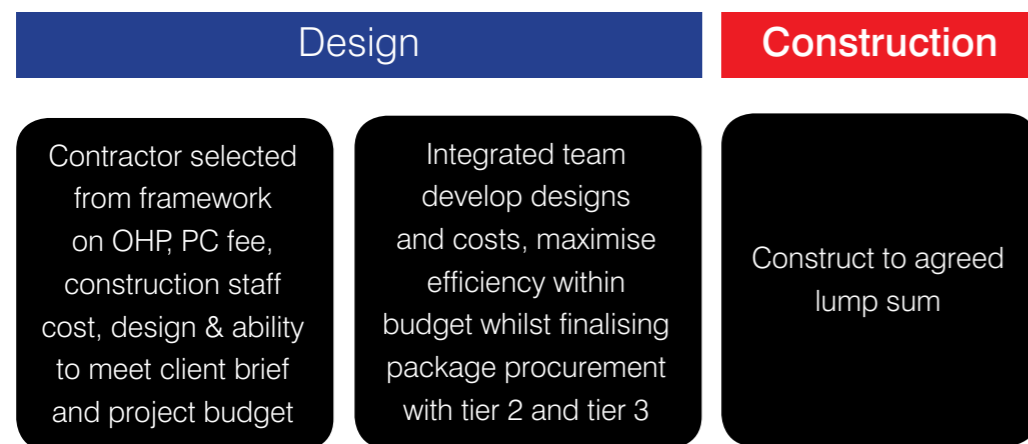
Benefits of using the Framework

This is a managed framework with a positive continuous improvement culture which ensures opportunities for efficiencies and lessons learned are passed from one project to the next.

The contracting authorities also benefit from:

- ✓ Open to all Public Authorities in the South
- ✓ Fast access to market
- ✓ OJEU compliant
- ✓ Choice of the best contractors
- ✓ Performance based Framework
- ✓ Dedicated client support

Principles - 2 Stage Approach



New features include

- Standard primary and secondary school products priced by all contractors
- Minimum standards of contractor performance across a range of KPI's
- Inclusion of key framework charters and strategies; Environment and Sustainability, Fair Payment, Framework Commitment, Health & Safety, WRAP and Employment & Skills.
- The SCF management team are on hand to provide additional services to assist with these processes.

“We received a balance of a quality finished project with value for money.”

Steve Power,
Senior project Manager



More than
100+ Public
Sector Users



Local SME spend
> 70%

Evidence of excellent delivery

The predecessor frameworks have a good reputation for delivering benefits:

http://www.southernconstructionframework.org.uk/docs/iese_benefits_report2014web.pdf

<https://www.cfsw.org.uk/files/2014/06/KPI-summary-data-June-2014.pdf?1363eb>

Framework Governance and Management

The Governance body comprises Devon County Council, Hampshire County Council and Haringey Council, who will chair the group in annual rotation, with two further Public Body users nominated from each region.

There is a Central Framework Management team responsible for the overall operation of the Framework, with locally based Regional Framework Managers in the SW, SE and London to provide advice and support to clients in the region.

