

Section 1 - Consultancy Value Statement: Value to be delivered	
Supplier Name	EC Harris LLP
Title of Contract	RM4610 L0560 Technical Consultancy for PFI Arrangements
Requirement Summary	<p>Infrastructure UK is a part of HM Treasury and is responsible for managing the Government's Operational Public Private Partnership Initiative Efficiency Programme. It will undertake an operational savings review of the PFI contracts for Government Offices Great George Street, comprising 1 Horse Guards Road and 100 Parliament Street, which are delivered by Exchequer Partnerships. This contract is for the provision of technical advice on the project documentation, facilities management service, costs and on-site compliance of the Government Offices Great George Street PFI agreements with the aim of identifying opportunities for cost efficiencies and savings.</p> <p>The approach to delivering this savings review is to provide a mixed disciplinary team (legal, financial and technical) to perform specialist operational PFI savings reviews to identify savings and efficiencies.</p>
Financial Value Statement	The expected value of this contract is £38,950.
Non-financial Value Statement	<p>The contract will deliver the following requirements:</p> <p>1 - Review of the Project Documentation - Review of the pass down of risk to the Facilities Management Subcontract including but not limited to payment, indexation, penalties, liability caps, dispute resolution, benchmarking, change control and performance monitoring to identify any cost savings. To be done in conjunction with the HMT financial team and legal advisors.</p> <p>2 - Facilities Management Service (Hard & Soft) - A review of the Facilities Management Output/ Service Level Specifications and actual service delivery that is required. In particular, consideration shall be given to the following issues:</p> <ul style="list-style-type: none"> • Where the conditions are considered to be onerous on the Contractor or not in line with current market practice and the necessary adjustments required in order to bring back into line with current market practice. This will include commentary on areas where the service is under/over specified relative to other comparable projects or better value would be achieved by removing a service and the practicality of doing so. What might be suitable revisions to the specifications and the expected differential in cost against the cost currently assumed in the Financial Model; • How well the service currently being delivered satisfies the Facilities Management Output / Service Level Specifications as currently set; • How the Contractor has addressed key interface issues between Department and Contractor services and the individual service providers (if relevant) and whether there

	<p>is scope for improving the interface and the associated reporting requirements; and</p> <ul style="list-style-type: none">• Assess the effectiveness and synergies of the soft FM delivery mechanism across both contracts. <p>3 - Payment Mechanism - A review of the Payment Mechanism and how it interacts with the Output Specification and the availability and performance requirements. Such review should address the following:</p> <ul style="list-style-type: none">• Adequacy, fairness and operability of the payment mechanism in practice, including an analysis of the level of service/availability/performance deductions the Technical Advisor would expect the Department to have been making to date based on the service actually provided;• Energy mechanism and risk profile and commentary on any scope for savings or incentive schemes. To be done in conjunction with the HMT financial team and legal advisors. <p>To the extent changes are proposed as part of the operational savings work, to identify the impact on the payment mechanism as per the purpose of this review.</p> <p>4 - Costs</p> <p>4.1 - FM (hard & soft) project costs</p> <ul style="list-style-type: none">• A review and report on the suitability of FM (hard & soft) project costs by benchmark references from comparable projects, recent value testing exercises or other suitable cost comparison data compiled by the Technical Advisor.• Comment on any price adjustment, benchmarking or market testing mechanisms. To be carried out in conjunction with the HMT financial team and legal advisors. <p>4.2 - Lifecycle Costs</p> <ul style="list-style-type: none">• A review of the adequacy of the lifecycle costs based on the specific requirements of the design. The analysis should include a comparison against market rates and published benchmarks or other suitable cost comparison data compiled by the Technical Advisor. A review of the lifecycle maintenance funding and allocation / spend arrangements including programme. <p>4.3 - Asset Utilisation</p> <ul style="list-style-type: none">• Review the third party income approach, its subsequent reporting and cost/income sharing mechanisms.• Assess any opportunity for increased asset utilisation and comment on how this could be implemented.
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	<ul style="list-style-type: none">• Comment on opportunities for increased use of asset and the impact of this on the payment mechanism / project risk. To be carried out in conjunction with the HMT financial team and legal advisors. <p>4.4 - Significant Risk Contingencies</p> <ul style="list-style-type: none">• The overall review shall include identification of and highlighting any costs against which significant risk contingencies have been allowed, a commentary on the appropriateness of such contingencies and a summary of those costs considered by Contractor to be provisional. To be carried out in conjunction with HMT financial team and legal advisors. <p>4.5 - Energy</p> <ul style="list-style-type: none">• Review the value for money of the energy pricing and energy consumption by comparing the performance of the building to high level benchmarking information. <p>4.6 - Financial Model</p> <ul style="list-style-type: none">• Review and opine on the assumptions used in the cashflow models during the operational phase, in particular in relation to the timing and amount of property and related costs (i.e. lifecycle), energy and hard/soft FM services.• Identify the costs in the financial model associated with any given service or aspect of the contract being considered for amendment i.e. costs that should come out of the model with respect to revisions in project scope or service level. This will include the consequential lifecycle costs of any such proposed amendment. To be done in conjunction with the HMT financial team. <p>4.7 - On-site compliance</p> <ul style="list-style-type: none">• Undertake a high level compliance check (one day site visit) and consider the actual service performance in light of deductions and issues raised by key stakeholders (users and contract managers). <p>4.8 - Technical Review Output</p> <ul style="list-style-type: none">• Complete technical elements of the Project Summary to pull together the key facts and issues that are likely to be relevant to the operational savings review and highlight any relevant missing information. The Project Summary will be included in the Report & Action Plan at the end of the identification stage.• Complete the technical element of the thirty Central Issues (see Appendix A) as set out in HMT's Central Issues Guidance of the Operational Savings Review documentation. The Central Issues assessment will be
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	<p>included in the Report & Action Plan at the end of the identification stage.</p> <ul style="list-style-type: none"> • Provide technical contributions to the completion of the initial Opportunities Register produced at the end of this identification stage. • Provide technical contributions to the body of the Report and Action Plan which appraises all the saving opportunities considered. The report will consolidate the outputs of all the identification activities, set out the scope for potential savings, provide a saving quantification and set out the next steps required to implement the savings opportunities. • The identification phase should be completed by 14th July 2015, after which an assessment will be made on whether to continue to preparation, negotiation and conclusion.
Section 2 - Consultancy Value Statement: Actual Value Delivered	
Financial Value Statement	To be completed on contract expiration.
Non-financial Value Statement	To be completed on contract expiration.