



Oifig um Sholáthar Rialtais
Office of Government Procurement

Incorporation of ICMS into the Capital Works Management Framework

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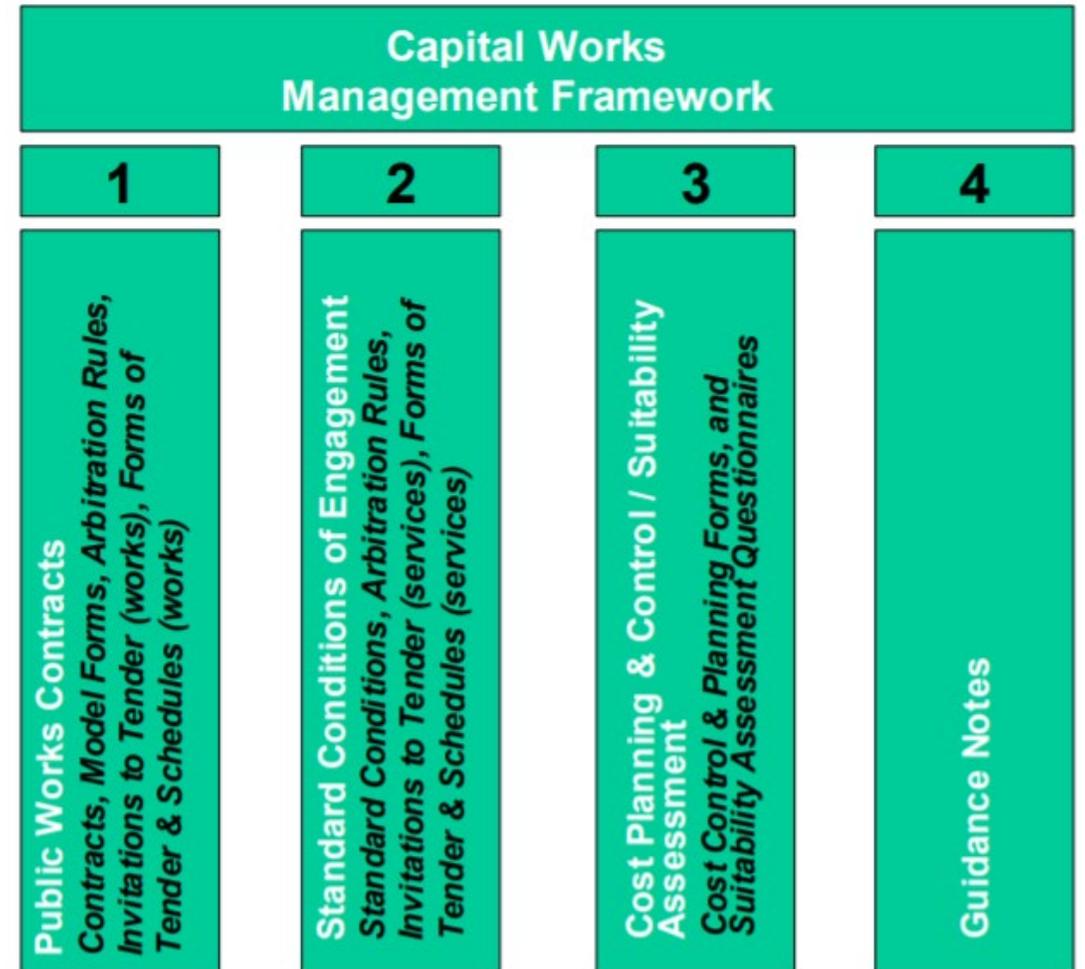
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Delivering Sustainable Procurement Solutions



Introducing ICMS to the Irish Market.

