

Simon Taylor

th3rdcurve

# Innovative Contractor Engagement

Bank Station Capacity Upgrade Project



## Who am I?

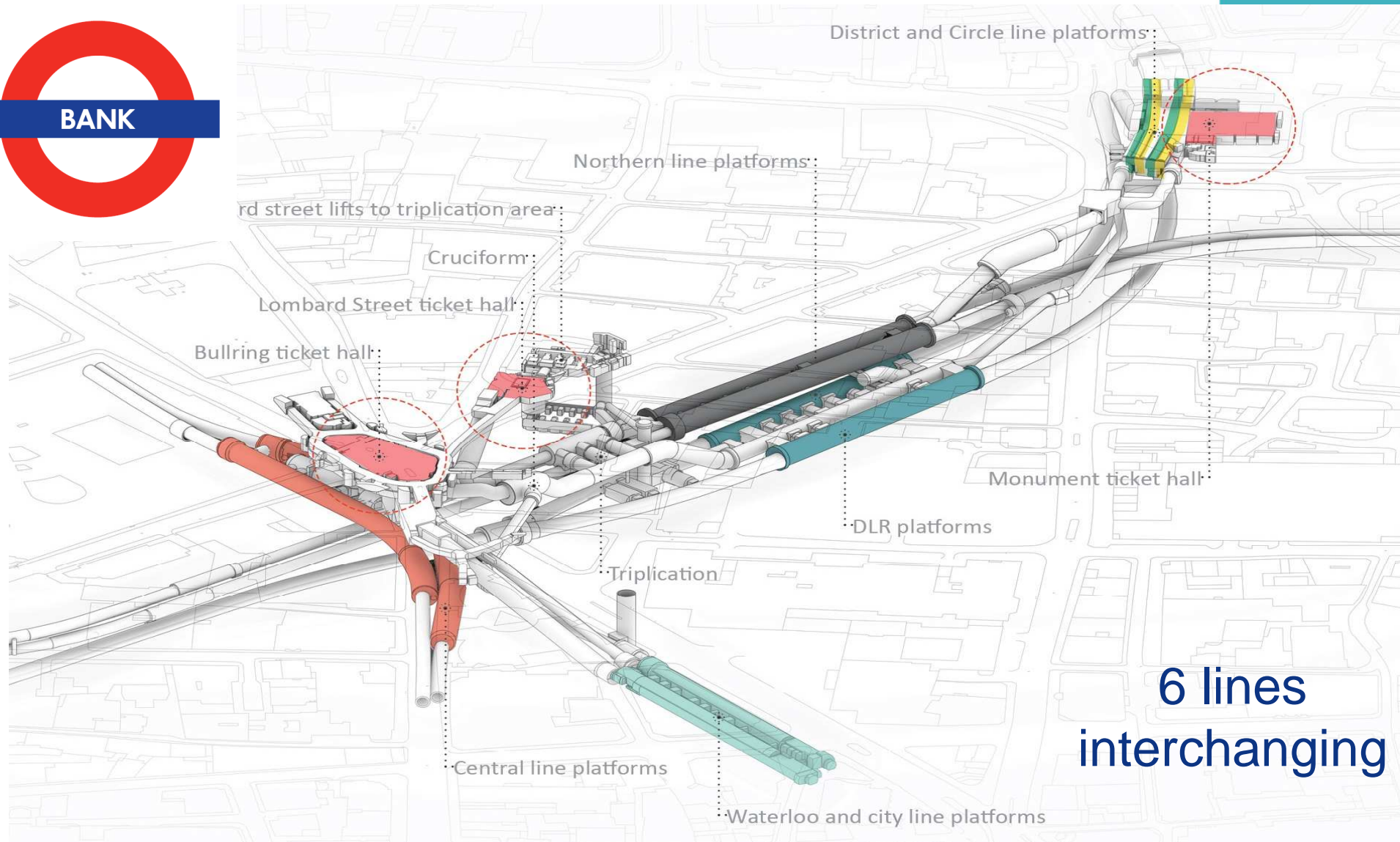
- COO & Co-founder of th3rdcurve
- Director of Enterprise Portfolio Management Office - Group Digital Railway (NR)
- Board member of APM
- Head of planning for HS2
- Head of planning for Transport for London
- Head of planning Deep Tube Upgrades
- Co-author of APM guide on planning, monitoring & controls

