



Achieving Excellence in Construction

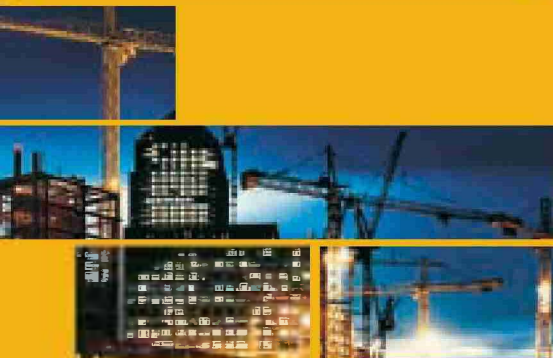
# Procurement Guide

# 01

# Initiative into action



Office of Government Commerce



# 01

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### NAO endorsement

The NAO recognise that proactive client leadership and robust project management are pre-requisites to the successful delivery of construction procurement.

They consider that procurement of construction should be on the basis of whole-life value for money and endorse the use of the good practice promoted by this suite of guides. They may investigate whether this good practice is applied in practice in any future examination.

### Acknowledgements

This guide has been published after extensive consultation within government and valuable contributions from leading individuals and organisations across the construction industry.

OGC would like to thank all who have contributed.

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# The Achieving Excellence Procurement Guides

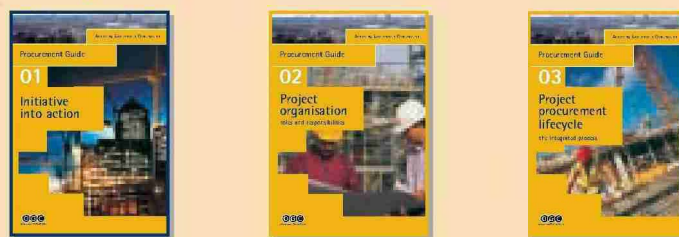
The Achieving Excellence suite of procurement guides replaces the Construction Procurement Guidance series.

The new series reflects developments in construction procurement over recent years and builds on government clients' experience of implementing the *Achieving Excellence in Construction* initiative.

## High level guides



## Core guides



## Supporting guides



# 01 Initiative into action

## Introduction

'Construction is key for the Government as we seek to improve quality of life for everyone. It produces and maintains the schools and colleges in which our young people are taught, our schools and hospitals and the homes in which we live. It is central to the regeneration of run-down and deprived areas. In much the same way, construction is key to business. Construction is central to the delivery of our policy objectives.'

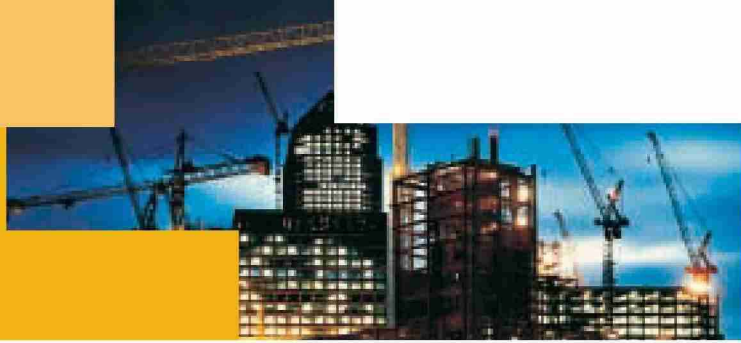
Brian Wilson, MP: *The Government's Construction Policy* February 2002

Construction is central to the delivery of government policy objectives; we cannot afford to have construction projects that fail. Yet government's track record as a client reveals some spectacular failures – Bath University's study in 1998 showed that 73% of contracts exceeded tender price and 70% exceeded time estimates. *Achieving Excellence* has helped to bring about significant improvements, together with other recent initiatives; but more needs to be done. This document sets out the way forward for wider adoption of *Achieving Excellence* principles. It provides a summary of *Achieving Excellence* progress to date and information about the future strategy.

The future strategy for *Achieving Excellence* helps departments to build on the progress already made. It was launched by the Chief Secretary to the Treasury, Paul Boateng, in February 2003. This guide provides an overview of the new procurement guidance that supports the *Achieving Excellence in Construction* initiative. It outlines the guidance in the context of central initiatives to provide a step change in the performance of government as a client of the construction industry; in addition, it sets out key messages for senior management in these areas.

Who should read this overview?

The audience for this document is wide-ranging – from senior management, especially those taking on the role of investment decision maker and/or senior responsible owner for construction projects to project sponsors and other project team members. It will also be of interest to anyone who needs to be aware of central initiatives relating to construction projects and key principles for delivering those projects successfully.



