



Water and Environment Management Framework

User Guide

Operational instruction 410_13

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What's this document about?

This document explains how to procure consultancy and construction work through the Water and Environment Management (WEM) Framework



Document details

Who does this apply to?

All Environment Agency staff who use consultants and contractors for engineering and environmental work.

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Related documents



Feedback

Contact for queries

Contact name here

Chapter 1: WEM Framework overview

Introduction

From 2013-2022, we intend to invest more than £2.5 billion to reduce risk from river and coastal flooding and to secure wider environmental and social benefits. Our professional relationships with contractors and consultants are crucial to delivering these multiple benefits.

We need to achieve more outcomes for people and the environment with every pound we spend. We will establish and quickly develop excellent working relationships with our suppliers to improve performance and reduce costs. Through the WEM Framework we will encourage innovation, collaborative working and challenge in order to deliver sustainable outcomes.

This is described in more detail in [Engineering a Better Environment - Sustainable Engineering Procurement Strategy 2011 to 2020](#).

What is the WEM Framework?

Formalised in 2013, the Water and Environment Management Framework provides access to the best suppliers in flood and coastal risk management.

The WEM Framework is a commercial agreement between the Environment Agency, consultants and contractors ('suppliers') with agreed terms for the award of individual contracts to deliver projects for Flood and Coastal Risk Management (FCRM).

Who should use the WEM Framework?

The WEM Framework should be considered for all FCRM and other related work types at the planning and programming stage by staff in all Environment Agency directorates.

The framework is also available for use by Local Authorities (LAs) and, in particular Lead Local Flood Authorities (LLFAs), as well as other Risk Management Authorities (RMAs) in the Defra family.

What is the scope of the WEM Framework?

The framework has been set up in four 'lots' for different types of work:

- Lot 1 Modelling, mapping and data Services

Examples include:

- Hydrological modelling and analysis
- Mapping of river and sea flooding
- Management of geographical data

- Lot 2 Environmental services

Examples include:

- Environmental Impact Assessment
- Landscape architecture design
- Heritage and archaeological management
- Ecological survey and habitat creation

- Lot 3 Engineering and related services

Examples include:

- Strategy, project appraisal and feasibility studies
- Design, supervision and contract management
- Specialist engineering such as design of flood gates.
- Research and development

- Lot 4 Asset delivery

Examples include:

- Construction works
- Coastal works such as; beach nourishment, dredging, coastal structures
- Design and build

Services and activities by lot

See [Appendix 1](#) for a full description of services and activities by lot

Approved framework suppliers

[Appendix 2](#) lists the approved suppliers for each lot. Note that in Lot 4, suppliers can only be selected for the regions shown in the table for lot 4.

How were suppliers selected?

Suppliers on the WEM Framework were selected because they have demonstrated capability. Each supplier has agreed rates for staff and / or principal construction operations that will be used as a cap for each commission.

These suppliers demonstrate class leading safety and employee welfare and commitment to sustainability, going beyond what is mandatory to be the best in the industry. They demonstrate they strive to improve at every opportunity.

Each of our suppliers has an integrated supply chain and offers a 'one stop shop' for the services they provide. Supply chains are already in place, providing specialist services at agreed rates as well as general services.

Key changes

[Appendix 3](#) lists the key changes in the WEM Framework compared to earlier generations of frameworks used by the Environment Agency for flood and coastal risk management.

What are the benefits of the WEM Framework?

The principal benefits of framework contracts are:

- Long term relationships - the client and suppliers commit to work in partnership for 4+ years, providing stability for both parties and consistent project delivery throughout the period.
- Efficiency savings through the procurement process - framework suppliers form a pre-qualified shortlist for individual contracts to be awarded by competitive tender. This maintains competitive tension whilst embracing a streamlined tender process that is quicker and more efficient for both parties.
- Delivering programmes of work in the right way will maximise efficiency gains for the Environment Agency. Packaging of projects into programmes of work offers suppliers continuity of work and provides an increased opportunity for standardisation, innovation and delivery of sustainable outcomes.
- Performance management; the Environment Agency tracks performance indicators and reports on supplier and project performance to identify areas for improvement.
- Improved performance overall through collaborative working of client and framework suppliers, for example the Framework H&S and sustainability groups.
- Supplier development through regular meetings with suppliers to share best practice and develop new ideas.
- Compliance with EU procurement legislation. The WEM Framework was awarded in compliance with the EU Public Procurement regulations, following publication of a Contract Notice in the Official Journal of the European Union (OJEU).

Efficiency savings

There are five key areas where we expect to make efficiency savings.

1. **Innovation and standardisation.** We expect our suppliers to explore and offer innovative solutions to achieve outcomes for less. We are also developing a library of standard details for use within routine design and construction work.
2. **Packaging and programming.** Where timings, work type and geography permit, we will package schemes into single contracts to realise savings. We will increasingly specify our long term requirements and be prepared to make multi-year commitments when necessary to make packaging possible.
3. **Streamlining project delivery.** A new streamlining process was implemented across the Environment Agency from 1 April 2009 and there is a year on year target reported to the National Audit office. The target is to reduce project development costs and increase the proportion of funding spent on delivery.
4. **Scope control.** Through better up front planning and contract management we seek to reduce scope changes to projects.
5. **New contracting approaches.** There is some flexibility on the contracting approaches that can be delivered through the WEM Framework. Pathfinders will continue to be trialled to assess whether additional benefits can be obtained. Our aspiration is to increasingly commission projects through Lot 4, the asset delivery lot, to realise savings in the time and cost of delivery from appraisal through to delivery and operation.

Why NEC3 contracts?

The Construction Clients' Board (formerly Public Sector Clients' Forum) recommends that public sector organisations use NEC3 contracts when procuring construction works. Standardising use of this comprehensive suite of contracts helps deliver efficiencies across the public sector and promotes behaviours in line with the principles of Achieving Excellence in Construction.

NEC3 Framework contract

A framework agreement based on call-offs using the NEC3 suite of contracts has been agreed between the Environment Agency and suppliers that defines the terms under which the framework will operate.

NEC3 PSC and ECC contracts

Individual call-off contracts are awarded through specially prepared versions of the NEC3 Professional Services Contract (PSC) and NEC3 Engineering and Construction Contract (ECC).

