

Defence Infrastructure Organisation's £1.2bn programme is running to schedule

Hestia is the Ministry of Defence's £1.2 billion programme to harmonise the provision of soft facilities management across the UK Defence estate. The Commerce Decisions' team draws on their extensive experience on similar projects to build effective criteria sets for both the PQQ and ITN stages of the procurement.



The Project

The Defence Infrastructure Organisation (DIO) is responsible for providing Soft Facilities Management (Soft FM) services across the defence estate.

In the UK, the DIO currently delivers Soft FM services through more than 80 contracts with industry partners at a cost of approximately £250 million per year. The £1.2 billion Hestia programme will consolidate these into seven regional contracts (see Image 1), each regional contract being a procurement project in its own right.

With a clear customer focus and working closely with delivery partners,

the Soft FM services provided by DIO as a result of the Hestia programme will satisfy customer demands now and in the future, through a delivery model that represents best value for defence.

Hestia will deliver a core set of standardised Soft FM services to defence sites within the UK including;

- Catering for entitled personnel
- Retail and leisure where provision is justified or it is provided as a retail opportunity by the contractor
- Cleaning and associated services including window cleaning, laundry, dry cleaning, tailoring, cobbling, domestic assistance and portable solutions
- Waste management
- Hotel and mess services encompassing single living accommodation

The core services will be supplemented by those required in a particular location either to meet a unique need (e.g. equine waste disposal in London) or if a previously outsourced non-core service needs to be continued (e.g. gymnasium staff in Navy Command).

The key objectives of Hestia are to;

- Reduce the number of existing arrangements from around 80 to 7 - this will result in greater efficiency and increased value for money
- Deliver contracts that are flexible enough to address future defence requirements and focused on meeting the needs of customers
- Introduce a simplified and effective model that fits in with wider defence policy and initiatives, including 'pay as you dine'
- Enable effective joint working with delivery partners and suppliers



Image 1: The seven (7) regional contract areas



- Roll out projects in phases so that lessons learnt can be incorporated as the programme progresses

Commencing with the Southern Regional Contract, due to be awarded early 2017, the Hestia programme is due to conclude towards the end of 2018 with the award of the South Western contract.

Using Commerce Decisions

Commerce Decisions was engaged by Hestia in the evaluation planning stages of the programme in early 2013. With extensive experience on similar programmes, and having supported most of the MOD's Multi-Activity Contracts (MACS) and SuperMACS over the past ten years, Commerce Decisions was very well placed to support this strategic initiative.

Tasked with facilitating the selection criteria (Pre-Qualification Questionnaire (PQQ) stage) and award criteria (Invitation To Negotiate (ITN) stage) for all regions, Commerce Decisions drew on this experience in order to generate a highly efficient criteria set for the PQQs. In the past, PQQs have consisted of 70-100 questions. Commerce Decisions defined a set of less than 15 criteria that is more aligned to industry's expectations and has been designed specifically to meet the objectives of Hestia.

Using our own Structured Criteria Development (SCD) process, Commerce Decisions' approach ensures that there are two essentially different outputs;

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the sets of criteria to use to make the contract award, and

- a common understanding across the stakeholder community of how, when and why the criteria are going to help HESTIA meet its objectives.

Commerce Decisions has an in-depth understanding of the implications of the different MEAT (Most Economically Advantageous Tender) formula recommended by MOD's guidance and regulations - Joint Service Publications (JSPs) and MOD Architecture Framework (MODAF). As such, we are able to describe the implications of using different techniques and how to avoid common pitfalls; offering advice and supporting the justification of approach to senior stakeholders where it is required. Commerce Decisions' experience of using different MEAT formula is drawn from experience on over £160 billion of public sector procurement. This is an unique experience level from a dedicated team.

For the selection criteria (PQQs) Commerce Decisions captured a considerable amount of intellectual information, cataloguing and cross-referencing it as it was collected so that decisions on which questions to ask could be made in structured way.

Commerce Decisions 'light-touch' project support approach (ie. not embedding full-time with the project team) proved incredibly efficient. The Hestia programme experienced some delays due to major scope change – during these delays, Commerce Decisions stepped back until DIO was ready for the next stage. Commerce Decisions worked with the project team to pass on information and experience whilst providing direction and taking responsibility for that advice.

The tendering process for Hestia's regional Soft FM contracts will allow for site visits for bidders. This will

afford them a knowledge of, and affinity for, customer requirements. Negotiated processes will then be used to enable the refinement of their tender solutions to ensure the delivery of the best solution to the MOD's requirement.

Across the programme, the DIO is seeking to provide commercial opportunity through the procurement process for the widest possible array of prime contractors, subcontractors and supply chain businesses, across the UK and within the EU, irrespective of size or specialisation. Commerce Decisions has been able to advise on criteria to ensure that this is achieved. Moreover, Hestia aims to open the supply chain up to small and medium enterprises; the creation of regional Soft FM contracts should help towards that and the team will work with industry to explore options for greater involvement of smaller and local businesses.

"The services provided by Commerce Decisions have added real value to the project. The AWARD system has delivered a first class tool for both evaluation and as a Data Room, and the specialist support provided by their Principal Consultant, Richard Tottman, in terms of developing evaluation criteria and tender award methodology has added considerable benefit both in terms of MOD cost, time and manpower savings."

Ben Burnip, Assistant Head
Commercial, Project Hestia

