



Government Construction

Common Minimum Standards for procurement of the
built environments in the public sector

**COMMON MINIMUM STANDARDS FOR THE PROCUREMENT OF BUILT ENVIRONMENTS IN
THE PUBLIC SECTOR**

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INTRODUCTION

Common Minimum Standards (CMS)

For the procurement of built environments in the public sector

This document updates the existing mandatory standards with immediate effect.

Where a business case of a new programme or project includes a construction element, departments should ensure that this is carried out with full reference to the CMS – see following pages. Project team members including Investment Decision Makers, Senior Responsible Owners, project Sponsors and project Managers should take steps to understand and implement the CMS.

Background

Ministers are committed to obtaining value for money through improvements to the procurement of built environments that provide facilities for the public sector. They are conscious that public sector procurers are subjected to a range of policy initiatives of differing levels of importance and considered it was essential to adopt a consistent benchmark to delivering value for money and to provide a coherent approach to the market.

The CMS document does not in itself introduce new standards but summarises existing government policy. The standards are intended to represent the minimum normal threshold for the application of those policies. They apply to central government, including departments, executive agencies and the non-departmental public bodies for which they are responsible. Departments will be expected to take all reasonable measures to ensure that the standards are also adopted throughout the wider public sector, where responsibility for the expenditure of public funds has been devolved. It should be noted that the standards do not cover legislative requirements, which are in any event mandatory.

Compliance with these standards is considered to represent cost effectiveness, however their practical application by individual procurers should be considered on a project-specific basis, within the context of practicality, achievability and value for money (defined as the optimum combination of whole-life cost and quality to meet user requirements. Procurers will be expected to comply with these standards unless it can be clearly demonstrated that one or more of them fall outside of the above criteria.

Further information

Any queries or requests for further information should be directed in the first instance to the Cabinet Office Service Desk by telephoning 0845 000 4999 or by email to

ServiceDesk@cabinet-office.gsi.gov.uk

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	Standard	Background	Further Information
1	General		
1.1	All construction projects are to be carried out in accordance with the best practice principles set out in the Government Construction Strategy. Deviations from this are only permissible if there are demonstrable whole life value benefits to be achieved	The Government Construction Strategy calls for the use of integrated supply teams, working constructively with the client to drive out waste with the aim of reducing the cost of construction by 15-20% by 2015. This will involve the implementation of the action plan set out at Annex A of that Strategy, the adoption of performance measurement indicators and the use of tools such as value and risk management and whole life costing in order to support and deliver innovative solutions to meet business needs.	The Government Construction Strategy is available at http://www.cabinetoffice.gov.uk/sites/default/files/resources/Government-Construction-Strategy.pdf
2	Project and Programme Procurement		
2.1	Procurement strategies and contract types must support the development of collaborative relationships between	Procurement routes should be limited to those which support integrated team working (PPP/PFI,	

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	the government client and its suppliers and shall facilitate the early appointment of integrated supply teams (each part of which should incorporate an integrated supply chain).	Design & Build, the Prime-type Contracting approach ¹ and framework arrangements consistent with the Construction Strategy). Traditional, non-integrated procurement approaches should not be used unless it can be clearly shown that they offer best value for money – this means, in practice they will seldom be used.	
2.2	Pre-qualification and tendering processes should be appropriate for the project, meeting legal obligations and avoiding unnecessary bureaucracy and costs for suppliers. Pre-qualification Questionnaires (PQQs) should adopt the standard wording for questions as set out in PAS91.	Construction firms incur significant nugatory costs from pre-qualifying to bespoke buyer formats, which can themselves go beyond legal requirements for the pre-qualification phase of procurement. Consistent use by the public sector of a single national pre-qualification database was a recommendation of Sir Michael Latham’s 1994 report “Constructing the Team”. It remains a strong construction industry desire and has led to the development of the industry-wide standard PAS91..	Clients can move to meet this aspiration by making use of the core criteria essential to prequalification contained in PAS91, plus the option contained in it that buyers can choose to pre-qualify suppliers who have been successfully assessed by member of SSIP against the health and safety questions in PAS91 module A-4.