Contract options

These commissions may use the following main contract options:

- A – Priced contract with activity schedule
- C – Target contract with activity schedule
- E – Cost reimbursable contract

The letters A,C,E are designated within NEC3 contracts. The Environment Agency does not use options B,D and F within the WEM Framework.

Secondary PSC and ECC options have been agreed at framework level. Some secondary options are mandatory and some are optional. You can find more information in later topics.

Contract strategy

The framework has been established for flexibility in use to allow a broad range of contractual approaches. In addition to the 'traditional' approach of awarding separate contracts for design and construction, single contract approaches, such as design and build, will be followed through Lot 4 where each contractor has design capability within their team.

Integrated project team

The Environment Agency and its suppliers have agreed to adopt a partnering approach within the WEM Framework and the delivery of all call-off contracts. This requires the creation of an integrated project management team at an early stage in each project's development.

The accountability for the team and effective delivery of a project always rests with Environment Agency or lead Risk Management Authority.

At any stage of a project, one party or another has the lead responsibility for delivery of that stage. Lead responsibility may switch between the different parties throughout the life of a project.

Team members from all suppliers engaged on the project, as well as the Environment Agency and other Risk Management Authorities, add value by contributing at all stages.

Early supplier engagement is procured through any lot using the Professional Services Contract.

Environmental impacts

The Engineering Strategy has clearly highlighted that over 70% of our environmental impacts arise from our supply chain with construction and related maintenance activity for flood and coastal risk management being by far the most significant proportion of this.

See [Engineering a Better Environment Sustainable Engineering Procurement Strategy 2011 to 2020 \(Section 5: Sustainability\)](#).

Innovation and sustainability

The WEM Framework Agreement has made a commitment to be the most sustainable construction framework and sets out requirements for suppliers to deliver sustainable solutions. We will encourage and support our suppliers to take innovative approaches to deliver sustainable outcomes. Sustainability will be a key element of evaluation criteria for call-off contracts.

Sustainable development

Working with our supply chain we want to be world class in the area of sustainable development. The environment cannot be viewed as an 'add on' or afterthought to be addressed. It must be embedded from the outset in terms of what we do and the outcomes we set out to achieve.

Employment, training and development

Suppliers have been selected on the basis that they directly and through sub-contractors and other partners:

- Have a formal training plan in place for development of the workforce
- Use small and medium enterprises (SMEs) for at least 25% of spend through the framework. In Lot 4 this target increases to 50%.
- Ensure all projects are inclusive and accessible for all by using 'Access for All Design Guidance'
- Provide employment opportunities targeted at the unemployed and economically inactive and employ a minimum of 5% of their workforce on recognised paid apprenticeships

Procurement of materials

Suppliers must:

- Be compliant with Government buying standards
- Seek to avoid using virgin, finite resources. Re-use should be considered across the Framework and from within the supply chain
- Seek to use materials sourced locally
- Specify, source and purchase timber from legal and sustainable sources
- Purchase tropical hardwood through the Employers Framework
- Gain chain of custody certification for timber by one of the certification schemes (FSC or PEFC)
- Procure steel piles through the Employers Sheet Pile Framework
- specify, source and purchase recycled aggregates ahead of virgin aggregates
- Use on site borrow pits where appropriate with subsequent habitat creation

Waste, carbon and emissions

Suppliers must:

- Implement the 'waste hierarchy' through effective materials/waste management plans
- Minimise waste to landfill. Use the WRAP SWMP template for all construction projects >£250k and the Lite template for projects <£250k
- Register all excess excavated materials without an identified use on the CL:AIRE materials register
- Reduce all water usage on site
- Use the Carbon Calculator during appraisal, outline design, detailed design and at construction stages. Mandatory on all construction projects >£250k.
- Work in accordance with our Low Carbon Concrete Policy
- Sign up to the pan government supply chain reporting tool for scope 1,2 and 3 emissions

Sustainability targets and performance reporting

For Lot 4 construction projects, project teams must set targets for suppliers at the work package level in respect of:

- Carbon dioxide emissions
- Waste to landfill
- On site water usage
- Recycled aggregates
- 100% of timber purchased must be from legal and sustainable sources.

Framework targets and guidance on specific project targets can be obtained from the WEM Framework Management team.

All targets must be monitored through performance management measures. Selected targets will be included in the Sustainability Scorecard.

Safety, Health and Environment

Our Mission is to be the industry leader in Safety, Health and Environmental (SHE) performance in construction activities.

The Environment Agency and framework suppliers have a shared vision of excellence that is explained in our SHE code of practice 'Safety is Paramount. Constructing a Better Environment'

Legal compliance is a given. This code of practice, together with specific references to safety, health and the environment in tender and other documents, will ensure projects consistently achieve the highest, and where possible, industry leading standards.

This code of practice states:

- Our commitment to health, safety and the environment
- Expectations of framework suppliers and other suppliers in respect of their health, safety and environmental performance; and
- Arrangements for suppliers to report incidents and statistics used in benchmarking our overall performance.

Suppliers must comply fully with the code of practice and requirements outlined in the [SHE handbook](#). These are subject to revision and addition throughout the term of the WEM Framework. Suppliers are required to contribute to the development of these through WEM Framework management arrangements.

Supplier performance is monitored as part of the Framework management arrangements through a yellow/red card system. See [Performance Management](#) topic for more information.

Part 1: Cost management

Introduction This section defines arrangements within the WEM Framework for cost management of core team rates, construction rates and approved fees.

Core teams A significant element of the WEM Framework is the use of approved **core teams** within each supplier organisation, including their sub-contractors.

Within each lot, each supplier has submitted names and rates for its regionally based **core teams**. The regional teams are supported by national specialists.

Approved rates for core teams Under the terms of the WEM Framework, the rates for core teams cannot be varied within the first 12 months of the agreement and thereafter only by approval of the Environment Agency using an agreed formula. Changes to the core team, such as substitutions, can only be made with the approval of the Environment Agency and then only at the same rate or less.

A co-location discount applies when supplier's staff are co-located with the Employer's team and accommodated by the employer.

Approved unit rates for construction Suppliers tendered maximum unit rates for work items, plant, labour, materials and other construction cost elements at the outset of the framework. These maximum rates form part of the WEM Framework Agreement.

