

Eight named on £4.5bn framework

BAM, Willmott Dixon and Miller among contractors awarded places – other IEPs in doubt

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Local government's drive to create multibillion-pound regional construction frameworks and generate efficiency savings worth millions saw eight more firms land £4.5 billion of work last week.

CNplus revealed eight firms are understood to have been awarded places on the Improvement and Efficiency South East framework. BAM Construct, Leadbitter, Mace, Mansell, Morgan Sindall, Osborne and Willmott Dixon looked to have secured slots, alongside Miller, who announced their place.

The four-year framework – led by Hampshire County Council and used by 30 authorities and bodies from emergency services to schools – should save £160 million over three years, and £250m over five, by single procurement and sharing best practice, skills and staff.

Miller Construction chief executive Chris Webster said the framework was “being held up as a blueprint across the UK as how major contract frameworks can operate” but there may be some who disagree. The IESE award comes as regional improvement



and efficiency partnerships (IEPs) face a mixed future. A report from Improvement East said there is “little or no feasibility” to carry on in its current form as partner councils face unprecedented financial cuts and central funding dries up.

The initial three-year regional IEP programme closed on 31 March, at which point the nine partnerships had saved more than £600m in procurement, much of which was outside construction. Some regional IEPs are still running full programmes, while others are said to be scaling back and merging with other organisations.

Yorkshire and Humber's Lee

£4.5bn
 Value of the iESE framework

£16m
 Efficiency savings for the IEP West Midlands

9
 Regional partnerships across the UK

Parkinson, performance and development manager at the YORbuild framework, however, said its construction framework has two more years to run but may be extended due to its success.

He said it differs from others in that it signed up about 40

companies – from BAM, Willmott Dixon and Interserve, to regional contractors such as George Houlton & Sons and George Hurst & Sons. It has led to the creation of a £384m civils framework, with a consultancy framework set to be awarded in September.

During procurement there were four key issues: supply chain management; employment, training and apprenticeships; waste and carbon reduction; and community payback. The schemes vary from £6,000 to £20m, with competition based on quality and price, and efficiency driven through the supply chain. “It reflects the government's Construction Strategy, where they want to see more competition in the supply chain,” said Mr Parkinson.

BAM director of corporate communications Barbara Cahalane said being able to offer flexibility and value are key, and refurbishment services are important in the current climate.

She added: “It is a better method than your single-stage tender – it allows for proper collaboration, dialogue and discussion, and the ability to work on design and to decide the best way of doing things.”

West Midlands' construction framework, led by Worcestershire County Council and funded by Improvement and Efficiency West Midlands, could save more than £16m on its £180m four-year framework, which it gave to Kier, Thomas Vale and Speller Metcalfe. Key to this was engaging with contractors and clients early on, and holding buyer and supplier workshops.

Contractors with a record of client collaboration are in a strong position as frameworks come up for retender.

WEST MIDLANDS FRAMEWORK: KEY LESSONS

Worcestershire County Council's West Midlands Construction Framework aimed to save £16 million for the council and set a limit of £180m of work. It listed key lessons for procurement:

- Engage with potential contractors and clients early on, including holding buyer and supplier workshops.
- Develop a clear and sustainable business case to ensure income is

sufficient to pay for the overheads needed to manage the framework on a day-to-day basis, such as paying for a programme manager.

- Develop clear and inclusive governance arrangements at both a strategic and operational level.
- Give careful consideration to the evaluation criteria and subsequent performance monitoring systems.
- Recognise possible supply chain

management issues, particularly the potential impact on local SMEs and job creation for the disadvantaged.

- Promote the use of sustainable materials and processes that reflect whole-life costing.
- Communicate progress with all key potential partners and listen to their needs.
- Liaise with others who have been through similar experiences.