- “The Capital Works Management Framework (CWMF) is a structure that has been developed to deliver the Government’s objectives in relation to public sector construction procurement reform. It consists of a suite of best practice guidance, standard contracts and generic template documents that form four pillars that support the Framework”



Overview of CWMF

Project Stages		Capital Works Management Framework					
		Main Project Processes					
Project Stages		Project Management	Design Activities (Building)	Design Activities (Civil Eng.)	Cost Control Activities	Risk and Value Management	Documents for Approval
Appraisal							
Approval in Principle							
Stage 1 Planning Initial	Stage I Feasibility Study / Preliminary Report	Manage outputs: Project Definition (through 10 N+ overall parameters) Manage technical experts' appointment (if required)	Conduct Feasibility Studies Develop Definitive Project Brief	Conduct Preliminary Report Conduct design studies Develop Definitive Project Brief	Conduct cost assessment of Feasibility Studies / Preliminary Report (capital and maintenance costs)	RM: Confirm strategic functional performance Review Feasibility Studies / Preliminary Report options Identify VM strategies Develop functional performance model RM: Identify and assess risk relating to the Project Execution Plan Develop high-level Risk Management Plan	Project Management Structure Preliminary Project Brief Preliminary Output Specification Feasibility Study and Cost Plan Design Brief Final Output Specification Definitive Project Brief Project Execution Plan Risk Management Plan
	Stage II Design	Project Review 1: Confirm approval for design expenditure (Report to Sanctioning Authority and await approval prior to proceeding)					
Stage 2 Planning Developed	Standard Conditions of Engagement	Manage procurement strategy Manage design consultant appointment Manage assessment of output requirements	Appoint Design Team / Design Team Leader Assess output requirements	Appoint Design Team / Lead Consultant Develop design standards Assess output requirements	Check / assess budget	RM: Consider VM in relation to procurement strategy RM: Identify risk in relation to procurement Agree risk allocation	Definitive Procurement Strategy Contract Type Proposal Project Team Selection Report
		Project Review 2: Confirm requirements, review procurement strategy (C with compliance to Sanctioning Authority, and proceed after agreed period provided no queries / hold from Sanctioning Authority)					
		Manage Outline Design process	Develop Outline Sketch Scheme Appoint PSDP (if not appointed earlier)	Develop Preliminary Planning Appoint PSDP (if not appointed earlier)	Develop Outline Cost Plan	RM: Consider VM in relation to Outline Sketch Scheme / Preliminary Planning RM: Consider RM in relation to Outline Sketch Scheme	Outline Sketch Scheme (Building) Preliminary Planning drawings (C, Eng.) Outline Cost Plan
		Manage Developed Design process Manage procurement process	Develop Developed Sketch Scheme Prepare submission for statutory approval	Continue Preliminary Planning Prepare submission for statutory approval	Develop Developed Cost Plan Develop Whole Life Cost Appraisal	RM: Carry out value engineering Assess buildability of the design Consider VM in relation to Detailed Sketch Scheme RM: Identify residual risks Consider RM in relation to Detailed Sketch Scheme Suitability assessment of contractors	Developed Sketch Scheme Developed Cost Plan Statutory Approval Submission
		Project Review 4: Assess project prior to statutory approval (Report to Sanctioning Authority and await approval prior to proceeding)					
		Manage statutory submission process	Submit for statutory approval Review statutory approval outcome	Submit for statutory approval Review statutory approval outcome	Review Developed Cost Plan	RM: Review any planning conditions for value management impact RM: Review any planning conditions for risk impact	Developed Cost Plan (revised)
Project Review 5: Assess outcome from statutory approval (C with compliance to Sanctioning Authority, and proceed after agreed period provided no queries / hold from Sanctioning Authority)							
Stage 3 Implementation	Stage III Tender	Manage the Detailed Design Process	Develop Detailed Design (not design-and-build) Prepare tender documents	Develop Detailed Planning (Design) (not design-and-build) Prepare tender documents	Conduct Detailed and Pre-Tender Cost Checks and Whole Life Cost Update in advance of preparing tender documents	RM: Review suitability assessment of contractors for VM potential RM: Review suitability assessment of contractors for risk impact	Tender Documentation Detailed Pre-tender Cost Check Whole Life Cost Update Contractor List Selection
		Project Review 6: Approve detailed design solution; review pre-tender cost check; review risk (Report to Sanctioning Authority and await approval prior to proceeding)					
		Manage the Tender Process	Issue tender documents Assess tender returns Recommend successful tenderer	Issue tender documents Assess tender returns Recommend successful tenderer	Develop Tender Cost Analysis Develop Tender Report	RM: Assess tender returns for VM potential RM: Assess tender returns for risk impact	Tender Assessment Criteria Tender Analysis And Report Contractor Recommendation
Project Review 7: Review tender returns in advance of awarding the contract (Report to Sanctioning Authority and await approval prior to proceeding)							
Stage 4 Review	Stages IV and V Construction and Handover	Manage the implementation / construction process Manage change control Manage contract	Develop Detailed Design (Design and Build) Implement design	Develop Detailed Planning (Design and Build) Implement design	Manage change control for costs Prepare final account	RM: Carry out value engineering (for design and build projects only) RM: Manage residual risk Manage construction risk	Various contract management reports Project Outturn Review