For each commission, suppliers under Lot 4 complete a project-specific price workbook which provides a breakdown of costs by activity for each call-off competition up to the maximum rates tendered in the Framework Agreement.

Approved fees For Lot 4 Engineering and Construction Contracts (ECC) only, an agreed direct fee percentage and sub-contract fee percentage will be applied to all direct costs and all sub-contract costs respectively.

Direct and sub-contract fees are agreed at Framework level and suppliers have the freedom to reduce both direct fee and sub-contract fee percentages on a project by project basis during competition.

Project cost tool

The project cost tool (PCT) is a database used by the Environment Agency to store information about capital projects. It stores this information at different levels of detail covering the complete cost associated with a project or type of work.

Running on our collaboration tool, Asite, the PCT is populated by cost data provided by our suppliers under the WEM Framework.

Benchmarking is one of the primary functions of the PCT, comparing individual components or complete projects. Using PCT data, the Environment Agency has the ability to cost projects before going to the market and to inform decisions on project appraisal, procurement strategies and contract management.

The PCT may not be applied to all projects. Suppliers are advised at the award of a call-off contract whether they are to supply data for the PCT. The WEM Framework includes specific contractual arrangements for supply of this information within an agreed timescale and to defined quality standards.

Part 2: Supplier incentives

Introduction

We need to achieve more outcomes for people and the environment with every pound we spend. Through incentives we will encourage innovation, improve performance and reduce costs in order to deliver sustainable solutions and meet our corporate targets.

Financial incentives

The WEM Framework includes provision for financial incentive arrangements for specific contracts. These are defined in individual project procurement strategies and are communicated to the supplier as part of the tender documentation for a call-off contract.

There are three main routes under which incentives may operate:

- Contract target cost
- Project target cost
- Programme level incentive

Contract target cost

The contract target cost model is applicable where NEC Option C contracts are used. Cost saving, **gain**, is shared between the Employer and Supplier at the end of the contract where the actual cost is less than the target cost. If the actual cost is greater than the target the contract, overspend, **pain**, is also shared.

Project managers should include the forecast pain/gain in their forecasts of contract and project out-turn costs. Actual pain/gain payments will be applied to the final payment based on actual cost.

Project target cost

Under the project target cost model, the supplier may be required to share gain or pain against a target of project costs which may include:

- Design
- Construction
- Service diversion
- Landowner compensation

Supplier pain/gain is shared relative to their contract value in proportion to the overall project target.

Example of project target cost model:

| Target cost | | Actual costs | |
|----------------------------|--------------|--------------------|--------------|
| Design | £1.7m | Design | £1.2m |
| Construction | £4.2m | Construction | £4.5m |
| Sub-total | £5.9m | Sub-total | £5.7m |
| Service diversions | £0.3m | Service diversions | £0.2m |
| Compensation | £0.2m | Compensation | £0.1m |
| Total of the prices | £6.4m | Total cost | £6.0m |
| Contract proportion | 92.2% | Total saving | £0.4m |
| Gain | £369k | Contractors share | £185k |

In the example above, service diversion and compensation costs are directly paid by the Employer and are not included in the contract value, but these are included in the **total of the prices** for incentivisation purposes.

Through the design of the works and the construction method the supplier helped realise a saving of £200k against service diversions and compensation. As a result, the gain share 'pot' is enhanced.

Programme level incentives

A programme level financial incentive will be piloted on the WEM Framework but will be restricted to programmes of work that have a single source of funding and meet the required pilot criteria. Payment will be subject to pre-determined performance indicators being met or exceeded. See Figure 1 below.

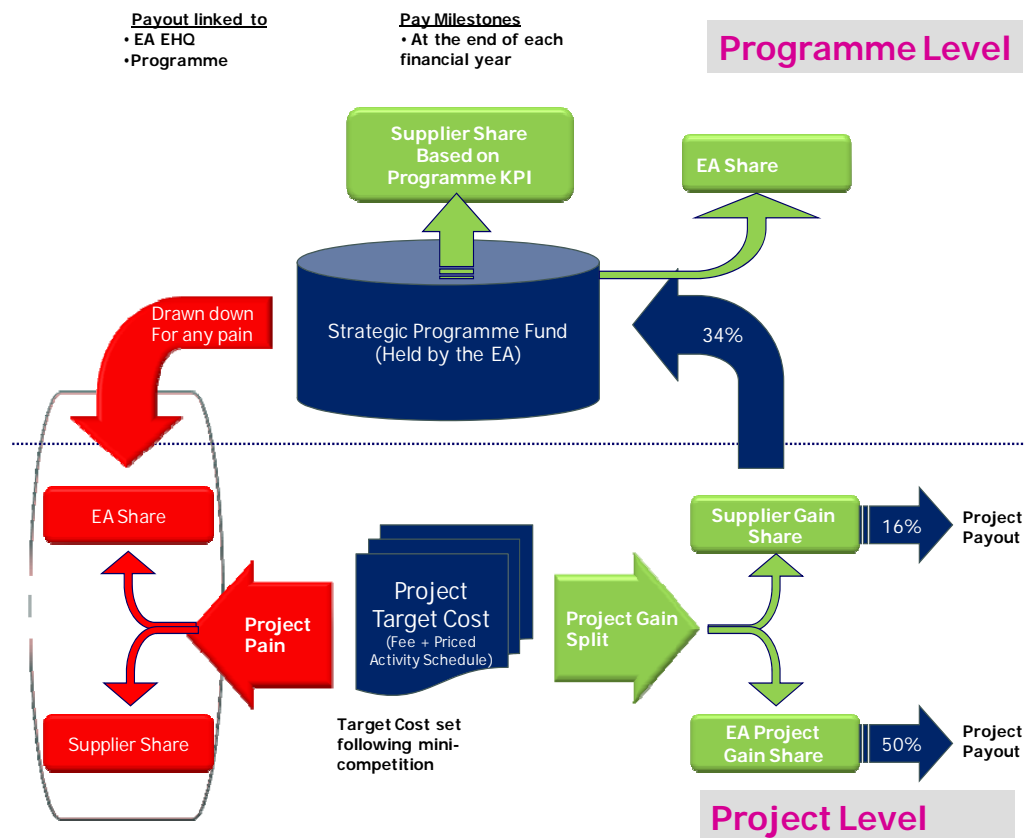


Figure 1: Programme level incentives

Part 3: Performance management

Introduction This section summarises arrangements for measuring performance of suppliers at a contract, project, framework and region/area level.

