



MOJ Construction Procurement

Forum for the Built Environment
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Senior Procurement Estates Category Manager

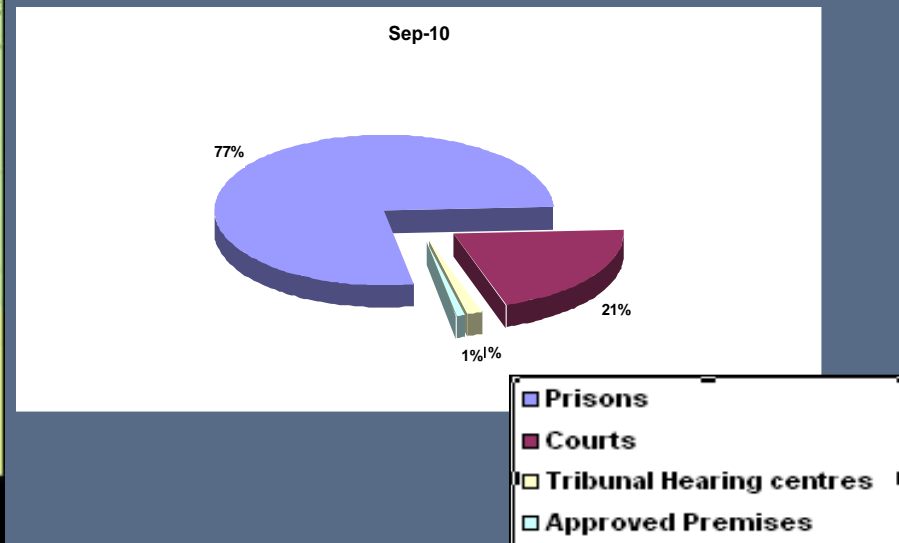
Our Estate

Ministry of Justice Holdings 2011



Largest mandated estate in government

- Circa 2000 building
- Circa £9bn value of estate



Combined Estate



HQ Estate



Probation



Coming Together



Courts



The Future ?



Prisons

Council
on **Tribunals**
Tribunals

Government Construction Strategy

- 20% cost reduction
- Skills development
- Cost and price benchmarking
- Supplier relationship management
- Building Information Modelling (BIM)

