MOD awards east regional construction contracts

The Defence Infrastructure Organisation (DIO) has appointed five companies for the design and build of up to £250 million worth of MOD construction projects in the East Midlands and Eastern England region. The Framework covers an area spanning Lincolnshire to Essex.

Representatives of the successful companies attended a special ceremony in London on 11 November 2013 to sign 'Partnering Charters', which set out a number of principles and behaviours that are intended to promote effective joint working.

Contracts have been awarded for the Regional Capital Works Framework East Midlands and Eastern England – delivering regional projects each valued at up to £12 million – to:

- Henry Brothers (Magherafelt) Limited
- Interserve Construction Limited
- Mansell Construction Services Limited
- Morgan Sindall Plc
- Shepherd Construction Limited.

This Framework is estimated to be worth between £100 million and £250 million over an initial four-year period, with the option to extend by up to a further three-years.

This Framework is the first of seven Capital Works Frameworks that are being procured under the NGEC programme for the delivery of construction projects on the Defence Estate and is a major step forward in the NGEC programme. There are five other Regional Frameworks and one National Framework. It is expected that, in addition to supporting other requirements, the Frameworks will be used to procure a significant proportion of work in support of military rebasing up to 2020.

When project requirements are identified as suitable for delivery through the Framework, the five companies will be invited to engage in 'mini-competitions', tendering for design & build solutions.

Andrew Manley, DIO, Chief Executive, said:

“DIO’s priority is to support our Armed Forces as they live, work and train on the military estate. I am pleased that future Defence construction requirements will start to be met through this Framework consisting of these respected businesses in what will be a busy time for military rebasing and site development. The Capital Works Frameworks programme will ensure ongoing competitive tension, better value for money, and will speed up the procurement of projects.”

Matt Foley, the Head of NGEC, said:

“DIO has worked hard to attract the best companies into the procurement process, whether as potential main contractors or subcontractors, and have rigorously evaluated the bidders’ ability to deliver a wide range of potential defence projects. I am confident that these companies are now ready to deliver the construction work the defence frontline requires.”

The Framework will be used for the majority of future UK Defence construction projects.

The Regional Capital Works Framework for the East Midlands and Eastern England will operate alongside the National Capital Works Framework which will be used for projects worth up to £50 million.

Under the aims of the Government Construction Strategy, the Framework will introduce the use of Building Information Modelling (BIM) and the nec3 form of contract. They will champion prompt payment principles through the use of project bank accounts and other initiatives, as well as incorporate effective performance management, continuous improvement and benchmarking arrangements.

Ends

Further information:

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DIO: https://www.gov.uk/government/organisations/defence-infrastructure-organisation

NGEC programme: https://www.gov.uk/next-generation-estate-contracts


Notes to Editors

Photo caption – please credit ‘Crown copyright/MOD 2013’:

The successful bidders with DIO Chief Executive Andrew Manley (fourth left) and NGEC programme team at MOD Main Building, London.
1. The Defence Infrastructure Organisation (DIO) is part of the Ministry of Defence (MOD). It is responsible for managing and maintaining land and properties to meet the current and future needs of the MOD and personnel at home and abroad, and to support current operations.

2. DIO’s work includes supporting operational units by providing and improving single living and service family accommodation; training areas and historic military sites. DIO actively manages these to ensure the needs of Defence are met, value for money is achieved, and its heritage is protected, and to achieve its environmental goals.

3. DIO was formed on 1 April 2011 when the former Defence Estates (DE) organisation was brought together with other property and infrastructure functions within department to form a single organisation. DIO manages the MOD’s property infrastructure and ensures strategic management of the Defence estate as a whole.

4. The Next Generation Estate Contracts (NGEC) programme is developing a new suite of contracts for the UK Defence estate, comprising four Regional Prime contracts for hard facilities management, the National Housing Prime, the National Training Estate Prime, the US Forces Estate Prime, and one national and six regional Capital Works Frameworks for construction projects.

5. Each Regional Capital Works Framework will be used to deliver construction projects valued up to £12m, potentially including: offices, messes, accommodation blocks, garages, workshops and other technical facilities, hangars, houses, general and ammunition stores, medical facilities, sports and recreational facilities, teaching and training facilities, armouries, community facilities, and guardrooms.

6. In addition to the East Midlands and Eastern England framework, it is planned that the other Regional Capital Frameworks (Scotland; the North East, North West and Yorkshire and the Humber; the West Midlands and Wales; the South East (including London); and the South West) will also be used to deliver regional construction projects valued below £12m and the procurement of these frameworks is ongoing.

7. The National Capital Works Framework will be used to deliver higher value construction projects, more complex projects and cross-region programmes up to a value of £50m.

8. Project Hestia aims to harmonise the provision of soft facilities management across the UK Defence estate, replacing current arrangements with a suite of nine regional multi-activity contracts (RMACs) providing: catering, cleaning, waste management, retail & leisure, accommodation & mess management and a range of other support activities; they will also include options for management of stores & armouries and the provision of a deployable catering service for military operations.

9. NEC3 contracts will be introduced to the DIO for the first time through NGEC’s Frameworks programme. In addition to their use on construction projects they will also be used in due course on contracts across housing, training estate, and hard FM. NEC3 contracts facilitate the implementation of sound project management principles and practices, and have delivered major benefits across a diverse range of works and services in terms of time, cost savings and improved quality.

10. The Government Construction Strategy was published in May 2011 which sets out a framework for a range of work streams, all of which have the aim of reducing the cost of government construction projects by 15-20% by the end of the current Parliament.

11. Building Information Modelling (BIM) is a global digital construction technology, which provides a shared source of information about individual facilities to assist the decision making process for the design, construction and management of buildings from planning stage, and throughout their life cycle.