Overview of CWMF

The Construction Policy Unit of the Office of Government Procurement have the responsibility of supporting the Irish Construction Sector when they engage with the CWMF.

Team of 9 people manage the CWMF which has 4 Pillars:

Pillar 1: PWC's -11 Contract types, supported by,

20 Model Forms, 9 ITT's, 13 Form of Tenders and Schedules, Authorised Bonding Business, Arbitration Rules, Weather Events, Information note on GDPR.

Pillar 2: Conditions of Engagement

2 Standard Conditions of Engagement, 6 Model Forms, 4 ITT's (Services), 2 Form of Tenders and Schedules (Services), Arbitration Rules, Information note on GDPR.

Pillar 3: Cost Planning/ Control and Suitability Assessment

6 Standard forms for Cost Planning and Control, 6 Suitability Assessment Questionnaire's

Pillar 4: Guidance Notes and Glossary

28 Guidance Notes, 1 Glossary,

Totals: 103 Documents – 1000's of pages of Guidance Notes

Construction Procurement Reform

Home News Circulars Regulations Contact Us Useful Links

Have you obtained sanction for a derogation from the Government Contracts Committee for Construction (GCCC) under Section 6 (c) of Circular 01/2016?
If Yes? - Then click on the link to the Circular 1/16 - Derogation Documents.
If No? - please click on the following link to bring you to Home Page

Home
Welcome to the Construction Procurement Reform website

The Department of Public Expenditure and Reform is responsible for implementing national policy on public procurement, particularly in relation to construction procurement. The Department's website: constructionprocurement.gov.ie has been specifically developed to implement the key outputs of the Government Decision of May 2004 in relation to the reform of public sector construction procurement. The main objectives of this reform initiative are:

- Cost certainty at tender award stage
- Better value for money (VFM), and
- More efficient delivery of public works projects

The reform is one of a number of key value for money measures announced by the Minister on 20 October 2005 and has been put in place to help address concerns about the extent of cost overruns (i.e. the increase in project cost between the accepted tender price and the final outturn cost) on public works and consultancy contracts, and to eliminate such cost overruns through better planning and greater use of works contracts and conditions of engagement by means of optimal risk transfer to contractors and consultants who are best placed to manage and control such risks.

This site consists of a Capital Works Management Framework which contains an integrated set of contractual provisions, guidance material and technical procedures which covers all aspects of the delivery process of a public works project from inception to final project delivery and review. **Please check the News page for recent updates.** The structure of this strategic framework is closely aligned and compliments the Capital Appraisal Guidelines issued by the Department of Finance.

The Capital Works Management Framework is for the use by contracting authorities involved in the expenditure of public funds on construction projects and related consultancy services. The use of the framework should result in a more cost effective delivery of public works projects because of the more systematic and detailed approach to, among other things, planning (both preparatory and detailed), capital budgeting as well as design and construction cost control.