Building Information Modelling

Requirement of the Govt Construction Client Board -
Construction Strategy

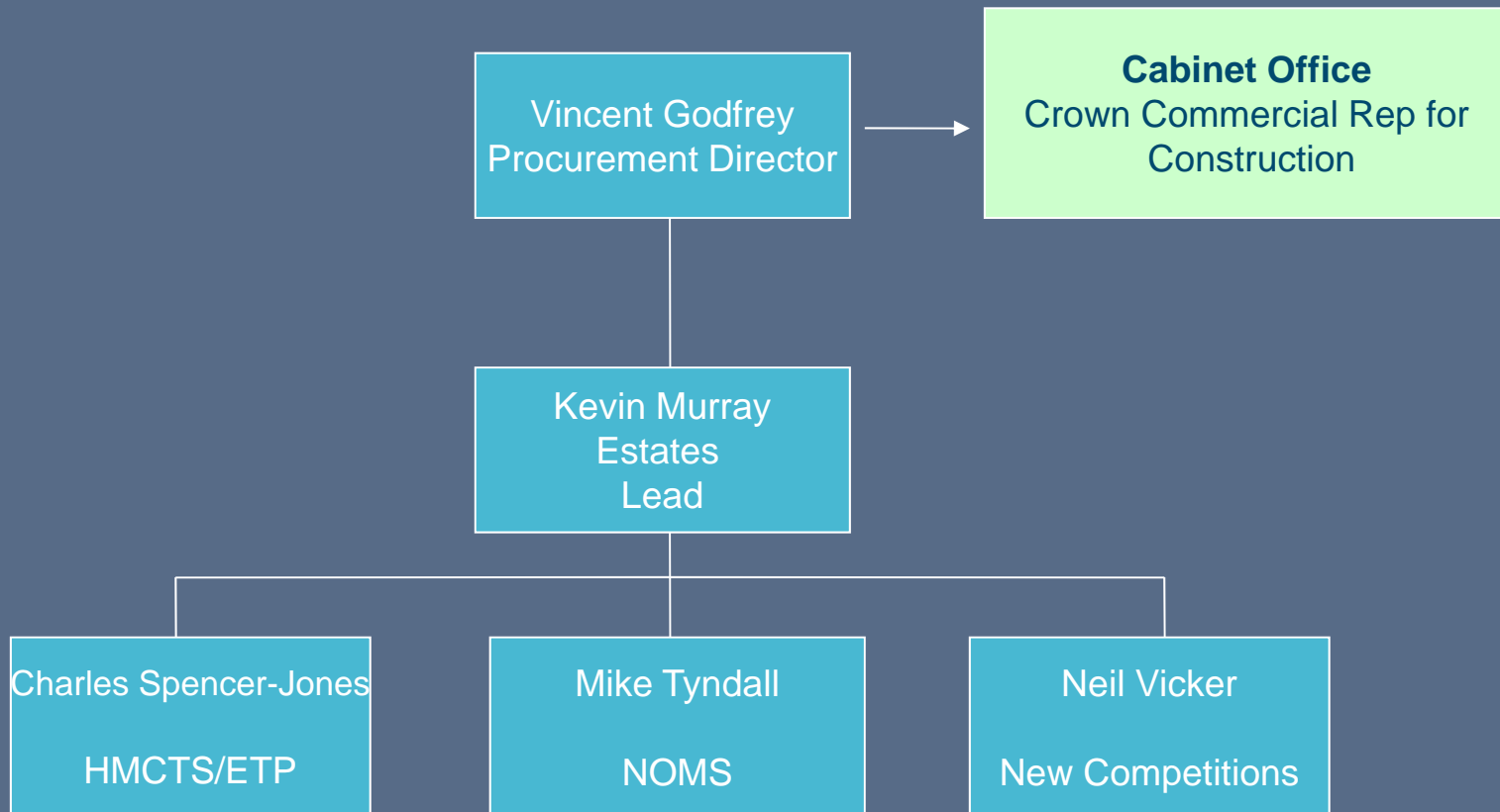
MOJ are aiming to be at “level 2” by mid 2013

Pilot projects in next few weeks

Seen as a process that:

- Supports “right first time”
- Continuous improvement
- Enhances quality of end product
- Provides timely information
- Drives out waste
- Helps to deliver more product for every pound we spend

MoJ Construction Procurement



Procurement Vehicles for Construction

SAA Replacement Frameworks	Parameters	Start Date
1. Construction	1. National Framework, projects £10m+ 2. Three Regional Frameworks, projects >£150K <£10m	Framework Award April 2012
2. Commodities/ Specialist	1. Mechanical and electrical 2. Fencing 3. CCTV, Security and Alarms 4. Lift renewal and replacement	TBC
3. Consultancy	1. Design and Supervisor 2. PM and Cost Consultancy	Competition launch Q2 2012

Procurement Vehicles for Construction

Property Services & Works Frameworks	Parameters	Start Date
1. Estate Professional Services	Lot 1 – Estate Management Lot 2 – Planning Advisor Lot 3 – Technical Audit (TFM) Lot 4 – PM and Design	Live
2. Minor Works	40+ Contractors appointed across 17 regions Works up to £500k	4th April 2011
3. Total Facilities Management	Hard and Soft FM Services for the entire MoJ Estate	1st work packages awarded Q4 2011

New Framework in a Nutshell

- 6 year duration
- 5 suppliers on Regional F/Ws
- 6 suppliers on National F/W
- NEC & PPC Contract conditions
- BIM – MoJ Pilot for Central Govt
- Promote skills and apprenticeships
- Mini competitions & Direct award options
- Adoption of the OGC/Erg Fair Payment clauses
- Maximum Price following IPP to DPP
- Incentives following Contract award
- Market focused threshold values