The challenge

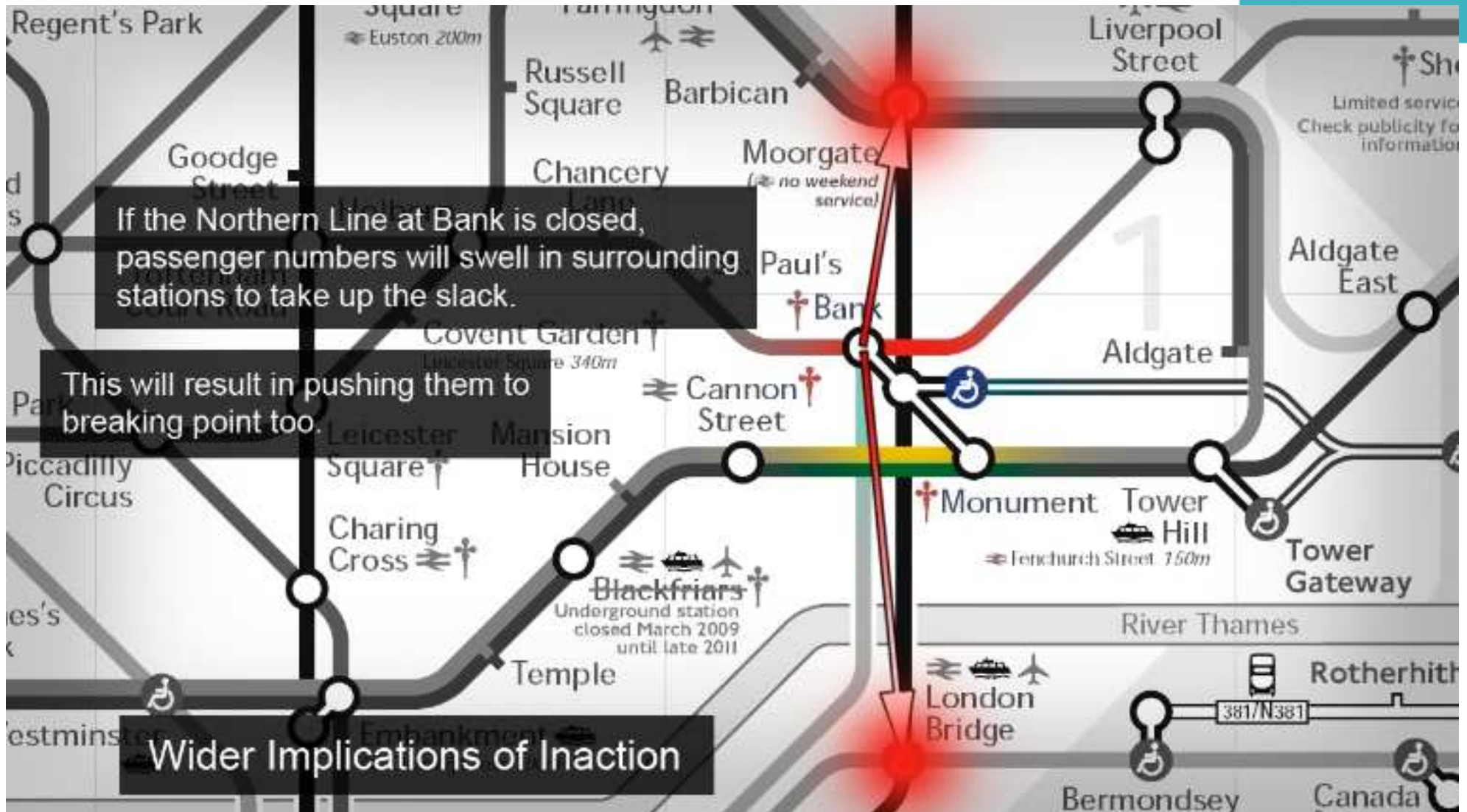




# Existing Bank Monument Complex Layout



# Project Background – Problem Definition





# Complex Stakeholders

- 67 buildings in the zone of influence
- 38 buildings with Heritage interest
- 6 buildings Grade 1 Listed – notably St Mary

Abchurch (Wren) and Mansion House

- 14 Buildings are Grade II/II\*
- 80% buildings are in a conservation area



## Why Would Contractors Invest in Innovation?

- Late Market Engagement
- Client Design Only
- No Evaluation of Alternatives
- Innovation More Valuable to Contractors Post Contract
- No Innovation until Innovation Can Win Bids

