

Fframweithiau Adeiladu Trydydd Cenhedlaeth ar gyfer GIG Cymru

Third Generation Construction Frameworks for NHS Wales

Constructing Excellence Wales

17th May 2017

Background & Context

First Generation Frameworks

- DfL1 commenced June 2006 and ended in June 2012.
- Based on collaborative working, integrated supply chains and early Contractor involvement.
- One mandated framework process for all NHS capital delivery in excess of £4m.

Background & Context

First Generation Frameworks

- Frameworks comprised of support consultants directly assisting the NHS Clients (Project Manager, Cost Adviser and Supervisor); and
- Integrated supply chains with dedicated supply chain members for Architects, Building Services Engineers, Civil & Structural Engineers, Building Services Installers, CDM Coordinators and Healthcare Planners

Background & Context

Second Generation Frameworks

- Commenced from October 2011
- Lessons learnt resulted in:
 - 3 regional frameworks (DfL2) for projects between £4m - £10m
 - National framework (DfL3) for projects in excess of £10m
- Current frameworks will terminate in October 2017

Consultation Process to date

- Meetings & discussions have been held between all NHS Wales' Health Boards & Trusts.
- Current arrangements have been reviewed and the needs of NHS Wales identified.
- All NHS Wales' Health Boards & Trusts have expressed the view that frameworks are required.

Consultation Process to date

- Meetings and discussions have also taken place with Welsh Government, Value Wales and Constructing Excellence Wales.
- Primary purpose of these meetings has been to identify:
 - potential capital availability for the duration of the frameworks; and
 - all policies, procedures and best practice guidance to inform the proposal.

Consultation Process to date

The outcome of these meetings is that:

- all policies and procedures have been identified; and
- the planning assumption for the duration of the replacement frameworks is that there is an average annual capital availability in the order of £110m over the duration of the frameworks.
- An analysis and review of all the relevant information has led to the development of an outline proposal.

The Proposed Way Forward

- It is proposed that there are three main procurement routes for capital projects within the NHS in Wales:
- National framework for construction works in excess of £10m;
- 3 regional frameworks for construction works between £4m and £10m; and
- Local arrangements for projects with a capital value below OJEU threshold of circa £4m.

The Proposed Way Forward

- The primary purpose of the frameworks is to support the efficient and effective design & construction of capital projects and to enable Health Boards and Trusts within Wales to rapidly procure from a team of pre-selected parties in competition to support their capital needs

The Proposed Way Forward

- The frameworks will provide assurance & governance that pre-selected parties have met prescribed standards for capacity, capability, health and safety and procedure to ensure value for money is at the forefront of all projects.
- The tiered structure will provide opportunity for local, regional and national organisations to bid for projects within their capacity and capability.

The Proposed Way Forward

- Frameworks are to be procured and managed by NWSSP-SES for, and on behalf of, Welsh Government.
- Framework Agreements are to be executed by Velindre NHS Trust as host to NWSSP-SES.

The Proposed Way Forward

- Current principle whereby Health Boards and Trusts can access the central framework arrangements and select private sector parties under a prescribed mini-competition is to be maintained.
- Health Boards and Trusts will act as the Client under the terms of the contract.

The Proposed Way Forward

- Frameworks are flexible in order to allow access for joint agency working in the provision of health and associated facilities within Wales (e.g. Joint fire and ambulance stations).
- Frameworks are structured for capital funded schemes only. Revenue funded schemes are to be excluded from the frameworks.
- Framework duration of 4yrs + 2yr extension option.

