

# **Comparison between the HMG Construction Playbook and Scottish Government Client Guide to Construction Projects**

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## 1. Introduction

This paper has been prepared to compare aspects of the HMG Construction Playbook (the 'Playbook') and the SG Client Guide to Construction Projects (the 'Client Guide'), with a view to recognising areas of good practise and identifying further opportunities for improvement that may be adopted within construction procurement through the Client Guide in Scotland.

## 2. HMG Construction Playbook

### Purpose and Target Audience

2.1 The Playbook is part of a wider portfolio of sourcing playbooks developed by the Cabinet Office. The Playbook is aimed at Commercial, Finance, Project Delivery, Policy and any professionals across public sector contracting authorities who are responsible for the planning and delivery of public work projects and programmes.

2.2 The principles and policies have been co-developed with input from public officials and industry stakeholders. They can be considered good practice for all professionals involved in public works projects and programmes across the public sector.

### Compliance

2.3 The Playbook is mandated for UKG central government departments and arm's length bodies (ALBs) on a 'comply or explain' basis recognising that there is not a one-size-fits-all approach for all public works. For central government, compliance to the Construction Playbook is being driven through departments' governance processes, central Cabinet Office controls (projects over £10 million per transaction) and the Treasury Approvals Process. The wider public sector is encouraged to take account of the Construction Playbook. It applies to all new projects and programmes from December 2020.

### Presentation

2.4 The Playbook is a single document, available on GOV.UK ([The Construction Playbook – December 2020 \(publishing.service.gov.uk\)](https://www.gov.uk/government/publications/the-construction-playbook-december-2020)), with links to supporting associated publications, Procurement Policy Notes and other supporting resources. A summary of its key contents is included in Annex 1.

2.5 The Playbook is intended be updated annually to respond to feedback and ensure that it continues to represent best practice.

### **3. Client Guide to Construction Projects**

Purpose and target audience

3.1 The aim of the Client Guide is to raise construction standards in Scotland, encourage consistency, promote and facilitate compliance, encourage bespoke problem solving and foster a whole life approach.

3.2 The Client Guide and Construction Policy Notes are mandatory for all organisations that fall within the scope of the SPFM. However, the Client Guide is also intended to support public sector clients not under the scope of the SPFM. For this reason, it has been produced as primarily a dynamic supporting guidance document, and is not generally intended to be a technical manual of requirements.

Presentation

3.3 The Client Guide is end to end project focused and consists of three Handbooks available via a web viewer, or downloadable pdfs. Annex 2 includes a list of the contents of the three Handbooks.

Handbook 1: [project initiation and business case handbook](#)

Handbook 2: [construction procurement handbook](#)

Handbook 3: [construction phase handbook](#)

### **4. Key Differences Between the Guides**

4.1 Both guides have an intention of improving standards in the construction industry, through promoting good practise, either as a recommendation or a requirement.

4.2 The Playbook appears to be a high quality publication. Being a single document, albeit with links to further resources, makes it fairly straightforward to navigate. The web-based/pdf Client Guide is larger and less accessible, however has been split into three parts which should assist in directing users to the most relevant information for their current project stage.

4.3 The intention of the Playbook is to be updated annually, whereas the Client Guide is intended to be a dynamic document, updated as further advice is developed. This has the benefit of enabling updates to be introduced to the Client Guide as soon as they are ready, but has the potential to create confusion over the most recent advice. This could be improved through clearer version control in the downloadable pdf copies.

4.4 A comparison exercise of the policies and requirements contained has been carried out to understand the scope of the topics addressed by the two documents. Annex 3 identifies differences in areas of policy or advice in the two guides. Some topics are not covered in the Client Guide because they are addressed through other means, such as Construction Policy Notes. However, some areas addressed through the Playbook may be areas for potential further development within the

Client Guide, recognising that the Client Guide currently exists as a guidance tool for the public sector, rather than a prescriptive requirement. It should be noted that some areas of advice provided, such as abnormal tenders, differ between the two documents due to differences between the policy positions of UKG and SG.

