

PPC/TPC Awards 2013

ORTUS learning and events centre by Maudsley Charity



Introduction

In Summer 2009 Maudsley Charity, expressed a desire to develop a state-of-the-art learning centre that would promote world-class mental health learning for anyone, anywhere at anytime. On 4 June 2013, Maudsley Learning, the Charity's newly established social enterprise, hosted its inaugural event - the Reception for:

'DSM-5 and the Future of Psychiatric Diagnosis: Where is the roadmap taking us? A two day international conference following the publication of the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-5)'

The event, usually held in USA, was attended by circa 200 of the World's leading psychiatrists. Since then Maudsley Learning has continued to host a multitude of learning events for clinicians, nurses, carers, service users, community members, children, charities, businesses and the like. It is about to launch its online learning portal that can be accessed by anyone, anywhere, at anytime.

ORTUS ('new beginnings' in Latin) is the home of Maudsley Learning, a Community Interest Company founded by the Charity. ORTUS was conceived, designed and built in three-and-a-half years, the first year of which was dedicated entirely to immersion, consultation and brief development activities. The project was completed on time, on budget and has already been shortlisted for numerous architectural and building industry awards.

This success was achieved using a PPC2000 Contract that was adapted to suit a construction management model i.e. the direct appointment of every consultant and constructor by the client.



Background

About Maudsley Charity

Maudsley Charity supports mental health and wellbeing by investing in projects that aid innovation in health services, training/education, research and infrastructure.

Maudsley Charity's history dates back to 1246 but was substantially formed in its current guise in 1948 as an 'NHS Charity' at the time of nationalisation of hospitals institutions. Property and assets that did not serve a hospital's operational needs were ring-fenced within charities linked to the hospital. Maudsley Charity is now under the trusteeship of South London & Maudsley NHS Foundation Trust (SLaM).

King's College London's Institute Of Psychiatry (IoP) is SLaM's long-term partner and shares its Maudsley Hospital campus. SLaM and IoP together are recognised as world-leaders in mental health practice and research.

The majority of the Charity's activity historically has been in grant giving but, in 2009, it decided to take a more proactive role in delivering the aims of the Charity.

Maudsley Charity's ambition for the project

Maudsley Charity owns some of the land and property on Maudsley campus. It was recognised by all that many of the facilities on the campus were not fit for the effective promotion of learning or dissemination of SLaM/IoP's expertise and research. Maudsley Charity's ambition was to provide a new facility on the campus that could become a place for state-of-the-art learning as well as a conduit for the sharing of world-class learning through the use of technology.

The Charity had few pre-conceptions of the development process other than the usual anecdotal rhetoric that building projects are 'always late' and 'always over budget'. Through its history, the Charity has sought to be a 'catalyst for change'. It wanted to find a way to avoid being 'late' and 'over budget'. Hence, it was open-minded, prepared to be innovative and keen to set an exemplar for others to consider in the future. This mind-set has been pivotal to the successful outcome of the project.



Why PPC?

Context

Over the period of the first year of the project, the Charity established a clear vision and ambition - not only in respect of the eventual outcome but also in respect of the approach to be taken to delivery of that outcome. The Charity came with a strong ethos that '...remarkable results can be achieved by bringing together a team of good people in a creative environment with common ambition and shared purpose.'

The Charity had a well-attuned awareness and appreciation of risk and opportunity. It understood that project and organisational risk extended beyond simplistic 'quality-time-cost' triangles. As a Charity it was particularly conscious of its reputational risk. It was also fully aware that the project provided an opportunity to innovative. It was willing to pilot an alternative approach to procurement that could have a lasting impact on the attitude of SLaM trustees to its future development plans.

The Charity was determined to push forward with the development process, with a clear deadline in mind, even though it had not yet decided by whom the learning centre would be operated and what its business model would be. Indeed, it was likely that the team that would deliver the business plan and operate the building would not come be appointed until perhaps six or nine months before the building was due to complete. The operational team would very likely have a say in the final fit out brief.

The timing of the project meant that the Charity expected it to be delivered through one of the worst recessions in the past century. The Charity looked back to the recession of the early 1990s and considered the risks created through under-pricing of tenders and business failures of main contractors and sub-contractors.

Bearing in mind the challenges it would be placing on the project delivery team, the Charity recognised its need to be adaptable itself. It was prepared to re-review risks and opportunities on an ongoing basis and to issue new directives as required. The Charity established a short-line of authority for decision-making and appointed a consultant client representative to meet the day-to-day demands as a client. The key thing for the Charity was for risks and opportunities to be brought

to its attention as quickly as possible so that quick decisions could be made. Again, this was a critical aspect to the successful outcome of the project.

