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Service

## **Bid Pack**

### **Attachment 3 – Statement of Requirements**

Contract Reference: CCCC21B39

Government Productivity Challenge

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OFFICIAL

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# **1. PURPOSE**

- 1.1 The purpose of this procurement is to commission a supplier to analyse, understand and derive insight from various data points collated/obtained via the Government Construction Metrics (GCM) and identify methods by which these metrics can provide further understanding, be adapted and/or expanded, and provide recommendations as to how government departments and arms-length bodies can achieve greater consistency, efficiencies or other benefits as a result, in addition to generating greater awareness and buy in from the market in relation to the intent and method for GCM implementation.

# **2. BACKGROUND TO THE CONTRACTING AUTHORITY**

- 2.1 The Infrastructure & Projects Authority (IPA) is the UK Government's centre of expertise for infrastructure and major project delivery. Its purpose is to drive continuous improvement in the way government delivers infrastructure and major projects. We aspire to nothing less than world class delivery.

# **3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT**

- 3.1 The government is committed to improving the delivery of public infrastructure and construction projects, including through more efficient processes and use of materials, greater adoption of technology and innovation, and the development of more effective delivery models with the supply chain. We must also ensure the significant investment in infrastructure and construction is supporting wider policy priorities, such as net zero by 2050 and levelling up. This has been expressed through the National Infrastructure Strategy, Construction Playbook and Transforming Infrastructure Performance: Roadmap to 2030.
- 3.2 The UK construction industry has experienced a well-documented period of productivity stagnation, particularly compared to the manufacturing industry. Government is a major contractor in construction projects every year, and is determined to use this spending power to increase productivity in the sector.
- 3.3 The IPA uses its position at the centre of government to drive systemic change and provide expert advice to Ministers on infrastructure and construction policy and delivery. A robust understanding of current project performance is a key enabler for effective policy making and to monitor change over time. To support this, the IPA has worked with colleagues across government and industry to develop the Government Construction Metrics (GCM).
- 3.4 The GCM span four themes (productivity, levelling up, innovation and net zero) and require projects to report on forecast and actual data across seven metrics for their construction projects. This data is then collated and analysed by the IPA, and over time will create an evidence base for construction policy and delivery that will support continuous improvement and further innovation.
- 3.5** A pilot data commission was completed in summer 2021 which yielded data from 74 projects across government. This amounts to approximately 626 data

points. We are now entering the next phase of the work and require consultancy support to improve the way in which the data is collected, the metrics are used, and to increase the insight that can be gained through the GCM work.

## 4. DEFINITIONS

Expression or Acronym	Definition
Authority	the relevant public sector purchaser identified as such in the Order Form
Supplier	the person, firm or company identified in the Framework Award Form
GCM	means Government Construction Metrics - a suite of metrics developed by the IPA and a cross-government working group to better understand the performance of construction projects during the delivery phase.
Social Infrastructure	means Schools, Hospitals, Prisons, and Defence Infrastructure
Economic Infrastructure	means Transport, Utilities, Energy, Flood Defence
TIP	Means the government publication Transforming Infrastructure Performance: Roadmap to 2030
IPA	means Infrastructure & Projects Authority
BAU	means Business as Usual
IP	means Intellectual Property
BEIS	means Department for Business, Energy & Industrial Strategy
MoJ	means Ministry of Justice
DHSC	means Department of Health and Social Care
NHSE	means National Health Service England
DfE	means Department for Education
MoD	means Ministry of Defence
DIO	means Defence Infrastructure Organisation
TIES	means Transport Infrastructure Efficiency Strategy
BIM	means Building Information Modelling
ALBs	means Arm's Length Bodies

## 5. SCOPE OF REQUIREMENT

5.1 The desired outcomes for this requirement are:

Improved understanding within government client organisations in relation to the meaning that can be derived from the data, and greater insight into any issues with the metrics, including the potential for individual metrics (if used as targets or similar) to drive improved performance (in accordance with TIP) and any unintended consequences, and specific examples of how this might occur will drive improvement delivery and performance.

