

Hanson

Construction Management procurement trials are developing a better service for the Highways Agency and significant benefits for specialist suppliers such as Hanson Construction Projects.

Results prove pilot performance

Innovative procurement methods being piloted by the Highways Agency for road improvement schemes up to £3M are delivering major benefits for all involved, according to Hanson Construction Projects. HCP's claim is supported by its involvement in around 20 schemes within the pilot so far, all of which have been completed on time and to predicted cost.

HCP, the construction arm of Hanson Quarry Products, has been operating as a road surfacing specialist in the HA's Construction Management (CM) pilot schemes since April 1999. An initial one year trial was followed by the current two year scheme developed to enable the HA to fully assess the new procurement method.

The company is hoping that the HA will adopt CM as a standard technique as closer working relationships developed by the new arrangement are eradicating contractual difficulties and improving HCP's business.

CM has replaced conventional competitive tendering in the HA's Super Agency contract Areas

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8, 10, 11 & 12 for some road and bridge improvement contracts above £100,000 and up to the value of £3M. This work, which is separate from the responsibilities of routine maintenance contractors and below the threshold requiring schemes to be advertised in the Official Journal, is instead being carried out by a select pool of specialist suppliers.

The HA's Super Agency agents are managing each project as "Construction Managers" in their respective areas. The specialist companies including HCP were selected by the HA using a tendering exercise split 80/20 in terms of quality and price. The HA was advised by its Construction Manager WS Atkins for Areas 11 and 12, Babtie (Area 10) and URS (Area 8).

All work within the pilot scheme is being provided by between one and four suppliers chosen for each specialist discipline including general civil engineering, waterproofing and traffic management as well as road surfacing.

Bidding with a view to putting in the lowest possible price has been replaced by teamwork. Each project involves the HA, Construction Manager and relevant specialists sitting down at an early stage and working together on the schematic design and agreeing outturn costs.

"Completion of all road construction and improvement projects to projected cost and programme is a key requirement for the HA," says HCP director Rick Green. "We have achieved this for all of the schemes within the trial so far, which is considerably better than the 1999 Government department and agency average of 30% of projects completed to planned time and budget.

"The HA has accepted its responsibility as a public sector client to address procurement problems and the results of the CM trial so far support our belief that it has initiated a good solution," says Green.



1. Reconstruction and resurfacing of the A43 in Northamptonshire is one of around 20 projects completed by HCP on time and to budget within the CM pilot scheme.



2. Potential difficulties with compaction of narrow road haunches were avoided by teamwork at the design stage of the A43 project.

3. The CM procurement method promotes closer and more effective planning and working relationships between suppliers, such as barrier and surfacing specialists.

4. "We are all happy with the CM arrangement and the client is getting a better product as a result," says HCP director Rick Green.



"Key Performance Indicators (KPIs) show there is still room for improvement in some areas. But the construction teams are getting outturn prices right and the HA is getting a better service, which will continue to improve."

Nine KPIs are being used to assess the CM trial benchmarked against similar contracts procured conventionally within the HA's Area 17 Super Agency. KPIs include road user satisfaction, cost and time predictability and competitiveness – in comparison to Area 17 – and quality, safety and productivity improvement.

Also included in the list is the KPI Sustainable Quality Supplier Base. This is a measure of how well teams avoid disputes and work together to prevent and solve problems. A management board called the Pilot Issues Group, including representatives of the HA, construction managers and specialist suppliers, meets monthly to ensure there are no grounds for claims and to discuss performance in this area.

"We like Construction Management as a procurement method. It allows us to speak directly with the HA and meet other suppliers to discuss projects at the design stage. We are all happier with this arrangement and the client is getting a better product as a result," says Green.

"Conventional construction contracts are usually under way before we meet other contractors, which often makes planning difficulties inevitable. Virtually all potential problems are being identified and ironed out at the design stage of projects within the CM trial and the good relationships in place ensure that problems that do occur are sorted out with no animosity.

"I can not underestimate the value of these CM results for raising the quality of service provided."

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HANSON CONSTRUCTION PROJECTS (HCP) successfully completed surfacing work as part of the A43 Green Man, Brackley & Tiffeld road reconstruction scheme within the CM trial in October 2000. The project, close to Silverstone in Northamptonshire, was managed by URS and involved reconstruction, realignment and resurfacing of 4km of dual-carriageway.

HCP's £700,000 contract included supply and lay of around 13,000t of road surfacing including base course, road base and 3,000t of high performance Tuffgrid thin layer wearing course material supplied by Hanson and Midland Quarry Products.

HCP commercial manager Steve Wood says comparison of suppliers' performance on the A43 with how they would have fared using conventional

procurement is difficult. But benchmarking and Key Performance Indicators show savings were made.

"Most importantly, the whole project including work delivered by HCP was delivered on time and to the predicted budget with no problems," says Wood. "Potential difficulties were removed at design meetings before work started. For instance, Heavy Duty Macadam specified for road widening haunches between one and two metres wide could not have been compacted where the haunch was less than 1.5m wide.

"The haunch would probably have been widened at extra cost within a conventionally procured contract. However, we agreed with URS a change to more easily compactible HRA where necessary and the problem was avoided."