



Shaping public
construction

Statement of Compliance

with Government
Construction Playbook

MARCH 2021





Shaping public
construction

Proven delivery

SCF has been in place since 2006 and has evolved as a partnership between the public sector and private sector contractors. The ethos and working practice of the framework was developed between local authorities and contractors to give best value, eliminate risk, and promote local business. We have done this because we wanted to, not because it was part of a wider mandatory requirement.

The publication of the Playbook is an **endorsement of everything we have worked hard to achieve in the last 14 years**. This document maps the key attributes of SCF against the Playbook Policies to show **how aligned and compliant SCF is and has always been**.

It has always been our mindset to challenge the norm and be forward-thinking. This means that we are already delivering excellent public works that are proven to be right from the start.



Our compliance

Over the next few pages, we detail the 14 key policies and highlight our commitment to confirm we are the **compliant framework of choice**.

Six of the policies are new, those shown in orange are those considered to lead to the most **significant impact**.



New



New
Significant Impact



Existing

1 >

Commercial pipelines

Contracting authorities' commercial pipelines will be supported with a new central government procurement pipeline for public works projects.

Pipelines will help suppliers to better understand the government's long-term demand and prepare themselves to respond to contract opportunities.

 **SCF compliance**

SCF publishes a pipeline of opportunities to the framework contractors through its **online portal**. This live information is available to all contractor partners who we trust with the confidentiality of the information.

SCF also has a **supply chain portal, LSC**, and all project opportunities are detailed there for the wider supply chain to see, and express interest at their discretion. LSC also communicates directly with Contracts Finder.



Digital and Data Centre, Exeter College

2 >

Market health and capability assessments

Projects and programmes will conduct an assessment of the health and capability of the market early on during the preparation and planning stage.

This will enable project and programme teams to identify potential opportunities and limitations in the market, take advantage of emerging technologies and innovation, and consider what actions would increase competition and improve market health.

 **SCF compliance**

SCF Consult's Property Asset Consultancy offer provides the opportunity to influence and highlight marketplace risks and shortages, as well as to **bring the latest technological opportunities into consideration**. SCF operates regular market intelligence research at a regional and national level to support advice.

The **SCF Mini Competition process** is designed to appoint the best contractor, designer and supply chain at that point in time, in terms of **capacity and capability**.



Arts University Bournemouth (AUB) Student Accommodation

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Portfolios and longer term contracting

We will develop long-term plans for key asset types and programmes to drive greater value through public spending. Longer term contracting across portfolios, where appropriate, will give industry the certainty required to invest in new technologies to deliver improved productivity and efficiency savings.

Contracting authorities should demonstrate that this does not come at the expense of an innovative and competitive market.



SCF compliance

SCF is proud of our consistent support and repeat business from our clients, which equates to over **£500m per annum**. SCF actively encourages authorities to join individual projects into programmes of work; this was evidenced by the case study published by the Cabinet Office of the £200m primary school basic needs programme for Hampshire County Council, Surrey County Council, West Sussex Council and Reading Borough Council. SCF has put in place a **number of supply chain initiatives over the years to leverage value benefits**.

SCF and the contractor/consultant partners run time-bound working groups aligned with industry or political issues which have led to many **improvements over the years in areas such as social value, sustainability, Health and Safety, hand over and aftercare**. Many of the changes to the framework have been enthusiastically accepted and endorsed by the partners.

SCF has the ability and desire to allocate programmes of work through simple mini competition, and we have proven evidence that there are benefits derived as a result. SCF has the ability to influence clients using this historic data.

SCF has the ability and data to “weight” programmes, or forecast likelihood of project success at feasibility, tender and practical completion.

SCF stays with the client post contract, providing legacy commitment.

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Harmonise, digitise and rationalise demand

Demand across individual projects and programmes will be harmonised, digitised and rationalised by contracting authorities. This will accelerate the development and use of platform approaches, standard products and components.

Combined with longer term contracts, this will transform the market’s ability to plan, invest and deliver digital and offsite manufacturing technologies.



SCF compliance

The cost of investment in new technologies and products has been a blocker to progress. However, ISO 19650 provides a common language for identifying components, so **SCF can identify quantity of components across the framework**.

SCF is able to develop a platform approach for various building categories such as schools and has indeed done so to **provide a single solution priced and endorsed by all the framework partners**.