## Achieving Excellence in Construction

Through the *Achieving Excellence* initiative, central government clients commit to maximise, by continuous improvement, the efficiency, effectiveness and value for money of their procurement of new works, maintenance and refurbishment.

*Achieving Excellence* was launched in March 1999 to improve the performance of central government departments, their executive agencies and non-departmental public bodies as clients of the construction industry, following major failures in time and cost overruns. It aimed to provide a step change in construction procurement performance and in the value for money achieved by government on construction projects, including maintenance and refurbishment.

The *Achieving Excellence* initiative set out a route map with challenging targets for government performance under four headings – **Management**, **Measurement**, **Standardisation** and **Integration**. Targets included the use of partnering and the development of long-term relationships, the reduction of financial and decision-making approval chains, increased training and empowerment, the adoption of performance measurement indicators, the use of integrated procurement routes and the use of tools such as value management, risk management and whole-life costing.

Building upon *Achieving Excellence* and with the support of departments, HM Treasury launched a complementary initiative in June 2000: *Achieving Sustainability in Construction Procurement* (Sustainability Action Plan). The three-year action plan set out how the government client would take forward the sustainable development agenda through better procurement of new works, maintenance and refurbishment.

The key thrust of *Achieving Excellence* is the delivery of value for money. This is not the lowest cost but the optimum combination of whole-life cost and quality to meet the user's requirement. *Achieving Excellence* fully supports the objectives of the Prime Minister's *Better Public Buildings* initiative, launched in November 2000.

# 01 Initiative into action

## Background

Against the background of key reports on the construction industry in recent years – notably *Constructing the Team* (Sir Michael Latham, 1994) and *Rethinking Construction* (Sir John Egan, 1998) – the Government has taken forward a number of initiatives to improve the performance of both the supplier and the government client sectors.

Following the publication of the *Construction Procurement by Government: An Efficiency Unit Scrutiny* (Sir Peter Levene, 1995), the Government Construction Clients' Panel (GCCP) was established in March 1997 with membership drawn from across government.

In 1998, the GCCP and the Treasury's Procurement Group commissioned Bath University to examine the UK government's performance as a client of the construction industry. The study identified failings in six main areas, which demonstrated a performance gap between government and best practice clients. These were:

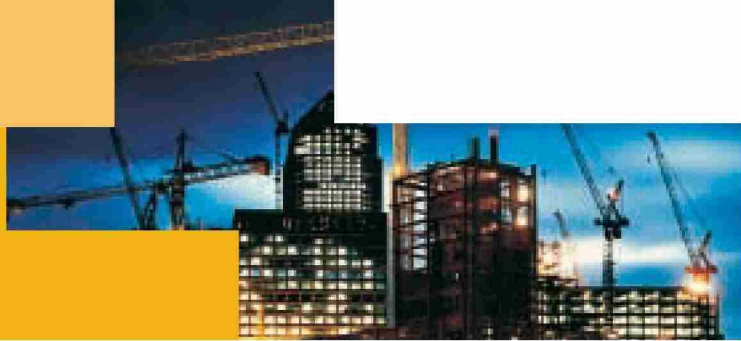
- poor management – evident in a lack of true leadership
- a risk-averse culture stifling innovation
- a lack of integration in the supply chain
- poor project flow – caused by financial and decision-making delays
- an approach to procurement that was not oriented to achieving value for money
- misinterpretations of the need for public accountability, such as a fear of longer-term relationships or partnering with suppliers.

The report went on to recommend that the required level of improvement could be achieved through attention to culture change and the use of internationally recognised best practice tools and processes. Defence Estates' Building Down Barriers project provided evidence that supply chain integration and other good practices deliver good results.

At the same time, and focusing on the central government clients, the Treasury initiated its benchmarking studies of performance on a sample of construction projects. The first study was published in October 1998 and found that 73% of contracts exceeded the tender price and 70% exceeded time estimates. The second study, in 1999, showed that more than 50% of contracts still exceeded the pre-tender budget and 66% exceeded the time estimates. These studies highlighted the huge potential for savings.

As a direct result of these findings and to address the shortcomings in client performance highlighted by the benchmarking study, the Chief Secretary to the Treasury launched the *Achieving Excellence in Construction* initiative.

The key reports and initiatives relating to construction projects are summarised in Annex A.



*Achieving Excellence* accepted the potential for vast improvements in performance and accompanying value gains, and set out a route map for improvement of the construction client. This was recognised as a key step to improving construction performance overall.

