

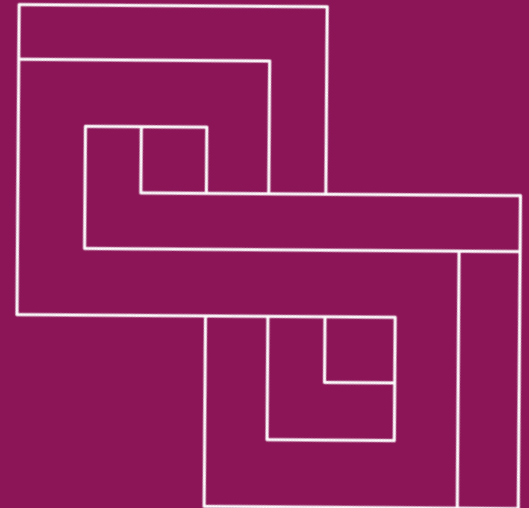


HM Government

The Construction Playbook

Introduction and overview

March 2021



Construction Playbook - Development

- Construction Playbook builds upon the success of the Outsourcing Playbook to **transform how we assess, procure and deliver public works** and achieve the PM's ambition of **'better, greener, faster' public works projects and programmes.**
- **The Construction Playbook is a key pillar of Project Speed** and part of broader changes in public and infrastructure procurement.
- **The Construction Playbook has been co- developed through over 1000 hours of engagement** with industry, departments and the wider public sector to transform the way in which we assess, procure and deliver public works projects.
- **The Construction Playbook contains a letter of support and commitment to the reforms within the Construction Playbook.** This was drafted by the Construction Leadership Council (CLC) and over 40 of the leading UK construction companies and bodies are signatories. This is our 'Compact with Industry.'



By adopting the policies contained within the Playbook, we aim to:

Set clear and appropriate outcome-based specifications

Favour longer term contracting across portfolios, where appropriate

Standardise designs, components and interfaces, as much as is possible

Drive innovation and the adoption of Modern Methods of Construction

Create sustainable, effective, win-win contracting arrangements

Increase the speed of end-to-end project and programme delivery

The Playbook looks to create the right environment to enable us to:

Improve building and
workplace safety

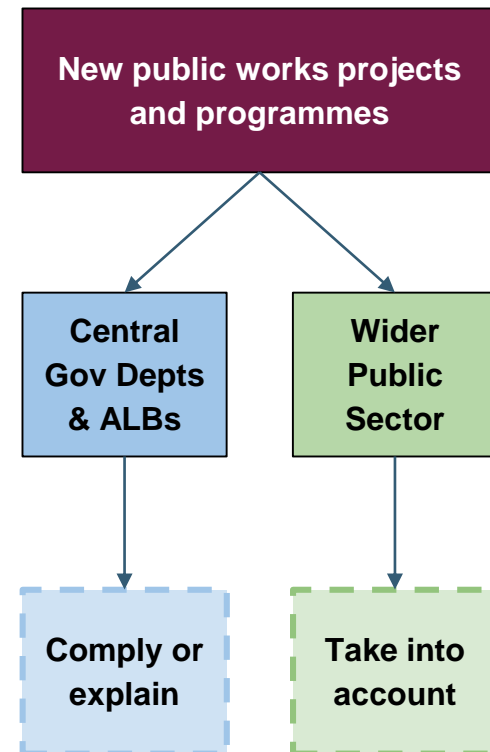
Promote social value

Take strides towards
our 2050 net zero goal

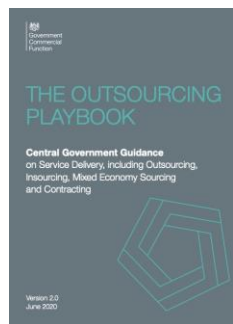
Driving better, faster, greener delivery



- The Construction Playbook will apply to **all new public works projects and programmes** undertaken by **central government departments and their ALBs** on a **'comply or explain'** basis.
- Recognising that there is no one size fits all approach, the Construction Playbook is intended to be **taken into account by the wider public sector, including local authorities.**
- Where the planning and preparation of projects and programmes is already underway, or there are existing frameworks in place, **contracting authorities should adopt a pragmatic approach** to embedding the Construction Playbook.
- **The Construction Playbook also sets out our expectations for industry**, including ensuring the Playbook policies down the supply chain.

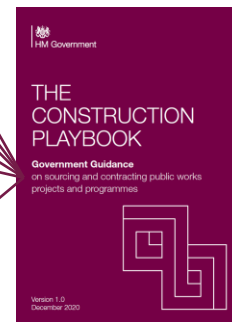


14 Key Policies



Eight policies have been adapted from the Outsourcing Playbook

1	Publication of commercial pipelines
2	Market health & capability assessments
3	Portfolios and longer term contracting
4	Harmonise, digitise and rationalise demand
5	Further embed digital technologies
6	Early supply chain involvement
7	Outcome-based approach
8	Benchmarking and Should Cost Modelling
9	Delivery Model Assessments
10	Effective contracting
11	Risk allocation
12	Pricing & payment mechanisms
13	Assessing the economic and financial standing of suppliers
14	Resolution planning



