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# RECOMMENDATIONS IN 'CONSTRUCTING THE GOLD STANDARD, AN INDEPENDENT REVIEW OF PUBLIC SECTOR CONSTRUCTION FRAMEWORKS

Summary of Independent Review by  
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## Introduction

Frameworks offer a dynamic and strategic medium for implementing Construction Playbook policies in ways that break the cycle of lost learning and deliver faster, better, greener construction. Frameworks require sustainable contracts through which clients and suppliers can *‘think long-term, manage risks and share information more effectively, be flexible when things need to change and ultimately deliver continuous improvement and real value’*.

Recommendations for Gold Standard public sector construction frameworks are summarised below by reference to the 24 numbered sections of this review, which mirror the structure and requirements of the Construction Playbook. The recommendations in this review include specific activities which should be implemented at each stage in the life of a construction framework, namely its strategy, procurement, contract and management.

Although most Gold Standard recommendations start with framework providers, clients and managers, their successful implementation also depends on suppliers and supply chain members adopting equivalent framework practices and commitments.

This document is a summary of the 24 recommendations laid out in Professor David Mosey’s independent report ‘Constructing the Gold Standard - An Independent Review of Public Sector Construction Frameworks’<sup>1</sup>. The full document can be found [here](https://www.gov.uk/government/publications/an-independent-review-of-public-sector-construction-frameworks) and should be read alongside the Construction Playbook and associated guidance notes for further information.

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<https://www.gov.uk/government/publications/an-independent-review-of-public-sector-construction-frameworks>

## **Recommendation 1**

**Use the Gold Standard features of frameworks, framework contracts and action plans to measure Construction Playbook implementation on a ‘comply or explain’ basis (page 12)**

To provide an objective and measurable basis for implementation of Construction Playbook policies on a ‘comply or explain’ basis, this review recommends that Cabinet Office assesses the ways in which public sector clients and suppliers adopt and apply the features of a Gold Standard framework, a Gold Standard framework contract and a Gold Standard action plan.

## **Recommendation 2**

**Ensure that all Gold Standard features are adopted by clients and suppliers when comparing the different construction frameworks on offer (page 18)**

For clients and suppliers to make informed decisions when comparing the many construction frameworks on offer, this review recommends that they adopt the features of a Gold Standard framework, a Gold Standard framework contract and a Gold Standard action plan to identify the questions they need to ask and the answers they should expect.

## **Recommendation 3**

### **Require that all public sector construction frameworks prioritise safety, net zero carbon and the Compact with Industry (page 23)**

In order to deliver government priorities and the Compact with Industry, this review recommends that framework providers, clients and suppliers make clear how their framework strategy, procurement, contract and management will achieve improved building safety, net zero carbon targets, long-term relationships, fair returns, equitable treatment of risk, rewards for faster, better and greener delivery and collaboration at all levels of the supply chain.

## **Recommendation 4**

### **Reduce procurement costs, improve value and reduce risks by wider adoption of a standard form Gold Standard framework alliance contract (page 29)**

To achieve efficiency savings by reducing waste, confusion and duplication, and to replicate the substantial value improvements shown in collaborative framework case studies, this review recommends the wider adoption of a standard form framework alliance contract that:

- Aligns the objectives, success measures, targets and incentives of clients and suppliers.
- Provides transparent performance measurement and work allocation procedures.
- Requires joint work by clients and suppliers to improve value and reduce risks.
- Translates framework objectives into actions with clear timescales and outcomes.

## **Recommendation 5**

### **Create contractually binding Gold Standard action plans to convert framework objectives into actions and timetables that deliver improved economic, social and environmental outcomes (page 31)**

In response to the need for urgent implementation of Construction Playbook policies in ways that achieve the ambitions of government and industry, this review recommends that framework providers, clients and suppliers create contractually binding action plans that convert improved value objectives under their existing framework contracts into shared strategic commitments and that state agreed actions and timetables.

## **Recommendation 6**

### **Invest in framework management that demonstrates value for money for clients and suppliers (page 35)**

In response to industry concerns regarding varying levels of framework leadership and management, this review recommends that framework providers invest in framework management responsibilities which demonstrate value for money for clients and suppliers and which include integration of strategic interests, support for collaborative joint working and assurance that framework commitments and opportunities are understood and implemented, including where consultants are appointed from outside the framework.