Initially conceived as a three-year strategy, *Achieving Excellence* set challenging targets for government performance for each of the years 2000, 2001 and 2002. The strategy identified how change would be achieved in each of the four key areas, together with what should be done in each of the three years up to March 2002. The future strategy for *Achieving Excellence* is summarised later in this chapter, and aspects for departments to consider in their individual action plans and OGC action areas are set out in Annexes B and C respectively. The table below summarises the targets from the initial phase of the *Achieving Excellence* initiative.

### 1 Targets from the initial phase of *Achieving Excellence*

How we achieve change	What we do by March 2002
<b>Management (culture change)</b> <ul style="list-style-type: none"> <li>■ Commitment and leadership</li> <li>■ Empowerment and skilling</li> <li>■ Consistent and skilled project management</li> </ul>	<ul style="list-style-type: none"> <li>■ Ministerial conference to review progress</li> <li>■ Senior officials' group and regular dialogue with industry (ongoing)</li> <li>■ 100% of departments to have fully empowered their project sponsors</li> <li>■ 100% of annual training targets achieved</li> <li>■ 100% of departments apply best practice project management</li> </ul>
<b>Measurement</b> <ul style="list-style-type: none"> <li>■ Standard Key Performance Indicators</li> <li>■ Post-project implementation reviews</li> <li>■ Client performance surveys</li> </ul>	<ul style="list-style-type: none"> <li>■ 100% of departments use Key Performance Indicators (KPIs)</li> <li>■ Benchmarking with at least five European partners</li> <li>■ 100% of departments assess performance using post-implementation reviews</li> <li>■ 90% supplier satisfaction</li> </ul>

## 01 Initiative into action

### How we achieve change

#### Standardisation

- Key standard practices on:
  - procurement decisions on total value for money
  - use of risk and value management
  - output/performance specifications
  - whole-life costing
  - robust change control
- Information Technology and standardised document handling

#### Integration

- Teamwork and partnering
- Focus on Design & Build, PFI, Design/Build & Maintenance, Prime Contracting

### What we do by March 2002

- 100% of departments apply standard practices
- 100% of departments use recommended technology
- Departments use lean project and financial approval chains
- 100% of departments use teamworking/partnering as appropriate
- 100% of departments use innovative procurement strategies based on integration of the supply chain

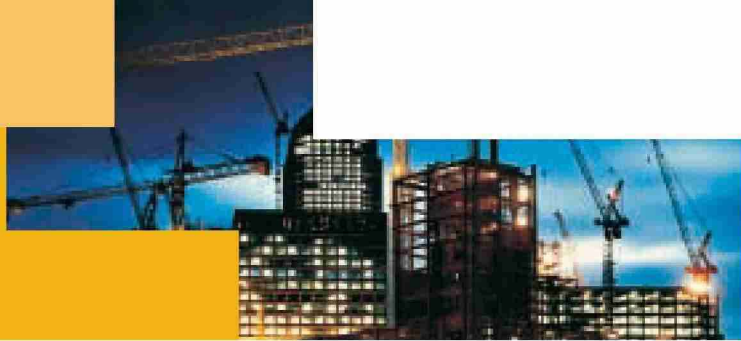
From *Achieving Excellence: Constructing the Best Government Client*

## Progress

Significant progress has been made in adopting the principles of *Achieving Excellence in Construction* during its first three years. This has been confirmed by a review of progress against the targets set for the initiative. The long-term nature of construction projects makes rapid achievement and measurement of the whole-life benefits of adopting the *Achieving Excellence* principles difficult; however, it is clear that foundations have been laid for sustainable improvements. The need now is to establish a continuing programme to embed *Achieving Excellence*.

A consistent picture has emerged of widespread use of the *Construction Procurement Guidance Notes* published by OGC. These are now being updated to reflect current best practice and requirements identified in the review of progress in *Achieving Excellence* (see page 8).





Output from the review shows that those clients with high direct spend and/or frequent construction projects have adopted *Achieving Excellence* principles fully, as have some that have a policy/guidance role or that channel funding through autonomous third parties. Since the initiative's launch in 1999, there have been some dramatic improvements in construction procurement, notably by Defence Estates, NHS Estates, Highways Agency and the Environment Agency. The NAO report *Modernising Construction* recognised the efforts made by these clients and provides further details on specific approaches. Improvements continue to be made, but there is still a significant way to go. The large increase in spending on public services announced in 2002 provides an excellent opportunity for the public sector to lead the way and help the construction industry in the UK to become world class, while achieving excellence on its own construction projects.