## 5. Client Guide Opportunities

5.1 There are a number of areas that have already been previously identified to be targeted in future chapters of the Client Guide. These are:

Handbook 1	<ul style="list-style-type: none"> <li>• Environment and Sustainability</li> <li>• Construction Capability Assessment Tool</li> <li>• Collaboration and Linkages between Contracting Authorities</li> <li>• Benchmarking project costs</li> </ul>
Handbook 2	<ul style="list-style-type: none"> <li>• Use of Frameworks</li> <li>• Operation of target cost contracts</li> </ul>
Handbook 3	<ul style="list-style-type: none"> <li>• Change Control</li> <li>• Performance management and avoiding conflict</li> <li>• Completion incl. snagging and defects management</li> <li>• Commissioning and handover</li> <li>• Finance and cost control</li> <li>• Payment monitoring</li> <li>• Reporting and lessons learned</li> </ul>

5.2 Additionally, the next steps planned to improve the Client Guide include:

- User friendly platform
- Digitise access – Construction Journey
- Continue to develop the guidance
- ‘Evangelise’ the use of the Client Guide

5.3 Aspects of the Playbook highlighted within Annex 3 that may also be considered for future development and inclusion within the Client Guide include:

- Commercial pipelines
- Assessing the health and capacity of the market
- Encouraging portfolios and longer term contracts
- Modern Methods of Construction
- Benchmarking to past projects and programmes
- Resolution Planning
- Guidance on model clauses
- Consideration of intellectual property rights
- Project Scorecards and use of KPIs
- Whole life costs

## **6. Summary**

6.1 This review has highlighted that many aspects of the Playbook contents are addressed in Scotland through the existing Client Guide.

6.2 Both the Playbook and the Client Guide are intended to improve construction practises primarily through the role and influence of the client. The Playbook being typically based on requirements to be adhered to, and the Client Guide being a recommended support guide for both those required to apply it, and those who adopt it as advice for good practice.

6.3 Although there are many similarities in the fundamental practises being promoted and encouraged in each guide, some aspects of the guides are unique to each. It has been observed that the Client Guide provides significantly more detail and advice on areas such as procurement processes, whereas the Playbook covers some wider policy areas affecting the construction industry.

6.4 The Playbook is specifically a UKG policy document and it is not appropriate or necessary for Scottish Government to adopt it, however it is acknowledged that there are benefits from keeping informed of good practise being promoted elsewhere and exchanging ideas for improvements. This has already been demonstrated through previous interactions between UKG and SG in the preparations of both of the current guidance documents.

## **7. Recommendations**

7.1 In order to continue to promote, encourage and develop good practise in construction procurement in Scotland, it is recommended that the Client Guide continues to be maintained and developed as a tool supporting Scottish Government policy.

7.2 External examples of good practise and alternative construction policies, such as those contained within the Playbook, should be reviewed and considered as part of this ongoing development. Where there are areas of the Playbook that are not covered within the scope of the Client Guide, it is recommended that these are considered for possible inclusion or policy development in future iterations of the Client Guide.

7.3 The accessibility of the Client Guide could be improved, and has already been identified as an area for future development. However, an annually published document such as the Playbook comes with its own challenges, and it is not assumed to be the most effective model for the Client Guide.

## **Annex 1      Contents overview of HMG Construction Playbook**

- Ch 1 - Pipelines, Portfolios and Longer Term Contracting
- Ch 2 - Modern Methods of Construction
- Ch 3 - Early Engagement and Clear Specifications
- Ch 4 - People and Governance
- Ch 5 - Delivery Model Assessments
- Ch 6 - Effective Contracting
- Ch 7 - Going Out to Tender
- Ch 8 - Due Diligence During Selection
- Ch 9 - Evaluating Bids and Contract Award
- Ch 10 - Resolution Planning and Ongoing Financial Monitoring
- Ch 11 - Successful Relationships
- Ch 12 - Transition to Operation

## **Annex 2     Contents overview of Client Guide to Construction Projects**

### **Handbook 1 - Project Initiation and Business case**

- Ch 1 – Client And The Project Environment
- Ch 2 – Project Governance
- Ch 3 – Client Team Roles And Responsibilities
- Ch 4 – Business Case And Appraisal
- Ch 5 – Project Initiation Routemap
- Ch 6 – Stakeholder Analysis
- Ch 7 – Risk
- Ch 8 – Community Benefits
- Ch 9 – Fair Payment
- Ch 10 – Project Bank Accounts
- Ch 11 – Whole Life Cost
- Ch 12 – BIM
- Ch 13 – Project Assurance
- Ch 14 – Quality Assurance
- Ch 15 – Design In Construction