## **Recommendation 7**

### **Capture improved value by identifying SME strengths and use Supply Chain Collaboration systems to maximise social value (page 39)**

To capture improved value from the contributions of SMEs, this review recommends that framework providers, clients and managers make framework appointments using evaluation criteria that identify SME strengths, and also use 'Supply Chain Collaboration' to create supplier-led alliances with supply chains that include local and regional businesses. To maximise social value, including improved employment, skills and environmental sustainability and the combatting of Modern Slavery, framework contracts should convert social value objectives into shared action plans with timescales and expected outcomes.

## **Recommendation 8**

**Avoid wasted procurement costs and improve supplier commitments by ensuring that frameworks offer sustainable pipelines of work (page 41)**

In response to industry concerns regarding the significant cost and time wasted by clients and suppliers in procuring speculative frameworks, and in order to optimise competitive bids and strategic commitments from prospective suppliers, this review recommends that framework providers and clients make clear in all their framework procurements the pipelines of work to which they commit and the preconditions to implementing those commitments.

## **Recommendation 9**

**Use pre-procurement framework consultation to explore emerging technologies and innovations and to identify opportunities in the market (page 43)**

To incentivise improved outcomes, to optimise competition and to improve market health and capability, this review recommends that framework providers and clients use pre-procurement framework consultation to explore emerging technologies and innovations and to identify relevant opportunities and limitations in the market, and that their framework strategies, procurements and contracts embody this pre-procurement learning.

## **Recommendation 10**

**Reduce procurement costs and improve value through the award of longer-term call-off contracts and the incentive of additional work (page 46)**

In response to industry concerns regarding inefficient and costly mini-competitions, this review recommends that framework providers and clients establish as part of their framework strategy the optimum duration, scope and continuity of framework call-offs, including the potential benefits of awarding long-term project contracts or additional project contracts without additional mini-competitions, and that framework providers and clients obtain supplier proposals as to how these awards will lead to

innovations and investments that deliver improved productivity and efficiency savings.

## **Recommendation 11**

**Improve supplier investments in MMC and other offsite technologies by awarding framework call-off contracts for portfolios of work (page 50)**

To obtain improved value from suppliers planning, investing in and delivering MMC and other offsite manufacturing technologies, this review recommends that framework providers, clients and managers use their framework strategies, procurements and contracts to explore and agree the benefits of MMC and other offsite manufacturing technologies and the additional benefits of one or more clients calling off aggregated portfolios of work.

## **Recommendation 12**

**Create a whole life golden thread of asset information using BIM and other digital technologies integrated under a framework alliance contract (page 55)**

To improve performance, safety, sustainability and value for money over the whole life of built assets, this review recommends that framework providers, clients, managers and suppliers use BIM and other digital technologies to standardise data generation, classification, security and exchange and to retain and manage a golden thread of building information, and that framework alliance contracts support these actions by integrating the information management systems of clients, suppliers and supply chain members.

## **Recommendation 13**

**Improve economic, social and environmental outcomes through framework early supply chain involvement (ESI), using Supply Chain Collaboration systems in all framework contracts (page 60)**

To maximise the improved value demonstrated by ESI in collaborative framework case studies, including efficiency savings, improved quality and safety, improved social value and reduced GHG emissions, this review recommends that framework

providers, clients and managers use framework ESI to obtain and evaluate supplier and supply chain insights, innovations and proposals, including a contractual 'Supply Chain Collaboration' system through which to create strategic supply chain relationships that improve project outcomes.

## **Recommendation 14**

### **Incentivise innovative solutions by creating specifications for frameworks and call-offs that focus on required client outcomes (page 63)**

To identify and incentivise improved project outcomes through a mutually beneficial approach to sharing ideas and innovative solutions, this review recommends that framework providers, clients and managers use specifications that focus on required client outcomes, that they include a whole life carbon assessment which minimises GHG emissions, that they use a 'Project Outcome Profile' linking performance criteria to supplier incentives, and that they clarify which intellectual property rights are relevant to the needs of clients and suppliers.

## **Recommendation 15**

### **Use delivery model assessments to inform and support framework strategies, procurement, contracting, management and call-off (page 65)**

To identify the best delivery model for each prospective framework project or programme of work, this review recommends that framework providers and clients include in their framework strategies an evidence-based delivery model assessment, that they reflect the chosen delivery model or models in their framework procurement, call-off and management systems, and that framework managers provide guidance to clients on how to choose the most appropriate delivery model when calling off each project.

## **Recommendation 16**

### **Assess and control the costs of framework deliverables through the use of evidence-based benchmarks and whole life Should Cost Models (page 68)**

To assess framework deliverables in respect of cost, schedule, GHG emissions and other expected outcomes, and in order to maintain cost controls that support call-off, ESI, performance measurement, value improvement and other framework processes, this review recommends that framework providers, clients and managers use benchmarks based on information from past projects and programmes and that they create 'Should Cost Models' forecasting what each framework project or programme should cost over its whole life.