The method



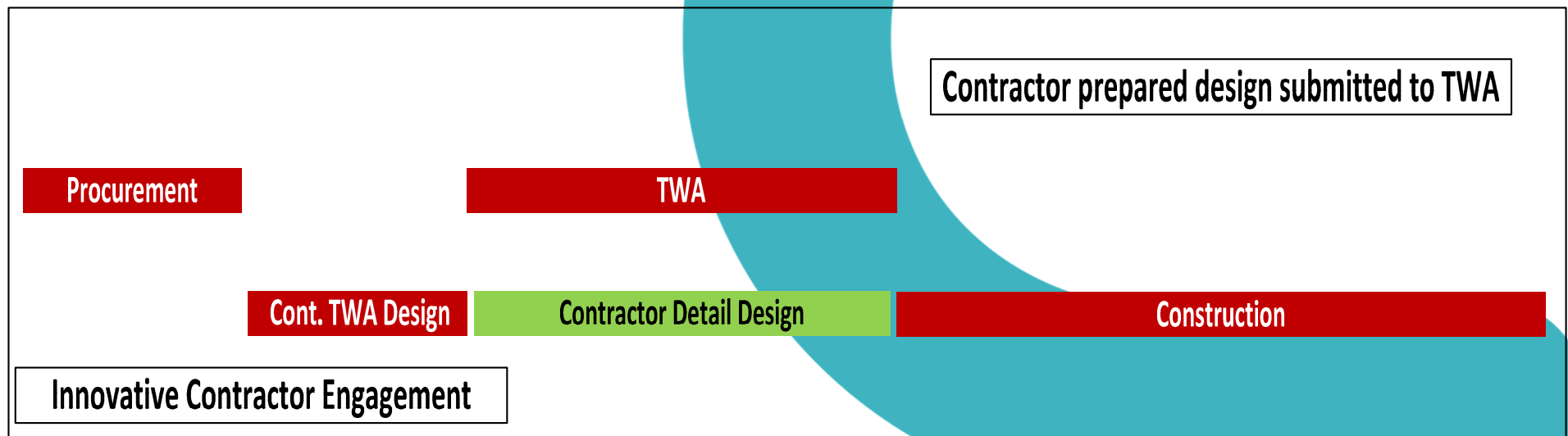
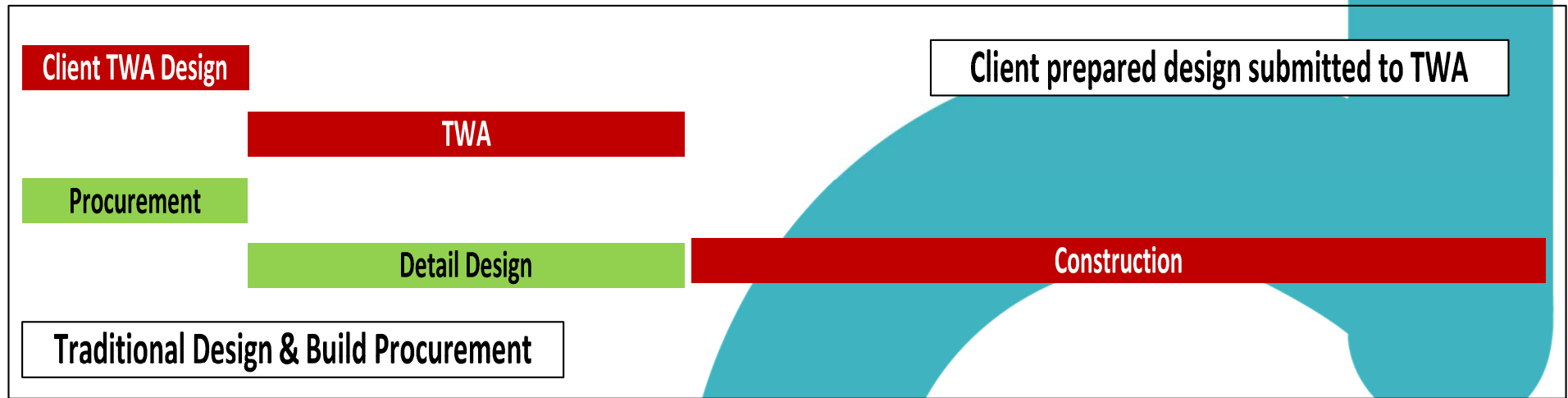


# Innovative Contractor Engagement (ICE)

## Key Principles

- A structured and **protected dialogue** phase.
- LU **disclose ALL project information** and acknowledge the cost of dialogue.
- Requirements statement and bid **evaluated against business output.**
- Orthodox ITT/ Target cost Contract.
- LU **share value of innovative ideas** from unsuccessful bidders

