**ProCure22**

**What is ProCure22?**

ProCure22 (P22) is a Construction Procurement Framework administrated by the Department of Health (DH) for the development and delivery of NHS and Social Care capital schemes in England. It is consistent with the requirements of Government Policy including the Productivity and Efficiency agenda[[1]](#footnote-1); the Government Construction Strategy[[2]](#footnote-2); the Public Contracts Regulations 2015[[3]](#footnote-3); the National Audit Office guidance on use of centralised frameworks[[4]](#footnote-4); and the Cabinet Office Common Minimum Standards for procurement of the Built Environment in the Public Sector.[[5]](#footnote-5)

P22 represents the third iteration of the DH Framework providing Design and Construction Services for use by the NHS and Social Care organisations for a range of works and services. P22 continues to build on the principles of its predecessors to streamline the procurement process and create an environment in which Clients, Principal Supply Chain Partners (PSCPs) and their supply chains develop stronger partnerships to drive increased efficiency and productivity whilst supporting enhanced clinical outputs for patients and improved environments for staff and visitors.

The original DH Framework (ProCure21 (P21)) was let following a pilot in October 2003 and expired, in September 2010. Its successor, ProCure21+ (P21+) commenced in October 2010 and is due to expire at the end of September 2016. P22 will commence on the 1 October 2016 to provide uninterrupted access.

Both previous Frameworks demonstrated significant improvements in delivering schemes to time, cost and quality standards, as detailed in the table below.

Further background information on P21+ can be found at <http://procure21plus.nhs.uk/about/>

P21 and P21+ both delivered a broad range of schemes, and this will continue under P22.

**How will the P22 Framework continue to deliver value to the NHS?**

Both P21 and P21+ provided the NHS with the tools to deliver improved estate performance while lowering construction and maintenance costs. P22 is built upon the successes of these frameworks and will continue to support the NHS to masterplan their estate reconfigurations, carry out extensive maintenance and refurbishment programmes and deliver small and major capital construction work.

**SPEED -** Access to advice and Estate Development expertise very quickly with PSCP appointment within a very short timescale.

**COST CERTAINTY-** Ability to control cost and get cost certainty by agreement to a Guaranteed Maximum Price.

**QUALITY -** Close integration of the supply chain and client ensuring agreedquality standards are achieved.

**VALUE-** Agreed rates and profit and overheads set at Framework level. Savings generated from package re-tendering after agreed Guaranteed Maximum Price are returned 100% to the Client, assuming no specification changes. Free VAT recovery service. Free Training to NHS and Social Care clients.

**RESOURCE-** The ability to use various funding methods to support the development of a scheme.

**SUPPORTED-** Free support from the Department of Health from a dedicated team of Implementation Advisors (IA); also including free training, guidance documentation, template contracts and other tools. The IA will have an ongoing monitoring role to ensure project success.

**ASSURED-** PSCPs and supply chains are pre-vetted on appointment to Framework which complies with current government standards for construction procurement.

**STRATEGIC-** NHS Clients can aligning the delivery of their estate strategies with their P21+work and so create relationships with suppliers. As and when a project is initiated by a client, a supply chain is already on-site to provide feasibility, planning, costing and design advice.

The Client does not provide a long-term guarantee of work, but approves work to be done (initially identified in the scheme selection High Level Information Pack) as and when they need to, when funding is available, and if they are content that their PSCP is performing well. This arrangement is compliant with the Public Contract Regulations and provides maximum flexibility for Clients.

**Key aspects of P22**

P22 will continue the excellent work of P21+ by working alongside the PSCPs and delivering the following strands of work:

* **Cost Efficiency Savings** enabling the NHS to deliver the cost efficiency savings required through best use of the financial resources available for capital investment.
* Implementation of **Building Information Modelling** software on all P22 schemes.
* The development of **standardised products, designs** **and repeatable rooms** with bulk buying solutions. **Sharing** of designs and other design information through a centralised database under the NHS Royalty-Free Licence.
* Through **collaboration** with the NHS and Supply Chains (PSCPs and Supply Chain Members) further develop the P21+ Repeatable Rooms and Standard Components.
* Include access by **Social Care Clients** in line with DH Policy.

