

THE EXECUTIVE

18 MARCH 2003

REPORT OF THE DIRECTOR OF HOUSING AND HEALTH

CLIENT PLANNING TEAM	FOR DECISION
<p><i>This report concerns the Client Planning Team in Housing Repairs and Improvement.</i></p> <p><u>Summary</u></p> <p>This report sets out the process for engaging a consultant partner to provide advice and training within the construction planning team, and describes the proposed structure of that team.</p> <p><u>Recommendations</u></p> <ol style="list-style-type: none">1. The Executive is asked to endorse the proposed process for engaging a consultant partner and;2. Agree that a Member of the Council be requested to join the tender evaluation team. <p><u>Reasons</u></p> <p>This develops upon a previous report proposing that further details on specification and tendering arrangements would be presented to the Executive.</p>	
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1. Background

- 1.1. A report describing the composition of the proposed Client Construction Planning Team was presented to the Executive on 26 November 2002. The majority of jobs within the team would be new posts recruited to the Council. However, there would also be a partnering arrangement with outside consultants who would, working as part of the new team, provide expertise in modern construction management skills. This arrangement would be for a five year period, during which time a training programme developed by the consultant would ensure that these skills were transferred to LBBD staff.
- 1.2. It was proposed that a further report would be presented to the Executive, providing more detail on the specification and tendering arrangements for the consulting staff.

2. Specification

- 2.1. Construction practice in the UK is changing rapidly and in order to ensure the best value delivery of repair and improvement, the team will need to employ modern business skills and tools. In particular, the consultant partner will be asked to bring a number of specific skills into the team. These are principally procurement expertise, risk and value management, whole life costing, data management, problem resolution, strategic and project briefing. They will also be expected to play a significant part in the development of appraisal and performance management systems.
- 2.2. Training of the Council's staff in Rethinking Construction and the transfer of modern skills to radically improve investment and construction management will be an important task for the incoming consultancy organisation. Part of the selection process will require potential consultants to submit a training plan for which objects and targets will be set and reviewed.
- 2.3. As part of the training and development of the client planning team, the consultant partner will be expected to fully participate in the implementation of the Construction Client's Charter which the Department intends to use as a management framework for carrying out changes to its client procurement activities and culture over the next five years.
- 2.4. The detailed specification is currently being developed. However, the summary attached at Appendix A describes those activities which the partnering consultant will be expected to provide.

3. Consultant Selection

- 3.1. The selection of the consultant partner is subject to EU procurement rules. As a consequence, expressions of interest were invited in December 2002 which resulted in 37 submissions. A diagram setting out the selection process is attached at Appendix B. As a first stage, these submissions have been subject to assessment for the technical ability of the applicants to supply the construction management skills necessary. Of those who expressed an interest, 10 have been selected to continue through the process.
- 3.2. A further 'Pre-selection Stage' will follow with the evaluation of a response to a detailed statement of Client Requirements to produce a tender shortlist of approximately 4 firms.
- 3.3. Those invited to tender will be evaluated both on quality and price criteria subject to interview/presentation and assessment of client satisfaction in other recent commissions.
- 3.4. The preliminary assessment of technical, financial and managerial competence has been undertaken by the officers with the relevant skills. It is proposed that the selection team is enlarged for the tendering evaluation process. This will mirror the method successfully adopted during the Repairs and Maintenance Market Testing. The Tenants Federation has been approached for tenant representatives to contribute to the process. Similarly, the process would be greatly enhanced by

Member involvement, which has been requested as a recommendation of this report.

4. Client Team Organisation

- 4.1. Appendix C sets out the client planning team structure and the consultants place within that. The roles and responsibilities of the team members are based upon those recommended by the Office of Government Commerce as a preferred organisation for public sector construction clients. The consultant's staff will work alongside Council employees to plan, procure, manage, monitor and audit investment in the Housing stock. This will include both major improvements schemes and day to day repairs to ensure that homes are brought up to a decent standard and are maintained to that standard.
- 4.2. The Project Directors will be the link between strategic planning and management of investment, and the delivery of individual projects. They will have responsibility for a portfolio of schemes, and managing a group of Project Managers who will provide detailed day to day management of individual projects. The Project Managers are currently carrying out specialist tasks within the delivery of Shape Up and the MRA Internal improvement programme. However, as other projects are developed for 2004 and beyond they will be developing their roles as the interface between the planning team, the supply chain (individual contractors etc.) and Community Housing Partnerships.
- 4.3. The strategic planning and performance management of investment will be co-ordinated by the Asset Manager, who will also be responsible for integrating and developing the activities of the consultant partner into planning and service delivery.
- 4.4. Programming staff will strengthen financial and performance management of both capital and revenue investment, whilst the Practice Manager will ensure that contractual and administrative matters are effectively dealt with. The Stock Information Manager will be responsible for developing and maintaining up to date information on the condition of the stock, which will be vital to the development of accurate business planning for stock investment.
- 4.5. Most of these positions are new posts, although there will be a development and assimilation of the current Administration Manager into the proposed Practice Manager position.
- 4.6. These proposals have been discussed with all staff currently employed within the capital works section as part of an on-going consultation and training process. Additionally, Trade Union representatives are being consulted as the process progresses.

Background Papers

Report to Executive 26.11.02 "The Client Team"

Report to Executive 26.02.02

Outline specification of services required from proposed external advisor to client planning team.

The range of skills and knowledge which the external advisor is expected to deliver as part of the commission reflect the guidance and standards set out in the HM Treasury Procurement Guidance 1-9 (for Construction) and in the Office For Government Commerce Achieving Excellence In Construction publications. These are outlined below and will be described in further detail as the procurement process develops, and incorporated into agreed Terms and Conditions of Engagement before any appointment is finalised.

1. Value Management / Value Engineering
2. Risk Identification / Risk Management
3. Whole Life Costing (and Life Cycle Costing)
4. Best Value Procurement
5. Dispute / Problem resolution
6. Health and Safety Management
7. Asset Management / Strategic Property Management
8. Programme and Project Management
9. Cost Management
10. Performance Management and KPI systems
11. Partnering and Supply Chain management
12. Quality Management
13. The Development of Strategic and Project Briefing Documents
14. Implementing Clients Charter
15. Developing training programmes for the delivery of up to date construction procurement and management skills to Council staff
16. Delivering skills transfer and staff mentoring programmes.

Selection and recruitment – milestones