- 5.1.1 The identification of specific areas and ways in which the metrics can be adapted and/or expanded to improve the insight and understanding that can be gained from the data and to avoid driving unintended consequences.
- 5.1.2 Clarity on the available and feasible options for adapting the metrics and any implications or complexities that these changes would entail, either with the supply chain, or in relation to the collection and use of the data by government.
- 5.1.3 Greater awareness and buy-in from firms supplying data to government client organisations in relation to the intent and method for GCM implementation.
- 5.1.4 Increase departmental and arms-length-bodies' capability in implementing and using the metrics, and identify ways in which greater consistency, efficiency or other benefits can be achieved in relation to the collection of data from the supply chain.

## 6. THE REQUIREMENT

6.1 The contract deliverables for this requirement are:

6.1.1 **Deliverable 1a)** Create an **Engagement Plan**, including:

- Setting out the approach to and schedule for the work, and;
- A consistent structure for documenting the information gained from engagement, and;
- An assessment of the data collected to date, potentially including further analysis and interrogation by the supplier to understand the key attributes associated with the submitted data.

6.1.2 **Deliverable 2) Documented Engagement** relating to at least 4 projects, to be agreed with the Authority, ranging across a minimum of 2 social infrastructure projects and 2 economic infrastructure projects, and across the four case studies addressing all 7 metrics from the GCM, (included in Annexe A) to:

- Explore, identify and document the approach to data generation and data collection, including contractual data requirements, supply chain data provision, and to identify supply chain data collection that could reasonably be expected to be

useful/relevant to government client organisations but which was not provided by the supplier.

- Explore and document with the supply chain, government client organisations, and other relevant parties, ways in which greater meaning could be derived from the data, improved performance (in accordance with TIP 2030) and to identify any issues with the metrics, including the potential for individual metrics (if used as targets or similar) to drive unintended consequences, and specific examples of how this might occur.
- Explore and document with the supply chain, government client organisations, and other relevant parties the available and feasible options for adapting the GCM and any implications or complexities that these changes would entail, either with the supply chain, or in relation to the collection and use of the data by government.
- Engage with the supply chain, government client organisations, and other relevant parties to identify and document specific areas and ways in which the metrics can be adapted and/or expanded to improve the insight and understanding that can be gained from the data and to avoid driving unintended consequences.

6.1.3 **Deliverable 3a)** Document a minimum of four **Case Studies**, presented in a joined-up document but also available as standalone documents, incorporating information from the engagement as set out under Deliverable 2 to the extent considered appropriate as agreed with the Authority, and incorporating a description of the project and detail relating to project methodology for data generation and collection.

6.1.4 **Deliverable 3b)** Document use of 'Time on Tools' techniques within the UK construction industry since approximately the year 2000 through a combination of desktop study and engagement with industry partners. Presented as a short **Time on Tools Study**, describing:

- The application of Time on Tools techniques, and;
- Any benefits for, and/or unintended consequences on, the performance of the project(s).

6.1.5 **Deliverable 4)** Create a **Data Collection Framework** for describing data collection practice and capability, and using this framework map the capabilities and disparities in data collection practice and capability across the organisations involved with and/or relevant to the case studies and engagement covered under the contract.

6.1.6 **Deliverable 5)** Create a **Guidance Note**, set out in the form of a 'how to' guide in relation to the GCM, including:

- The history of the process for the creation of the GCM (via engagement with the Authority and other relevant stakeholders), and;
- Information and explanation on the process of data collection, contrasting methods for contracting for data, and explanatory notes in relation to the meaning that can be derived from the data and the potential for individual metrics to drive unintended consequences alongside strategies for avoiding this, and;
- As part of this deliverable, plan and deliver a **knowledge transfer workshop**: This shall be designed by the Supplier to explain the content of the Guidance Note, and to transfer knowledge to the Authority in relation to the methodology adopted for the work, and the deliverables resulting from the work.