**Key Value for Money benefits of the P22 framework are:**

* Ability to respond to the emerging Clinical Pathway design requirements, be future ready & provide for flexible service models (briefing tool available)
* Efficient & economical management control of change mid-process.
* Fast track start without OJEU or legal fees being incurred.
* Ability to achieve programme delivery to schedule.
* Cost certainty in advance of construction (and contract engrossed).
* Reduced risk of clinical incident & minimal clinical impact.
* Reduced risk of H&S failures impacting on Patients, Visitors, Staff or Contractors.
* No litigation on P21 or P21+.
* Access to earlier designs (Royalty-free access).
* Competitively tendered rates and margins as agreed at the outset of the P22 Framework, covering rates and margins as agreed at the outset of the P22 Framework covering:
  + Profit
  + Overheads
    - Training and Development
    - Insurance
    - Launch Workshop
    - Senior personnel
    - Administration
    - Management Supervision
    - Head Office Communication
* VAT Recovery including:
  + A free service
  + Costs associated with scheme administration (this element of PSCP fee recoverable)
  + PSCP gain share (recoverable)
  + Speedy notification (at commencement of stage 4 (Construction)) enabling contribution to current scheme if required
* Mandatory DH supported selection process for appointment of PSCPs.
* Mandatory use of P22 joint risk management tool.
* Gateway authorisation at each stage controlling exposure, without termination penalty SOC – FBC.
* Structured approach to cost management
  + Validation of budget within 4 weeks of appointment
  + Monthly updates on forecast out-turn throughout
  + Target cost for each stage (stages 1–3 pre-construction and stage 4 construction)
  + Restrictions to the schedule of cost components
  + Well drafted contract enabling clear approach to disallowable cost
  + Robust management of risk (process from outset)
  + Procurement strategy agreed with NHS PM
  + Client PM and CA involved to the extent they require
  + Open Book process
  + Robust Audit and Governance
* Ongoing training to the Client and stakeholders covering
  + P22 Introduction
  + Managing Pre-construction Stages
  + Commercial Management
  + Small Works
  + NEC3 Contract

All supported by DH and provided free of charge.

* Monthly Monitoring System in place enabling early identification of difficulties.
* Defect free delivery (contract change enabling defect free delivery).
* PSCP post GMP re-tendering without change in specification, 100% benefit to the employer (reduces GMP).
* PSCP gain share 50% on a range 95% - 100% of GMP (effectively caps at 2.5%).
* PSCP pain share remains at 100% (cost over GMP to PSCP).
* Expenses limited to DH/NHS levels (i.e. travel and accommodation).
* Anti-apathy clause – no PSCP redress if CE not notified within the current assessment period.
* Anti-dithering clause – PM to do what he should do when he should do it.
* DH support to project conclusion

P22 is flexible enough to deliver the optimum service environment with whatever the NHS's Value for Money determinants may be, versus lowest possible cost, highest quality, fast track delivery or any combination of these and more.

**How is the current P21+ Framework delivering performance year-on-year?**

It is important to note that prior to the Procure 21 and P21+ Initiatives the following statistics were evident in regards to project outcomes:

*“Cost Predictability*

* + - *Only 26% of schemes were on budget or better*
    - *The average cost overrun was 7%*

*Time Predictability*

* + - *Only 28% of schemes were on time*
    - *The average time overrun was 8%*

*Litigation Claims*

* + - *3% of the capital programme”*

*John Bourn, Comptroller and Auditor General, National Audit Office, 14/03/05*

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| --- | --- | --- | --- | --- | --- | --- |
| **P21/P21+ performance** | |  |  |  |  |  |
| **Year** | **Product Satisfaction** | **Service Satisfaction** | **Defect satisfaction** | **% with zero accidents** | **% to budget or below** | **% on time or early** |
| **2004** | 86% | 80% | 84% | 86% | 100% | 88% |
| **2005** | 85% | 81% | 79% | 71% | 97% | 91% |
| **2006** | 87% | 83% | 82% | 86% | 94% | 89% |
| **2007** | 84% | 79% | 79% | 84% | 93% | 84% |
| **2008** | 85% | 78% | 77% | 85% | 97% | 97% |
| **2009** | 85% | 81% | 81% | 98% | 98% | 95% |
| **2010** | 86% | 82% | 85% | 89% | 97% | 96% |
| **2011** | 88% | 83% | 84% | 99% | 95% | 93% |
| **2012** | 85% | 83% | 83% | 84% | 100% | 84% |
| **2013** | 86% | 84% | 85% | 96% | 100% | 83% |
| **2014** | 89% | 88% | 83% | 94% | 100% | 92% |

Working relationship

**What Next? \***

As stated previously, P22 will ‘go live’ on the 1 October 2016, in advance of that, the DH are in the process of developing and delivering a signed P22 National Framework Agreement, between the Secretary of State for Health and a number of PSCPs to be selected following a competitive tendering process undertaken in accordance with EU legislation (which includes the UK Public Contracts Regulations.

Below is a current timeline to support that delivery.

|  |  |
| --- | --- |
| ITT submitted by suppliers | 10 June |
| Review of submitted ITT questions | 15 June - 4July |
| Supplier clarifications | 8 July - 18 July |
| ITT supplier notification- Successful/Unsuccessful | 4 August |
| Standstill | 5 August - 16 August |
| Framework start date | 1 October |

\* The above dates are subject to change at short notice; keep checking this website for further details.

Or, alternatively contact the Department of Health P21+ Implementation Advisors for further updates.

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1. <http://www.institute.nhs.uk/quality_and_value/high_volume_care/focus_on%3A_productivity_and_efficiency.html> [↑](#footnote-ref-1)
2. <https://www.gov.uk/government/publications/government-construction-strategy-2016-2020> [↑](#footnote-ref-2)
3. <http://www.legislation.gov.uk/uksi/2015/102/contents/made> [↑](#footnote-ref-3)
4. <https://www.nao.org.uk/report/good-practice-contract-management-framework-2-2/> [↑](#footnote-ref-4)
5. <https://www.gov.uk/government/publications/common-minimum-standards> [↑](#footnote-ref-5)