# Pre-Statutory Planning



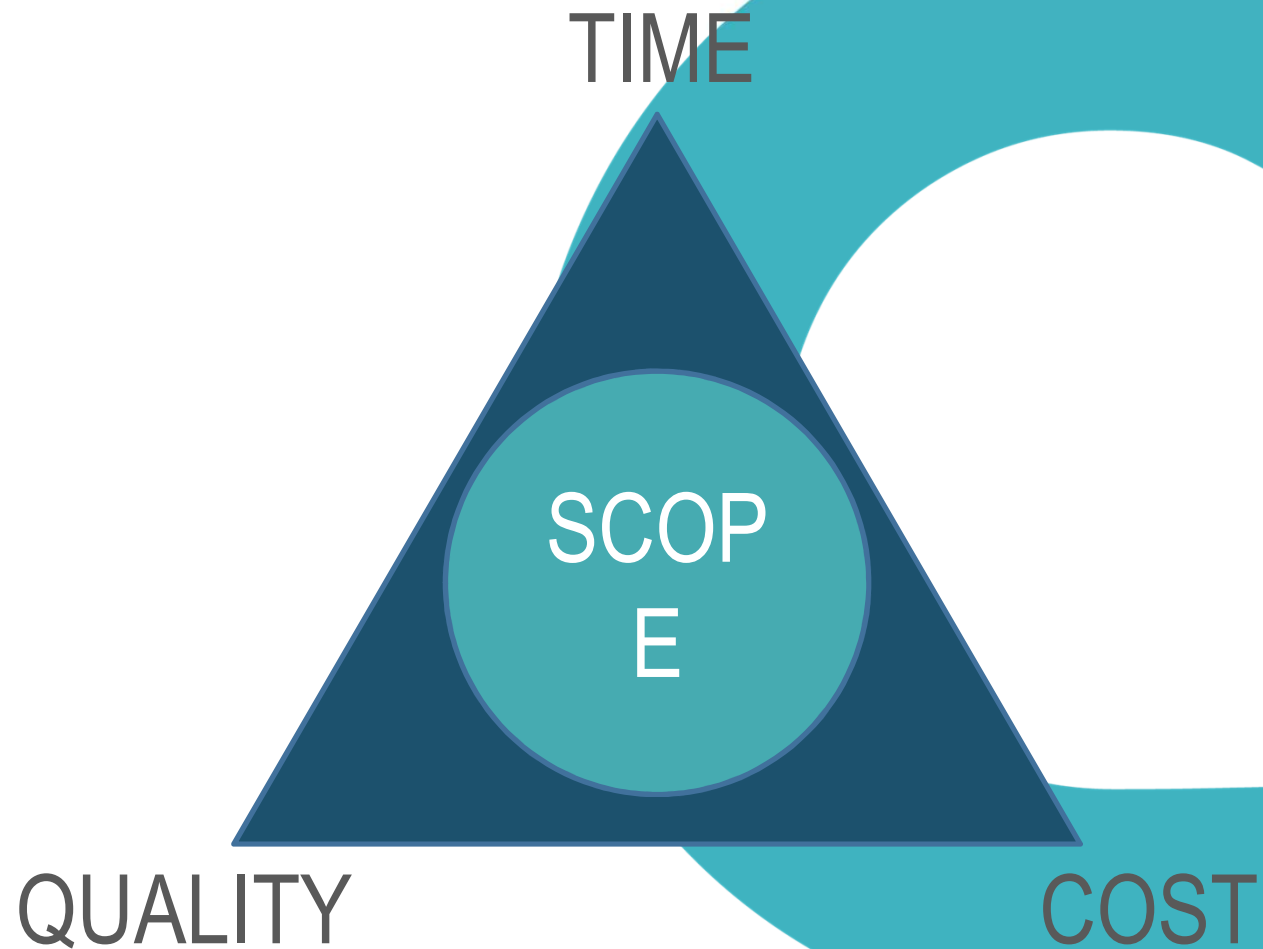
## What do we want to buy?