Key performance criteria

In order to assist the delivery team understand its wider risks, the Charity set out eleven performance criteria below. The client wanted all criteria to be wholly achieved but added a notional weighting to assist decision-making (and also to provide the basis of an incentivisation mechanism for some team members).

Health & Safety 25.0%

1. 25% No reportable accidents

Programme 15.0%

2. 15% Project completion date May 2013 15.0%

Quality 30%

3. 20% Design Brief met
4. 5% Quality Expectation met
5. 2.5% Zero defects at project completion
6. 2.5% Minor DLP defects only

Cost 20.0%

7. 15% Build costs not exceeding budget
8. 2.5% Fees and other planning/development costs not exceeding budget
9. 2.5% Lifecycle cost forecast (net present value ex build) not exceeding target.

Public relations 10.0%

10. 7.5% Good public relations maintained.
11. 2.5% Less than five complaints to the Client.

These criteria were shared with all team members, accompanied by statements about the vision and ambitions for the project.

Choosing PPC

Given the context, vision and key performance criteria, the Charity sought a method of procurement that provided for:

- a) A positive collaborative approach to developing and managing the project with clarity of roles, responsibilities, risks and rewards
- b) Clarity between all parties regarding the vision and ambitions for the project as well as the key performance criteria.
- c) Open and effective communication
- d) Early start on site.
- e) Development of the brief/design and ongoing value engineering during the course of the project.

The Charity's lawyers, together with input from Client Representative and Cost Consultant, gave the client a detailed briefing on all its options over several meetings and reports. The Charity was introduced to, amongst others, the PPC agreement.

PPC's partnership concept appealed as it aligned with the Charity's ethos and preferred approach. The agreement was able to satisfy all the above criteria and offered great deal of flexibility moving forward. In this instant, PPC ticked all the boxes, whereas other forms of contract/agreement did not.

Why adaption to Construction Management form?

After careful consideration of its risks, the Charity reached the conclusion that a 'construction management' methodology would be the best basis for managing procurement and risk. The key reasons were:

- a) To enable the Charity to handpick constructors that were not only competitive but also bought into the ethos of the project.
- b) To provide an easier mechanism for the brief and design to develop through the duration of the project without exposing the client to the risk of major main contractor loss/expense claims.
- c) To do away with main contractor overheads, risk allowances and profit margins thereby ensuring better value from the budget.
- d) To reduce the decision-making hierarchy by doing without a main contractor management team.
- e) To reduce the risks associated with a main contractor becoming insolvent.
- f) It would be easier to align trade contractors with the Charity's ethos and project vision if the Charity had a direct dialogue with the trade contractors (rather than through a main contractor).
- g) Trade contractors would appreciate having a direct and therefore shorter payment route and this would add to their commercial appetite for the project in recessionary times.
- h) The Charity would have a more direct ability to manage its reputational risk in the local community by having direct control over conduct and performance of trade constructors.

The two key downsides were perceived to be:

- a. No main contractor with whom to share commercial risk.
- b. Multiple rather than single-point design and workmanship responsibility.

In respect of a), the Charity took the mitigating view that main contractors typically try to seek recompense for cost-over-runs and delays back to clients or sub-contractors through claims, variations, extensions of time and the like. The Charity therefore decided that it would always have a risk and that be willing to take on board any additional exposure.

In respect of b), the Charity took the mitigating view that PPC provided a mechanism for identifying every party's roles very clearly so that responsibility for fault or failure could be easily identified, if necessary.

Drafting the agreement

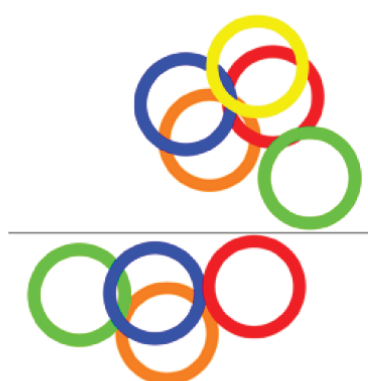
Led by lawyers and with significant consultation and input from the consultant team, especially the client representative and construction manager, a modified version of the PPC was devised. This process was very helpful in that it forced the consultant team to consider very carefully about its respective roles and responsibilities. A matrix showing all perceived project activities together with responsibility of each party was prepared. This was time consuming but left little doubt about what was required of each other.