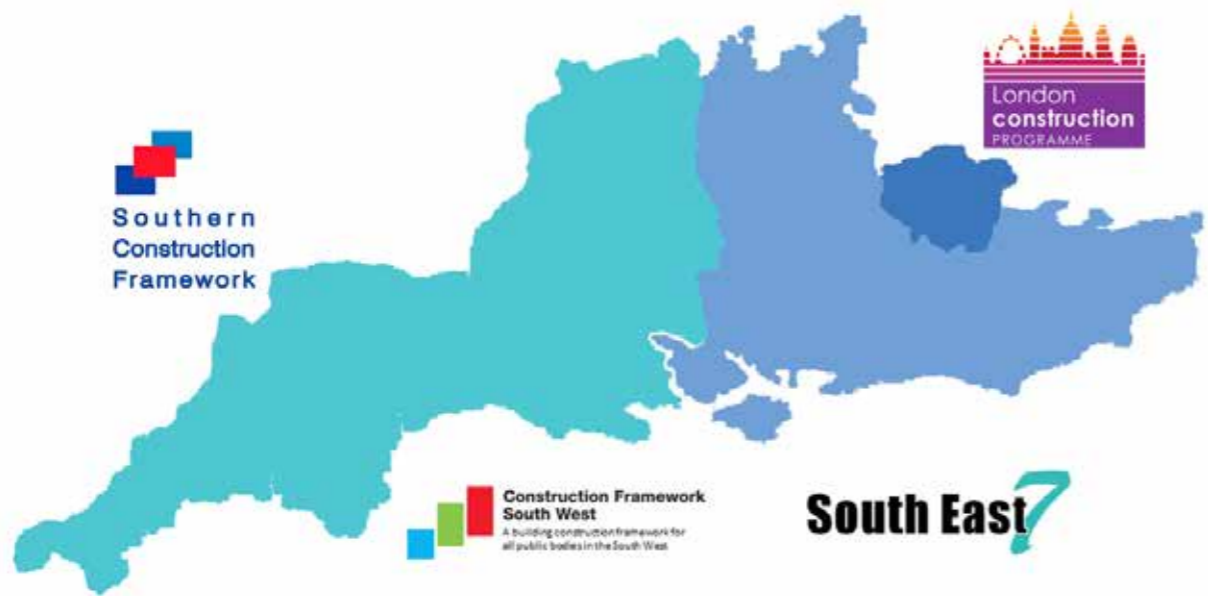
Who May Use the Framework?

This Framework may be used by all public sector organisations within the specified geographic area which broadly covers Greater London, the South East of England and the South West of England and as detailed in the Contract Notice in Sections II.1.2 and VI.3:

<http://ted.europa.eu udl?uri=TED:NOTICE:184290-2014:TEXT:EN:HTML>

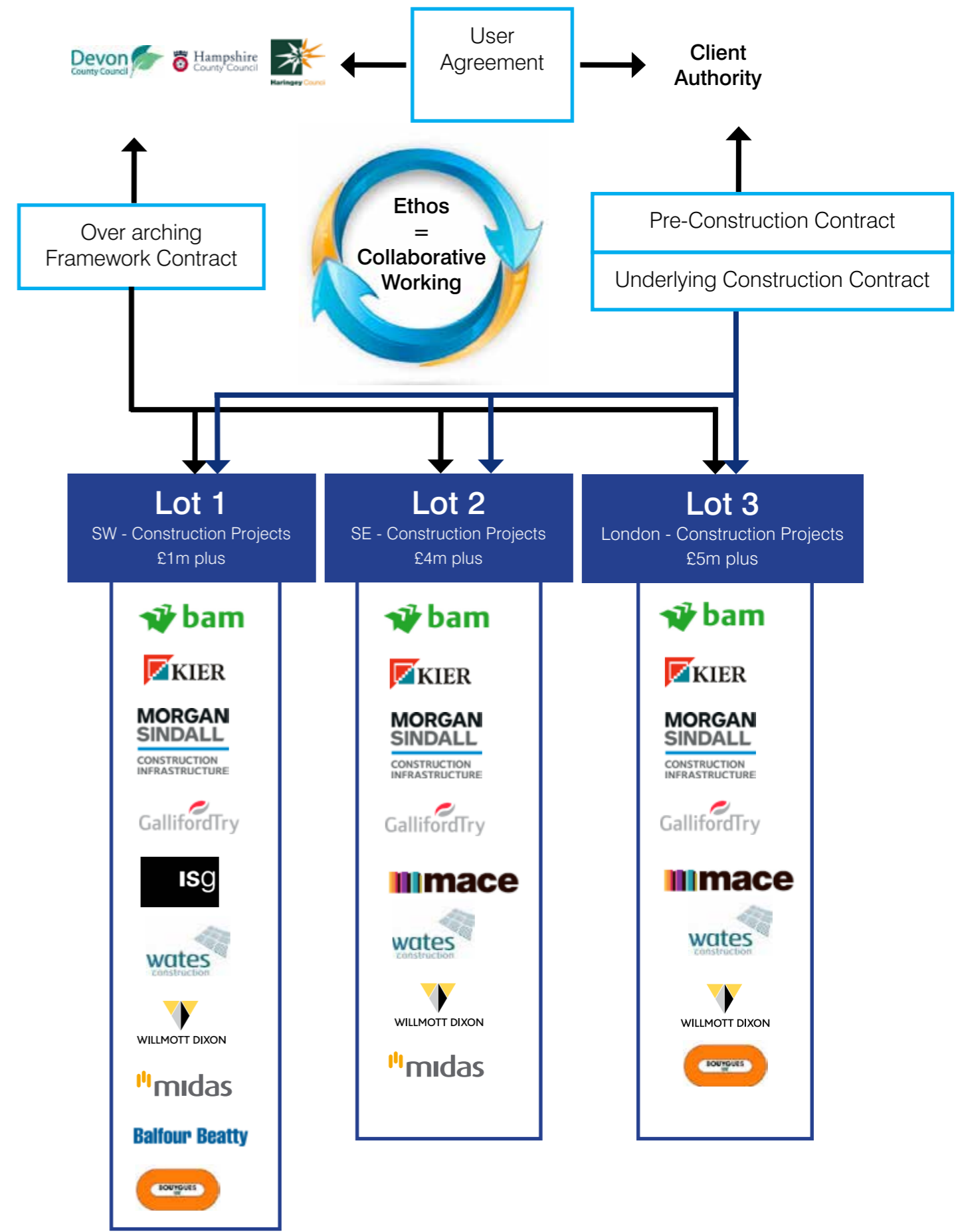
All public sector organisations wishing to make use of the Framework will have to sign a "User Agreement", agreeing to abide to the Framework processes and procedures.