Performance measurement Supplier performance is measured using various metrics in order to develop a supplier performance score for each WEM Framework supplier. Broadly these cover:-

- Time
- Cost
- Quality (of deliverables)
- Sustainability

The performance score is used to inform supplier development action plans and work allocation under the WEM Framework.

For Environment Agency projects, the Asite programme and project management tool (PPMT) are used to gather metrics on project performance, delivery of targets and supplier behaviours.

Suppliers provide information on sustainability and efficiency.

SHE performance

Suppliers' SHE performance is monitored as part of the framework management arrangements. A yellow / red card system is operated and is triggered by a number of circumstances. For example:

- Any act or omission by a supplier leading to a prosecution
- Any act of negligence by a supplier which significantly increases the risk to others or the environment during the execution of the works
- Failure to follow our corporate management systems

Should any of these circumstances arise, the project manager or project executive must inform the Environment Agency Framework Manager. The supplier's Framework Manager is then notified that the yellow / red card assessment procedure has been triggered.

The supplier's performance and the particular call-off contract is reviewed by a nominated party and the findings reported to the Environment Agency Framework Manager, who then decides whether a card should be issued and its severity. i.e. yellow or red.

Following the issue of a yellow or red card, the supplier is instructed to prepare an action plan to address the failures which led to the incident and agree a training / monitoring programme with the Environment Agency.

A certain number of yellow cards issued during a set period would result in an escalation to the issuing of a red card. Multiple red cards can result in loss of gain share, suspension for 12 months or even, in the event of four red cards issued over the lifetime of an agreement, termination of the framework agreement with that supplier.

Part 4: Minimum technical requirements

Overview

Minimum technical requirements includes:

- Standard scopes
- Standard designs
- Standard specifications

These standard documents and templates may be found on **Asite** in the Knowledge Management workspace in folder 09 Commercial and contracts.

Standard scopes

We have a mandatory and uniform approach to writing briefs. Each phase of work – appraisal, detailed design and construction supervision has its own template. Each section of the template gives information already available, the purpose, and the deliverables required to close out the piece of work. Project managers must develop standard scopes to make them project specific and outcome focussed.

It is not expected that all of the requirements set out in the standard scope must be delivered on every project. The project manager must select only those activities or requirements that are appropriate and delete those that are not.

For key deliverables in a project, further specific details are set out in Product Descriptions along with their method of review and quality assurance checks we will undertake.

Standard designs

We are establishing a mandatory and standardised approach to the delivery of projects, avoiding repetition in design. The standard designs initiative will be delivered in phases during the life of the WEM Framework.

Phase 1 is complete and includes low risk, secondary items such as headwalls and manholes. We also use Highways Agency standard designs for fences, gates, etc in series H of Volume 3 of the Manual of Construction for Highway Works.

Phase 2 will identify further areas for savings, concentrating initially on design criteria, flood walls and equipment such as gates, ramps, copings and cladding.

Standard specifications

The standard specification for works is based on the Civil Engineering Specification for the Water Industry 7 (CESWI7). A standard set of clauses enhances these to suit our works and can be found on Asite in the Knowledge Management workspace.

All designs and construction must be compliant with the standard specifications, where they exist.

Building Information Modelling (BIM)

The WEM Framework incorporates requirements and objectives for suppliers to deliver Building Information Modelling (BIM) for works in line with the Government Construction Strategy.

It will be a phased process working closely with industry groups, in order to allow time for industry to prepare for development of new standards. It is an objective of the WEM Framework that fully collaborative 3D BIM, with all project and asset information, documentation and data being electronic, is implemented by 2016.

Suppliers are required to take responsibility for the BIM infrastructure and sharing data electronically and be compliant with data standard BS1192 and ISO standards as well as specific standards developed by the Environment Agency.

All documents and information will be handed over electronically at the end of projects. The Government Construction Board is expecting manufacturers to produce customer information in electronic form e.g. video clips demonstrating maintenance procedures. This information will also be handed over by suppliers in a structured format on handover.

Part 5: Framework management

Introduction

This section defines arrangements for the management of the WEM Framework. Staff responsible for management of the framework should refer to the WEM Framework Management Guide.

Partnership

The employer, the Environment Agency and other Flood Risk Management Authority, work in partnership with the suppliers in the operation of the WEM Framework.

A supplier conference is held every six months and is attended by all suppliers and their strategic supply chain and representatives from the employers, the Environment Agency and Others, to review the performance of suppliers on the WEM Framework.

Framework management

An executive management board made up of representatives from the Environment Agency, others and representatives from the National Cost Management and National Site Investigation Frameworks meet three times a year to review progress and agree strategic goals.

The WEM Framework Management team manage the day-to-day operation of the framework contract. This team consists of 3 lot managers and the Framework manager.

Each supplier has a nominated Framework director, a Framework manager and a lot Manager for each of the lots it is appointed to.

Development and performance

Development and performance review meetings are held with each supplier to review **both** the supplier's performance **and** the employer's performance and to identify development and performance actions.

Project managers and executives should ensure that examples of excellent or poor performance are raised with the Lot Manager in a timely manner for discussion at these meetings.

Toolbox talks are held monthly using BT Live Meeting to share knowledge and best practice between the employer, other Flood Risk Authorities and all suppliers. Examples of previous talks are: SHE, innovation, standard designs, value engineering.

In addition, there are a number of proactive collaborative working groups improve performance across the Framework e.g. H&S, Environment.

Chapter 2: Using the Framework

Introduction Guidance in this chapter is applicable to Environment Agency staff. Other Risk Management Authorities should consider the guidance included in this section within the context of their own procurement policy and procedures.

Part 1: Procurement strategy

Overview Where it has not been determined corporately or at a programme level, the project procurement strategy is agreed at project start-up. It defines how the works and services will be procured throughout the project life-cycle in order to achieve best value and minimise risk. It must be periodically reviewed by the project executive to fulfil this purpose.