Delivering ORTUS

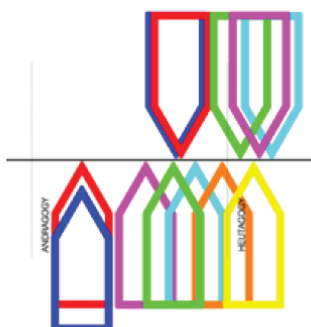
What is ORTUS?

ORTUS, home of Maudsley Learning, is a new hub for learning and events. It comprises flexible learning and event spaces, open access foyer, café and exhibition areas as well as office and ancillary spaces, totaling 1550m². It is a pavilion-style building over seven staggered, split-levels. It is surrounded by landscaped gardens and has open access to the grounds of Maudsley Hospital and IoP as well the residential areas of Grove Lane and beyond. It has been completed to a BREEAM 'Excellent' standard and has achieved an 'A' EPC energy rating. It was designed to last with a 100-year life expectancy in mind and therefore the design needed to be robust but to have a timeless quality that contemporary yet fitted with its Conservation Area environ.

The spaces have been designed to create an environment conducive to learning, to remove barriers to learning and to provide the latest audio/visual technology to make it possible to share learning with anyone, anywhere, anytime. The project brief and vision was informed by a 12-month immersion and brief development process. The process involved extensive consultation with partners, SLAM/IoP, and the community as well as much research and many visits to exemplar buildings in UK and Europe.



Immersion Process.
During the process, workshops were organised to advance the discussion about the future of teaching and learning and better understand the needs of this evolving culture.



1. 'The building will represent the world class reputation of SLAM'
2. 'The building will be a catalyst for change'
3. 'The building will act as a hub for teaching and learning'
4. 'The building will stimulate community wide engagement'
5. 'The building will be state of the art for learning'
6. 'The building will be innovative in design and construction'
7. 'The building will be environmentally sustainable'
8. 'The building will promote interaction between all its users'
9. 'The building will be welcoming, friendly and accessible to all'
10. 'The building will support learning by anyone, anywhere, at any time'

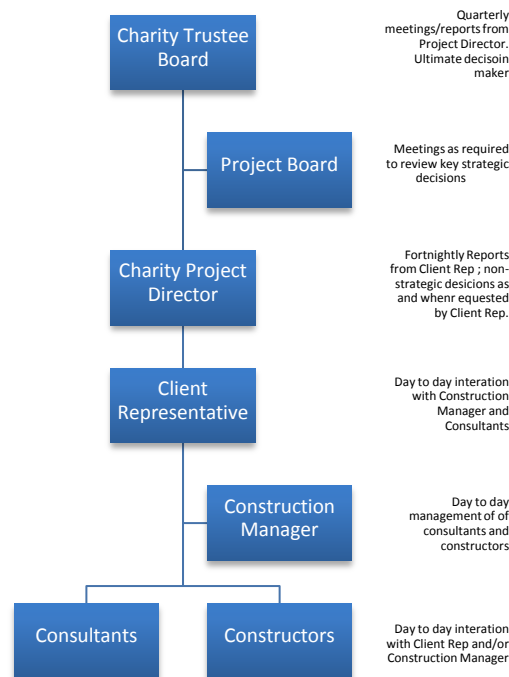
Project Milestones

The following key milestone were set and achieved:

July 2009	Commence Immersion and brief development
July 2010	Brief sign off
May 2011	Planning Submission
Sept 2011	Planning Consent
Nov 2011	Commence demolition
Jan 2012	Commence construction
April 2013	Complete construction
May 2013	Complete fit out and furnishing
June 2013	Building open – Inaugural event 4 June 13

Managing construction with the amended PPC

The diagram below shows the leadership and management hierarchy that were implemented to oversee delivery. PPC was amended to incorporate the roles of Client Representative and Construction Manager



The Core Group

It was decided that the core group would comprise

- Client
- Client Representative
- Construction Manager
- Lead Designer
- Environmental Services Engineer
- Structural Engineer
- Groundwork/frame constructor, once appointed
- Mechanical and Electrical Services Constructors, once appointed

The choice of Constructor members meant that there would always be a Constructor actively involved in the project, should Core Group meeting be called.

Introducing new partners

Selection of new partners was a vital part of the process. New prospective partners were introduced to the project through a careful selection process by way of tenders and interviews. The Construction Manager via the Client Representative made appointment recommendations to the Client.

