

Built Environment Professional Service Framework (BEPS)

Bidder Day – 1st November 2022

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Agenda

- Introduction
- Council's Pipeline
- Current Ways of Working
- New Way of Working
- Aims of Model
- Aims of Contract
- How Framework will Work
- How Procurement will Work
- Questions

Introduction

Presenting:

Pete Marsh – Service Director - Assets, Capital & Commercial Services

Stuart Hinde – Senior Contract Specialist

Present:

Angela Stevens – Strategic Sourcing Manager

Sharon Hamilton – Interim Head of Service - Assets, Capital & Commercial Services

Purpose

Introduce the Councils new way of delivering capital projects, its historic context, how it is to be delivered via the new BEPS Framework and how that is to be procured.

Give interested parties the opportunity to ask questions and provide feedback on these plans.

Disclaimer – information presented is reflective of current thinking which may change prior to the tender being launched.



Pipeline

Major programmes of work currently underway/programmed:

Schools Programme made up of Backlog Maintenance (£25-£30m per year) and Schools Basic Needs (£3-5m per year)

Estates Transformation a £60m programme to renew the Council's offices.

Housing current known requirement is for 247 units across 13 sites valued at circa £79million. Both homes and temporary accommodation.



Pipeline

Transport – 4 major road schemes currently underway valued at £200m and active travel schemes valued at £25m.

Shared Prosperity Fund over £70m capital works by 2025/26

Towns Deals - £101m capital developments.

Pipeline

Newquay Airport – 700 acres still to develop. Under current contract Space Port infrastructure delivered.

Investment Zones – Bid made

Solar/Green Energy - £19m programme to deliver, historic delivery includes Ventonteague 2.3MW Wind Turbine, 5MW Airport Solar Farm

Value of Framework

Based on present day values and current project delivery rate it is estimated that the spend profile on the Framework will be:

Year 1 - £1-2m

Year 2 - £2-5m

Years 3 to 8 - £8m per year

Capital Programme aspiration is £300m a year spend, historically £250m a year.

Current Way of Working

Management of Projects

Mixture of in-house and external delivery via current BEPS
Framework managed by Capital Projects

Contractor Appointments

Up until August 22 the Council had its own Frameworks. Due to this upcoming restructure and lack of pipeline and market conditions it was decided not to reprocure.

Current procurement strategies include accessing markets through a number of different routes: Pagabo's DPS, Constellia, Open tenders, written quotes and other external frameworks.

Current Way of Working

Issues:

- Capital Projects not always instructed at the right time in a project
- Instances of inexpert self delivery taking place in directorates.
- Project development is poor – lack of consistent processes
- Practice varies across the council resulting in delivery issues particular with budget setting and timescales.

The new BEPS Framework will secure a single partner entity who will assume delegated responsibility on behalf of Cornwall Council, to commission the delivery of Commercial, Housing, Asset Investment and Capital Projects, with full budget umbrella responsibility.

As the Teckal delivery partner of Cornwall Council, Cormac was established 10 years ago, to deliver the commissions through a full turnkey solution, with specific focus on but not limited to, Civils, Environmental and Highways, both from a Capital and more significantly cyclical maintenance revenue perspective.