- Increase Bank Station capacity
- Reduce journey times
- Provide Step free access
- Improve emergency evacuation

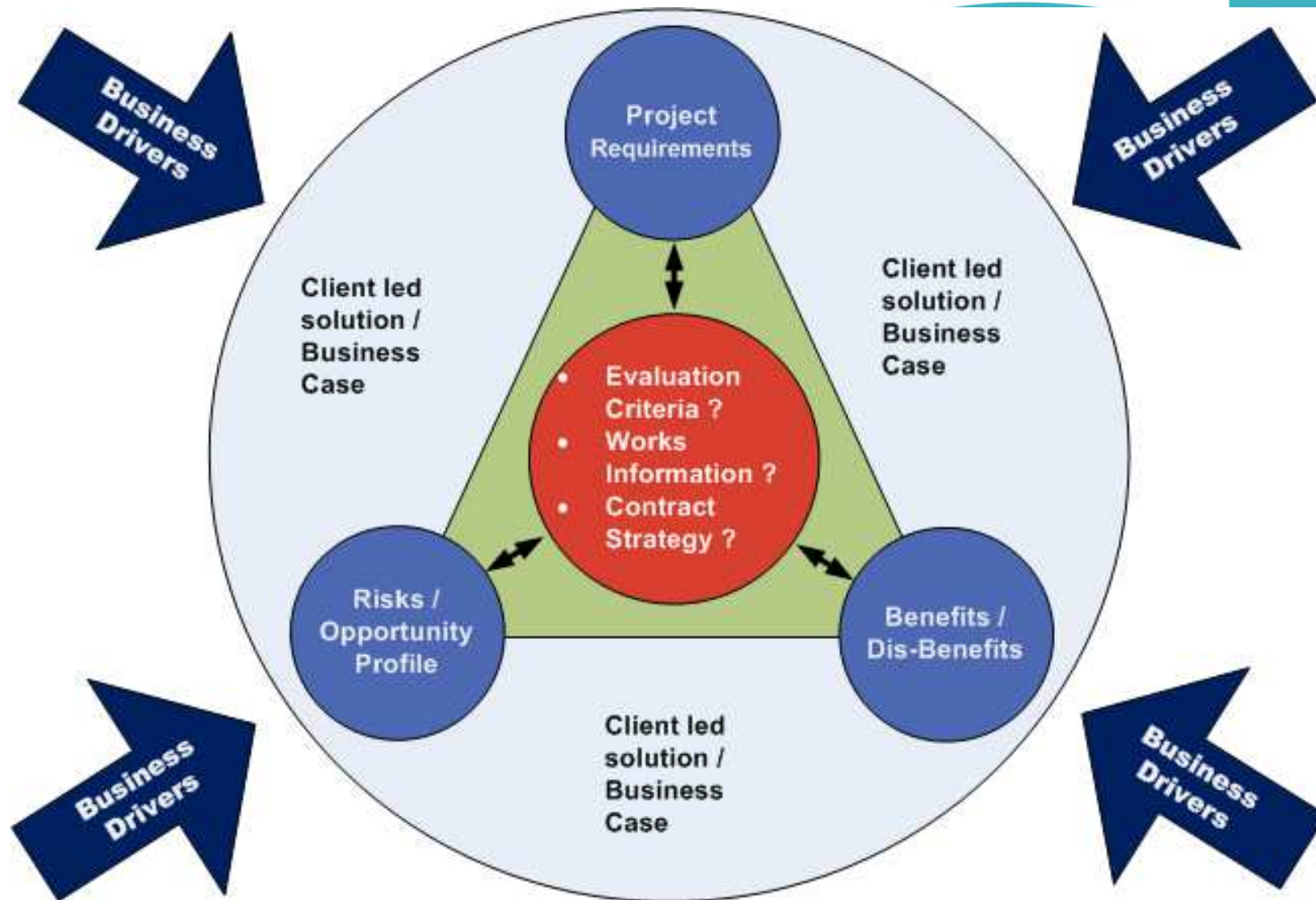
We'll give you 15% of the  
additional 'value'