All consultants and constructors were invited to attend workshops in small groups hosted the Partnering Advisor. The Partnering Advisor explained the agreement carefully to each party and highlighted the key differences between the agreement and typical building contracts. Queries were raised and discussed and each partner was made aware that the Partnering Advisor would be available as a resource to them should they deem it necessary. The Construction Manager and Client Representative also attended each of these workshops and reminded partners of the vision and ambitions for the project. These workshops were not only informative but helped bond relationships between partners and reinforce the 'partnership culture' of the agreement. The feedback from attendees was very positive.

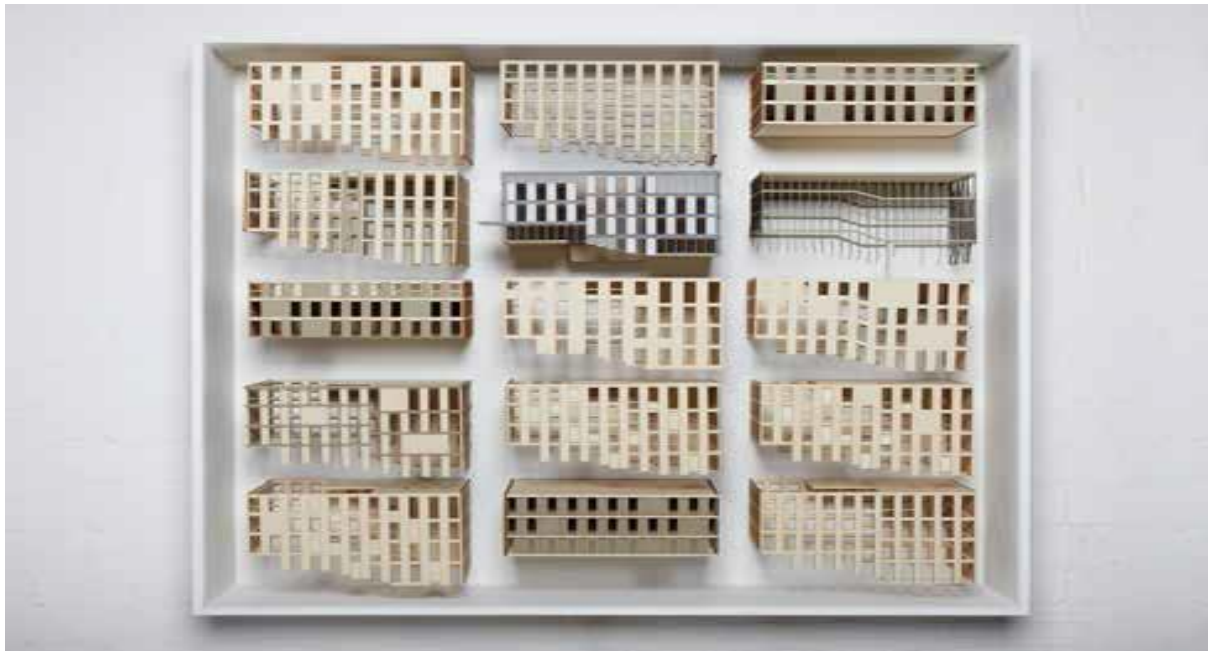
It is fair to say that the client has been impressed with the response of constructors in buying in to the PPC approach. Without exception they all took time to understand the goals of the project, some were initially cynical or sceptical but soon came round. Others were amazed since their experience to date on other projects represented such a contrast. A good many were totally won over and they provided a service above and beyond the call of duty.

Design Development

One of the aspirations of the project was to bring the industry's best practical skills along side those of the design consultants to get the best value results. Also, to meet the client's programme objectives, detailed design and construction drawings needed to be developed during the construction timeframe.

A procurement strategy was put in place that aimed to engage constructors as soon as possible, particularly those with design responsibility. PPC's three-stage process of 'Joining', 'Pre-Commencement Agreement' and 'Commencement Agreement' provided a very effective way to bring parties on board and to contribute willingly to the design development and build-ability processes. Pre-Commencement Agreements were utilised extensively and with almost all constructor partners.

The early engagement of the construction manager also ensured that valuable practical considerations were incorporated into the early stage designs. This approach also allowed the project team to plan the procurement process more efficiently and to enable constructors to provide tenders based on realistically developed designs.