The strategy to build on and reinforce the progress already made by *Achieving Excellence* has been informed by the review and also reflects recommendations and findings from other sources. These include:

- the National Audit Office report *Modernising Construction*
- the subsequent Public Accounts Committee hearing, including the commitments made in HM Treasury's minute *Improving Construction Performance*
- *Achieving Sustainability in Construction Procurement (Sustainability Action Plan)*
- key issues arising from the recommendations from the OGC/Commission for Architecture in the Built Environment (CABE) report *Improving Standards of Design in the Procurement of Public Buildings*
- issues arising from the Strategic Forum for Construction and its *Rethinking Construction – Accelerating Change* report
- *Achieving Excellence in Health and Safety (Construction Procurement Guidance Note No. 10)*.

In this way, the aim is for integration and consistency of messages.

## Strategic targets

A key feature of OGC's strategy is the focus on two strategic targets against which government clients should monitor their progress to ensure that incremental improvement in construction procurement is achieved. These are:

- by March 2005, 70% (by volume) of construction projects reaching Gate 5 in the period 1 April 2003–31 March 2005 to be delivered:
  - on time
  - within budget
  - to exceed consumer and stakeholder expectations
  - with zero defects
- by March 2005, for each key sector to reduce the average time period from start of procurement (Gate 2) to award of contract (Gate 3) by:
  - 25% for construction projects taking over a year between Gates 2 and 3
  - 15% for all other construction projects.

# 01 Initiative into action

Supporting action areas To underpin the strategic targets, supporting action areas both for OGC and for departments (Annex B and C) have been developed; these are suggested for inclusion in departmental action plans as appropriate to departments' own aspirations and goals. These actions have the support and endorsement of the Chief Secretary to the Treasury, the Central Government Task Force (CGTF) and the Property and Construction Panel.

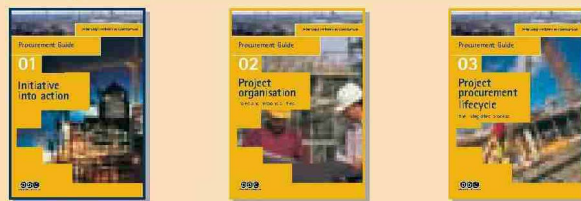
## Achieving Excellence Procurement Guides

### 2 The Procurement Guides

High level guides



Core guides



Supporting guides





The *Achieving Excellence* suite of procurement guidance underpins the future strategy of *Achieving Excellence* and replaces the *Construction Procurement Guidance Notes* series. This new series reflects developments in construction procurement over recent years and builds on clients' experience of implementing *Achieving Excellence*. The new guidance aligns with the OGC Gateway process, the emerging lessons learned from Gateway reviews and the Successful Delivery Toolkit, of which the suite forms a key component.

The suite consists of three core and eight supporting documents together with two high level documents. Electronic versions will have hyperlinks across the set and to related products (such as the document template for a Project Execution Plan and external websites), much of which is already in the Toolkit. This will also facilitate links to other sources and any detailed 'how to' guidance and toolkits subsequently developed.

*Achieving Excellence in Construction: checklist for managers* supplements the *Gateway Checklist for Managers*. It provides a checklist of the key questions that investment decision makers and senior responsible owners should ask before approving a project and during its implementation. The *Achieving Excellence in Construction Pocketbook* provides a step-by-step outline of the procurement process for construction projects, together with summaries of essential tools and techniques.

### 3 Core guides from the Achieving Excellence Procurement Guides suite

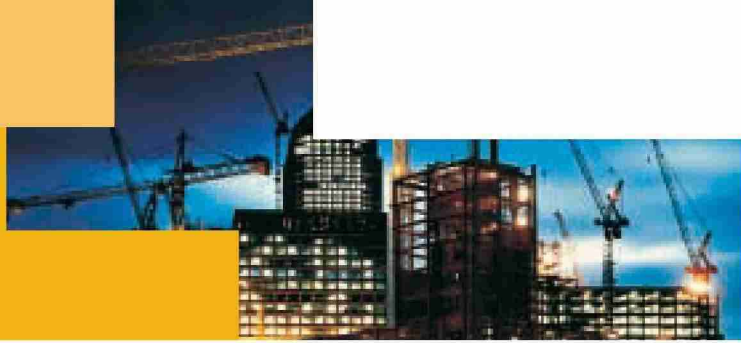
Achieving Excellence Initiative into action	This guide (this document) is the first of the three core documents. It provides an overview of <i>Achieving Excellence</i> and the new procurement guides. It describes the key initiatives and aspirations for <i>Achieving Excellence</i> . It brings together the key messages for management from each of the guides and outlines the content of the guides.
Project organisation: roles and responsibilities	This guide is the second of the three core documents. It provides detailed explanations of the key roles (investment decision maker, senior responsible owner, project sponsor, project manager, independent client adviser, stakeholders, etc), responsibilities and skills. The project sponsor training syllabus is provided via an electronic link only (clients without internet access should contact OGC's Service Desk on 0845 000 4999 for a copy).
Project procurement lifecycle	This guide is the third in the core set of three documents. It provides a step-by-step description of the decision points and processes involved in the management of construction projects. It sets the project procurement process in the context of Gateway reviews, the design and construction stages and key supporting processes such as risk management, value management, and cost, time, quality and change control. It explains what is done and when, who is usually involved and the information required to manage the project (especially the Project Execution Plan).