Contact Us: construction@per.gov.ie

NEWS ARCHIVE

- PILLAR 1 – PUBLIC WORKS CONTRACTS DOCUMENT ARCHIVE
- PILLAR 2 – CONDITIONS OF ENGAGEMENT DOCUMENT ARCHIVE
- PILLAR 3 – COST PLANNING/CONTROL AND SUITABILITY ASSESSMENT DOCUMENT ARCHIVE
- PILLAR 4 – GUIDANCE NOTES AND GLOSSARY DOCUMENT ARCHIVE

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English Gaeilge

Overview of CWMF

Code	Contract	Nature of Works
PW-CF1	Public Works Contract for Building Works designed by the Employer	Building
PW-CF2	Public Works Contract for Building Works designed by the Contractor	Building
PW-CF3	Public Works Contract for Civil Engineering Works designed by the Employer	Civil Engineering
PW-CF4	Public Works Contract for Civil Engineering Works designed by the Contractor	Civil Engineering
PW-CF5	Public Works Contract for Minor Building and Civil Engineering works designed by the Employer	Minor Works, Building and Civil Engineering
PW-CF6	Public Works Short Form of Contract	All types of work associated with building and civil engineering
PW-CF7	Public Works Investigation Contract	Investigation Work, Building and Civil Engineering above and below ground.
PW-CF8	Public Works Short Form of Investigation Contract	Investigation Work, Building and Civil Engineering above and below ground
PW-CF9	Public Works Framework Agreement	Any type of work associated with construction
PW-CF10	Public Works Contract for EARLY COLLABORATION	Any type of work with value in excess of €100m where early Contractor engagement is required
PW-CF11	Public Works Term Maintenance and Refurbishment Works Contract	For urgent and planned maintenance & refurbishment

11 standard forms of contract.

- Building
- Civil engineering
- Minor works
- Small works
- Investigation
- Frameworks
- Early collaboration
- Term maintenance and refurbishment.

Overview of CWMF

- Procurement is a complex process engaging Clients, End Users, Administrators, Technical Professionals, Works Contractors, Suppliers, Construction Specialists, and Facility Managers
- Public Spending Code, CWMF Rules, Government Initiatives
 - Government, Construction 2020(2014), A Strategy for a Renewed Construction Sector.
 - GCCC Position Paper (2017), BIM-Adoption-Strategy-Statement-of-Intent, CPP 01/17
 - National Bim Council (2017), Roadmap to Digital Transition For Ireland's Construction Industry 2018-2021

Government policy objectives from CWMF:

- Cost certainty at tender award stage
- Better value for money (VFM), and
- More efficient delivery of public works projects

Cost planning and control in the CWMF

- Standard templates are available from the OGP for the various stages of project life cycle.
 - Outline cost plan
 - Detailed cost plan
 - Tender cost analysis
 - Analysis of outturn costs

All templates are prepared using the National Standard of Building Elements and Cost Control Procedures (NSBE)