Cost Management and Value Engineering

The team were made aware that the project budget was fixed. The client also made it clear that it was not seeking significant savings to the project budget but that it wanted to get the best value for the money it was spending. At an early stage (RIBA Stage C), when overall budget was being considered, the client considered the cost and programme advice and then posed a question of the Client Representative and Lead Designer:

“Can you deliver the project vision for the budget and programme stated – not a penny more and not a day late?”

Both considered that the client had taken a carefully considered view in respect of budget and programme and so replied in the affirmative. Subject to Board approval, the budget was fixed on that basis. The same question has been passed to all team members to seek their personal commitment too.

The client went to explain that, whilst they did not want to spend any more money than budgeted, they also wanted to get the best value possible from every penny of the budget. In other words they were not expecting us to return some of the budget to them. The client entrusted the Client Representative, with input from the Lead Designer and all team members, to interpret the client's brief where necessary to deliver the budgetary and other targets. Deviations were always brought to the client's attention together with a rationale so decisions ultimately remained with the client. However, the client's attention would be brought to any deviations for their approval. Of key importance, in almost all instances the Project Director made decisions by return.

The flexibility given to the team led to plenty of 'healthy' analysis and discussion by team members. Value engineering was an every day topic of discussion during the design and procurement phases. The project benefitted from highly experienced cost consultant and construction manager representatives so who were able always 'to keep one eye on reality' and provide foresight.

Decisions were not always easy and a lot of hard work had to go into achieving design aspirations,

budgets and programme. This is no different from any other project but in this project – because of the partnering ethos – and the shared vision, there was a strong commitment by all parties to balance all the client's risks.

This outcome is that every package represented best value in terms of cost, design, quality and 12programme. The team believes that 'every penny was spent effectively'.

Sufficient time had to be allowed in the procurement programme to allow for this process. It also meant that by the time the constructor was appointed all risks had been identified, eliminated or a plan put in place to manage them. The team invested time and effort to ensure certainty of delivery.

To date there have been claims for loss and/or expense arising from the and the final account is expected to be almost exactly on budget.

Construction

Due to the careful planning and early involvement of constructors, no significant surprises were encountered during the construction process. In cases where problems arose, as they inevitably do on a unique project, the team worked together to solve them so that they did not impact negatively on the project. Everyone was confident to be able to put forward ideas to improve the process. When the Early Warning mechanism was used, it was understood by the team that this was for everyone's good and not seen as a threat.

Nevertheless, with the end in sight and still a lot to do, approximately four months before completion the Client Representative called a meeting of all partnering team members including the client. A large room was hired and refreshments provided. The Client Representative and Construction Manager reminded all of the Vision for the project, the remaining programme milestones and some of the known challenges. Partners took the opportunity to discuss their own issues and inter-dependencies and to arrange follow up meetings.

A lot was gained from reminding every partner (designers and constructors) that we were on target, and that we would finish on time if they all deliver in accordance with their agreed programmes. This was very important as there still seemed to be an assumption amongst some that 'the project would be late – like every other project they had worked on'.



Completion and Tenant Occupation

As was envisaged, new challenges arose once the Charity's newly formed social enterprise – the new tenant's – began to develop their own ideas about the operation of the building. There were two major design impacts:

- a) The introduction of the brief for the audio-visual and technology installations (approximately 6 months before completion)
- b) The introduction of the brief for a fully fitted kitchen and preparation area (approximately three months before completion)

The former (a) had been envisaged and to some extent planned for. The latter was a complete deviation from the brief and presented a significant challenge. It was recognised that to meet the June opening deadline, the tenant fit out would need to overlap with the construction phase.

It was decided to extend with electrical constructors package to include the data cabling works and to incorporate the kitchen alteration works (structural services and fit out) within the partnering agreement. Contract completion was extended by four weeks to accommodate this significant change.

In the last month constructors worked along side a/v specialists and furniture/furnishing companies appointed by the tenant. The project was completed and handed over for tenant fit out and occupation on 2 June 2103 in readiness for the inaugural event on 4 June.



Conclusion

ORTUS has now been open for just over three months and is already a thriving learning and events centre. The building has already been nominated for a number of architectural and property industry awards. The project finished on time and on budget. It is BREEAM Excellent. Positive relations were developed with neighbours. There were no reportable accidents. There have been no disputes or claims. The client is extremely happy. Every partner is very proud to have been involved.

Without the vision of the client, its positive attitude and belief in partnership and the shared ambition of all partners, so many positive outcomes may well not have been achieved. The PPC form supported the ethos and preferred approach of the client and provided a framework in which all the partners could work together co-operatively to achieve the client's vision.

