



MASTERCCLASS 3a

5th April 2010

Derby

WELCOME

AGENDA

- 9.30 – 9.45 Introduction and Update – *Alan Coole, Scape*
New Frameworks coming on line
Health & Safety
Target Cost Agreement
- 9.45 – 10.05 Clients Understanding of Value for Money – *Des Moore, Baggaley*
- 10.05 – 10.35 The Importance of Performance Information to Sell and Shape the Service
Paul Bottrill, Scape
- 10.35 – 11.00 Marketing - *Les Needham, GF Tomlinson*
Direct to Schools
Splitting the Region
Marketplace 11
- 11.00– 11.15 *Break*
- 11.15 – 11.30 Sub-Regional Management: *Paul Windle, Scape*
- 11.30 – 12.15 Legislation & Refurbishment for System Builds – *Will Deverill and James Deverill from First Order Red*
- 12.15 – 12.40 Team Building the Collaborative Way - *Simon Bradbury of Kier Marriott and Dave Gill of Mouchel.*
- 12.40 – 13.00 Firefly Update – *Richard Radcliff, Go2 & Enderby Hyland*
- 13.00 – 13.30 *Lunch*

Academy Meeting to follow lunch. All attendees please reconvene for the Academy Meeting

FRAMEWORK MANAGEMENT - SCAPE

- SCAPE are a LA owned for profit business
- Experienced framework managers
- Central purchasing body so can procure frameworks through OJEU
- Understand Local Government issues
- Monitor and ensure consistent performance of the contractors on the framework

empa FRAMEWORKS:

Large Projects

Projects £7.50m upwards; regional procurement available now

Intermediate Projects

Projects £2.00-£7.50m; regional procurement, available now

Minor Works

Projects £10k - £2.00m (in 2 value bands); sub-regional procurement, available now

Repairs & Maintenance

Order value under £10k; sub-regional procurement available now

Design & Technical Services

18 different services, sub-regional procurement available May/June 2011

HOW TO ACCESS THE FRAMEWORKS



Body with Public Funding



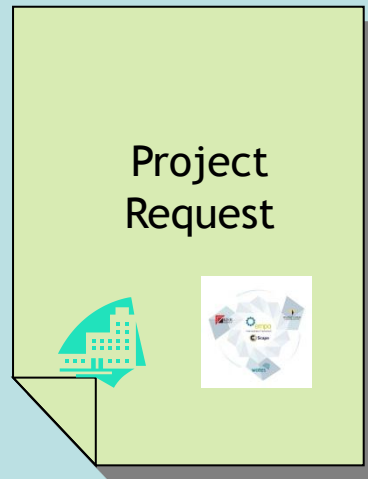
Framework
'owner'

HOW TO USE THE FRAMEWORKS

STAGE ONE : PROJECT REQUEST



Body with Public Funding



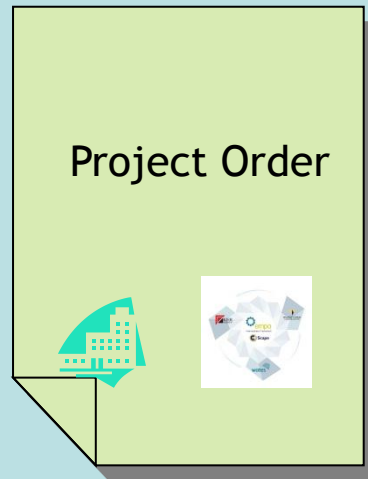
PROJECT REQUEST ALLOWS PARTIES TO REVIEW WHETHER A PROJECT IS 'DOABLE' - A FEASIBILITY. CONTRACTOR BEARS OWN COSTS

HOW TO USE THE FRAMEWORKS

STAGE TWO : PROJECT ORDER



Body with Public Funding



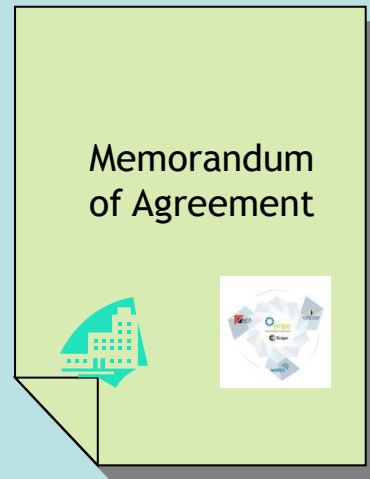
PROJECT ORDER ALLOWS PARTIES TO DEVELOP A SCHEME WITH INTENTION TO PROCEED TO CONTRACT. CONTRACTOR RECEIVES A FEE FOR MANAGING THE PROCESS