There are six policies new to the Construction Playbook



Policies adapted from Outsourcing Playbook

<p>Commercial Pipelines</p> <p>Pipelines of future projects/procurements should be produced to help suppliers better understand demand and prepare</p> <p>New central govt pipeline planned</p>	<p>Market Health & Capability Assessments</p> <p>Authorities should conduct an assessment of the health and capability of the market early on in the planning stage of a project</p>	<p>Benchmarking & Should Cost Models</p> <p>Authorities should benchmark information from past projects to make more informed decisions; and produce a Should Cost Model to better understand whole life cost & value</p>	<p>Delivery Model Assessments</p> <p>Authorities should follow an evidence-based process to decide the most appropriate delivery model and structure for a project or programme</p>
<p>Risk Allocation</p> <p>Proposals for risk allocation will be scrutinised to ensure they have been informed by meaningful market engagement</p>	<p>Payment Mechanisms and Pricing Approach</p> <p>These go hand in hand with risk allocation and will also be subject to scrutiny to ensure they incentivise the right behaviours and outcomes</p>	<p>Assessing the Economic and Financial Standing of Suppliers</p> <p>As part of the selection, process, authorities should consider the financial health and risk of potential suppliers</p>	<p>Resolution Planning</p> <p>Suppliers of critical public works contracts will now be required to provide resolution planning information, to help ensure govt is prepared for the risk posed by supplier insolvency</p>





New Construction-specific Policies

<p>Portfolios and longer-term contracting</p> <p>The Playbook advocates for higher volume, multiple unit, longer-term contracts, where this doesn't impact on innovation and competition, to give industry the certainty required to invest.</p>	<p>Harmonise, digitise and rationalise demand</p> <p>We will rationalise demand across projects / programmes, to accelerate the development and use of platform approaches, standard products / components and enable greater use of digital & offsite manufacturing.</p>	<p>Further embed digital technologies</p> <p>The UK BIM Framework should be used to standardise the approach to data, and to support the adoption of the Information Management Framework and the creation of the National Digital Twin.</p>
<p>Early supply chain involvement</p> <p>Supply chains should be involved as early as possible in projects and programmes as this is key to ensuring clear, outcome-focused designs and specifications, identifying and mitigating risk and reducing end-to-end timescales.</p>	<p>Outcome-based approach</p> <p>Specifications should focus on outcomes, rather than scope,, considering whole-life value, performance and cost. This will facilitate innovative, cost-effective solutions, ensuring there is a major focus on social value and sustainability.</p>	<p>Effective contracting</p> <p>To encourage sustainable and effective relationships, the most appropriate and proportionate commercial approaches and procurement strategies should be used, that optimise long-term value, allocate risk appropriately and involve all team members early enough.</p>



What Authorities need to do

Governance

- Embed compliance with the 14 key policies in business case controls on a 'comply or explain' basis (central govt)
- Approvals processes should be consistent, transparent and streamlined.

Organisational management

- Publish an 18-month procurement pipeline with a pathway to three to five years and provide information to the IPA.
- Adopt value-based procurement and drive through a portfolio approach to projects and programmes.
- Set strategies and plans for:
 - Achieving net zero by or ahead of 2050
 - Aggregating and standardising demand including across sectors
 - Adoption of MMC
 - Developing successful relationships with the supply chain
 - Achieving social value goals
 - Prioritising health and safety
- Meet and contract for the standards in UK Building Information Management (BIM) Framework.
- Put in place ongoing financial monitoring and contingency plans for critical suppliers, and engage with the Cabinet Office on resolution planning.

Portfolios

- Review future work (at least quarterly) to identify opportunities to bring together works into portfolios of longer term contracts.
- Consider approach to wider value generation across portfolios to meet strategic value drivers including social value, risk management and data.

Projects and Programmes

- Put in place an appropriately experienced SRO and resourced cross-functional team.
- Adopt collaborative ways of working to create a 'one-team' ethos with all parties.
- Consult widely and encourage broad participation from the market, particularly with SMEs. Complete market health and capability assessments.
- Set clear and appropriate outcome-based specifications, and use a Project Scorecard.
- Contract for early supply chain involvement.
- Complete a delivery model assessment.
- Undertake benchmarking of key project deliverables including cost, schedule, carbon and agreed outcomes, and use these as inputs to Should Cost Models.
- Develop sustainable contracts which pay fair returns and drive long-term positive relationships.
- Use standard contracts with the boilerplate clauses.

Current and next steps - headlines

- Develop and roll out training programme and resources for contracting authorities
- Ongoing policy discussions with industry on areas linked to Playbook
- Independent Review of construction frameworks launched
- Collating case studies to support Playbook implementation
- Standard selection questionnaire updated on CAS
- New IPA Construction and Infrastructure pipeline to be published

- Please contact sourcing.programme@cabinetoffice.gov.uk for questions and support

Driving change collaboratively

It is now up to all of us to embrace the Playbook; which if we all do so with sufficient commitment and enthusiasm will lead to better planned projects, higher industry productivity and more consistent profitability, supply chains paid on time and most importantly better quality buildings for our customers.

Mark Beard, Chairman Beard

I am very pleased to have been part of the Industry representation in the formation of the playbook. I also believe the implementation and its universal adoption has the potential to provide far better outcomes for the users and operators of the buildings and infrastructure our industry delivers.

Andy Steele, CEO, Osborne

Ours is an industry that underpins economies: going forward, it will help to drive the economic recovery, including new jobs, new skills and a greener future. It is therefore imperative that the Construction Playbook is fully embedded and embraced by our industry and Government alike.

Leo Quinn, CEO, Balfour Beatty

Central Government's work on social value

- Social Value Model launched in September. [PPN 06/20](#) now means that social value must be explicitly evaluated, rather than just considered, in all central government contracts
- Cabinet Office Training for 4,000 government commercial staff
- Ongoing work with VCSE Crown Representative to encourage more VCSE organisations into public procurement:
 - a. VCSE Guide to working with government
 - b. VCSE Webinar “Winning Central Government Contracts and the Social Value Model”
 - c. Bespoke webinars for the BAME and Women led organisations
- Green Paper on Transforming Public Procurement to open up procurement to social value and VCSE organisations