# 01 Initiative into action

## 3 Supporting guides from the Achieving Excellence Procurement Guides suite

Each of the supporting guides outlines the key principles relating to that topic, followed by a description of good practice and sources of more detailed advice. In addition, they include checklists of key questions and case studies to illustrate good practice. More detailed 'how to' guidance on specific topics will supplement these, where required.

Risk and value management	This guide provides practical detail on risk management and value management as essential tools for project success. It describes at a high level how risk and value management should be carried out throughout the project and explains how the early involvement of the integrated project team helps to maximise value and mitigate risk. Further guidance will be developed as required on topics such as value management techniques, risk checklists and risk allowance quantification.
The integrated project team: teamworking and partnering	This guide provides a detailed description of what needs to be done when selecting and establishing the team. It includes notes on different types of partnering and when they should be used, together with examples of different approaches that have worked in practice.
Procurement and contract strategies	This provides advice and recommendations on integrated procurement routes (PFI, Prime Contracting and Design & Build), explaining when to use a particular procurement and contract strategy. Examples of good practice include information about evaluation criteria to support decisions about procurement and contract strategies, and where to find practical guidance and help in implementing these integrated routes.
Whole-life costing and cost management	This guide emphasises the need to base decisions on a whole-life approach rather than the upfront capital cost of the construction. It provides advice on producing whole-life cost models and explains what needs to be done to keep costs under control at key stages in the project.
Improving performance: project evaluation and benchmarking	This guide explains how to measure project performance throughout the life of a project. It sets benchmarking in the context of recently developed Key Performance Indicators (KPIs) and explains how to use KPIs to measure and improve performance throughout the project. Post implementation review (also known as post occupancy evaluation) is described in relation to improving the project process through lessons learned, measuring and achieving business benefits, and supporting the process of Gate 5: Benefits Evaluation.
Design quality	This guide highlights the importance of good design in achieving value for money, including reference to government policy initiatives, the role of the design champion, methods of judging design quality and the importance of selecting a competent design team.



#### Health and safety

For more information, see OGC Construction Procurement Guidance No 10 (PG10) *Achieving Excellence Through Health and Safety*. This guide identifies how client decisions and activities impact on health and safety issues and in turn how health and safety issues have a beneficial impact on the performance of the contract and on achieving Value for Money. It provides advice on the typical actions that a best practice client should undertake in the selection of the supply team. A new guide, AE 10, will form part of the new AE suite; it will replace PG10 in the near future.

#### Sustainability (in preparation)

This guide addresses sustainability issues in construction procurement. It sets out the future strategy on the practicalities of sustainable construction procurement.

## Key messages for senior management

#### Leadership

Success is associated with projects that:

- are clearly the best option to meet the business need
- reflect the ethos of the business
- have client and supply organisations' commitment to delivering projects that meet clearly defined objectives
- receive a strong drive to get things done to the agreed quality
- have the visible support of the top of the office
- are managed through personal accountabilities, supported by clear and short reporting lines
- plan, identify and obtain sufficient resources to deliver the project.