### **Handbook 2 - Construction Procurement**

- Ch 1 – Introduction And Overview
- Ch 2 – Creating The Project Brief
- Ch 3 – Construction Procurement Route Selection
- Ch 4 – Preliminary Market Engagement
- Ch 5 – Contract Selection And Procurement Strategy
- Ch 6 – Construction Procurement Route 1
- Ch 7 – Construction Procurement Route 2
- Ch 8 – Abnormally Low Tenders
- Ch 9 – Feedback To Candidates

### **Handbook 3 - Construction Phase**

- Ch 1 - Introduction
- Ch 2 - Health and Safety
- Ch 3 - Quality

### Annex 3 Comparison of Specific Policy Areas and Requirements

	<b>The Construction Playbook</b>	<b>The Client Guide to Construction Projects</b>
Background	<p>Mandated for central government departments and arm's length bodies (ALBs) on a 'comply or explain' basis recognising that there is not a one-size-fits-all approach for all public works.</p> <p>For central government, compliance to the Construction Playbook is being driven through departments' governance processes, central Cabinet Office controls (projects over £10 million per transaction) and the Treasury Approvals Process.</p> <p>The wider public sector is encouraged to take account of the Construction Playbook. It applies to all new projects and programmes from December 2020.</p>	<p>The Client Guide to Construction Projects and Construction Policy Notes are mandatory for all organisations that fall within the scope of the SPFM.</p> <p>The Client Guide to Construction Projects consists of three Handbooks:</p> <ul style="list-style-type: none"> <li>• Handbook 1: <a href="#">project initiation and business case handbook</a></li> <li>• Handbook 2: <a href="#">construction procurement handbook</a></li> <li>• Handbook 3: <a href="#">construction phase handbook</a></li> </ul>
<b>Comparison of Playbook key policy areas</b>		

<p>1. Commercial pipelines</p>	<p>Contracting authorities' commercial pipelines will be supported with a new central government procurement pipeline for public works projects. Pipelines will help suppliers to better understand the governments' long-term demand and prepare themselves to respond to contract opportunities. Published commercial pipelines should look ahead three to five years to be truly effective.</p> <p>Contracting authorities should publish an 18-month procurement pipeline with a pathway to three to five years and provide information to the Infrastructure and Projects Authority. (Playbook, Chapter 1)</p>	<p>Commercial pipelines not referred to in Client guide, however a civil works pipeline is being collated to support the planned Scottish Government Civils Framework. There is also separate work being carried out on a steel pipeline.</p> <p>There is now in place (as a result of work promoted via the CLF) a Pipeline forecast tool as developed and run by SFT.</p> <p>See <a href="#">Infrastructure Investment Pipeline   Scottish Futures Trust</a></p>
<p>2. Market health and capability assessments</p>	<p>Projects and programmes will conduct an assessment of the health and capability of the market early on during the preparation and planning stage. This includes consideration of taking advantage of innovative approaches, encouraging new or</p>	<p>This is covered in Handbook 2 – Ch4 - 6.2 and 6.5 under preliminary consultation to be undertaken.</p> <p>Also reference under assembling the team and gauging the capacity of the market to support the client on the project. (Handbook 1 - Ch 1 - 4.4)</p>

	<p>potential market entrants, and taking action to address any concerns (Playbook, Chapter 1)</p>	<p>Included as an example of pre-market consultation, rather than a required step to consider for all projects. (Handbook 2 - Ch 1 - 8.1)</p>
<p>3. Portfolios and longer term contracting</p>	<p>Commitment to a policy to develop long-term plans for key asset types and programmes to drive greater value through public spending. Longer term contracting across portfolios, where appropriate, will give industry the certainty required to invest in new technologies to deliver improved productivity and efficiency savings. Contracting authorities should demonstrate that this does not come at the expense of an innovative and competitive market. Contracting authorities should review future projects and programmes regularly (at least quarterly) to identify opportunities to bring appropriate work together into portfolios and leverage economies of scale to drive investment into new technologies and Modern Methods of Construction (MMC). (Playbook, Chapter 1)</p>	<p>Not included in Client Guide. This could be an area to addressed in future iterations of the Client Guide, although the best solution would be for the contracting authority to determine, so the appropriate inclusion may be limited to an encouragement to explore as portfolios an option.</p> <p>We have long been alert to the benefits of portfolio's and longer term programmes hence the idea of having a framework – but the short term budget security is a major obstacle in this regard.</p>