¹ Prime type contracting is where a supply team is appointed with a single point lead who takes overall responsibility for the design and construction of the project and gives commitments on the operational costs of or takes responsibility for the operation and maintenance of the facility for a defined period

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2.3	Procurement options and decisions are to be taken based on option and project appraisals and evaluation techniques.		Further details in the HMT Green Book, http://www.hm-treasury.gov.uk/data_greenbook_index.htm
2.4	The appraisal of procurement options and the selection of the preferred project scheme must take account of whole life value for money ² (including costs for operation & maintenance and taking account of the opportunity to provide long term flexibility). Such decisions must not be based solely on capital cost.	This assessment should include justification for any decision to procure new facilities rather than to re-use existing facilities and should take account of the likely economic, environmental and social costs and benefits, where it is possible and practical to do so.	
2.5	OGC Gateway™ Risk Profile Assessments and the appropriate Gateway™ Review process (or a similar departmentally approved process) shall be undertaken on all programmes and projects.		http://www.cabinetoffice.gov.uk/sites/default/files/resources/major-project-approvals-assurance-guidance.pdf
2.6	Clients are to ensure that appropriate expert support has been procured to advise on design, sustainability and		http://www.hse.gov.uk/construction/areyou/client.htm

² Value for money is defined as the optimum combination of whole life cost and quality to meet user requirements

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	health & safety issues.		
2.7	Public sector clients are to pay all monies properly due promptly and in any event within the contractually required timescales.	<p>Where practicable, payment mechanisms, such as use of Project Bank Accounts (PBAs) should be chosen to realise the benefits offered by integrated team working.</p> <p>Central government departments committed to implement the principles of Fair Payment on all their new projects from the 1st January 2008.</p> <p>Fair payment is now required as a contractual condition.</p>	The 'Guide to Best Fair Payment Practices' sets out the principles of Fair Payment, a model Charter and guidance on Project Bank Accounts. The Charter commits clients, lead contractors and supply chains to greater transparency, no unfair withholding of retentions, more efficient payment procedures and payment periods not exceeding 30 days.
3	Health and Safety		
3.1	All clients should make use of the guidance on client duties contained in the Approved Code of Practice (ACoP) supporting CDM2007.	This includes guidance on such matters as ensuring the early appointment of the project team; this team to have sufficient time and resources, there is good communication and co-operation between members of the team and the provision of	The ACoP can be freely downloaded from HSE;s website at http://www.hse.gov.uk/pubns/priced/l144.pdf

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		<p>pre-construction information. The latter is important in procurement good practice in that it is provided to all who are bidding for work – not just the appointed contractor.</p>	<p>There is also industry guidance on CSkills website.</p>
3.2	<p>Clients are to assess the health & safety performance and processes of their shortlisted supply teams as a fundamental part of the pre-qualification assessment process.</p>	<p>Suppliers with inadequate competence and/or poor health & safety performance records on comparable projects should be excluded from the tender lists. Feedback should be given to such suppliers to allow them to remedy such failings for the future.</p> <p>Where suppliers have previously had poor performance, they must be able to demonstrate sufficient, sustained improvement before being re-included in tender lists..</p>	<p>Clients should note that:</p> <ol style="list-style-type: none"> 1. Module A-4 of PAS91 incorporates the core criteria set out in the CDM ACoP; and 2. The option to choose to pre-qualify suppliers (against the health and safety questions) who have been successfully assessed by members of SSIP. <p>For further details of SSIP see: http://www.ssip.org.uk</p>