SME spend 78% of project value



What is it?

Southern Construction Framework



SCF Lots

Three lots have been established with the same requirements for type of work, with no upper limit, and different lower value limits:



Lot 1 > £ 1 million, commencing Autumn 2015.



Lot 2 > £ 4 million, commencing on Award.



Lot 3 > £ 5 million (predominately aimed at projects > £10 million), commencing on Award.

Scope of the Framework

SCF includes two main alternative approaches to Two Stage Open Book options defined as:

“Construct only” where the contracting authority employ their own consultants, or in-house designers, and the contractor is first engaged by the client as a member of the project team to contribute to the pre-construction stage before satisfying requirements and being awarded a works contract.

“Develop and Construct” where the contractor provides design services, including Contractor Designed Portions, during the pre-construction stage before satisfying requirements and being awarded a works contract. In this instance the Client will usually retain a Project & Cost Manager and appropriate design guardians.

Appointment to the Framework does not guarantee any specific volume of work nor are any minimum volume guarantees offered.

There is an integral supply chain mechanism called the Strategic Alliance Value and Efficiency (SAVE) which provides pre-agreed cash discounts to clients for the most common sub contract packages.

Strong relationships with all CITB approved Shared Apprenticeship Schemes within the SCF regions



What building projects can the framework deliver?

A full range of building types including:-

- Education (free schools and academies)
- Health
- Sport and Leisure
- Offices
- Emergency Services
- Fire and Police

The main areas of activity include individual projects or programmes for new build work, extensions, improvements, renovations, repairs and associated site infrastructure works.

Exclusively major civil engineering works such as highways, major bridges or coastal works are excluded (unless as part of enabling works aligned with a SCF construction project).

The framework contractors can be called on to provide additional services such as feasibility studies, project management services, construction management services and advice for both pre-construction and construction phases, design support and pre construction advice to enable effective implementation of schemes and to deliver quality, and post handover support and advice.

Stand alone consultancy services and civil engineering works that may arise will be of a peripheral nature only to the main subject of this Framework Agreement.

Average

ccs: 43

out of 50



Key Activities to Optimise Benefits of using this framework:

Client Commitment

The early creation of an integrated team including Consultants, Tier 1 Contractor(s) and Tier 2/3 Subcontractors and Suppliers

Agreed Activities

Throughout the Pre-construction Phase, describing step by step the roles and contributions of integrated team members.

Collaborative Culture

Agreed activities to build mutual trust and confidence and eliminate adversarial or opportunistic behaviours.