<p>4. Harmonise, digitise and rationalise demand</p>	<p>Demand across individual projects and programmes will be harmonised, digitised and rationalised by contracting authorities. This will accelerate the development and use of platform approaches, standard products and components. Combined with longer term contracts, this will transform the market's ability to plan, invest and deliver digital and offsite manufacturing technologies.</p> <p>Contracting authorities should:</p> <ul style="list-style-type: none"> <li>• develop an organisational strategy to aggregating and standardising demand, and driving the adoption of MMC</li> <li>• engage the supply chain to set realistic targets for the use of MMC, and ensure that they possess the capability to report on the required metrics.</li> </ul> <p>(Playbook, Chapter 2)</p>	<p>Not addressed in Client Guide.</p>
<p>5. Further embed digital technologies</p>	<p>Contracting authorities should use the UK BIM Framework to standardise the approach to generating and classifying data, data security and</p>	<p>Client guide includes reference to Scottish Procurement Policy Note 1/2017 and SFT BIM Grading Tool and Portal.</p>

	<p>data exchange, and to support the adoption of the Information Management Framework and the creation of the National Digital Twin.</p> <p>Contracting authorities should:</p> <ul style="list-style-type: none"> <li>• Meet and contract for the standards set out by the UK Building Information Management (BIM) Framework.</li> <li>• Consider the use of product platforms comprising standardised and interoperable components and assemblies</li> </ul> <p>(Playbook, Chapter 2)</p>	<p>(Handbook 1 - Chapter 12)</p>
<p>6. Early supply chain involvement</p>	<p>Early supply chain involvement should now be used in developing the business case for projects and programmes.</p> <p>Involving the supply chain early in the project lifecycle will reduce downstream issues and help to develop clear, outcome-focused designs and specifications.</p> <p>(Playbook, Chapter 3)</p>	<p>Handbook 1 does not refer to use of supply chain involvement at business case but does detail the need to identify stakeholders and the impact of their involvement on the success of a project. (H1 – Ch6)</p> <p>It is also covered in Handbook 2 where one of the objectives of the preliminary market consultation is to properly refine the business case.</p>

		<p>Pre-market consultation (Handbook 2 - Chapter 1 - 8.1)</p> <p>Preliminary Market Consultation (Handbook 2 - Chapter 4)</p> <p>The benefits of early involvement of contractors and integrated supply teams is also covered (eg see H2-S5)</p>
7. Outcome-based approach	<p>Contracting authorities should focus on outcomes, rather than scope, in their specifications.</p> <p>Contracting Authorities should set clear and appropriate outcome-based specifications, and use a Project Scorecard to support projects and programmes in setting clear outcomes that align with government's strategic priorities.</p> <p>(Playbook, Chapter 3)</p>	<p>The Client Guide has been prepared with a significant focus and references to intended project outcomes, although doesn't include a policy of using 'project scorecards' to manage them.</p>

8. Benchmarking and Should Cost Models	<p>Projects and programmes should undertake benchmarking to analyse information from past projects and programmes. This provides decision makers with key insights and data to make more informed and intelligent investment decisions.</p> <p>Projects and programmes should produce a Should Cost Model to better understand whole life costs and value.</p> <p>(Playbook, Chapter 5)</p>	The Client Guide only refers to benchmarking within the project.
9. Delivery model assessments	<p>Contracting authorities should follow an evidence-based process to decide the most appropriate delivery model and structure for a specific project or programme. The right delivery model enables clients and industry to work together to deliver the best possible outcomes.</p> <p>(Playbook, Chapter 5)</p>	Advice given on aspects of project delivery in Handbook 1 and Handbook 2.
10. Effective contracting	<p>The Playbook covers a number of areas under the policy of Effective Contracting.</p> <p>Effective, sustainable contracts should support project and programme outcomes, be designed</p>	The Client Guide supports effective contracting through the many of the aspects featured in the Playbook. Further information on specific aspects of contracting are listed in the second half of this table.