National Standard of Cost Control Procedures

Table 1: Matrix of Building and Site Elements and Indirect Costs

BUILDING (Direct Costs)							SITE (Direct Costs)
Substructure	Structure	Structure Completions	Finishes	Services (Mainly Piped and Ducted)	Services (Mainly Electrical)	Fittings and Furniture	
(1-) Substructure Generally	(2-) Structure Generally	(3-) Structure Completions Generally	(4-) Finishes Generally	(5-) Services (Mainly Piped and Ducted) Generally	(6-) Services (Mainly Electrical) Generally	(7-) Fittings and Furniture Generally	(-0) Site Generally
(11) Ground, Earth Shapes	(21) External Walls	(31) External Walls: Completions within Openings	(41) Wall Finishes Generally	(51) Heating Centre	(61) Electrical Supply and Main Distribution	(71) Display, Circulation Fittings	(10) Prepared Site
(12) Reserved	(22) Internal Walls, Partitions	(32) Internal Walls, Partitions: Completions within Openings	(42) Wall Finishes Internally	(52) Drainage and Refuse Disposal	(62) Power	(72) Work, Rest, Play Fittings	(20) Site Structures
(13) Floors in Substructure	(23) Floors, Galleries	(33) Floors, Galleries: Completions	(43) Floor Finishes	(53) Water Distribution	(63) Lighting	(73) Culinary Fittings	(30) Site Enclosures
(14) Reserved	(24) Stairs, Ramps	(34) Stairs, Ramps: Completions	(44) Stairs, Ramps: Finishes	(54) Gases Distribution	(64) Communications	(74) Sanitary, Hygiene Fittings	(40) Roads, Paths, Pavings
(15) Reserved	(25) Reserved	(35) Suspended Ceilings	(45) Ceiling Finishes	(55) Space Cooling	(65) Security and Protection	(75) Cleaning, Maintenance Fittings	(50) Site Services (Mainly Piped and Ducted)
(16) Foundations and Rising Walls	(26) Reserved	(36) Reserved	(46) Reserved	(56) Space Heating	(66) Transport	(76) Storage, Screening Fittings	(60) Site Services (Mainly Electrical)
(17) Piled Foundations	(27) Roofs	(37) Roof: Completions	(47) Roof Finishes	(57) Ventilation and Air Conditioning	(67) Reserved	(77) Reserved	(70) Site Fittings
(18) Reserved	(28) Frames	(38) Reserved	(48) Reserved	(58) Other Services (Mainly Piped and Ducted)	(68) Other Services (Mainly Electrical)	(78) Reserved	(80) Landscape, Play Areas
(19) Summary: Building Substructure	(29) Summary: Building Structure	(39) Summary: Building Structure Completions	(49) Summary: Building Finishes	(59) Summary: Building Services (Mainly Piped and Ducted)	(69) Summary: Building Services (Mainly Electrical)	(79) Summary: Building Fittings and Furniture	(9) Summary: Site

Note: 'Reserved' codes should not be used.

1970 – Need for standardised cost control procedures identified by Government & stakeholders

1973 – Second edition published taking account of international developments in SfB classification system.

1993 – Third (and final edition) – acknowledging establishment of national data bank of construction costs.

International Construction Cost Measurement Standard

- ICMS is a global standard for benchmarking and reporting of construction project cost and covers both capital and whole life costing while providing a way of presenting costs in a consistent format.
- In effect ICMS is exactly what Irish Public Sector wants but with the addition of being a global solution.

Why should Ireland use ICMS?

- Economic Considerations – large dependency on construction activity
- Foreign Direct Investment (FDI)
- International comparisons
- Outdated system (NSBE) currently in use which relates to building works

Introducing ICMS to the Irish Market.

- SCSl mandate (workshops, user manuals, mapping, etc.)
- What about the Public Sector?
 - Pillar 3 of the CWMF
 - Stakeholder engagement with GCCC members
 - Review/Compare ICMS with current cost reporting templates and requirements.
 - Present proposal to the GCCC.
 - Define the introduction period (phasing).

Introducing ICMS to the Irish Market.

- What about Government?
 - Public spending code and reporting?
 - €9bn for Capital Expenditure in 2021
- Pilot programme
 - RICS/BCIS operating a pilot programme for international cost reporting
 - Irish Government has committed to the pilot.

Looking to the future

How can the introduction of ICMS add value to Public Works Contracts?

- Allow for the establishment of a cross departmental cost database
- Provide access to global costs for comparison at varying levels of detail.
- Provide established sectorial attributes for non standard projects
- Aid in the digitalisation of PWC supporting documents.
- Expand the CWMF to include Asset Life Cycle rather than just the Project Life Cycle



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An Roinn Caiteachais Phoiblí
agus Athchóirithe
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