Strategic Alliance Agreement

MoJ [and additional clients] with Strategic Partners

National Strategic
Alliance Agreement

3 x Regional Strategic
Alliance Agreements

Option of PPC2000/NEC3 in call-off/mini-competition

PPC2000 two stage processes under Project Partnering Agreement

OR

NEC3 with bespoke Early Conditional Appointment equivalent to PPC2000

MoJ

Consultants

sign PPC2000 as Client Representative/Cost Consultant

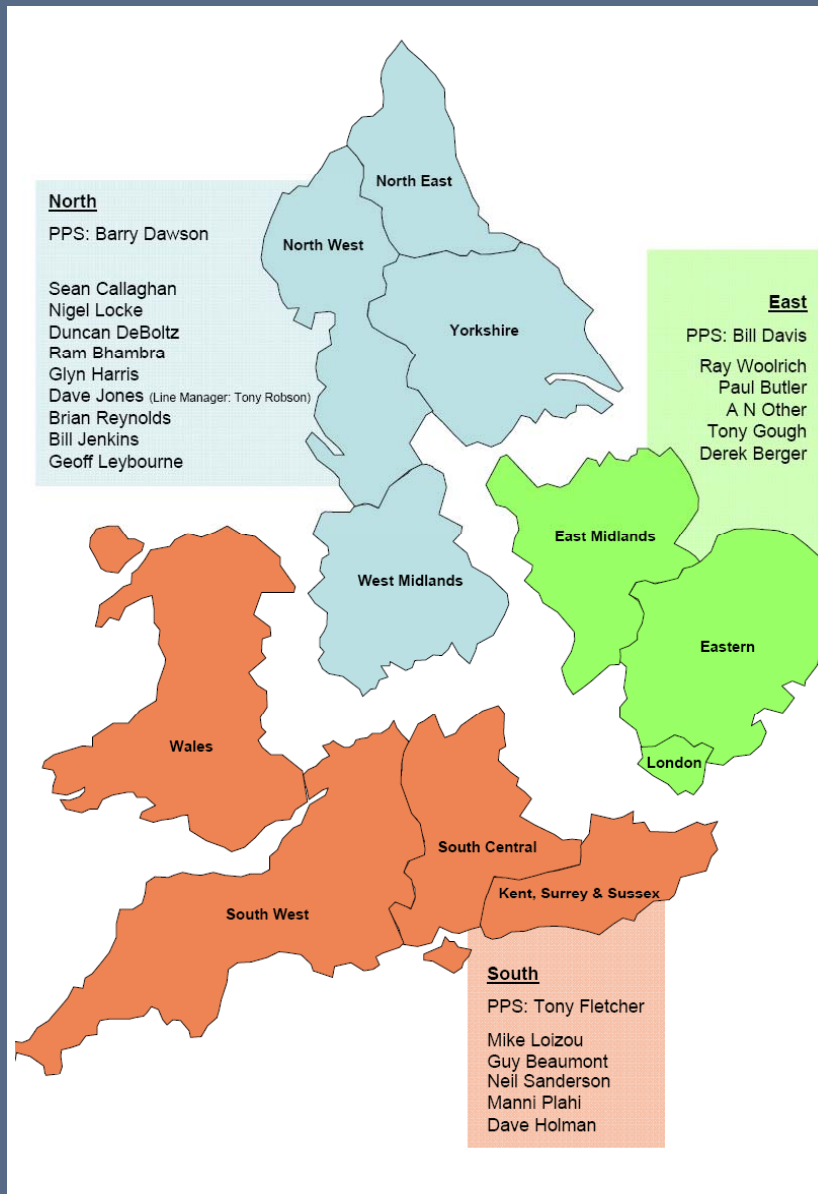
Or

sign NEC3 Professional Services Contract as Project Manager/
Supervisor/Cost Consultant

SAA Conditions

- Selection by call-off or mini-competition to establish maximum price for early contractor involvement
- Full supply chain transparency
- Corrective action notices for breach/ failure of strategic partners
- Shared savings scheme in respect of approved savings against IPP/budget
- Option to add additional Clients under MoJ control
- Operated by Strategic Core Group using documents governing Alliance procurement