	<p>to implement alignment with the selected delivery model, be consistent with the best practices and policies set out in the Playbook, drive continuous improvement, be structured to enable an exchange of data and contractualise the use of the UK BIM Framework.</p> <p>(Playbook, Chapter 6)</p>	
11. Risk allocation	<p>Risk allocation not prescribed.</p> <p>Proposals for risk allocation will be subject to consideration and scrutiny to ensure that they have been informed by genuine and meaningful market engagement.</p> <p>Inappropriate risk allocation has been a perennial concern of suppliers looking to do business with government and a more considered approach will make us a more attractive client, deliver better value or money and incentivise suppliers to focus on delivering agreed contractual outcomes.</p>	<p>Risk is mentioned many times throughout the guide.</p> <p>Several of the case studies provided, outline the various approaches to be considered when determining risk transfer.</p> <p>Handbook 2 – Ch 5 – Item 20 in particular covers in some detail the allocation of risk.</p> <p>The Scottish Government Risk Management Guide provides guidance on managing risk generically across any situation, whether in the project setting or in core operations.</p>

	<p>Include the sharing of appropriate risk registers and transparent communication on risk allocation with prospective suppliers and the supply chain. This should lead to a joint register with contracted suppliers which is aligned to project and wider outcomes (Playbook, Chapter 7)</p>	<p>For contracting authorities that would benefit from an introduction to the range of considerations which apply in risk management, the <a href="#">HM Treasury Orange Book Management of Risk - Principles and Concepts</a> may be a useful source of guidance. (Handbook 1, chapter 7)</p>
<p>12. Payment mechanism and pricing approach</p>	<p>The payment mechanism and pricing approach goes hand in hand with risk allocation and will similarly be subject to greater consideration and scrutiny to ensure it incentivises the desired behaviours or outcomes. This change is fundamental to making the construction sector a thriving and dynamic market that is sustainable in the long term and achieves the wider vision of the Playbook. Contracts should be designed to be profitable and offer a fair return for the market to be sustainable. It is good practice to test profitability under different circumstances and make use of</p>	<p>Guidance on fair payment is included in Handbook 1, chapter 9.  Project Bank Accounts are covered in Handbook 1.  The handbook also contains details of the pricing approach.  The handbook will need updated to cover the introduction of the graduated pricing mechanism (gmp) as trialled some 5 years ago and now being used on the civil engineering framework. The basic aim of the gmp being to remove the incentive to submit very low bids.</p>

	<p>the Should Cost Model in developing payment mechanisms.</p> <p>The payment mechanism and pricing approach including limits of liability should reflect the level of risk and uncertainty in the scope of requirement and will be subject to greater scrutiny.</p> <p>When a contract is publicly designated as onerous, it should prompt a root cause analysis and conversation with the supplier. (Playbook, Chapter 7)</p>	
<p>13. Assessing the economic and financial standing of suppliers</p>	<p>As part of the selection process, public works projects will comply with a minimum standard when assessing the risk of a supplier going out of business during the life of a contract.</p> <p>Consistently applying a minimum standard of testing will provide a better understanding of financial risk and leave us better able to safeguard the delivery of public works projects. (Playbook, Chapter 8)</p>	<p>Guidance on assessing economic and financial standing of suppliers is included within the Client Guide (Handbook 2), making reference to the Public Contract (Scotland) Regulations 2015.</p>

<p>14. Resolution planning</p>	<p>There will now be a requirement for suppliers of critical public works contracts to provide resolution planning information, including emergency exit plans arising from supplier insolvency.</p> <p>Clients should have their own contingency plans for critical contracts and financial monitoring to enable early identification of possible problems. Contracting Authorities should put in place ongoing financial monitoring and contingency plans for critical suppliers, and engage with the Cabinet Office on resolution planning.</p> <p>(Playbook, Chapter 10)</p>	<p>Consideration given to reducing risk of supplier insolvencies through fair payment, and clear risk understanding and allocation.</p> <p>The Client Guide does not address resolution planning as a means to help ensure continuity of critical projects and transfer to a new supplier in the event of supplier insolvency.</p>
<p><b>Other aspects of procurement and construction</b></p>		
<p>Abnormally low tenders / Low-cost bid referrals</p>	<p>Departments should refer any abnormally low bid that is more than 10% lower than the average of all bids or the Should Cost Model to the Cabinet Office prior to accepting it. This is to be done in accordance with the relevant regulations.</p> <p>(Playbook, Chapter 9)</p>	<p>The Client Guide provides detailed guidance on identifying Abnormally Low Tenders and advises that, with “<i>Any tender price that:</i></p> <ul style="list-style-type: none"> <li>• <i>is more than 15% lower than the median price;</i></li> <li><i>and</i></li> <li>• <i>exceeds the proximity margin, that is, is more than 1% lower than the lowest qualifying price.</i></li> </ul>