Pre-construction Phase Timetable

Commitment to binding deadlines for all Pre-construction Phase activities governing joint design, costing, risk management and programming.

Open Book Costs

Agreement of fees/profit/overheads of Consultants and of Tier 1 Contractors, so that cost savings do not erode margins

Local requirements

Development of relationships to help deliver local requirements.

Working Collaboratively with SCF?

The cost plan and risk register are jointly developed between Client Team and Contractor to ensure full team ownership. The work packages are openly procured, preliminaries costed and risk allowances agreed to reach an agreed contract sum.

Effective collaboration is more about behaviours than organisational structure or contract. It is essential that the Culture of the Framework is understood prior to contractor appointment. Training on how to use the Framework will help facilitate this and is available from the SCF Management Team.

The benefits of this process are still very relevant in a rising market. However, it is imperative to differentiate between inflationary pressures that may be masking any underlying issues.

The principal requirement of the SCF process is the earliest possible assembly of a fully integrated delivery team.

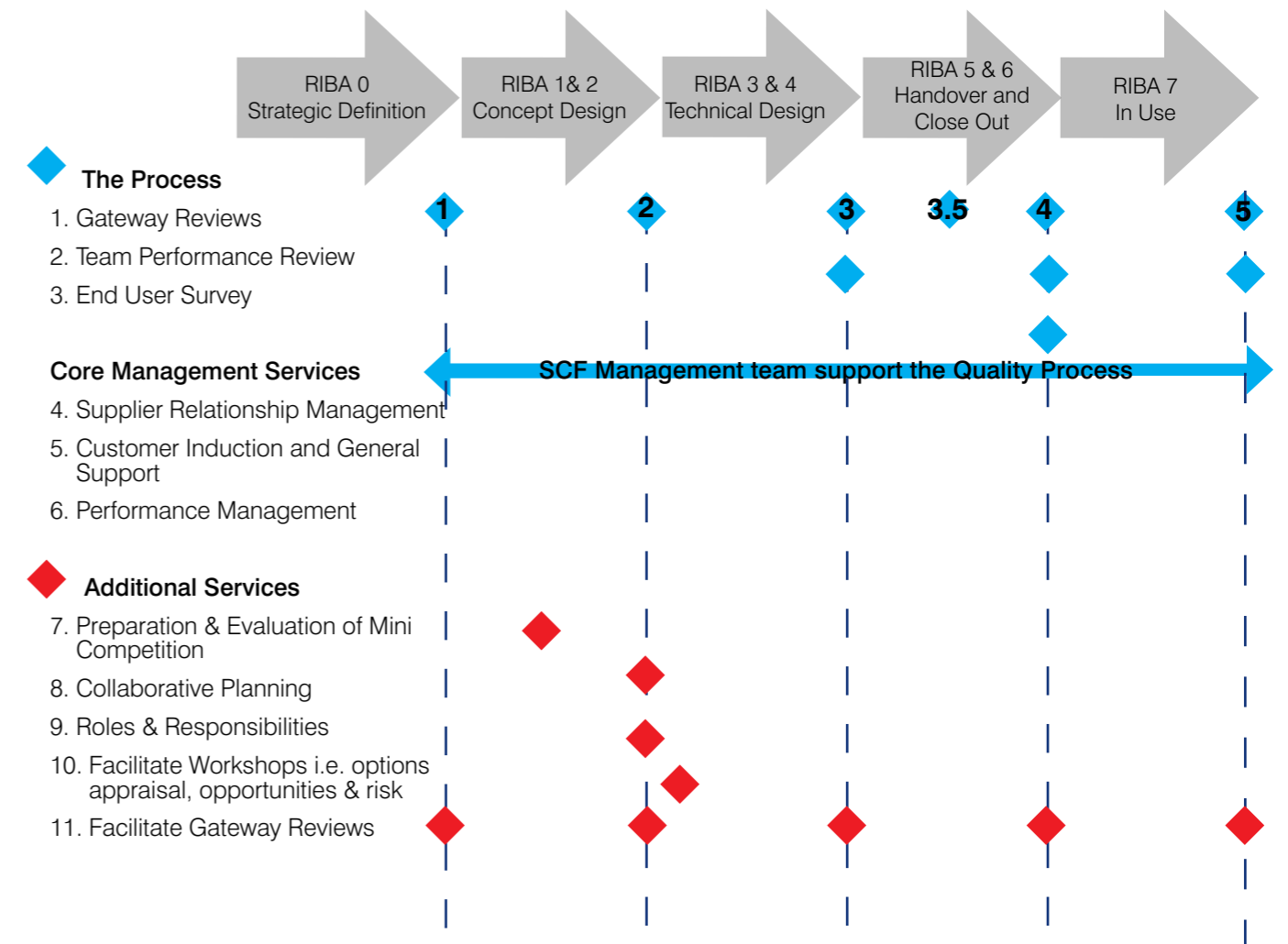
The Two-Stage Open Book model reduces industry bidding costs, enables faster mobilisation and provides the opportunity for Clients to work earlier with a single Integrated Team testing design, cost and risk issues ahead of start on site following full project award at the end of the second stage.