New Framework Coverage



1 National Framework
(includes Scotland)
+£10M

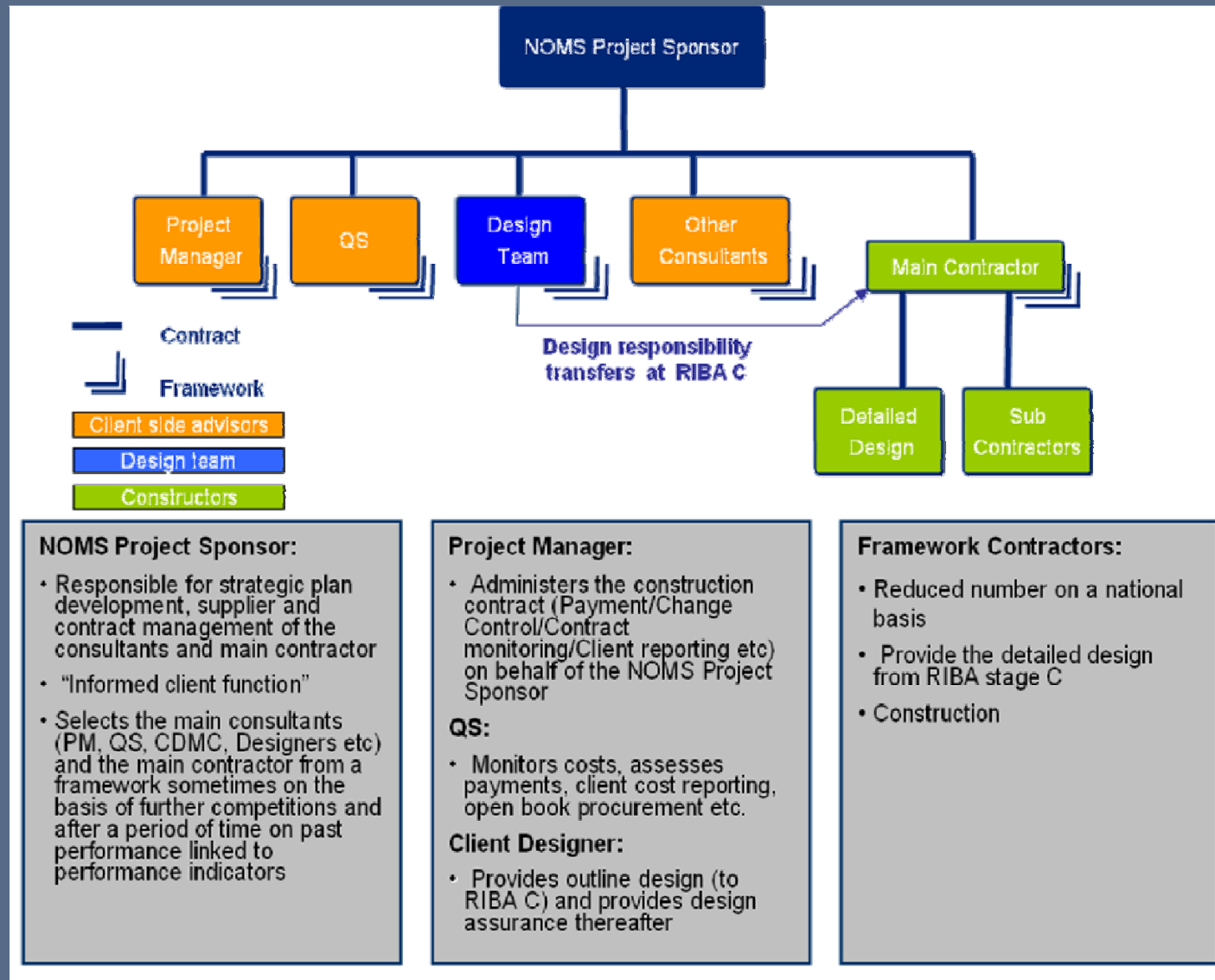
3 Regions (£150K -
£10M):

- North (incl Scotland)
- South
- East

New Framework Aims

- Better for less
- Objective to deliver 9% yearly savings
- Carbon reduction
- Encouragement of SMEs/Employment and Skills
- Timetable certainty
- Budget certainty

Operating Model



How to be involved

- Cabinet Office - quarterly forward pipeline of funded construction projects
- Transparency – All procurement opportunities £10K+ including contracts placed – ContractsFinder
- SMEs
- SAA Contractors Supply Chain

Future Considerations

- Breeam excellent
- Lower capital cost in evaluations
- Earlier involvement in design RIBA
- Apprenticeships

Close

- Exciting challenges
- A client keen to work in collaboration
- A Government Department viewed as picking up the challenges of the Cabinet Office – ERG
- A Client keen to work with and train its supply chain to mutual benefit

Thank You and Good Luck