		<p><i>will be deemed to be potentially abnormally low, and will be excluded from this competition unless the tenderer satisfactorily explains the aspects that appear abnormally low. “</i></p> <p>A spreadsheet tool to support this guidance is also provided. (Handbook 2 - Chapter 8)</p>
Boilerplate clauses	<p>Contracting authorities should use the standard ‘boilerplate clauses’ (also known as model clauses) produced by IPA and CCS to drive consistent, standard contract variations covering non-contentious amendments commonly included in public procurement. Any clauses that do not apply to a specific contract should not be included. Changes should not be made to individual boilerplate clauses.</p> <p>(Playbook, Chapter 7)</p>	<p>Model clauses are not included within the Client Guide.</p> <p>Work is being carried out to implement model clauses into SG Construction Framework Contracts.</p> <p>The Client Guide does provide guidance covering the issues pertaining to any amendment to standard terms – Handbook 2 – Ch 5 - 23</p>
Business case development	<p>Refers to following the Green Book using the best practice 5-case model and applying the</p>	<p>All programmes and projects should be appraised following The Green Book, Appraisal and Evaluation</p>

	<p>principles of the Orange Book to result in better, faster and greener delivery of public works projects and programmes.</p> <p>(Playbook, Chapters 4/ 5)</p>	<p>in Central Government published by HM Treasury. The process should follow the 'Five Case Model' set out in the Green Book. (Handbook 1 - Chapter 4 - paragraph 2.1)</p>
Conflict avoidance pledge	<p>The conflict avoidance pledge (CAP) has been developed by a coalition of professional and industry bodies, and demonstrates commitment to conflict avoidance and the use of amicable resolution procedures to deal with emerging disputes at an early stage.</p> <p>Contracting authorities should adopt the appropriate provisions as a standard clause in all public works contracts, and use this mechanism to resolve problems before these escalate into disputes.</p> <p>(Playbook, Chapter 6)</p>	<p>Policy of early intervention and conflict avoidance briefly referenced in The Client Guide (Handbook 1 - Chapter 1 - paragraph 4.7).</p> <p>The Scottish Government supports the principle of avoiding conflict in construction contracts and confirms this through the construction policy note 'Conflict avoidance - early intervention to avoid disputes: CPN 2/2021'.</p>
Construction Phase	<p>Two chapters focus on Contract Implementation (Successful Relationships and Transition to Operation)</p>	<p>Some general guidance on the construction phase is included within Chapter 2 of Handbook 3 (Construction Phase Handbook)</p>

	<p>Government's most important contracts should be managed by an expert or practitioner accredited contract manager as set out in the Contract Management Professional Standards framework</p> <p>(Playbook, Chapters 11/12)</p>	
<p>Frameworks</p>	<p>Standard frameworks and construction contracts with appropriate options selected should be used with standard boilerplate clauses (also known as model clauses).</p> <p>The Playbook also includes an intention to complete a review of the current landscape of frameworks with a view to consolidate, where appropriate, and adopt a new 'gold standard' for frameworks. This will enable contracting authorities to easily identify frameworks that meet best practices and embody the policies set out in this Playbook. There will be a number of</p>	<p>The framework landscape is not addressed in the Client Guide, however this is an area which the Scottish Government is proactively looking for ways to develop framework opportunities available, for both contracting bodies and suppliers.</p>

