

## ACTION PLAN FOR IMPROVEMENT IN GOVERNMENT CLIENT PERFORMANCE ON CONSTRUCTION PROJECTS

**The Following Action Points are Endorsed by the Government Construction Client Panel (GCCP) as Best Practice for Government Construction Clients. They Apply to Maintenance and Refurbishment Projects as well as New Works . References to Departments include Agencies and NDPB's with significant construction expenditure.**

<b>1. MANAGEMENT</b>			
<b>Objective</b>	<b>Actions (at central level)</b>	<b>Target Date</b>	<b>Actions (at department level)</b>
1.1 To obtain endorsement of Government plans for becoming best practice client	1.1.1 Publish "The Government Client Improvement Study" and Client Improvement Action Plan	29/10/98	1.1.1.1 Departments to obtain departmental senior management endorsement of the need for and action on Government Client improvement.
	1.1.2 Presentation of proposals at Rethinking Construction Conference (Egan)	3/11/98	
	1.1.3 PPD to obtain endorsement by GCCP Strategy Group and full GCCP to client improvement action plan	1/99	
	1.1.4 PPD to commission implementation plans from Departments (including those not on the GCCP). Consider using Minister's letter	1/99	
1.2 To enhance Key Client Roles	1.2.1 GCCP Project Sponsor Action Group to submit recommendations for enhancing Project Sponsor role	6/99	1.2.1.1 Departments to endorse key role of project sponsor and empower that role
	1.2.2 GCCP Project Sponsor Action Group to review performance in relation to Procurement Guidance No. 1 and to provide more detailed guidance on the key client roles if necessary	6/99	
	1.2.3 PPD to examine Project Sponsor developments and to consider linking with the Government Procurement Service if appropriate	6/2000	
1.3 To enhance Project Sponsor training and skills	1.3.1 PPD to ensure availability of Project Sponsor training programme and competence award scheme	Ongoing	1.3.1.1 All Project Sponsors to be fully skilled, and empowered, in the requirements set out in Procurement Guidance No. 1
	1.3.2 GCCP Training Group to review Project Sponsor training and introduce changes	6/99	
1.4 To improve Government client project management techniques	1.4.1 GCCP to identify best practice in project management and to disseminate information on this	7/99	1.4.1.1 Departments to adopt recommended project management approach/es
1.5 To ensure construction procurement meets Government policy on sustainability	1.5.1 GCCP to set up a sustainability action group to investigate how construction procurement can contribute to policy on sustainability	1/99	1.5.1.1 Departments to adopt findings of the sustainability action group as appropriate

## 2. MEASUREMENT

Objective	Actions (at central level)	Target Date	Actions (at department level)
2.1 To identify and refine best practice using Benchmarking	<p>2.1.1 Publish "Pilot Benchmarking Study"</p> <p>2.1.2 Benchmarking Group to develop and agree Key Performance Indicators, in liaison with Egan team, for common project areas including, but not restricted to, time and whole-life cost predictability. These KPI's should allow measurement against Egan targets</p> <p>2.1.3 PPD to co-ordinate benchmarking exercise for Government Construction Client performance</p> <p>2.1.4 PPD/Benchmarking Group to investigate scope for benchmarking outside the British Government sector (eg with ECI)</p>	<p>10/98</p> <p>3/99</p> <p>6/99</p> <p>7/99</p>	<p>2.1.2.1 Departments to apply these KPI's to measure performance</p> <p>2.1.2.2 Each Department, as relevant, to provide at least one demonstration project to assist the Movement for Innovation.</p>
2.2 To identify and refine best practice using post project implementation reviews	<p>2.2.1 PPD to update existing guidance on post project implementation reviews.</p> <p>2.2.2 Benchmarking Group to consider how to most usefully use information from post project implementation reviews</p>	<p>10/99</p> <p>6/99</p>	<p>2.2.1.1 Each Department to examine if post project implementation reviews are being carried out and reasons why they may not be</p> <p>2.2.1.2 All Departments to undertake post-project implementation reviews (degree of adoption dependent upon size and complexity of project) and to make results available to Benchmarking Group</p> <p>2.2.1.3 Post project implementation reviews to include feedback from suppliers and users on client performance</p>
2.3 To improve Government client performance using collaboration and joint working.	<p>2.3.1 PPD to establish GCCP website to hold range of information including case studies</p> <p>2.3.2 PPD to develop links between GCCP and Construction Best Practice Programme including use of the CBPP "knowledge centre"</p>	<p>11/98</p> <p>10/98 and ongoing</p>	<p>2.3.1.1 GCCP members to provide case studies and other data for inclusion on GCCP website to allow full sharing of information</p>
2.4 To improve Government client performance using feedback from industry	<p>2.4.1 PPD/GCCP to develop and undertake annual/18 monthly survey with industry umbrella bodies via CIB and CCF. Results to be disseminated to departments</p>	<p>10/99</p>	<p>2.4.1.1 Departments to implement areas for improvement identified through the survey</p>