Extract from Cabinet Office 'Project Procurement and Delivery Guidance to using two stage open book and supply chain collaboration'.



The SCF Quality process

The chart below provides an outline of the SCF project process at each RIBA stage. The quality procedures are based around Gateway Reviews at key project milestones to provide quality assurance checks, ensuring projects are fit to proceed to the next stage, being designed to complement Clients existing project processes. Regular performance reviews are undertaken by all project participants at key project stages. There is a client obligation to ensure that these reviews are undertaken and to sign and verify project performance data such as the Cost Time Benefit forms.



“The 2 stage process has been absolutely vital to the success of this project, it de risked the project, we knew what we were going to get and there was a truly collaborative approach between us and the contractor and support staff.”

Andy Brown, Principle Project Manager
Southwark Borough Council

Cost of using the SCF Arrangement

All costs are included by the contractor as part of their tendered overhead.

Contractor selection

Contractors are selected for projects or programmes of work via a 2 part mini competition process.

This is intended to be a quick, flexible, auditable, common approach to suit different types, sizes and project stages. This is based on quality and fee bids for a pre-construction agreement appointment.

The Client initiates a contractor selection by contacting the SCF Regional Team. Contractors may be appointed on either Develop and Construct, or Construct only basis. The optimum stage to appoint a contractor is the start of RIBA (2013) Stage 2 Concept Design Stage, or equivalent. The framework allows selection to happen at any stage of the project process, but it is unlikely that projects which have completed RIBA Stage 3 (Developed Design) before contractor appointment will realise the full benefits of the process.

Contractors have priced Overhead and Profit (OHP), Pre-construction fee, design fees, and construction staff costs on a not to exceed percentage basis for a range of project types and sizes as part of the framework. These prices are based on a standard set of pre-construction duties which may include design work. The scope of services are linked to the RIBA stage when the contractor is appointed.

Mini Competition Part 1 establishes the type, value, and form of contract. This section forms the Specification for the Services to be provided by the contractor during the pre-construction phase. The contractor self scores a number of questions with supporting evidence of their availability, suitability and ability to add value to the project. Typically 3 contractors are invited to complete Mini Competition Part 2.

The second part Mini Competition 2 tests the contractors financial response, and provides an opportunity to demonstrate to the Client that they provide the 'best fit' to deliver the project.

The contractor will be paid a fee for pre-construction stage duties which is governed by a Pre-construction-stage agreement.

The contractor will work collaboratively in an open book environment with the Client team to develop the design and provide an acceptable tender for the works before being awarded a Construction Agreement for delivery of the project.

The project appointment process and underlying contracts are the responsibility of the Contracting Authority, not the Framework Commissioning Authority. The Framework Management Team are on hand to give advice and check commercial submissions.

The production of large documents is counterproductive, and ties up significant resource and will not necessarily add value. The resource saved in running an efficient process should be used to add value by carrying out 'start up' and opportunities workshops. This ensures a good transition into the collaborative pre-construction stage by fully integrating the whole team.