To facilitate review and ensure the process of work allocation is transparent and open, the procurement decisions and justification must be fully documented in the strategy. [See 21 06 Procurement Strategy](#)

Framework selection The procurement strategy meeting will consider whether the project is suitable for delivery by one or more of the established framework suppliers under:-

- The WEM Framework (Lots 1-4) or a combination thereof
 - The National Cost Management Framework (NCMF)
 - The National Site Investigation Framework 3 (NSIF3)
 - The National Remediation Contractors Framework (NRCF)
 - The National Contaminated Land Consultancy Framework (NCCF)
 - The Minor Works Framework
 - Other government or government agency frameworks
-

Contracting approach

The WEM Framework has been set up to provide the Employer, either the Environment Agency or a Flood Risk Management Authority, with flexibility regarding how suppliers are engaged and to build the best team for the job by drawing expertise from across all Framework lots.

Once it has been decided that the WEM Framework is the most appropriate procurement route for a particular requirement, the most appropriate lot or combination of lots are selected at the Employer's programme or project procurement strategy meeting early in the project. It is here where the optimum contracting strategy is determined based on factors such as the individual project requirements, risks, opportunities and best value for money outcome.

Work is awarded through the WEM Framework using a competitive process.

Direct award is only used for emergency works.

Lot selection

The 4 lots in the WEM Framework have been structured such that suppliers can be selected from within a single framework to deliver a range of services giving maximum flexibility with regard to how suppliers are engaged. Schedule 1 to the WEM Framework agreement defines the relevant services and key skills covered under each Lot. (See Appendix 1).

The project procurement strategy will determine the most appropriate lot to deliver the required services or works. The supplier will be selected following competition from within a single lot, this means suppliers from one lot will not compete against suppliers from other lots.

Wherever possible, all project services will be sought from a single supplier in a single lot, through a single contract. This approach will maximise efficiency and minimise the risk to the Employer of managing multiple contracts and interfaces between different suppliers.

Lot 4

Lot 4 will generally be used to deliver both fluvial and coastal construction works and have the capacity to be contracted under a design and build approach under the ECC Contract including environmental services. Lot 4 suppliers can also be contracted in delivering early supplier engagement to provide construction input to design under the PSC Contract. Our aspiration is to increasingly commission projects through Lot 4 to realise savings in the time and cost of delivery, from appraisal through to construction and operation.

Lot 3

Lot 3 will generally be used to undertake strategy, appraisal, design, environmental, survey and site supervision services.

Lot 2

Suppliers from Lot 2 will be considered on a project having one or more of the following:

- Significant socio-environmental and/or environmental risk
- Significant scale of environmental mitigation and/or improvement opportunities within the project scope
- A requirement for a statutory Environmental Impact Assessment
- A requirement for Strategic Environmental Assessment

These projects are likely to include one or more of the following:

- Water Framework Directive compliance
- EIA or SEA components
- HRA components
- Landscape, and/or cultural heritage components

Lot 1

Suppliers from Lot 1 will generally be used where the significant scope of the project is orientated towards modelling and mapping, data management or emergency planning. For example:

- Catchment Flood Management Plans (CFMP)
 - Shoreline Management Plans (SMP)
 - Surface Water Management Plans (SWMP)
 - Flood Forecasting and Flood Warning
 - Emergency Response plans and exercises
-

Part 2: Work allocation

Introduction This topic provides information about how to allocate work through the WEM Framework.

Competition All contracts awarded through the Framework will be subject to competitive tender, with all suppliers on the selected lot invited to bid for every project. The tender process may be preceded by a contract notification from the Employer and expression of interest from suppliers if necessary to limit the number of suppliers bidding.

Tender overview

- Each competitive tender will include NEC3 contract data part 1 ([PSC](#) or [ECC](#)) and a full scope of services, or works information, for the commission.
- An invitation to tender will then be issued to all suppliers who express an interest.
- Submissions from suppliers will include contract data part 2 and pricing workbook, allowing for immediate contract award following any clarifications.
- Further information may be found in WEM Framework Schedule 6.

Note: Unlike previous frameworks, there is no requirement or provision for a statement of requirement, consultant's proposal or mini-bid.

Contract data overview

- Contracts for all projects will be based on NEC3 core clauses plus mandatory and optional clauses defined in the framework agreement.
- Only optional clauses that have been agreed at framework level can be included in call off contracts; no other 'Z' clauses should be added in any circumstances.
- Contracts may use main options A, C or E.
- The contract templates can be found on Asite in the Knowledge Management workspace.
- Further information may be found later in this document or in Framework Schedules 2&3. [See 366 13 WEM Framework Agreement](#)

'Standard' scopes for PSC

Standard or 'model' scopes have been made available for common PSC work types, such as project appraisal and strategies. These documents provide a template for project managers to use and must be tailored to cover specific project requirements and focus on the required outcomes for the project.

Minimum technical standards for ECC

The Environment Agency has also produced 'standard' technical specification, to be included in the works information, for ECC contracts that contain the minimum standards to which our construction projects should be delivered. This document, combined with appropriate drawings and specifications for the works, and the Environment Agency specific NEC3 ECC contract data, provide the basis for a works information competitive tender for a construction project. It is important to focus here on outcome focussed specifications to avoid design solutions being handed over.

The table below shows how to manage a tender competition:

| Step | Action |
|------|---|
| 1 | Check procurement strategy. Note which lot has been identified along with the main option and agreed optional clauses. Project level incentivisation or contract incentivisation is required when Option C is being used. |
| 2 | Obtain standard scope or minimum technical standards as appropriate. |
| 3 | Refine and develop the scope or works information as appropriate to the project mandate. Define project specific tender questions and evaluation methodology. |
| 4 | Configure the contract data using the relevant standard template (PSC/ECC) and upload to the project workspace on Asite, along with the scope, or works information. Send a notification to suppliers and your OCL / Procurement contact. |
| 5 | Issue a contract notification to suppliers within the agreed lot if required. Allow one week for suppliers to register their interest. |
| 6 | Issue the tender documents to suppliers who registered an interest. Allow two to three weeks for consultancy and four to six weeks for construction for suppliers to submit their bids as a minimum. Allow more time for research and innovation where possible. |
| 7 | During the tender period answer clarification questions from suppliers in a timely manner. |
| 8 | Review submissions from suppliers and apply the agreed evaluation methodology. Ask clarification questions if required and select the preferred supplier. |
| 9 | If clarifications result in changes to the scope, works information or contract data, amend the contract and reissue to the preferred supplier to ensure that agreed changes are included in the contract. The supplier should submit a revised contract data part 2 in response. |
| 10 | Proceed to the next stage: Contract award |

Part 3: Contract award

! Important

All contracts awarded by the Environment Agency under the WEM Framework must comply with the Financial Scheme of Delegation (FSoD). It is the responsibility of officers with FSoD authority to ensure that the necessary approvals are in place before a contract is awarded.