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	Standard	Background	Further Information
3.3	Clients are to have in place systems to collect and analyse health & safety performance data for all construction projects on which they have a duty of responsibility.	The measurement process is to include the performance of all parts of the supply team (contractors, sub-contractors and designers). The systems clients put in place should take account of leading indicators as well as data such as accident records.	<p>Further general information about performance measurement can be found in Chapter 5 of the HSE publication “Successful health and safety management” (HSG65). This publication is freely downloadable from http://www.hse.gov.uk/managing/index.htm</p> <p>Guidance more specific to construction work can be found in the Leadership and Worker Involvement Toolkit on HSE’s website at: http://www.hse.gov.uk/construction/lwit/index.htm</p>

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	Standard	Background	Further Information
3.4	<p>Clients are to include within all contracts involving construction a requirement for their constructors to be registered with a suitable site management / good neighbour scheme such as the Considerate Constructors Scheme and to comply with the scheme's Code of Considerate Practice.</p>		<p>Details available at: http://www.ccscheme.org.uk</p>
3.5	<p>Clients are to include a contract clause requiring that all members of their supply teams who are workers on or regular visitors to a construction site should be able to demonstrate their competence to carry out the work for which they have been appointed</p>	<p>The best primary evidence for an individual's competence is a mix of nationally recognised qualification, relevant experience and assessment of the individual's skills in the workplace. Secondary evidence, such as card schemes (CSCS, CPCS, ACE etc) may be used to help judge an individual's competence, but the employer should understand that different skills cards might represent different levels of experience and qualification. Individuals should be assessed as competent in line with the guidance in the ACoP supporting CDM2007.</p>	<p>The ACoP is freely downloadable from the HSE website at; http://www.hse.gov.uk/construction/areyou/client.htm</p>

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4	Design		
4.1	All clients will aim to deliver design excellence in accordance with the principles set out in the Government Construction Strategy. In order to achieve this:		http://www.cabinetoffice.gov.uk/sites/default/files/resources/Government-Construction-Strategy.pdf
	<ul style="list-style-type: none"> ○ Clients will signal the importance of design as a project selection criterion from the outset of the selection process (including the selection of the weightings used for bid evaluation) through the development of the output specification, of contractual documentation and of the sign-off procedures. 		<p>More detailed guidance is available in CABE's Creating Excellent Buildings: A Guide for Clients (CABE, 2003) that can be found at:</p> <p>www.cabe.org.uk/files/creating-excellent-buildings.pdf</p>
	<ul style="list-style-type: none"> ○ Clients should develop a clear project design brief that addresses current and future service requirements, the client's aspirations for the building and the project's physical and social context. 		http://webarchive.nationalarchives.gov.uk/20110601212617/http://www.ogc.gov.uk/documents/CPO069AEGuide9.pdf

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	Standard	Background	Further Information
	<ul style="list-style-type: none"> Tender design proposals and/or strategies and the competence of the proposed design team should be reviewed before selection of any final bidder who will be carrying out any design work, as well as at other key stages in the procurement process. 		
	<ul style="list-style-type: none"> Clients are to involve all stakeholders, including end-users, before, during and after delivery of a programme or project, in the development of the output specification and design brief, and in the assessment of project success. 	It is recommended that clients consider the use of a structured mechanism such as Design Quality Indicators (DQI's) to assist in this process.	Further information on DQIs can be found at www.dqi.org.uk .
4.2	In considering design excellence clients should take into account not just aesthetics, but buildability, functionality (including fitness for purpose), maintainability, sustainability and future flexibility of use.		

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5	Historic Estate		
5.1	<p>All projects or programmes that impact on the historic estate are to comply with the requirements of:</p> <p>The “Protocol for the Care of the Government Historic Estate”, “Managing Assets” and “ Guidance on Disposals”.</p>		<p>http://www.helm.org.uk/upload/pdf/Protocol_for_the_care_of_the_government_historic_estate_-_2009.pdf?1312800056</p> <p>http://www.helm.org.uk/upload/pdf/Guidance_on_disposals_June_2010.pdf?1312800056</p> <p>http://www.helm.org.uk/upload/pdf/EH_Managing_Assets.pdf?1312787668</p>
6	Sustainability		
6.1	<p>Project and programme procurement strategies will take full account of the Greening Government commitments. All clients are to follow Achieving Excellence in Construction Procurement Guide 11: Sustainability. In particular, clients shall:</p>		<p>http://sd.defra.gov.uk/gov/green-government/commitments/</p> <p>http://webarchive.nationalarchives.gov.uk/20110601212617/http://www.ogc.gov.uk/documents/C</p>