## 7. KEY MILESTONES AND DELIVERABLES

The following Contract milestones/deliverables shall apply:

Milestone/ Deliverable	Description	Timeframe or Delivery Date
1	Creation of an <b>Engagement Plan</b>	Within 2 weeks of Contract Award
2	<b>Documented Engagement</b>	Within 14 weeks of Contract Award
3a	Documenting a minimum of four <b>Case Studies</b>	Within 18 weeks of Contract Award
3b	Document use of 'Time on Tools' techniques within the UK construction industry since approximately the year 2000	Within 18 weeks of Contract Award
4	Creation of a <b>Data Collection Framework</b>	Within 18 weeks of Contract Award
5	Creation of a <b>Guidance Note</b>	Within 20 weeks of Contract Award

## **8. MANAGEMENT INFORMATION/REPORTING**

- 8.1 The Supplier shall update on progress each week, with a flash report to be agreed with the Authority summarising progress against the engagement plan and noting any risks and/or issues. This will be discussed and any actions agreed at a weekly stand up meeting.
- 8.2 The Supplier will provide a monthly written progress update including:
  - 8.2.1 Expenditure against forecast
  - 8.2.2 Key risks and issues
  - 8.2.3 Progress against the engagement plan
  - 8.2.4 Visibility of in-progress draft deliverables
- 8.3 The Authority will provide introductions and/or contact details for the firms and/or individuals with whom the Supplier is to engage, where required and requested.

## **9. VOLUMES**

- 9.1 The Supplier will submit their rates consistent with delivery of the key milestones under 7.1 within Attachment 4 – Price Schedule, in accordance with the information described in the Instructions tab of the document.

## **10. CONTINUOUS IMPROVEMENT**

- 10.1 The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.
- 10.2 Changes to the way in which the services are to be delivered must be brought to the Authority's attention and agreed prior to any changes being implemented.

## **11. SUSTAINABILITY**

- 11.1 The Supplier shall work with the Authority to identify opportunities to introduce innovation, reduce cost and waste and ensure sustainable development is at the heart of their operations.

## **12. QUALITY**

- 12.1 n/a.



## 13. PRICE

- 13.1 Prices are to be submitted via the e-Sourcing Suite by bidder uploading a completed Attachment 4 – Price Schedule excluding VAT and including all other expenses relating to Contract delivery.
- 13.2 The budget for this requirement is capped at £110,000 for the completion of all work under the contract, with the percentages for each milestone as outlined in section 17 of this document.

## 14. STAFF AND CUSTOMER SERVICE

- 14.1 The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.
- 14.2 The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.
- 14.3 The Supplier shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

## 15. SERVICE LEVELS AND PERFORMANCE

- 15.1 The Authority will measure the quality of the Supplier's delivery by:

### 15.1.1

KPI/SLA	Service Area	KPI/SLA description	Target
1	Delivery	Creation of an <b>Engagement Plan</b>	Not in excess of four weeks
2	Delivery	<b>Documented Engagement</b>	Not in excess of sixteen weeks
3	Delivery	Documenting a minimum of four <b>Case Studies</b>	Not in excess of 21 weeks
4	Delivery	Document use of 'Time on Tools' techniques within the UK construction industry since approximately the year 2000	Not in excess of 21 weeks
5	Delivery	Creation of a <b>Data Collection Framework</b>	Not in excess of 21 weeks
6	Delivery	Creation of a <b>Guidance Note</b>	Not in excess of 24 weeks

- 15.2 The Authority may terminate the contract with the Supplier by in accordance with section 10.4 of the RM6187 Management Consultancy Framework Three (MCF3) Core Terms by issuing a Termination Notice.

- 15.3 Where poor performance results in early termination of the contract the Supplier shall transfer ownership and all materials of goods and/or services produced up to at that date to the Authority.

## **16. SECURITY AND CONFIDENTIALITY REQUIREMENTS**

- 16.1 All Supplier staff involved in the delivery of the requirement must meet as a minimum all of the requirements within section 7 of the RM6187 Management Consultancy Framework Three (MCF3) Core Terms.