SCF is hugely data rich as a framework and operates common data format. Use of BIM is standard practice for the SCF contractors and consultants, and we have worked on common approaches with our contractors. **All SCF partners offer live models for handover.**

The SCF Consult offer can influence later major project development to ensure a **digital approach is built into the whole life of a project**.

SCF supports the Construction Innovation Hub in the development of a range of new tools and processes across the Value, Manufacturing, Assurance and Digital Themes.

SCF has led an NACF BIM initiative for asset information, developed by local authority FM officers led by a BIM specialist seconded from one of our framework partners. **We have a vision to “design in a day” based on emerging platform designs**, as we understand that there can be further efficiency in pre-construction using component and product data. SCF understand the need to concentrate on refining design rather than reinventing it.

Through our focus on a two stage approach, **SCF does not offset risk, but encourages the integrated team to share risk appropriately**, only after all efforts are made by the integrated team to eliminate risk.

5 >

Further embed digital technologies

Contracting authorities should use the UK BIM Framework to standardise the approach to generating and classifying data, data security and data exchange, and to support the adoption of the Information Management Framework and the creation of the National Digital Twin.

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SCF compliance

SCF already has a framework obligation for this. NACF and SCF have developed **BIM requirements and initiatives**. NACF has been involved in the CDBB roadmap for BIM in local government recently published on the CIH website. SCF actively promotes use of BIM in local government, and Soft Landings.

CIH are developing a **roadmap for local government for Soft Landings** which has been presented to the NACF for comment.



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Early supply chain involvement

Early supply chain involvement should now be used in developing the business case for projects and programmes.

Involving the supply chain early in the project lifecycle will reduce downstream issues and help to develop clear, outcome-focused designs and specifications.

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SCF compliance

SCF's new portal "Local Supply Chain" has now been rolled out. **Key supply chain is appointed as part of every SCF project procurement strategy.** Key trades are identified and appointed on similar terms to the main contractor.

SCF records all added value realised through pre-construction, and feeds this back to the client team for sign off. In this way we can monitor the effectiveness of the pre-construction. On average, this equates to a **10% cost reduction due to pre-construction added value.**

Our supply chain is involved in our SCF working groups and has been actively involved in development of some shared technology through Health and Safety and other working groups. Examples include cableless technology and VR, which has benefited 'shared learning' across all framework partners, allowing adoption contributing to improved Health and Safety.

7 >

Outcome-based approach

Contracting authorities should focus on outcomes, rather than scope, in their specifications. A new Project Scorecard is being developed to support projects and programmes in setting clear outcomes that align with government's strategic priorities.

In line with the government's transparency agenda, the three most relevant key performance indicators (KPIs) from each of the government's most important contracts will be made publicly available.

 **SCF compliance**

SCF has used fully transparent KPIs since 2006, but only to measure the performance of the framework overall against stated objectives in the framework agreement. In this way, SCF has been outcome-driven for a long time. Our KPIs have evolved over the years to reflect changing objectives at each generation, and we have been careful to stress the importance of outcomes for social value rather than a fiscal calculation. We question the legacy of the added value, and as such **we have the ability to work with clients to develop project specific outcome-based success criteria.** SCF tracks social value progress, and indeed all of the KPIs, through gateways.

SCF is one of a number of NACF frameworks that will trial and use the CIH Value Toolkit.

SCF is developing an outcome based zero carbon guide for local government clients.

SCF has always operated on a two stage open book process, not single stage lowest price, and now with SCF Consult, we can move this agenda further in the project process, making an outcome-based approach more of a reality from project inception.

SCF is looking at the potential for "in use performance contracting", perhaps for two to three years with transparency of results. NEC Clause X22 is an option for post project contracting.

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Benchmarking and Should Cost Models

Projects and programmes should undertake benchmarking to analyse information from past projects and programmes. This provides decision makers with key insights and data to make more informed and intelligent investment decisions.