Local labour exceeds 60%

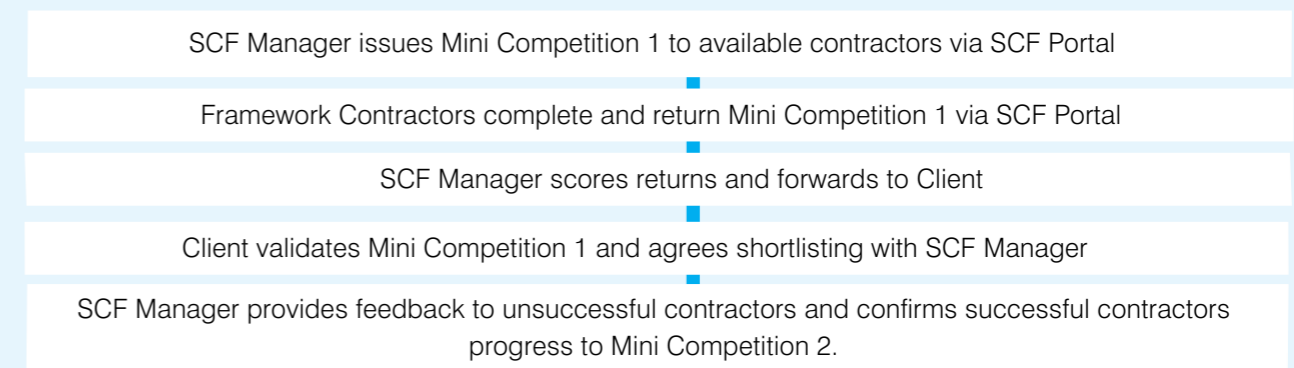
Team Performance scores in delivery exceed 85%