National Frameworks

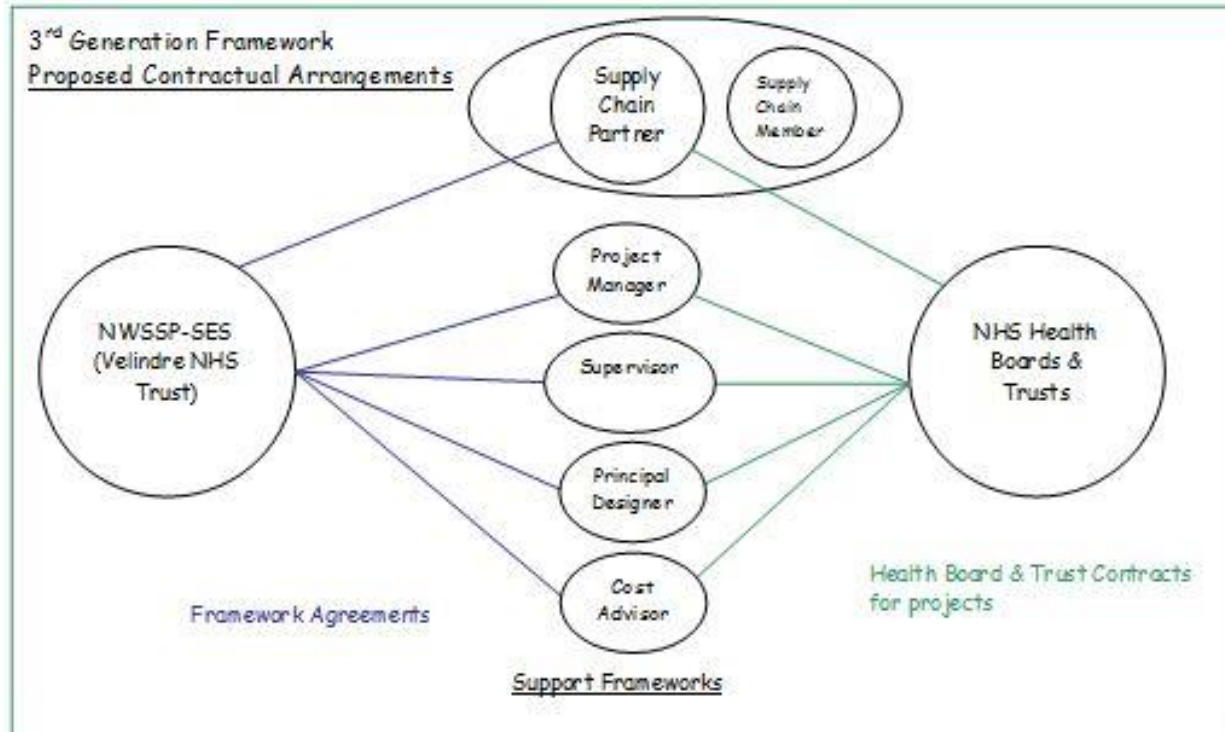
National Frameworks

- Support consultant frameworks comprised of 4 (?) parties + 1 reserve (for Project Manager, Cost Adviser, Supervisor and Principal Designer (?) services)
- Consultants assist and support Health Boards and Trusts from the outset of projects

National Frameworks

- Supply Chain Partner framework comprised of 4 parties + 1 reserve.
- Each Supply Chain Partner will comprise of 2 of each of the following supply chain members:
 - Architect
 - Building and Services Engineer
 - Civil and Structural Engineer
 - Building and Services Installer
 - Principal Designer (?)

National Frameworks



National Frameworks

- It is proposed that the use of national framework is mandatory.
- NWSSP-SES will develop 'ground rules' for procurement to prevent conflicts of interest.
- Parties representing Health Boards & Trusts will only be employed on the Client side of a project.