# The Iron Triangle

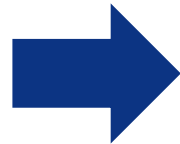


# Innovation in Project Management: A New 'Front End' Triangle



# Effectiveness 'v' Efficiency

**EFFECTIVE**

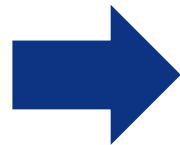


**PRODUCT**

**60  
Years**

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**EFFICIENT**



**METHOD**

**5-10  
Years**



# Tender Evaluation On Value

		BASE	1	2	3	4
Product		£ 625,000	£ 625,000	£ 625,000	£ 625,000	£ 625,000
CR1: Capacity Enhancement	17.0%	8.50	10.00	8.50	12.00	10.00
CR2: Reduction of Journey Times	17.0%	8.50	8.50	8.50	12.00	8.50
RO3: Design & Construction	15.0%	7.50	8.50	7.50	7.50	7.50
CR4: Step Free Access	10.0%	5.00	5.00	10.00	5.00	7.00
CR5: Fire and Evacuation Plan	10.0%	5.00	5.00	5.00	5.00	5.00
Subtotal <b>Product</b>	69.0%	34.50	37.00	39.50	41.50	38.00
Method						
RO1: LUL Project Business Case	2.5%	1.25	1.25	1.25	1.25	1.25
RO2: Transport and Works Act Order	5.0%	2.50	2.50	2.50	2.50	2.50
CR 3 Disruption during construction	12.5%	6.25	6.25	6.25	8.00	6.25
CR 6 Time	2.5%	1.25	1.25	1.25	1.25	1.25
CR 7 Design to Cost	2.5%	1.25	1.25	1.25	1.25	1.25
RO4: Opportunities	6.0%	3.00	3.00	3.00	3.00	3.00
Subtotal <b>Method</b>	31.0%	15.50	15.50	15.50	17.25	15.50
Total	100%	50.00	52.50	55.00	58.75	53.50
Total Rank		5	4	2	1	3

The outcome



## Results - Product

### Procurement (2013)

- EFC reduced by 10%
- B:CR increased by 45%
- Social Benefits increased 20%
- Revenue increased by 15.6%