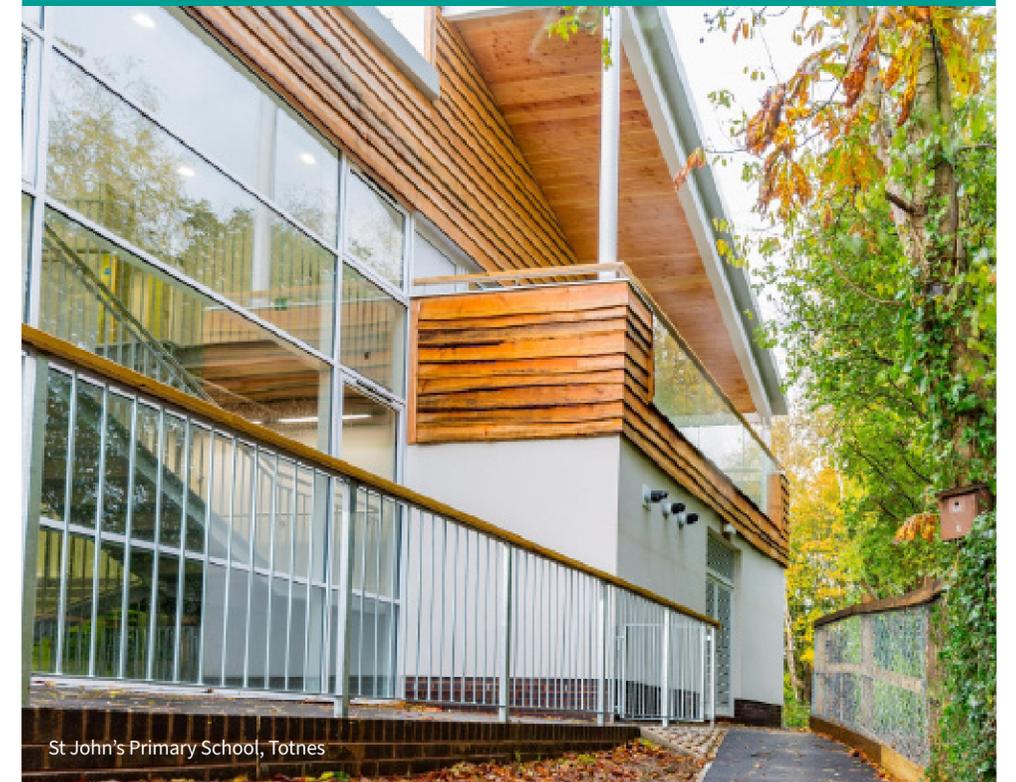
Projects and programmes should produce a Should Cost Model to better understand whole life costs and value.

 **SCF compliance**

SCF has an extensive cost database and gathers build cost in a standard format. SCF has supported and led in the EBD OG cost benchmarking survey. SCF can mandate future cost models.

Whole life costing is an inclusive part of the two stage process we offer, and we have conducted

extensive work in the areas of Soft Landings, and Digital Information Modelling. These, together with our unique database of over £6bn of construction work, gives us **an unrivalled insight into what projects should cost.**



St John's Primary School, Totnes

9 Delivery model assessments

Contracting authorities should follow an evidence-based process to decide the most appropriate delivery model and structure for a specific project or programme. The right delivery model enables clients and industry to work together to deliver the best possible outcomes.

SCF compliance

SCF contractors and consultants can respond to any of the delivery models and can support clients of any maturity. **SCF also has range of contractors and supply chain with different skills.**

SCF only operates two stage open-book but could adopt other collaborative forms such as Integrated Project Insurance.

SCF has proved in a Cabinet Office Procurement Trial case study that there is flexibility in the two stage approach to review how the supply chain is engaged, when

to engage, how to put individual projects into programmes of work, and how to bring benefits of aggregation to clients whilst giving pipeline certainty to the supply chain. This flexible approach and use of pre-construction to analyse and appropriately apportion risk, means that **any form of contract can be used for construction.**

Our **market intelligence** allows us to discuss particular market issues with clients for individual projects or larger programmes of work.

10 Effective contracting

We will ensure that contracts are structured to support an exchange of data, drive collaboration, improve value and manage risk. They will set clear expectations for continuous improvement and be consistent with the principles in this Playbook.

We will complete a review of the current landscape of frameworks over the coming months with a view to consolidating these where appropriate and adopt a new 'gold standard'. This will enable contracting authorities to easily identify frameworks that meet best practices and embody the policies set out in this Playbook. There will be a number of framework options to ensure competition and flexibility across government.