## 2. MEASUREMENT (cont'd)

2.5 To enrol assistance of strategic allies in implementing client improvements	2.5.1 PPD, NAO and departmental heads of Internal Audit to develop model for cooperation and agreement on establishing progress on implementation. NAO to undertake periodic reviews of implementation by department	6/99	2.5.1.1 Departmental Construction Units, or equivalent, to advise Heads of Audit of Client Improvement Action Plan
	2.5.2 PPD to investigate Treasury's approval scheme for construction projects (currently based on capital expenditure rather than life-cycle costs) and to amend guidance as appropriate	6/99	2.5.1.2 Departmental Construction Units, or equivalent, to advise Finance Sections of the Client Improvement Action Plan

## 3. STANDARDISATION

Objective	Actions (at central level)	Target Date	Actions (at department level)
3.1 To develop standard practices and approaches/procedures	3.1.1 PPD through the GCCP to investigate the extent to which life cycle costings are being carried out and the steps required to ensure they are. (Perhaps through PG Guidance series)	7/99	3.1.1.1 Departments to provide information on the extent to which life cycle costings are being carried out and why they may not be
	3.1.2 GCCP to endorse: a. procurement decisions based on value for money, not lowest cost; b. payment of bills promptly in accordance with terms of contract (cf Late Payment of Commercial Debt Act, Housing Grants, Construction and Regeneration Act); c. use of risk and value management principles on all projects (degree of adoption dependent upon size and complexity of project); d. use output based/performance specifications wherever possible; e. inclusion of project control gateways in every project plan; f. use of life cycle costing; g. use of robust change control mechanisms for each project; h. debriefings based on value for money feedback, not cost alone	1/99	3.1.2.1 Departments to put these practices into place (where they are not already standard practice) and maintain these
3.2 To improve Gov. Client performance through the use of technology	3.2.1 GCCP Strategy Group to consider technology necessary to improve performance, what is available or developing and the introduction of technology across departments eg sharing (taking industry request for one Government project information management system, into account)	8/99	3.2.1.1 Departments to implement the required technology within financial constraints

#### 4. INTEGRATION

Objective	Actions (at central level)	Target Date	Actions (at department level)
4.1 To reduce project delays caused by waiting for decisions to be made or funds to be released	4.1.1 Links to Project Sponsor and empowerment (see 1.2.1.1 above)	N/A	<p>4.1.1.1 Departments to review and reduce , where necessary, project and financial approval chains (as well as empowerment of key role in the procurement process)</p> <p>4.1.1.2 Departments to use the CSR 3 year programme and budget planning process to ensure smooth progress of projects</p> <p>4.1.1.3 Departments to review risk management and change control processes to minimise disruption caused by eg legislative or policy changes</p>
4.2 To increase integration of all parties in the supply chain	<p>4.2.1 GGCP/PPD to endorse the teamworking/partnering principles for all contracts and the use of innovative means to obtain best VFM (while meeting in particular design, legal and competitive requirements)</p> <p>4.2.2 PPD to issue clear guidance on adoption of partnering/teamwork principles and procurement strategies (Procurement Guidance Nos. 4 and 5)</p> <p>4.2.3 PPD to keep GCCP informed of developments in EC procurement policy including teamworking, partnering and frameworks</p>	<p>1/99</p> <p>4/99</p> <p>Immediate as arise. Ongoing</p>	<p>4.2.1.1 Departments to ensure early communication between designers, clients, suppliers (as appropriate) to develop a clear understanding of client requirements and teamworking ethos</p> <p>4.2.1.2 Departments to adopt partnering/teamworking principles to obtain best VFM</p> <p>4.2.1.3 Departments to use innovative procurement strategies such as Design and Build, PFI, Design/Build and Maintain and Prime Contracting generally for projects. Traditional methods of procurement only to be used where they offer better value for money.</p>
4.3 To increase the use of incentives to achieve improved performance and VFM on projects	4.3.1 GCCP Strategy Group to investigate the scope for and type of incentives that could be used by Departments	7/99	4.3.1.1 Departments to implement the findings of this investigation as appropriate

## TARGETS FROM THE EGAN TASK FORCE REPORT “RETHINKING PERFORMANCE”

Reduce Capital Cost (excluding land and finance) by 10% per annum
Reduce Construction Time (ie from client approval to practical completion) by 10% per annum
Increase the Number of Projects Completed on Time and Within Budget by 20% per annum (Predictability)
Reduce the Number of Defects on Handover by 20% per annum
<i>*Reduce the Number of Reportable Accidents by 20% per annum</i>
<i>*Increase Productivity (Increase in value added per head) by 10% per annum</i>
<i>*Increase Turnover and Profits of Construction Firms by 10% per annum</i>

The GCCP's Client Improvement Action Plan is entirely complementary to the Egan targets above. It has however proved impossible to link each action point to a target or to put a figure on how the action points might contribute to the targets. Some of the actions, for example, provide a foundation for better performance but will not directly influence Egan's targets.

The GCCP recognises that measurement of performance in relation to the Egan targets is essential. Government client contribution to the Egan targets will therefore be measured using the Key Performance Indicators and benchmarking exercise set out at 2.1 of the Action Plan for Improvement.