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	Standard	Background	Further Information
			P0016AEGuide11.pdf
	<ul style="list-style-type: none"> ○ Ensure that all construction projects are designed, within the context of value for money and functionality, to maximise the efficiency of energy, water and waste management, minimise and where possible avoid negative but enhance positive impacts on biodiversity, and take account of the likely impact on staff, transport systems and local communities. 		<p>Model procurement clauses to achieve carbon and water efficiency, and to reduce waste, can be found at:</p> <p>http://www.wrap.org.uk/construction/tools_and_guidance/procurement.html</p>
	<ul style="list-style-type: none"> ○ The specification and design of all construction projects undertaken for central government departments and their agencies shall take due account of the contribution the project can make towards the Greening Government Commitments. 	<p>These Commitments require transparency of the steps being taken to deliver against Green Government. All departments need to submit their plans to Cabinet Office which will co-ordinate publication of performance across government.</p>	<p>http://sd.defra.gov.uk/gov/green-government/commitments/</p>
6.2	<p>Procurement should take account of the Government Buying Standard for construction. At a minimum, it requires:</p> <ul style="list-style-type: none"> • An appropriate environmental assessment 		<p>http://sd.defra.gov.uk/advice/public/buying/products/buildings/new-build/</p>

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	<p>process such as BREEAM or an equivalent (e.g. CEEQUAL, DREAM etc.) appropriate to the size, nature and impact of the project must be carried out on all projects. Where BREEAM is used, all new projects are to achieve an “excellent” rating and all refurbishment projects [in excess of £500k] are to achieve at least “very good” rating, unless site constraints or project objectives mean that this requirement conflicts with the obligation to achieve value for money. Where an alternative environmental assessment methodology is used, projects should seek to achieve equivalent ratings.</p>		
	<ul style="list-style-type: none"> All timber or timber products (including timber used solely during the construction process such as temporary fencing, hoardings or shuttering) are to be purchased in accordance with the Government’s timber procurement policy. 	<p>This requires that clients ensure that timber and wood-derived products are legal and sustainable.</p>	<p>Defra Timber Procurement Advice Note: April 2010: http://www.cpet.org.uk/files/TPAN%20April%2010.pdf Further information about Government’s policy on timber</p>

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			procurement can be found at: http://www.cpet.org.uk/ . and http://www.cpet.org.uk/files/model-contract-specification-clause
6.3	Any new procurement project (whether new build, refurbishment, purchased, leased or the procurement of a service - e.g. managed workspace) must fall into the upper quartile of energy performance for the building type, except where specific operational requirements prevent this	If no suitable building is available, the reasons for an alternative choice must be justified and all reasonable, cost-effective energy efficiency measures must be implemented, appropriate to the type and duration of the procurement. Guidance to procurers on the measurement and achievement of this target is currently under development.	Commitment made in: “Energy Efficiency Implementation Plan: Government Plan for Action”, available at: http://www.archive2.official-documents.co.uk/document/cm61/6168/6168.pdf
6.4	Procurement of capital works should ensure that buildings, infrastructure and assets will be fit for purpose in a future changed climate.	The impacts of climate change will increasingly affect our built environment, infrastructure and public services. Investment decisions will need to take account of potential adaptation by planning for these risks so that it is possible to minimise the negative aspects of climate change and maximise the opportunities that may arise.	“adapting your procurement” guidance: http://archive.defra.gov.uk/environment/climate/documents/interim2/adapting-procurement-summary.pdf

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