	<p>framework options to ensure competition and flexibility across government.</p> <p>(Playbook, Chapter 6)</p>	
Health and Safety	<p>All contracting authorities should embed the following priorities in their project and programme planning as part of a comprehensive approach to managing and improving occupational health and safety:</p> <ul style="list-style-type: none"> <li>• complying with legal requirements by embedding the principles of the Construction (Design and Management) Regulations 2015 (CDM) in all projects and programmes;</li> <li>• reducing the cases of occupational lung disease, musculoskeletal disorders and work-related mental ill health including stress;</li> <li>• supporting small businesses to achieve improved risk management and control.</li> </ul> <p>(Playbook, Cross-cutting priorities)</p>	<p>H&amp;S legislation and CDM regulations are covered within Chapter 2 of Handbook 3 (Construction Phase Handbook)</p>
Intellectual property rights	<p>Developing a clear strategy for intellectual property (IP) rights will drive better value for</p>	<p>Not addressed specifically as part of the Client Guide but IPR is a standard clause in the Scottish</p>

	<p>money, support a competitive market and encourage innovative solutions.</p> <p>IP should be managed through the life of the contract with clear responsibilities set out in the contract.</p> <p>(Playbook, Chapter 3)</p>	<p>Government standard clauses guidance IPR requirements should be well understood by any competent officer running projects.</p>
KPIs	<p>The top three KPIs from government's most important contracts should be made publicly available.</p> <p>These should be the three most relevant to demonstrating whether the contract is delivering its objectives. They should be measured regularly, and performance against them should be published quarterly.</p> <p>(Playbook, Chapter 6)</p>	<p>The benefits of KPIs, key performance measurements and continuous improvement are noted in the Client Guide.</p> <p>It leaves the choice suitable KPI's to the reader and does not dictate.</p>
MEAT	<p>Evaluation should focus on value rather than simply cost. Contracting authorities should evaluate bids for public works projects and programmes by determining the most economically advantageous tender (MEAT) based on their published award criteria.</p>	<p>Requirement to award based on MEAT and guidance on application included in Handbook 2.</p> <p>The Handbook provides guidance on the use of the appropriate quality / price ratio which facilitates our</p>

	No further guidance on setting criteria to determine MEAT given in the Playbook. (Playbook, Chapter 9)	focusing on identifying the most economically advantageous tender
Modern slavery	We must ensure that regular monitoring is carried out throughout the commercial lifecycle to manage and mitigate against Modern Slavery risks. Further information can be found in PPN 05/19 and the associated Tackling Modern Slavery in Government Supply Chains guidance. (Playbook, Chapter 3)	Included as mandatory grounds for exclusion of tenders.  The Client Guide does not cover or refer to regular monitoring.
Procurement Strategy	Light reference to selecting procurement strategy, with reference given to Cabinet Office policy on the choice of procurement procedure in PPN 12/15.  Procurement processes should be of proportionate duration and effort to the size and complexity of the contract opportunity so as not to create barriers to entry for SMEs and VCSEs.  The business case should justify the chosen procedure. (Playbook, Chapter 6)	The Construction Procurement Handbook (Handbook 2) provides detailed guidance on the procurement process.

Project bank accounts	Should be used unless there are compelling reasons not to. (Playbook, Chapter 10)	<p>Following the introduction of CPN 1/2019 relevant public bodies must include a PBA in tender documents for public works contracts commencing procurement procedures from 19 March 2019 with an estimated value more than or equal to:</p> <ul style="list-style-type: none"> <li>• £2,000,000 for building projects</li> <li>• £5,000,000 for civil engineering projects</li> </ul> <p>Other bodies that can award public contracts, and other organisations providing procurement routes for the construction of public buildings and infrastructure, are asked to:</p> <ul style="list-style-type: none"> <li>• implement PBAs</li> <li>• integrate the associated guidance into their procedures</li> </ul>
Prompt payment	For contracts valued above £5 million per annum, departments and ALBs must include an assessment of a supplier's payment systems processes and performance as part of the selection process, to demonstrate it has a reliable	The importance of cash flow and payment within 30 days is referred to in the guide. There is also cross reference to the SPFM requirements which itself covers prompt payment.