HOW TO USE THE FRAMEWORKS

STAGE THREE : CONTRACT



Body with Public Funding



MEMORANDUM OF AGREEMENT BRINGS PARTIES TOGETHER THROUGH THE NEC CONTRACT SIGNED BETWEEN CONTRACTOR AND SCAPE

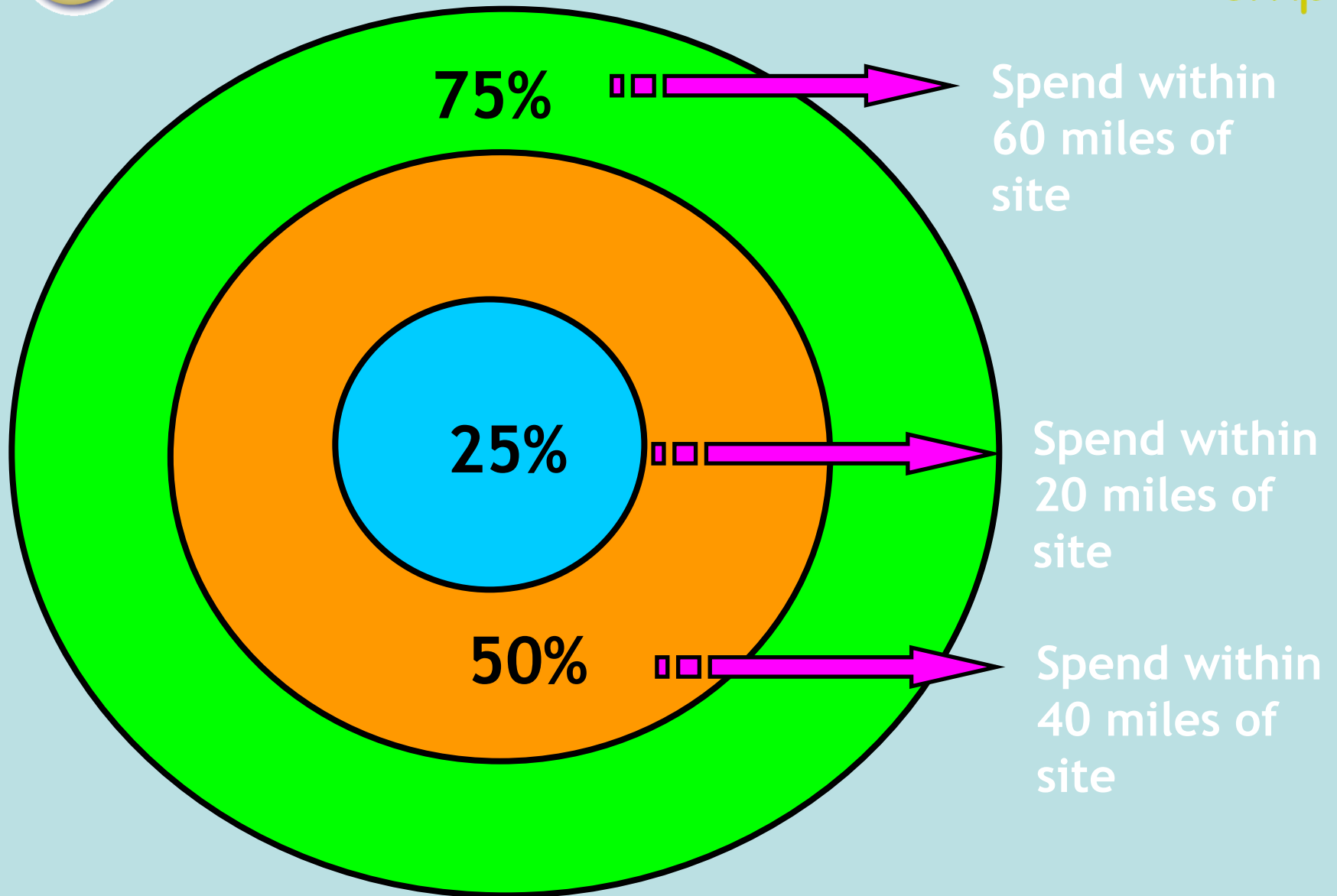
WHY SHOULD YOU USE empa?