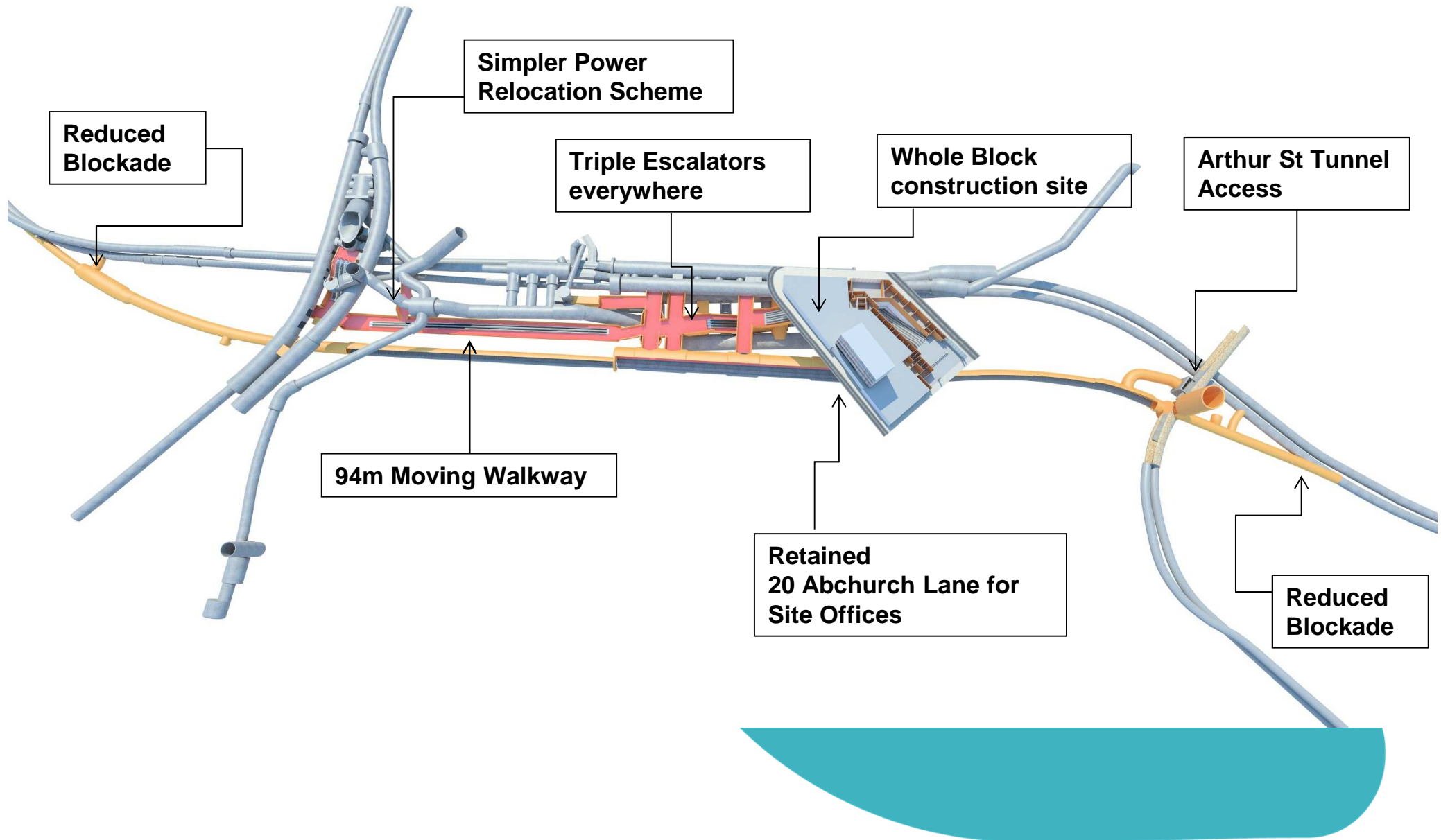


## Results - Method

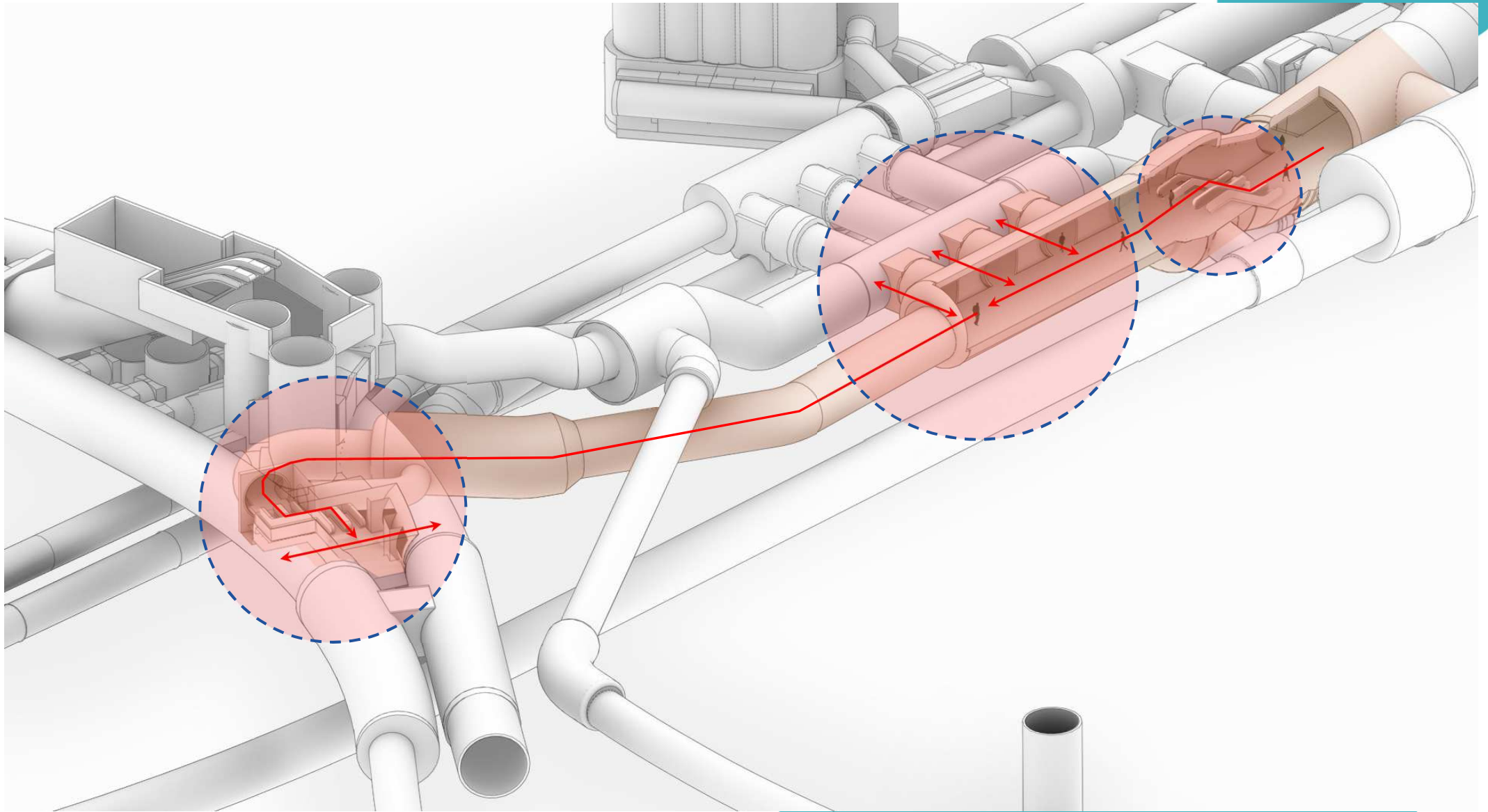
### **Delivery (3 years)**

- No Change to EFC
- No Change to End Date
- No Objection at Public Inquiry
- Designs Approved first time