Cormac - Teckal Partner

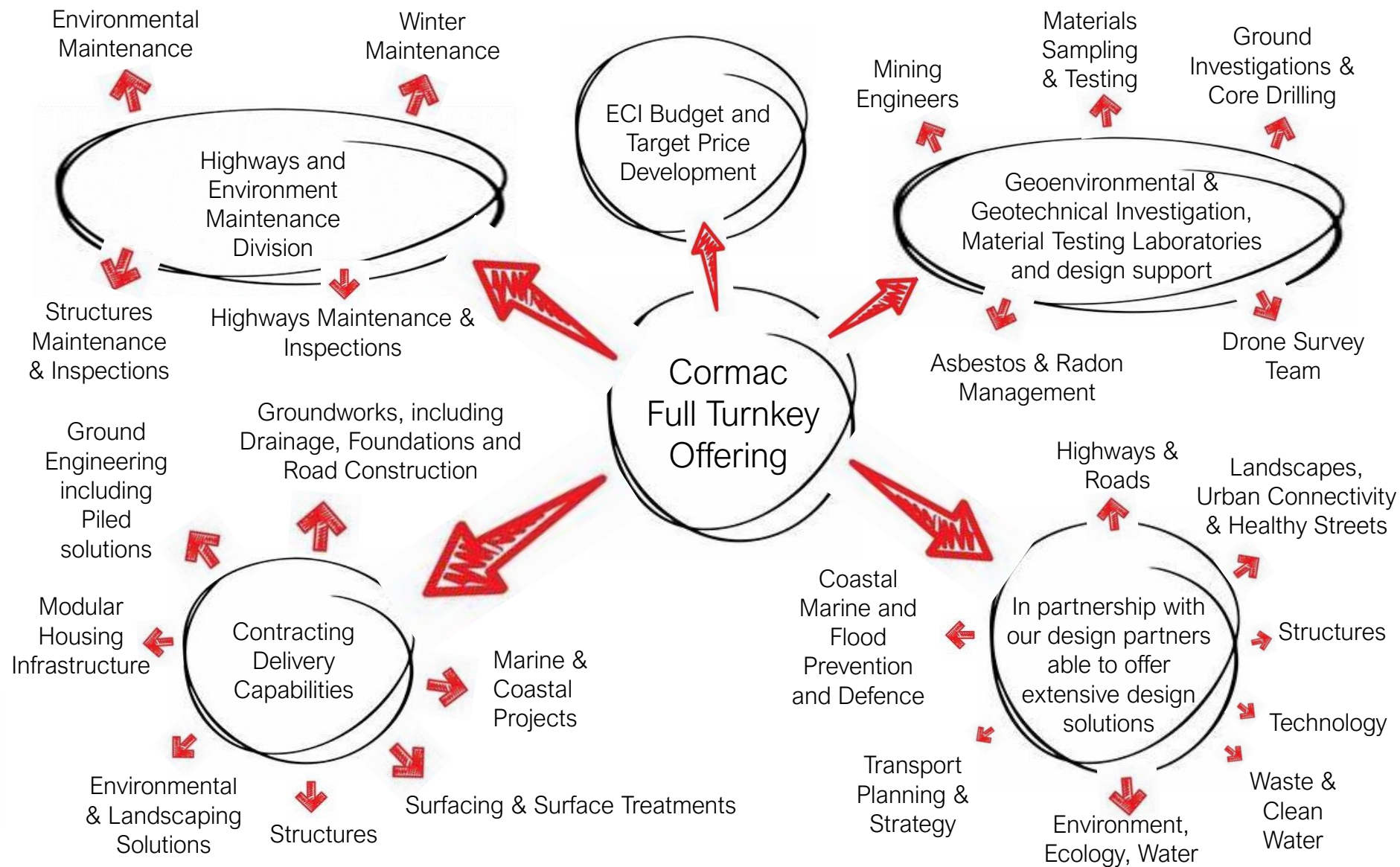
As is the benefit of a Teckal partner it aims to ensure “Value for Money” solutions. A significant local employer with over 900 staff, Cormac doesn't generate profit, instead returns any surplus as a dividend directly to the council for Cornwall Council and its tax payer, to increase delivery through reinvestment in local projects and programmes. The IDA allocation of work to Cormac is managed through a robust and clear local government Procurement Process with a programmes of IDA allocations agreed and signed off by Cornwall Councils Invest and Commercial Board annually as part of the Internal Direct Award (IDA) business planning process. Subsequent schemes in year will be added to the programme, in line with the IDA process.

CORMAC



The next slide seeks to set out Cormac's key capabilities and competencies.