The contract award report

All contracts must be supported by a formal contract award report, signed by the Project Manager, Project Executive and One Commercial Lead. The template for the contract award report is available in Asite in the Knowledge Management workspace.

How to award a contract

| Step | Action |
|------|---|
| 1 | Draft the contract award report with input from the project team members who assessed tender returns. |
| 2 | Ensure financial approval is in place for the full value of the contract and all associated costs. |
| 3 | Finalise the contract award report and seek sign off by all parties. |
| 4 | Award the contract. Form of agreement signed to award the contract. Award letter and copy of signed contract sent to supplier. |
| 5 | Raise an order on 1B1S for the agreed contract value and await approval (EA staff only). Add the order number to the contract template and upload to NEC3 Manager on Asite to make the contract 'live'. |
| 6 | Write to unsuccessful bidders to notify them of the outcome of the tender process using the template for unsuccessful tenders on Asite in the Knowledge Management workspace. |

Further information

Detailed explanation of the contract setup procedure on Asite is included in the fact sheets in the contract admin folder in the Knowledge Management workspace.

Part 4: Managing the contract

! Important

All contracts awarded under WEM must be managed according to NEC contract management and communication standards. Each type of communication, for example an early warning or a compensation event, must be dealt with in accordance with the NEC. Guidance on NEC3 communication types can be found on Asite in the Knowledge Management workspace, contract admin folder.

Asite NEC3 manager

- The NEC manager module on Asite will be used to manage all Environment Agency contracts under the WEM Framework agreement. Fact sheets and guidance are available in the Knowledge Management workspace, contract admin folder.
- The NEC manager provides a suite of forms and associated workflow that aids communication and good management of the contract. It is fully compliant with the NEC.
- After the contract has been set up, the agreed contract clauses are automatically read by NEC manager so that communications are specific to that contract.
- All contract amendments are recorded and a full audit trail is available.

Using NEC manager to manage contracts

| Stage | Description |
|-------|---|
| 1 | Upload the contract to Asite following contract award. |
| 2 | <ul style="list-style-type: none">▪ Add users to the contract management roles as required.▪ Employer and Consultant for PSC▪ Employer, Contractor and Project Manager for an ECC |
| 3 | Use the NEC Manager forms and workflow for all contract communications. |

Contract management procedure

Detailed instructions for staff acting as Employer or ECC Project Manager are on Asite in the Knowledge Management workspace, contract admin folder.

Contract payments

- Payment under the Framework will be made in accordance with WEM Framework Schedule 9.
- For a PSC, the Consultant will submit a fee note for approval by the project manager. If the fee note is accepted the consultant can submit an invoice for payment. If the fee note is for an amount greater than the remaining contract value the project manager may accept the fee note only up to the agreed contract value.
- For ECC contracts the ECC Project Manager will issue a payment certificate for acceptance by the Employer. The Contractor may only submit an invoice for payment when the payment certificate has been agreed.

Payments procedure

For detailed instructions about payments, refer to specific guidance on Asite under the Knowledge Management workspace, contract admin folder.

Part 5: Closing the contract

! Important

All contracts should be formally closed using the communication forms included in the Asite NEC3 manager. This is good practice and will prevent unauthorised fee notes or applications for payment being submitted. For PSC and ECC contracts payment of the final account following the issue of the defects certificate is the trigger to formally close the contract.

Completion certificate and defects certificate

NEC3 manager includes communication forms for completion and defects certificates. The Employer, PSC or ECC Project Manager, should issue the completion certificate to the Consultant or Contractor within one week of the date of completion. The NEC provides a full definition of completion in clause 11.2 (2). When the defects date identified in the contract data has passed the defects certificate should be issued.

Final account The fee note or application for payment that follows the defects date should be the final payment under the contract. When this payment has been made the contract should be closed.

Contract closure A notification of contract closure is sent by the EA project manager to the parties named on the contract. At this point the order should be closed down on 1B1S to prevent further invoices being paid against that order.

Contract closure procedure Detailed instructions for staff acting as Employer or ECC Project Manager is contained in guidance on Asite in the Knowledge Management Workspace, contract admin folder.

Chapter 3: Related documents

Links

- [Engineering a Better Environment – Sustainable Engineering Procurement Strategy 2011 to 2020](#)
- [300_10 Safety, health and environment \(SHE\) handbook for managing capital projects](#)
- [21_06 Procurement Strategy](#)
- [366_13 WEM Framework Agreement](#)
- 410_13_SD01 NEC3 PSC contract template for WEM Framework
- 410_13_SD02 NEC3 ECC contract template for WEM Framework

Please note: There may be a slight delay in publishing these templates and getting them linked within this document due to finalising some of the detail they contain. Please search the Easinet using their document reference numbers until we add the working links to this document.