SCF compliance

The NACF together with the LGA have produced a document titled **Effective Frameworks**, following the NACF leadership of the work in this area for the Government Construction Strategy in 2012. NACF is part of the government framework review, maintaining links to all NACF frameworks for the appointed reviewer, Professor Mosey.

SCF conducts an annual review to show continuous improvement and increasing performance targets. SCF is working towards an integrated set of frameworks for construction and consultancy to allow a fully integrated approach.

SCF has always strived to achieve mutual benefits to SCF, contractors and consultants, and to this end, we openly share our data, aims and ambitions.

11 >

Risk allocation

Proposals for risk allocation will be subject to consideration and scrutiny to ensure they have been informed by genuine and meaningful market engagement.

Inappropriate risk allocation has been a perennial concern of suppliers looking to do business with government and a more considered approach will make us a more attractive client, deliver better value for money and incentivise suppliers to focus on delivering agreed contractual outcomes.

 **SCF compliance**

SCF has only one process and that is two stage open book. The approach is based on appropriate risk allocation, and not an arbitrary shifting of risk. SCF offers training through its Passport online e-learning module on risk allocation for all contractors' staff working on any SCF project. This is mandatory. The training is also offered to clients and consultants. **SCF Consult commits to training 50 people**

per year on two stage open book and of course appropriate risk allocation. SCF monitors and publishes the top ten risks that commonly occur on projects in our database. **SCF's unique approach to open and transparent working with our contractors allows discussion of these risks in open forum,** and for us to constantly review and update our records of the most commonly occurring risks.



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Payment mechanism and pricing approach

The payment mechanism and pricing approach goes hand in hand with risk allocation and will similarly be subject to greater consideration and scrutiny to ensure it incentivises the desired behaviours or outcomes.

This change is fundamental to making the construction sector a thriving and dynamic market that is sustainable in the long term and achieves the wider vision of this Playbook.

 **SCF compliance**

Because the SCF process is based on two stage open book, and projects are de-risked during pre-construction, the **SCF contractors are assured that their margins will not be eroded through unforeseen events or issues during construction.** Our data supports this.

SCF insist on and audit fair payment to ensure the same treatment is given to the supply chain.

Pre-construction is based on deliverables which have been clearly laid out in the SCF tender. SCF contractors have a good understanding of what they need to do during pre-construction, and work to an agreed fee under a pre-construction services agreement.

Hence, **there are minimal risks to SCF contractors as long as the process is understood and followed.** SCF framework managers are always available to help and support clients, consultants or the contractors.

Pricing to outcomes need visibility of outcomes first.

13 

Assessing the economic and financial standing of suppliers

As part of the selection process, public works projects will comply with a minimum standard when assessing the risk of a supplier going out of business during the life of a contract.

Consistently applying a minimum standard of testing will provide a better understanding of financial risk and leave us better able to safeguard the delivery of public works projects.

 **SCF compliance**

SCF tenders include a requirement for AC / DC Gold standard for contractors and consultants. This is applied for the life of the framework. SCF retains the right to suspend contractors who cannot meet the financial standing requirement set at the SQ stage.

SCF has a detailed understanding of the supply chain through the transparent package procurement process which records all appointed supply chain members. We have been able to monitor all of the supply chain and share with the contractors which

members have larger shares of the work. This information is not gathered elsewhere, and through this data, we have developed deep market intelligence. **This assists the contractors to better understand the commitments of their supply chain outside of their own organisations,** and to assess the risks accordingly.

We consider ourselves a community of contractors and supply chain, and our new supply chain portal has increased this connection between ourselves and that community.

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Resolution planning

There will now be a requirement for suppliers of critical public works contracts to provide resolution planning information.

Although major insolvencies are infrequent, this change will help to ensure government is prepared for any risk to the continuity of critical public works projects posed by the insolvency of critical suppliers.

 **SCF compliance**

SCF is a community of main contractors and a supply chain backed up by detailed market intelligence from our transparent processes, where any issues are openly discussed at our framework forums. We can plan for major events through support

from contractors and can plan for replacement in the ultimate scenario. **Our supply chain database enables us to track key suppliers and workload,** and plan for these events also at supply chain level.



Loddiswell Primary School, Kingsbridge, Devon



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To discuss the SCF procurement process
or a particular project you have in mind,
please contact your regional office.

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