#### Project organisation: roles and responsibilities

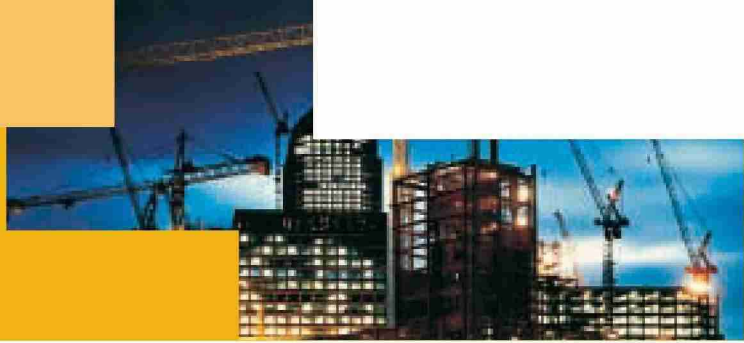
Projects should be organised in such a way that everyone in the integrated project team (client and suppliers) is committed to successful delivery. Resources and responsibilities for delivery should be placed with the business that needs the project, assigned to effective individuals who are empowered to deliver. There must be short and effective lines of communication to senior management so that they can take prompt action when needed. There are obvious benefits to applying a consistent approach across clients. OGC recommends the terminology set out in this guide, which harmonises approaches used across the public sector. However, clients in different parts of the public sector may be using different terminology that is already widely adopted in their community, although the actual functions of the roles are identical. Terminology need not be a barrier to common ways of working; what matters is that the principles set out in this guide are followed, so that everyone involved in the project knows what they have to do and when, their personal accountability and their reporting lines.

#### Project process

Successful delivery requires an integrated process in which design, construction and maintenance are managed together. It also requires effective use of key processes such as risk management. Sound project management helps ensure that projects are delivered on time, within budget and to the agreed quality (including health and safety aspects). It requires a thorough understanding of the key stages of design and construction that are critical to its success.

## 01 Initiative into action

Risk and value management	<p>Risk and value management should be carried out throughout a project lifecycle, with early involvement of the entire integrated project team to minimise/manage risks. There must be adequate time and effort early on to analyse the risks and to develop a risk management plan governing how they are to be managed and funded. The risks should be managed actively throughout the life of the project in accordance with the risk management plan; the plan should deal with all risks, whether retained by the client or allocated to others.</p> <p>Value management is about enhancing value and not about cutting cost, although this may be a by-product. The principles and techniques of value management aim to achieve the required quality at optimum whole-life cost during the process of developing a project.</p>
The integrated project team	<p>The best projects and the best clients put time into getting the right project team at the right time in the project process. They assess the quality of the individuals, their ability to work together and their experience. The principle is simple: client and supply team working together can reduce waste, improve quality, innovate and deliver a project far more effectively than in a traditional relationship that may be adversarial. Collaborative working should be a core requirement for every element of every project. Putting it into practice requires real commitment from all parties involved, but brings benefits that far outweigh any perceived disadvantages.</p>
Procurement and contract strategies	<p>The primary consideration in the choice of a procurement route is the need to obtain overall value for money in the whole life of the service or facility; this includes operation and maintenance. Design, construction and maintenance should not be considered in isolation from one another. The recommended procurement routes allow the integrated project team members to work together, whether they are involved in design, construction or service delivery. An integrated approach promotes early involvement of all team members to advise on buildability of the design and the ongoing maintenance of a facility.</p>
Whole-life costing and cost management of projects	<p>The lowest price tendered for construction rarely leads to best value for money: long-term costs and quality over the life of the asset are the real indicators of value for money. Typical costs of owning an office building for 30 years are in the ratio of 1 (for construction costs): 5 (for maintenance costs): 200 (for costs of the operation being carried out in the building, including staff costs for example). The focus should always be on the whole-life cost of a facility – the cost of acquiring it (including consultancy, construction cost and equipment), the cost of maintaining it and the cost of operating it over the whole life of the asset until its disposal. The use of incentives can be a valuable tool in optimising whole-life value – for example, pain/gain sharing of energy costs with those responsible for the maintenance of a facility. This can contribute significantly to whole-life value by driving down energy costs and helping to achieve sustainability targets.</p>