	<p>supply chain, and determine when it would be appropriate to exclude suppliers that cannot demonstrate this. Further guidance can be found in PPN 04/19 and PPN07/20.</p> <p>(Playbook, Chapter 8)</p>	<p>Also. Tenderers that are deemed to have submitted a potentially low bid, which is subsequently included in the competition, are required to submit a declaration to the effect that they understand that their arrangements for the appointment and payment of sub-contractors may be subject to scrutiny by the employer.</p>
Quality	<p>Some consideration of quality planning included as part of modern methods of construction and evaluating bids, but not much focus on ensuring it is obtained through construction.</p> <p>Includes the intention to embed a requirement for suppliers to identify and use a quality planning process in the delivery of capital projects and programmes, and familiarise contract management teams with quality processes.</p> <p>(Playbook, Chapter 3)</p>	<p>The Client Guide includes guidance on Quality Assurance (Handbook 1, Chapter 14) and obtaining quality during the construction phase (Handbook 3, Chapter 2)</p>
Project Scorecards	<p>A new Project Scorecard is currently being trialled ahead of a planned launch in 2021, with the principle of clearly setting out outcomes at the start, understanding their contribution to</p>	<p>This is not something included within the Client Guide.</p>

	<p>government's strategic priorities and referring to these throughout the project or programme lifecycle.</p> <p>They will be referred to throughout the approval and assurance processes in relation to the business case, used to inform contractual processes and form the baseline for robust post-completion evaluation.</p> <p>The outcomes agreed through the Project Scorecard should also be used to design the set of key performance indicators (KPIs) for the project or programme.</p> <p>(Playbook, Chapter 6)</p> <p>In developing the tender evaluation model, contracting authorities should draw on the outcomes set out in the Project Scorecard, among other aspects, as part of the 'quality' criteria.</p> <p>(Playbook, Chapter 9)</p>	
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<p>Social value</p>	<p>From January 2021, a minimum weighting of 10% of the total score for social value should be applied in the procurement to ensure that it will be a differentiating factor in bid evaluation and a higher weighting can be applied if justified. (Playbook, Chapter 9)</p>	<p>Under the Procurement Reform (Scotland) Act 2014 all public sector contracting authorities are required to consider including community benefit requirements for all regulated procurements where the estimated value of the contract is at least £4 million.</p> <p>The Scottish Government <u>community benefits in procurement</u> webpage provides general guidance and a number of tools to assist contracting authorities. The Scottish Futures Trust developed a <u>Community Benefits Toolkit</u> to assist contracting authorities in delivering community benefits through construction contracts and projects. (Handbook 1, Chapter 8)</p>
<p>Standardised contracts and terms</p>	<p>Standard contracts should be chosen from the following suites:</p> <ul style="list-style-type: none"> <li>• NEC 3 or NEC 4, as published by the Institution of Civil Engineers</li> <li>• JCT 2016, as published by the Joint Contracts Tribunal</li> </ul>	<p>Contracting authorities are encouraged to consider all available forms, not relying solely on familiarity or previous use, and to take advice from their professional advisers in arriving at the most appropriate selection.</p> <p>Some introductory information is provided on commonly used contracts.</p>

	<ul style="list-style-type: none"> <li>• PPC2000/TAC-1 and FAC-1 as published by the Association of Consultant Architects  (Playbook, Chapter 6)</li> </ul>	The Client Guide does provide guidance covering the issues pertaining to any amendment to standard terms – Handbook 2 – Ch 5 - 23
Supplier Code of Conduct	<p>Projects and programmes should be run in accordance with the Supplier Code of Conduct. The Contract Notice and tender documentation should carry a statement to indicate that the procurement will be run in the spirit of the Supplier Code of Conduct.</p> <p>(Playbook, Chapter 7)</p>	<p>Not included in Client Guide.</p> <p>A Scottish Construction Accord is currently being discussed between the public sector and industry to create shared vision of a new way of working together.</p>
Whole life costs	<p>All projects and programmes should produce a Should Cost Model (SCM) as part of the planning and preparation stage to inform the delivery model assessment.</p> <p>(Playbook, Chapter 5)</p> <p>To help enable contracting authorities and suppliers to make informed decision throughout the lifecycle, there is an intention to work together</p>	The Client Guide (Handbook 1 chapter 11) directs users to Scotland Futures Trust’s Whole Life Appraisal Tool which has been developed to assist contracting authorities make informed decisions to optimise a built asset’s whole life performance.

	with industry to develop a consistent definition of whole life value for use in the built environment in 2021. (Playbook, Chapter 3)	
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## Version Control

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