The contractor selection process is illustrated schematically

Project Enquiry

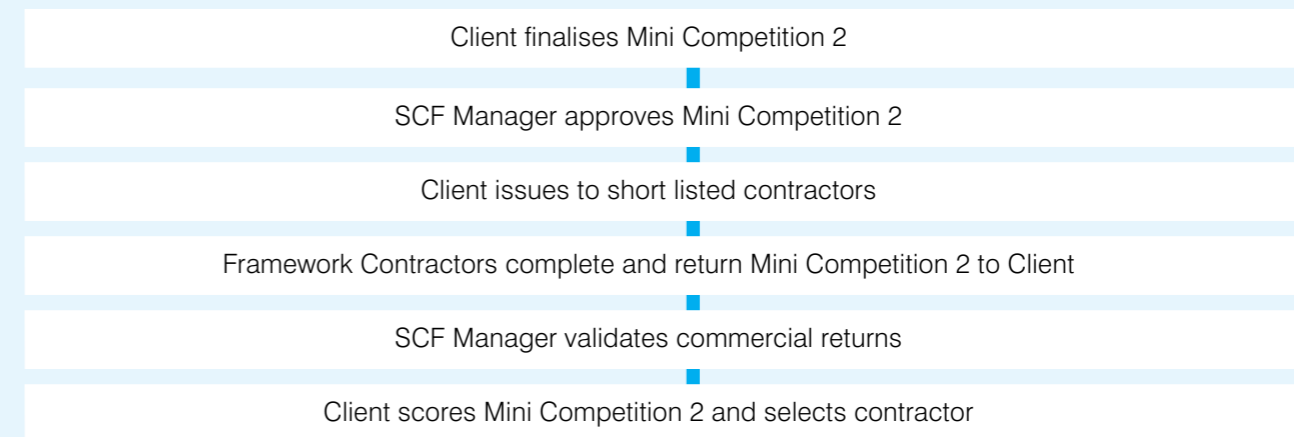


Issue Mini Competition 1



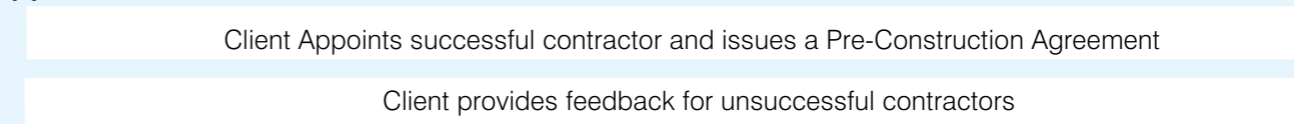
1 week

Issue Mini Competition 2

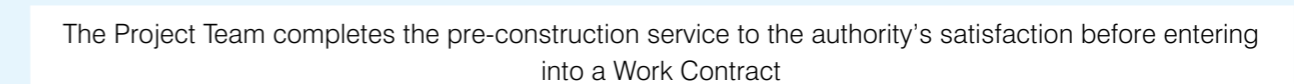


2 weeks

Appointment



Execution of Pre-Construction Agreement



The Framework Management Team are able to support the Client authority in this process. More detailed guidance and mini competition templates are available.

SCF Solutions – Optimised Design

The Southern Construction Framework includes optimum specifications to deliver primary school extensions and new secondary schools. They are based on existing developed examples and were designed in partnership with commissioners of buildings and consultants to meet the challenges of delivering high quality primary school and secondary school places at excellent value within reduced budgets. The secondary school is based on an EFA baseline design for 900 secondary pupils and 360 sixth form students. Our solutions are easily replicable and can be reconfigured to suit site specifics thereby optimising opportunities to respond to funding or strategic planning needs.

These are proven models that have been delivered on a range of school sites across the south of England being well received by teachers, pupils and commissioners. They clearly demonstrate careful design and specification will deliver excellent teaching environments within budget. The design principles targeted tight cost control on core building elements to ensure optimum specifications and avoid over specification. This frees up any spare resources to customise finishes, furniture and equipment. The designs are working towards the targets set out in HM Government publication "Construction 2025" which aims to reduce lower costs, reduce delivery times, lower emissions and improve exports.

SCF Class Space Product - 4, or 6 classroom extensions single storey 8 classroom extension two storey



Contractors were invited to provide maximum fixed prices for these SCF Solutions on a cost per sqm basis assuming a level site with reasonable direct access against standard programme durations. Contractor's costs include preliminaries, overheads and profit, new build elements, drainage and services. Abnormal items and external works were excluded.

Contractor selection follows the principles of the mini competition process where the winning contractor is awarded a pre-construction agreement to develop the whole project. A key advantage is the provision of absolute cost certainty for the defined items of the SCF Solutions and contractors fees. The contractor develops the scheme to reach an Agreed Contract Price by working collaboratively with the client team in an open transparent way to agree how the unknown works to existing buildings and external areas, risk and associated preliminaries are priced.

SCF Secondary School Product

Our Framework management team will provide Design Guardianship stewardship services as an additional service to optimise delivery of excellent value. This is included within the contractors overhead .



"You would never know without being told that Class Space was built to a demanding cost." Devon County Council

The SCF Framework Manager

The Central Framework Management Team based at Winchester offices of Hampshire County Council:

SCF Team:

Tel: 01962 845942

Email: info@southernconstructionframework.org.uk

The Regional Framework Management Teams for each lot are based as follows;

Lot 1

Construction Framework South West (CFSW) based at Devon County Council in Exeter:

Tel: 01392 382444

Email: cfsadmin@devon.gov.uk

Lot 2

South East 7 (SE7) represented by Hampshire County Council in Winchester:

Tel: 01962 845942

Email: scfadmin@hants.gov.uk

Lot 3

London (LCP) based at offices of Haringey Council:

Tel: 0208 489 1073

Email: LCP@haringey.gov.uk

Forms of Contract to be used for Underlying Contracts:

Pre-construction Agreement

SCF have established a model Pre-Construction Agreement for engaging Contractors to provide a standard set of services dependent on the RIBA Stage appointed. The scope of work required is detailed in the mini competition and will set the level of pre-construction fee.

Construction Agreements

The underlying contracts or the latest revision or version of the contracts are specified below:



Special terms and conditions are set out in the Framework Agreement and details may be obtained from: scfadmin@hants.gov.uk

Contact us:

For more information about how the Framework could help you with your construction plans, please contact the team.

E: info@southernconstructionframework.org.uk

T: 01962 845942

W: southernconstructionframework.org.uk