Appendix 1: Services and activities by lot

Activities by lot The following tables summarise the services and skill/activities which will be delivered under each lot

Table 1 Lot 1 – Modelling, mapping and data services

| Ref | Service provision | Skill/activity |
|-----|---------------------|--|
| 1a | Modelling: | <ul style="list-style-type: none"> ▪ Hydrological modelling and analysis ▪ Coastal and fluvial and surface water hydraulic modelling (1D / 2D) ▪ Wave forecasting and overtopping analysis ▪ Coastal erosion, sewer network and groundwater modelling ▪ Whole system modelling ▪ Surveying - Gathering historic flood data. channel, bathymetric and topographic surveying ▪ Real time modelling (hydrological and hydraulic for flood forecasting) ▪ Derivation and application of associated rating curves |
| 1b | Mapping: | <ul style="list-style-type: none"> ▪ Mapping of river and sea flooding ▪ Mapping of pluvial water / urban drainage |
| 2a | Emergency Planning: | <ul style="list-style-type: none"> ▪ Flood forecasting and flood warning ▪ Reservoir dam breach analysis and inundation modelling / mapping ▪ Surface water management plans ▪ Emergency response exercises ▪ Multi agency response plans |
| 2b | Data: | <ul style="list-style-type: none"> ▪ Management of GIS ▪ Data management ▪ Strategies ▪ Strategy development (inland and coastal) ▪ Post Catchment Flood Management Plans (CFMP) studies ▪ Provision of local telemetry systems to at risk communities |
| 3a | Other: | <ul style="list-style-type: none"> ▪ Policy / process development ▪ Technical compliance checks / assistance ▪ Quality assurance checks of flood risk assessments / flood consequence assessments ▪ Training |

Table 2 Lot 2 – Environmental services

| Ref | Service provision | Skill/activity |
|------------|---|---|
| 1a | Environmental Impact Assessment | <ul style="list-style-type: none"> ▪ Environmental project management ▪ Environmental assessment co-ordination ▪ Environmental Impact Assessment (statutory) ▪ Environmental assessment (non statutory) ▪ Environmental risk management ▪ Spatial environmental GIS mapping |
| 1b | Strategic Environmental Assessment | <ul style="list-style-type: none"> ▪ Strategic Environmental Assessment ▪ Strategic appraisal ▪ Spatial environmental GIS mapping |
| 1c | Landscape architecture design | <ul style="list-style-type: none"> ▪ Landscape appraisal, design, management and supervision ▪ Visual impact assessment ▪ Landscape character assessment ▪ Constraint and opportunity mapping ▪ Landscape architecture concept planning |
| 1d | Heritage and archaeological management | <ul style="list-style-type: none"> ▪ Heritage and archaeological assessment ▪ Heritage risk management ▪ Statutory and non statutory legislative and policy framework |
| 1e | Town and Country Planning | <ul style="list-style-type: none"> ▪ Development of the environmental element of planning applications ▪ Local engagement with planning officers ▪ Public and government inquiry expert witness |
| 1f | Hydromorphology and Water Framework Directive | <ul style="list-style-type: none"> ▪ Hydromorphological assessment and evaluation ▪ Geomorphological survey and evaluation ▪ Water Framework Directive assessment |
| 1g | Habitat creation and river restoration | <ul style="list-style-type: none"> ▪ Design of new habitat ▪ Co-ordination of delivery of habitat creation ▪ Design and delivery of river restoration |
| 2a | Ecology survey and evaluation | <ul style="list-style-type: none"> ▪ Ecological impact assessment ▪ Ecological desk based studies ▪ Ecological mitigation design and implementation ▪ Ecological survey for key species |
| 2b | Environmental legislation | <ul style="list-style-type: none"> ▪ Services in relation to UK and European environmental legislation, such as. Habitats Regulations, Countryside and Rights of Way Act. ▪ Habitats Regulations Assessment |
| 2c | Environmental partnership funding | <ul style="list-style-type: none"> ▪ Development of environmental partnerships ▪ Sourcing and securing environmental partnership funding ▪ Development of external funding business cases |
| 2d | Environmental economics and ecosystem appraisal | <ul style="list-style-type: none"> ▪ Ecosystems services valuation ▪ Environmental economic assessment and evaluation |

Table 3 Lot 3 – Engineering and related services

| Ref | Service provision | Skill/activity |
|------------|---|--|
| 1a | Project appraisal and feasibility studies | <ul style="list-style-type: none"> ▪ Investigation of inland and coastal flood risk and erosion problems ▪ Development and modelling of options. ▪ Assessment of costs and benefits/economic analysis ▪ Assessment of environmental impacts and benefits ▪ Stakeholder engagement ▪ Strategic studies – larger scale investigations of catchments or coastal cells ▪ Production of business case |
| 1b | Design: | <ul style="list-style-type: none"> ▪ Fluvial, coastal and tidal flood defences and impounding structures ▪ Coastal engineering and scour protection ▪ Pumping and control systems ▪ Land remediation ▪ Mechanical and electrical installations ▪ Navigation ▪ Works associated with water resources, fisheries, ecology ▪ Landscaping and recreation |
| 1c | Supervision, contract management and CDM | <ul style="list-style-type: none"> ▪ Supervision of construction works and mechanical and electrical installations ▪ ECC project management ▪ CDM coordination services |
| 2a | Specialist engineering | <ul style="list-style-type: none"> ▪ Mechanical, electrical, instrumentation, control and automation (MEICA), including designs such as lock gates, flood gates and barriers ▪ Reservoir inspection by all Panel Reservoir Engineers ▪ Design activities relating to river restoration and 'soft' engineering solutions ▪ Advice on technical solutions and risk management ▪ Advice on decommissioning, restoration and land remediation |
| 2b | Environmental Services | <ul style="list-style-type: none"> ▪ Environmental Impact Assessment, statutory and non statutory ▪ Strategic Environmental Assessment ▪ UK and European environmental legislation such as Water Framework Directive, Habitats Regulations, Countryside and Rights of Way Act. ▪ Environmental risk management ▪ Environmental clerk of works ▪ Advice on town and country planning, heritage, landscape and ecology |
| 2c | Survey | <ul style="list-style-type: none"> ▪ Land surveying ▪ Flood and coastal defence asset condition surveys ▪ Property level flood protection surveys |
| 3a | Research and development | <ul style="list-style-type: none"> ▪ Development of best practice guidance based on research outputs |

| Ref | Service provision | Skill/activity |
|------------|---------------------------------------|--|
| 3b | Economics and funding | <ul style="list-style-type: none"> ▪ Advice on economics and partnership funding |
| 3c | Communications and partnerships | <ul style="list-style-type: none"> ▪ Advice on partnership working, community engagement and public relations ▪ Communications and public consultations |
| 3c | Other services that could be required | <ul style="list-style-type: none"> ▪ Contaminated land investigations ▪ Site investigation ▪ Buried services surveys ▪ Water resources and groundwater services. |