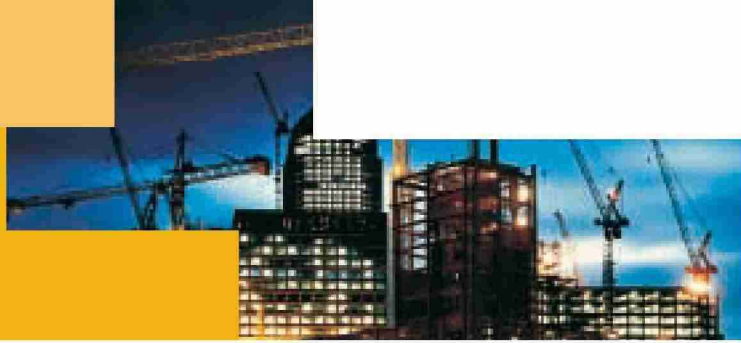
- Improving performance** Measuring the performance of construction projects is essential for ensuring that planned improvements in quality, cost and time are achieved, including the health and safety aspects and performance in use. It helps clients to compare achieved performance with that of similar projects, identify the potential for doing things better and assess how their suppliers compare with other potential suppliers. Clients also need to measure their own performance and benchmark with other clients to identify areas for improvement.
- Design quality** It is the responsibility of all clients, but especially public sector clients, to commission projects of which present and future generations can be proud. There is a significant role for clients in promoting good design. It does not necessarily involve high cost, and it is not purely about aesthetics. Good design will provide whole-life value for money, measured through Design Quality Indicators.
- It is at the design stage that most can be done to optimise the value of a building to its end-users. Good design takes account of functionality, appropriate build quality and impact, including health and safety and sustainability aspects. Badly designed facilities can fail to meet the needs of end-users, cause operational problems, have high maintenance or running costs and can be inefficient, dangerous and costly to build and maintain.
- Health and safety** Clients should create an environment through all stages of the project that delivers excellence in health and safety performance. There are good business and ethical reasons to do so during the construction process and afterwards during operational use by employees or members of the public. Clients should:
- set requirements for healthy, safe working conditions and facilities on construction sites, so as to attract and retain a high-quality workforce, on whom the quality of the finished product is largely dependent
  - make the health and safety of their customers, staff and everyone they work with, or for, a business priority when commissioning construction
  - use integrated project teams to ensure the effective contribution of the entire supply chain in delivering a safe site and a safe product.
- Sustainability** Construction can contribute significantly to the sustainability agenda. Sustainability includes environmental, social and economic factors, and construction affects all three areas. The Framework for Sustainable Development on the Government Estate has sections covering procurement and estate management, which will include relevant targets for construction clients. Construction clients should also adopt the *Sustainability Action Plan*, included in *Achieving Sustainability in Construction Procurement*.

## 01 Initiative into action

### Annex A: Chronology of key reports and initiatives in construction

- |      |  |
|------|--|
| 1994 | <p><i>Constructing the Team</i> – Sir Michael Latham’s broad examination of the industry concluded that the industry’s traditional methods of procurement and contract management and its adversarial culture caused inefficiency and ineffectiveness. He concluded that addressing these issues had the potential for saving 30% over five years</p>  |
| 1995 | <p>Construction Industry Board formed as a consequence of the Latham review to drive performance improvement through partnership between industry, government and clients and to be a strategic forum for the industry</p> <p><i>Construction Procurement by Government: An Efficiency Unit Scrutiny</i> – Sir Peter Levene’s study concluded that government bodies were partly to blame for the poor performance of the industry and made recommendations to improve the structure and management of construction projects and the skill level of government clients</p>   |
| 1997 | <p>Construction (Design and Management) Regulations 1994 came into force, setting out a clear framework for addressing health and safety issues in the construction process. The Regulations apply to everyone in the construction supply chain – clients, designers, constructors and specialist suppliers</p> <p>Government Construction Clients’ Panel established by the Treasury to improve government client performance and to provide a single collective voice for government construction clients on cross-departmental aspects of construction procurement</p>  |
| 1998 | <p>Defence Estates’ Building Down Barriers project launched to assess and demonstrate the benefits of supply chain integration</p> <p>Bath University’s Pilot Benchmarking study published in October, which was the first attempt to benchmark performance across central government and provided quantitative evidence of the need to improve</p> <p>Construction Best Practice Programme established by the Department of Environment, Transport and the Regions to communicate existing good practice within the industry</p> <p>Construction Task Force, headed by Sir John Egan, set up to advise the Deputy Prime Minister from the client’s perspective on the opportunities to improve the efficiency and quality of delivery of construction, to reinforce the impetus for change and to make industry more responsive to customer needs. The Task Force produced the report <i>Rethinking Construction</i></p> <p><i>Movement for Innovation</i> launched to bring together and facilitate the exchange of knowledge between those in the industry and construction clients who are committed to the principles of <i>Rethinking Construction</i></p> |





1999 *Achieving Excellence* launched by the Government Construction Clients' Panel, which set targets and an action plan for implementing *Rethinking Construction* targets within government clients

Housing Forum launched in response to *Rethinking Construction* to take forward specific improvement initiatives in the housebuilding sector

*Constructing the Best Government Client* commissioned by the Government Construction Clients' Panel and compared government performance with best practice in the UK and abroad

Bath University's Stage 2 Benchmarking study published

2000 Commission for Architecture and the Built Environment (CABE) set up by the Department of Culture, Media and Sport to promote high-quality design and architecture and to raise the standard of the built environment generally