## **Recommendation 17**

**Integrate the mutual commitments of framework providers, clients, managers and suppliers through the terms of a Gold Standard framework alliance contract (page 71)**

To integrate the mutual commitments of framework providers, clients, managers and suppliers, this review recommends that effective framework contracts incorporate:

- An outcome-based strategic brief that drives economic, social and environmental value with strategic supplier proposals for delivering that brief.
- Multi-party relationships that align objectives, success measures, targets and incentives with commitments to joint work on improving value and reducing risk.
- Enterprise contract systems and a timetable of strategic actions that improve information, integration, value and outcomes, for example using MMC, digital technologies, ESI and Supply Chain Collaboration.
- Transparent costing, call-off, performance measurement and incentives that provide a fair return for suppliers and drive value rather than a race to the bottom.
- Framework management systems that support collaboration and dispute avoidance.

## **Recommendation 18**

**Allocate risks based on framework market engagement and use joint framework systems for early risk mitigation and efficient responses to risk events (page 75)**

To address industry concerns regarding costly and unsustainable risk transfer, this review recommends that framework providers, clients and managers implement risk allocation informed by market engagement, that they create and update a shared contractual risk register with suppliers to jointly manage risks at framework level and help eliminate, reduce and mitigate potential risks on framework projects, and that they respond efficiently to framework risk events through a framework early warning system and joint decision-making group.

## **Recommendation 19**

### **Create transparent pricing mechanisms for frameworks and call-offs that maximise cost certainty and ensure prompt payment (page 79)**

In order to drive improved value and fair treatment, this review recommends that framework providers, clients and managers create payment and pricing mechanisms for framework projects and programmes of work that maximise cost certainty, that identify agreed fees, profit and overheads separately from other costs, that incentivise desired outcomes and that require clients and suppliers always to pay their supply chain promptly.

## **Recommendation 20**

### **Reduce procurement costs by consistent and proportionate assessment of economic and financial standing using 'PAS91' or the 'Common Assessment Standard' (page 81)**

In response to industry proposals that more consistent and proportionate procedures for assessing the economic and financial standing of framework suppliers will reduce waste and duplication, creating efficiency savings for clients and industry, this review recommends that all framework providers and clients use 'PAS91' or the 'Common Assessment Standard', with levels of stringency established by a 'Contract Tiering' tool that applies higher thresholds to more critical projects.

## **Recommendation 21**

**Evaluate proposals for frameworks and call-offs proportionately and consistently using balanced criteria that include quality, social value and net zero GHG emissions (page 85)**

In response to industry proposals that more proportionate and consistent evaluation systems for framework procurement and call-off will reduce waste and duplication and will create efficiency savings for clients and industry, this review recommends that framework providers, clients and managers establish and apply balanced evaluation criteria that examine all relevant aspects of value, that enable differentiation between qualitative bids, that reflect expected client outcomes and that incentivise improved value objectives aligned to government priorities including social value and net zero GHG emissions by 2050.

## **Recommendation 22**

**Establish shared and transparent framework systems through which to manage and mitigate the risks of a supplier's financial distress (page 87)**

So that framework providers, clients, managers and suppliers use the stability of their long-term framework relationships to manage a supplier's financial distress and to mitigate its impact, this review recommends that framework providers and clients establish flexible and transparent systems for resolution planning in their framework contracts, including rapid response to early warnings.

## **Recommendation 23**

**Improve framework outcomes by creating collaborative systems for the management of framework relationships and strategic supply chain relationships (page 91)**

To drive improved framework outcomes through clear mutual understanding, effective problem-solving and dispute avoidance, this review recommends that framework providers, clients and managers create collaborative systems for managing framework relationships and that these are mirrored by suppliers in strategic supply chain relationships. These systems should include a 'Core Group' or

equivalent joint decision-making group through which to manage strategic planning, value improvement, risk reduction and dispute avoidance.

## **Recommendation 24**

### **Support the adoption of Gold Standard frameworks, framework contracts and action plans through government-led training and guidance (page 93)**

In order to help framework providers, clients, managers and suppliers implement Construction Playbook policies through the widespread adoption of Gold Standard frameworks, Gold Standard framework contracts and Gold Standard action plans, this review recommends that Cabinet Office leads the development of accessible, cross-disciplinary training and guidance, and that clients and industry contribute their experience, feedback and case studies to create a compelling body of shared knowledge.



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