## **17. PAYMENT AND INVOICING**

- 17.1 Payment will be made following satisfactory delivery of pre-agreed certified products and deliverables as defined by the milestones below. The Authority may at its sole discretion choose to pay a proportion of a milestone payment for work undertaken where it has resulted in a part complete product being issued, as work in progress, to the Authority.

17.1.1 Milestone 1 – 5%

17.1.2 Milestone 2 – 20%

17.1.3 Milestone 3a & 3b – 25%

17.1.4 Milestone 4 – 25%

17.1.5 Milestone 5 – 25%

- 17.2 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

- 17.3 Invoices should be submitted to: Cabinet Office PO Box 405, SSCL Phoenix House, Celtic Springs Business Park, Newport, NP10 8FZ.

- 17.4 It is a requirement that a PO number shall always be quoted on the invoice to ensure prompt payment.

- 17.5 Any Invoices received that do not include a Purchase Order number and payment will be rejected by the Authority.

## **18. CONTRACT MANAGEMENT**

- 18.1 The Supplier will update on progress each week, with a flash report to summarise progress against the engagement plan.
- 18.2 The supplier shall will note any issues or risks and these will be discussed and actions agreed at a weekly meeting.
- 18.3 The Supplier shall provide a monthly written progress update which shall include:
  - 18.3.1 Expenditure against forecast
  - 18.3.2 Key risks and issues
  - 18.3.3 Progress against the engagement plan
  - 18.3.4 Visibility of in-progress draft deliverables
- 18.4 Attendance at Contract Review meetings shall be at the Supplier's own expense.
- 18.5 At present all meetings will be conducted remotely.

## **19. LOCATION**

- 19.1 The Services will be carried out at multiple UK locations, as required to carry out the engagement with the organisations described in this tender, and any others agreed to be required. Where practical and feasible and not detrimental to the objectives of the work, engagement may be conducted remotely via online platforms.
- 19.2 Office space will not be provided.
- 19.3 Where in-person meetings are requested or required by the Authority, these will be at the Infrastructure and Projects Authority, 10 South Colonnade, Canary Wharf, E14 4PU, unless the Authority agrees to an alternative location.

## Annex A - Government Construction Metrics

Theme	Metric	Unit	Definition
Productivity	Economic Output	£/hour	Total Construction cost to client (£) divided by on-site labour input (person-hours)
Innovation	Pre Manufactured Value (PMV)	%	Gross capital cost of the project minus the prelims (which is sometimes referred to as site overhead costs) and the site labour costs. This is then divided by the gross capital cost and is reflected as a %.) When available, OHP&R cost components should be prorated between pre-manufactured and non-premanufactured cost elements. Preliminary costs (main contractor and subcontractor) should be deducted from the Gross Construction Cost. See the template guidance on details for the two Options. $(\text{Gross Construction Cost} - \text{Prelims} - \text{Labour Costs}) / \text{Gross Construction cost} \times 100\% = \text{PMV \%}$
	Contract spend (total) with: - start-ups; - SMEs; - voluntary, community and social enterprises; - mutuals.	No, £(value), % of total	The number, value and % of total contract spend of opportunities awarded to the following: - start-ups; - SMEs; - voluntary, community and social enterprises; - mutuals.
Levelling Up	Apprenticeship opportunities	No./£1k	Apprenticeship Opportunities per £1k of contract value - (1) the number of apprentices employed on the project (2) number of new starts on apprenticeships directly initiated through the project
	Direct Employment	1. Total no. FTEs 2. %age	(1) Total Number of 'direct' employees of the main contractor and their subcontractors on the project. (2) Percentage of the project workforce that are directly employed by the main contractor and their subcontractors
	Local Employment	%age	% Local Employment (within [25] miles of site or [25] miles of offsite facility) % Local Spend (within [25] miles of site or [25] miles of offsite facility)
Net Zero Carbon	GHG emissions on a whole life basis	tCO2e	Includes operational and embodied/capital carbon associated with lifecycle stages as described in BS EN 15978:2011, BS EN 15804:2012+A2:2019, the RICS Professional Statement: Whole Life Carbon Assessment for the Built Environment and PAS 2080

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