Table 4 Lot 4 – Asset delivery

| Ref | Service provision | Skill/activity |
|------------|---|---|
| 1a | Project appraisal and feasibility studies | <ul style="list-style-type: none"> ▪ Investigation of inland and coastal flood risk and erosion problems ▪ Development and modelling of options. ▪ Assessment of costs and benefits/economic analysis ▪ Assessment of environmental impacts and benefits ▪ Stakeholder engagement |
| 1b | Design | <ul style="list-style-type: none"> ▪ Fluvial, coastal and tidal flood defences and impounding structures ▪ Coastal erosion and scour protection ▪ Pumping and control systems ▪ Land remediation ▪ Mechanical and electrical installations ▪ Works associated with water resources, fisheries, ecology, landscaping navigation and recreation |
| 1c | Civil engineering construction works | <ul style="list-style-type: none"> ▪ Including flood defences, wave and scour protection, impounding and conveyance structures ▪ Works associated with water resources, fisheries, ecology, river restoration, habitat creation and recreation. |
| 1d | Coastal works | <ul style="list-style-type: none"> ▪ Beach nourishment, dredging, coastal structures ▪ Working on or constructing coastal hard flood defences, for example constructed seawall defences and revetment works. ▪ Works in a marine environment, for example constructed an outfall, offshore breakwater or placement of rock armour. |
| 1e | Early Supplier Engagement (ESE) | <ul style="list-style-type: none"> ▪ Advice on technical solutions, buildability, value engineering and risk management |
| 1f | Supervision and contract management: | <ul style="list-style-type: none"> ▪ Supervision of construction works and mechanical and electrical installations ▪ ECC project management ▪ CDM coordination services |
| 2a | Specialist engineering design | <ul style="list-style-type: none"> ▪ Relating to mechanical, electrical, instrumentation control and automation (MEICA) works ▪ Design activities relating to river restoration and 'soft' engineering solutions ▪ Advice on technical solutions and risk management ▪ Advice on decommissioning, restoration and land remediation |
| 2b | Specialist construction activities | <ul style="list-style-type: none"> ▪ Relating to mechanical, electrical, instrumentation control and automation (MEICA) works ▪ Relating to river restoration and 'soft' engineering solutions ▪ Relating to landscape contracting works |

| Ref | Service provision | Skill/activity |
|-----|------------------------|---|
| 2c | Environmental services | <ul style="list-style-type: none"> ▪ Environmental Impact Assessment, statutory and non statutory ▪ Strategic Environmental Assessment ▪ UK and European environmental legislation such as Water Framework Directive, Habitats Regulations, Countryside and Rights of Way Act. ▪ Environmental risk management ▪ Environmental clerk of works ▪ Advice on town and country planning, heritage, landscape and ecology |
| 3a | Other | <ul style="list-style-type: none"> ▪ Advice on economics, partnership funding, community engagement and public relations ▪ Communications and public consultations ▪ Project management including planning and delivery of programmes/packages of works, risk management and communication ▪ Provision of an incident response service for contracts or projects underway ▪ Provision of operation and maintenance solutions ▪ Provision of design, build, maintain and operate solutions ▪ Provision of 'turnkey solutions' |

Appendix 2: Approved suppliers by lot

Suppliers by lot The following suppliers are approved for provision of works and services within the lots and regions shown.

| Lot 1 Modelling mapping and data |
|---|
| Capita Symonds Ltd |
| Halcrow Group Ltd |
| JacksonHyder |
| Jacobs UK Ltd |
| Jeremy Benn Associates Ltd |
| Mott MacDonald Ltd |

| Lot 2 Environmental Services |
|-------------------------------------|
| AKT (AECOM Ltd, Kier Ltd) |
| Capita Symonds Ltd |
| Halcrow Group Ltd |

| Lot 3 Engineering and related services |
|---|
| Capita Symonds Ltd |
| Halcrow Group Ltd |
| JacksonHyder |
| Jacobs UK Ltd |
| Mott MacDonald Ltd |

| Lot 4 Asset Delivery | YNE | NW | Midlands | Anglian | SE | SW | Wales |
|---|------------|-----------|-----------------|----------------|-----------|-----------|--------------|
| BMM joint venture (BAM Nuttall, Mott MacDonald) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| GBV joint venture (Galliford Try, Black & Veatch) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| JacksonHyder | ✓ | x | ✓ | ✓ | ✓ | x | x |
| JN Bentley Ltd, Jeremy Benn Associates | ✓ | ✓ | ✓ | ✓ | x | x | ✓ |
| Team Van Oord Ltd (Van Oord, JT Mackley, May Gurney, Royal HaskoningDHV) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| VBA consortium (VolkerStevin Ltd, Boskalis Westminster Ltd, Atkins Ltd) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Appendix 3: Summary of key changes to Framework

The table below summarises the key changes across the first three framework generations.

| | 1st generation | 2nd generation | 3rd generation |
|-------------------------------|---|---|---|
| Frameworks | NEECA, NCF & SFRMF | NEECA 2, SFRMF 2, NCF 2, ESF | WEM Framework Lot 1 – Mapping modelling Lot 2 – Environmental services Lot 3 – Engineering and related consultancy services Lot 4 – Integrated asset delivery |
| Clients | EA use only | EA (LAs can use NEECA) | Available to all RMAs |
| Contracting approach | Consultancy or contractor | Consultancy or contractor | As for 2 nd generation and additionally contractor led alliance |
| Work allocation | Direct award | Mini competition | Competition |
| Contract | NEC suite | NEC suite | NEC suite Short contract not available Standard scopes / WI apply |
| Incentives | Contract level pain or gain | Contract level pain or gain Business case level pain or gain (PARI) | Contract level pain or gain Project level pain or gain Increased work allocation through competition <u>Pathfinder</u> Programme level pain or gain |
| Performance assessment | KPIs | TPMs | Integrated performance assessment |
| Framework Management | Regular management meetings at various levels Dispute resolution procedure | As for 1st generation and additionally yellow red card procedure | As for 2 nd generation |
| Support systems | Capital Works Database, suppliers database | NEC contract manager (NEECA only) Project and Programme Management Tool (PPMT) | NEC contract manager for all contracts. PPMT to also include fee notes admin, performance assessment and Project Cost Tool input |