- Feature rich procurement giving:-
 - Additional resources to help you deliver
 - Partnership approach - maximising VFM
 - Academy
 - Savings that flow back into the project to enhance it rather than flowing into the contractor's pocket
 - Make small clients a BIG CLIENT
 - Genuine sustainability knowledge - early BREEAM credit protection
 - Local spend
 - High Community and customer engagement
 - Controlled and regulated delivery
 - Reduced stress
 - Financially stable contractors
 - Claims not on the Agenda

WHY SHOULD YOU USE empa?

So what does this mean?

- Save time - can access market now!
- Best Value - whole project is tendered and get additional features that cannot be tendered traditionally
- Ensuring money is spent wisely - getting the right product through a deeper understanding of the brief and client
- Community buy-in
- Keeping money local means that the money you spend is 'sticky money' - £1m kept local = £6m investment
- Certainty of cost, quality and time - these are all measured and monitored by SCAPE
- Project Focused
- No more spend on solicitors!



empa Gateway Process

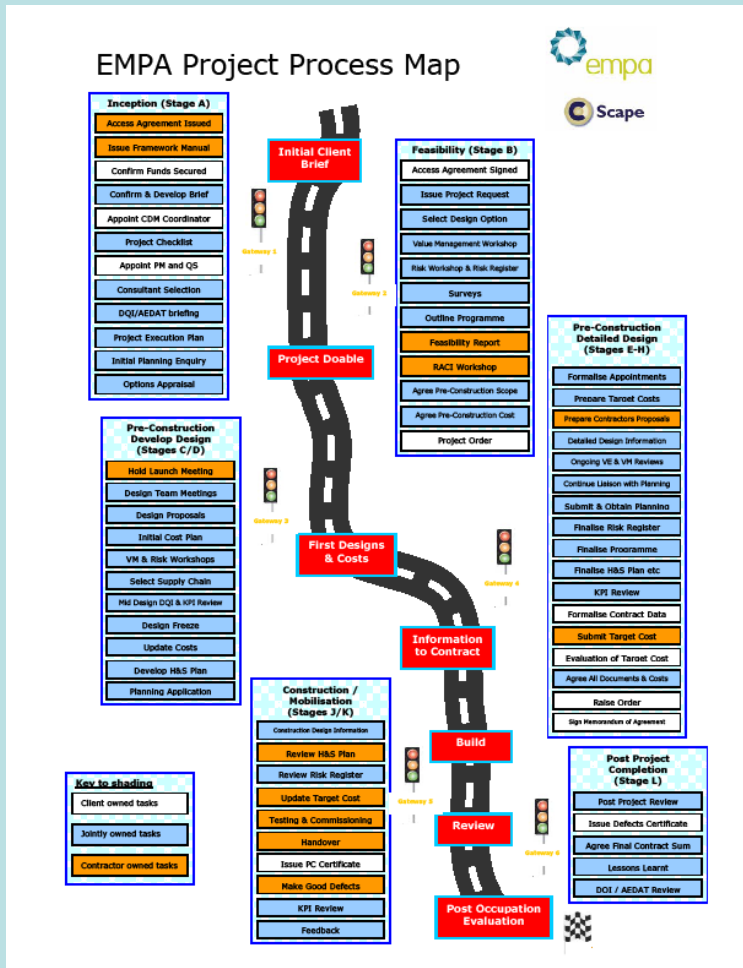
Features / Benefits

Formalised process = it's clear what we are doing now and what we are doing next

KPI's and performance monitored by SCAPE = performance assured

Contractor's bears own costs through Inception and Feasibility (Gateway's 1 & 2) = minimal costs to Authority to establish if scheme is doable

Early contractor involvement means less resource needed from Authority = less finance needed and less stress too