CORMAC



New Way of Working

Management of Projects

- All projects delivered by external provider via new BEPS Framework.
- Current Capital Project to be replaced by Capital PMO function (CPMO) to act as Client-side project leads.

Contractor Appointments

- To entirely be managed by external provider in line with Council's Contract Procedure Rules.

Aims of New Model

- Bring together the process and tools needed for project controls and identify consistent delivery strategies.
- Ensure alignment of programmes and projects to Council objectives and delivery capability.
- Consistent approach with no Directorate project self-delivery outside of the CPMO structure.
- CPMO to act as filter ensuring projects are realistic and correctly developed before engaging the external partner.

Aims of Framework

As well as being the mechanism to deliver the new model the Framework aims to deliver:

- Effective programme level management of interfaces between projects providing a consistent, joined-up approach.
- A long term collaborative relationship, focused on continuous improvement.
- Best practice management of the supply chain for works/project delivery.
- Social Value – primarily through local SMEs as sub-consultants and contractors.
- Added Value assist the Council to develop Policies.

How Will Contract Operate

Full details are included in the Method of Operation and Specification available for comment.

Consultant will be instructed at Project level and will be expected to make allowances within their fees for programme level activity such as:

- Providing named Programme Leads
- Contributing to policy and process development
- Managing interactions between projects
- Quality assurance
- Relationship management of the supply chain

How Will Contract Operate

Client side there will be a Sponsor who will work with Project Lead (from CPMO) to instruct the Consultant at RIBA 0. Consultant to be in control of delivery from that point. All interactions with Council to be via CPMO from then.

Delivery aligned to RIBA Stages with Gateways between each stage. Gateway approvals will be from Project Boards with Sponsor either chairing or sitting on board.

Monthly updates to project boards between gateways

How Will Contract Operate

Consultant fully responsible for selecting an appropriate team to deliver the project, Council no power to dictate.

Consultant fully in control of use of project budget and programme – parameters set at Project Instruction and only escalated to programme boards by exception.

Consultant must comply with Council Policies and Procedures which may require additional approvals – for example Procurement Strategies agreed at ICB.

How Will Contract Operate

In order to reduce administration burden the form of contract for call-offs will be bespoke but NEC4 PSC under consideration.

Contract will incorporate Project Initiation Document drafted at Initial Stage, Framework Scope and the bespoke terms and conditions (or the NEC4 PSC).

How Will Contract Operate

Pricing based on Project Value.

Each project stage priced with a fixed percentage of the project budget.

Two percentages, Project Delivery and Design to make allowance for projects where Cormac to provide design services as well as traditional and D&B contracting routes.

List of exclusions within Method of Operation to be priced using Day Rates.

How Will Contract Operate

CPMO to manage against project progress only.

Consultant to be subject to quarterly audit to ensure processes and policies are being followed, documents are being saved in the management system and contracts being managed properly.

How Will Contract Operate

KPIs on:

- Contract Administration/Record Errors
- Unforced Changes of Project Managers
- Missed Gateway Dates
- Accuracy of Pre-tender estimates and cost plans
- Social Value
- Health and Safety
- Use of SMEs/Cornish Suppliers:
 - Number/Value
 - Diversity
 - Payment Speed

Procurement

Launching on 22nd November.
Deadline for bids 30th January.

Open Procedure advertised on Contract Finder and Find a Tender.

Quality/Price Split 65/35

Procurement

Quality Questions on:

- Programme and Framework Level Setup
- Project Level Setup/Resourcing
- Management of Supply Chain
- Health and Safety
- KPI Management

Price score based on Project Fees and Day Rates, each individually weighted to give a tender price.

Key Areas For Feedback

Suitability of Framework to deliver the new model.

Form of Contract – NEC4 PSC or Bespoke?

Items to be excluded from the fees?

Deadline for feedback – 5pm Monday 7th November



Thank you / Meur ras

If you have any questions or comments

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