# Final Scheme

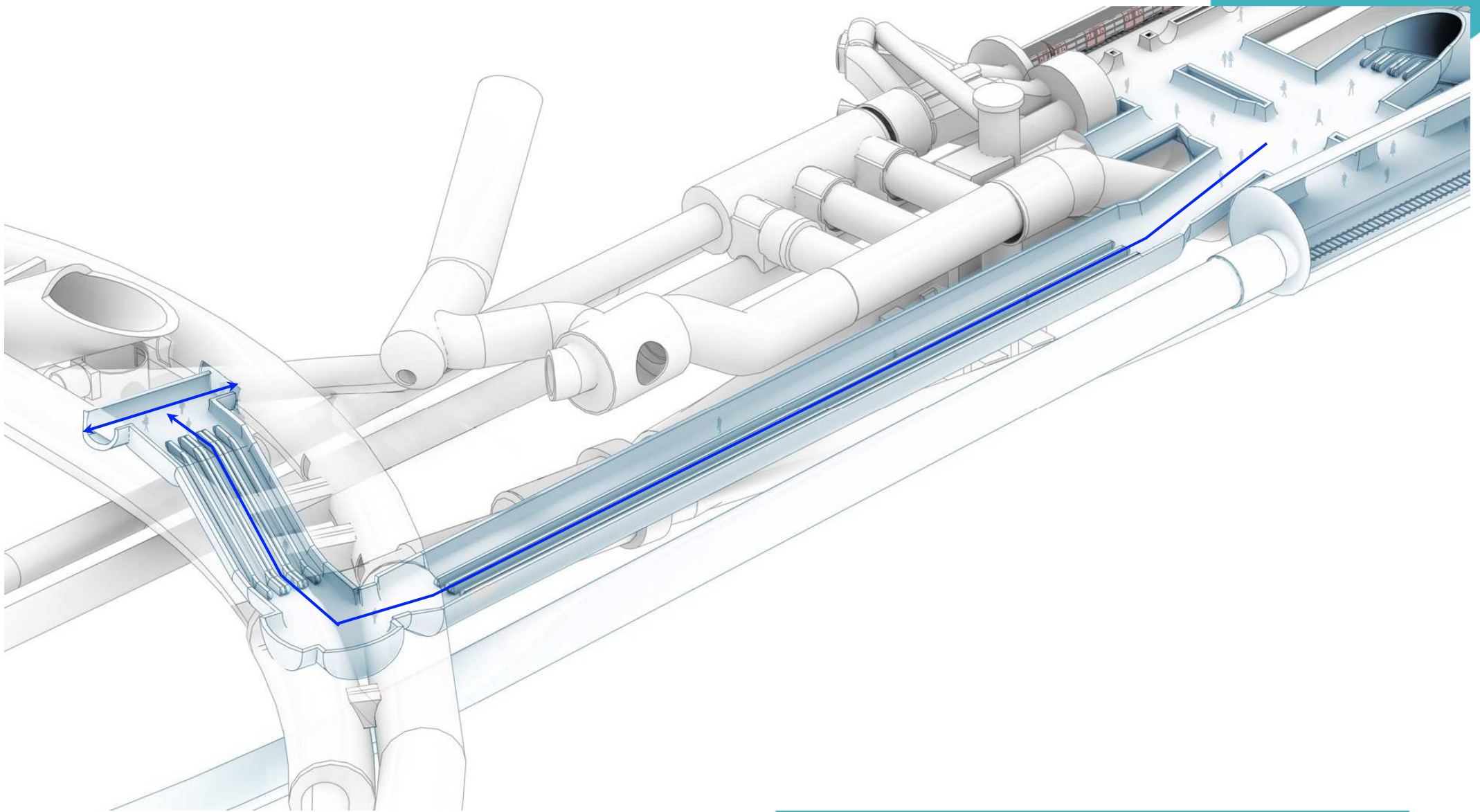


# Base Scheme: Central Line Link





# Dragados Scheme: Central Line Link



# One Project Organisation



The difference



## The point

- Procurement was driven by **aligning goals**, client and supplier focused on value.
- The process was open and transparent, open information led to better ideas, this **built trust**.
- Close working together during procurement enabled a **positive relationship** post contract award

Do you value these 3 factors in your projects?



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Questions...



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