National Frameworks

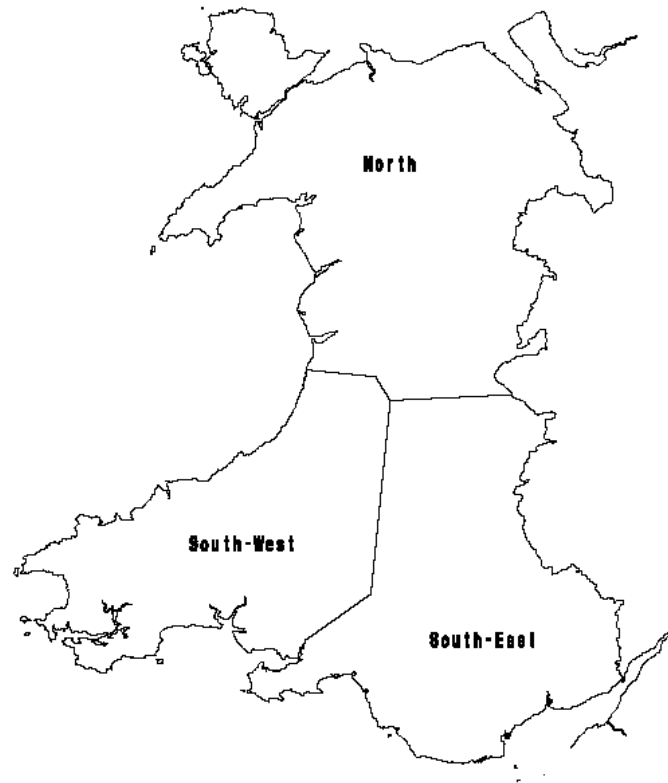
- The model enables early contractor involvement, integrated supply chains and single point contractual responsibility.
- Feasibility, design development and construction will be underpinned by the RIBA Plan of Works 2013 and Schedules of Duties developed by NWSSP-SES.

Regional Frameworks

Regional Frameworks

- Three proposed frameworks: South East-, South West- and North-Wales.
- It is proposed that the structure and composition of the regional frameworks is the same as the national framework

Regional Frameworks Potential Boundaries ?



Regional Frameworks

- Due to diverse range and level of complexity of potential projects it is recognised that one prescribed selection and contract process may not be best fit for all projects.
- The use of regional frameworks by Health Boards & Trusts is to operate on a mandated basis but alternative arrangements could be approved on an exception only basis with the express permission of Welsh Government.

Regional Frameworks

- NWSSP-SES will develop 'ground rules' for procurement to prevent conflicts of interests developing and the NEC3 suite of contracts will be adopted.
- Parties representing Health boards & Trusts will only be employed on the Client side of a project.

Regional Frameworks

- The model enables early contractor involvement, integrated supply chains and single point contractual responsibility.
- Feasibility, design development and construction will be underpinned by the RIBA Plan of Works 2013 and Schedules of Duties developed by NWSSP-SES.

Local Arrangements

Local Arrangements

- A number of Health Boards and Trusts have no current frameworks.
- A number of the potential requirements of Health Boards and Trusts are already in existence under the National Procurement Service consultancy frameworks.

Local Arrangements

- NWSSP-SES is to undertake a more detailed analysis of individual Health Board/Trust requirements and identify all potential options prior to proceeding further.
- It is noted that the immediate priority is the progression of the national and regional frameworks planned for October 2017.

Policies & Procedures

- Welsh Government requirements
 - Well-being of Future Generations (Wales) Act 2015;
 - Environment (Wales) Act 2016
- Constructing Excellence in Wales
 - No Turning Back Review,
 - The Five Framework Review

Policies & Procedures

Welsh Government requirements taken from Value Wales Policy and Resource Toolkit

- Wales Procurement Policy Statement
- Employment Practices on publicly funded projects - Procurement Advice Note (PAN)
- Community Benefits Measurement Toolkit
- Construction Procurement Strategy
- Value Wales' eProcurement Service (ePS)
- Sell 2 Wales and Common Procurement Vocabulary (CPV) Codes

Policies & Procedures

Welsh Government requirements taken from Value Wales Policy and Resource Toolkit

- Opening Doors - The Charter for SME Friendly Procurement
- Opening Doors - Implementation Guidance
- Organisational eProcurement Benefits Models
- SQuID Part 2: Guidance on Selecting Questions (V3 - May 2015)
- SQuID Part 3: Question Catalogue (V3.2 - May 2015)
- Construction Commitment Charter (Value Wales);
- Joint Bidding Guide

Policies & Procedures

Other Requirements

- Building Information Modelling (BIM) Level 2;
- BREEAM;
- Achieving Excellence Design Evaluation Toolkit (AEDET);
- Waste Reduction Targets & Recycling;
- Apprenticeship Initiatives;

Policies & Procedures

Other Requirements

- Blacklisting;
- Fair payment;
- Project Bank Accounts;
- Audit;
- Design & Construction Post Project Evaluation;.
- CDM 2015 and SSiP
- Public Contracts Regulations 2015.