Key features

Pre-OJEU compliant tendered

Administered by SCAPE

Early Contractor involvement

Key benefits

avoids project delays caused by OJEU notification

competitively tendered to give best value

ensures consistency of delivery irrespective of contractor allocation ; processes defined and clear

Feasibility at no cost to Authority

Buildability and programme advice to avoid waste



Key features

NEC Partnering Contract

Contractors with local delivery

Feature rich procurement

Supply chain control

Key benefits

'open book' costings – you pay what the contractor pays with fixed add-on = proof of best value

any savings generated during construction passed back to client to reinvest in project so project budget is maximised

National Initiatives delivered locally

engagement; training; sustainability; innovation

commitment to keep spend locally

Headlines Update

- emp 2010 elections are complete. The new Chair is Jeremy Goacher from Derbyshire. More changes expected due to LA reorganisations
- emp now has 38 authorities (from 46) as participants.
- The Intermediate framework is being used by Bolsover, Charnwood, South Holland, Lincolnshire, Rutland and Leicester City, Hinckley & Bosworth, Nottinghamshire, Erewash, Nottingham City, NHS, Police. 16 projects are in feasibility, Scape is now looking to clients for the next tranche of contracts to start. £95m of work is in the system.
- The Minor Works framework is progressing well with all companies selected now having work. £35+m of work in all Sub-regions has commenced. Projects are already on site, 40 have completed.



- Police, plus PCTs and Hospital Trusts have signed Access Agreements.
- The empa Large Project framework was let to Willmott Dixon Construction .
- The Repairs and Maintenance framework has been let to 6 partners. There is strong demand for the service which will have mini-competitions.
- Design & Technical Services framework has been tendered and the lots are being scored by Authorities with a view to starting in the next 2 months. This service will have a mini competition to allocate work.
- The “2010 Marketplace on Tour” and empa Stakeholder event in 2011 were all very successful.
- The first empa Intermediate project (Red Lion St) has just opened.
- Other success stories from around the room?

- Regional supply chain ‘Meet the Buyer’ are in progress. Excellent events have already taken place in Lincoln and Nottm/Derby. Further events in Northamptonshire and Warwickshire happening shortly - make sure you are represented in your area.
- Future workload information and commitment is needed to improve planning into 2010/11 - changes in Local Government resources are making it difficult.
- The emp Framework Academy development commenced on the 1st February 2010. The Academy is being managed on behalf of emp by the EMCBE.



However there are serious budget
and resource issues!



Health & Safety Reminder!



Target Cost Calculation and Agreement

Scape Fee calculation

empa Target Cost worked example - NEC Short contracts					
Price List					
Description	Unit	Quantity	Rate	Price	
Pre-construction costs	Item	1	£2,000.00	£2,000.00	
Demolition	Item	1	£5,000.00	£5,000.00	
Brickwork	Item	1	£5,000.00	£5,000.00	
others (to be listed)	Item	1	£100,000.00	£100,000.00	
Preliminaries	Item	1	£15,000.00	£15,000.00	
Sub-Total				£127,000.00	
Contractors Overheads & Profit (on Defined Cost)			5%	£6,350.00	
Sub-Total				£133,350.00	This is the nett Target Cost on the tracker reported to Scape
Scape Fee (Framework Management Charge)			1.35%	£1,800.23	
The Total of the Prices				£135,150.23 *	This is the Agreed Target Cost on the tracker reported to Scape

* This is the Contract Sum entered on the Memorandum of Agreement

Scape Fee calculation

empa Target Cost worked example - NEC3 Option C contracts			
Activity Schedule			
Pre-construction costs		£10,000.00	
Sub-contract packages			
Groundworks		£100,000.00	
Steelwork		£200,000.00	
others (to be listed)		£2,000,000.00	
Preliminaries		£100,000.00	
Sub-Total		£2,410,000.00	
Contractors Fee (on Defined Cost)	5%	£120,500.00	
Sub-Total		£2,530,500.00	This is the nett Target Cost on the tracker reported to Scape
Scape Fee (Framework Management Charge)	0.50%	£12,652.50	
Target Cost		£2,543,152.50 *	This is the Agreed Target Cost on the tracker reported to Scape
* This is the Contract Sum entered on the Memorandum of Agreement			