Government Construction Clients' Panel published *Achieving Sustainability in Construction Procurement*, setting out an action plan to promote sustainable construction, that is, achieving less waste in construction and contributing to less pollution, better environmental management, and improved health and safety

Local Government Task Force launched to promote the principles of *Rethinking Construction* in local authorities

2001 NAO report *Modernising Construction* and Health & Safety Executive's strategy statement *Revitalising Health and Safety*

2002 Progress report on *Achieving Excellence*

OGC/CABE report *Improving Standards of Design in the Procurement of Public Buildings* published

*Rethinking Construction – Accelerating Change* published by the Strategic Forum for Construction

2003 *Building on Success – Achieving Excellence* strategic targets launched

#### Note

A number of other relevant reports were published in 2000 including:

- *Building a Better Quality of Life: a strategy for more sustainable construction*
- *A Commitment to People: our biggest asset*
- *A Vision Shared: the Movement for Innovation second anniversary report*
- *The Housing Demonstration Projects Report: improving through measurement*
- *Rethinking Construction: twenty good ideas for rethinking refurbishment repairs and maintenance*
- *Building Down Barriers: handbook of supply chain management*
- *Better Public Buildings: a proud legacy for the future.*

## 01 Initiative into action

### Annex B: Achieving Excellence aspects for consideration in individual departmental action plans 2003–2005

This section sets out aspects that departments, agencies and NDPBs should consider for inclusion in their action plans for the second phase of *Achieving Excellence*.

#### Description of goal

- 1 Sign up to and implement Clients' Charter including KPIs. Sign up to and implement DQIs
- 2 Implement the '*Achieving Sustainability in Construction Procurement Sustainability Action Plan*'
- 3 Use integrated procurement routes (PFI, Prime Contracting or Design & Build) for new property and construction projects, based on a best value for money approach
- 4 Use whole-life costing on all new property and construction projects
- 5 Implement the recommendations of the joint CABE/OGC report *Improving Standards of Design in the Procurement of Public Buildings* on all new projects
- 6 Achieve an 85% supplier satisfaction rating
- 7 Achieve a 10% annual reduction in reportable accidents on construction sites
- 8 Introduce partnering into all property and construction projects
- 9 Report annually to OGC on value for money gains on property and construction projects
- 10 All departments, their agencies and NDPBs involved in grant funding should review their procedures for ensuring property and construction projects achieve best VFM
- 11 All clients with an annual spend of over £0.5 million on property and construction projects, including rent, maintenance and refurbishment, should sign up to *Achieving Excellence*



## Annex C: Action areas for OGC

Description of action area
1 Work with OGDs to coordinate the implementation of various initiatives affecting property and construction in areas such as health and safety, sustainability and design
2 Review, update and develop guidance to reflect emerging best practice
3 Establish value for money gains measurement methodology for property and construction projects
4 Facilitate the increase in the number of departments signed up to <i>Achieving Excellence</i> from the initial eighteen
5 Ensure the Gateway Review workbooks are amended to include the principles of <i>Achieving Excellence</i>
6 Review the client role in PFI projects in the context of <i>Achieving Excellence</i> and <i>Rethinking Construction</i>
7 Review project sponsor training and identify/develop training for other client roles
8 Facilitate development of Clients' Charter KPIs for small and occasional clients
9 Commission annual supplier satisfaction surveys
10 Implement the recommendations of the joint CABE/OGC report <i>Improving Standards of Design in the Procurement of Public Buildings</i>
11 Continue membership of the Constructionline advisory board to influence development of its services to meet government clients' needs

## About OGC

OGC – the UK Office of Government Commerce – is an office of HM Treasury.

## OGC Service Desk

OGC customers can contact the central OGC Service Desk about all aspects of OGC business. The Service Desk will also channel queries to the appropriate second-line support. We look forward to hearing from you.

You can contact the Service Desk 8am–6pm Monday–Friday  
Telephone: 0845 000 4999  
e-mail: [ServiceDesk@ogc.gsi.gov.uk](mailto:ServiceDesk@ogc.gsi.gov.uk)  
[www.ogc.gov.uk](http://www.ogc.gov.uk)

## Press enquiries

Telephone: 020 7271 1318  
Fax: 020 7271 1345  
e-mail: [martin.day@ogc.gsi.gov.uk](mailto:martin.day@ogc.gsi.gov.uk)

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Office of Government Commerce  
Trevelyan House  
26–30 Great Peter Street  
London SW1P 2BY

[www.ogc.gov.uk](http://www.ogc.gov.uk)



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