

CASE STUDY: DELIVERING SCHOOLS & PROPERTY FIT FOR THE FUTURE

HEADLINE

Public sector bodies are being encouraged by Government to pursue more collaborative forms of construction procurement in line with the “Rethinking Construction” principles. These principles stress the importance of procurement in improving efficiency i.e. long-term alliances based on a thorough understanding of cost and performance.

THE CHALLENGE

Local Authorities within the Eastern region, the Regional Centre of Excellence East (RCE East) and the Association of Chief Corporate Property Officers (COPROP) came together to develop a plan for a regional joint procurement consortium, including constructors & materials suppliers, for the procurement of capital works. The result was a jointly owned and managed not-for-profit limited liability company.

THE APPROACH

We developed a plan for a regional joint consortium for the procurement of capital works including constructors and materials suppliers at all levels. In addition we implemented the plan via a pilot project to demonstrate increased quality, cost savings and efficiencies through the use of currently accepted best practice techniques including:

- performance measurement & a programme of continuous improvement
- open book accounting
- ring fenced overheads and profit
- incentivisation linked to performance.

OUTCOME

Change is like any other project – it needs resources, a plan and management – and there is a national shortage of skilled people, including many of the skills required to manage the change process. As a result, CWC are acting as change managers. A senior level management group was established which included staff from procurement, internal Client and asset functions to lead the change process within the organisations.

VALUE CREATED

Benefits will stem from efficiency savings on every project undertaken using the developed methodologies and standard procedures; these will come from:

- immediate term - savings in tendering costs due to sharing of resources, standardising of documentation and the fact that that it will not be necessary to tender for subsequent projects procured through the framework
- short term – lower costs from Contractors and suppliers based on their ability to work more efficiently, plus shared costs of ongoing management
- longer term – opportunity to apply Continuous Improvement throughout the life of a project and to develop other cost sharing collaborations.

THE DELIVERY TEAM

Alan Coole was responsible for the work.