

PUBLIC PRIVATE PARTNERSHIPS

LESSONS LEARNED

THE OFFICE OF THE VICTORIAN GOVERNMENT ARCHITECT CHAMPIONS THE QUALITY OF THE BUILT ENVIRONMENT, WORKING ACROSS VICTORIA TO IMPROVE SIGNIFICANT PROJECTS.

The Office of Victorian Government Architect (OVGA) seeks to achieve quality design outcomes in Public-Private Partnerships (PPPs), by improving procurement practices. A successful PPP is not purely driven by time and cost, rather good design must be valued equally as a key factor in achieving innovation and the successful construction, delivery, maintenance and operation of a project.

The OVGA has provided design advice across a number of significant state Public-Private Partnerships (PPPs)

- Royal Children's Hospital (2007 - 2011)
- Partnerships in Victoria in Schools Project (2007 - 2011)
- PVIS (2008 - 2011)
- Victorian Comprehensive Cancer Centre (2011-2016)
- Ravenhall Prison (2014-2017)
- Bendigo Hospital (2013-2018)
- New Schools PPP (2015-2018)

A PPP is considered appropriate from a design perspective:

- where the project is of sufficient scale;
- where the private sector would be better placed to manage a considerable proportion of the project risks;
- where there is a need to consider the whole-of-life costs and for this to be the responsibility of the private sector partner;
- where outputs are measurable (and therefore an input-based specification can be avoided);
- where there is a need to consider a competitive environment to promote innovative solutions;
- when there is a desire to create a collaborative relationship between the design team, the builder, the operator and the facilities manager;
- when there is sufficient weighting to design in the evaluation process.

WHAT ACTIONS ARE REQUIRED TO BENEFIT GOOD DESIGN?

Project Initiation:

- Elevate design quality in the PPP documents – success relies on a quality contract, brief and tender documents.
- Consult the OVGA at the inception of the PPP process to determine the best approach to protecting quality. For example a design quality team of qualified experts to support the project through each stage.
- Provide design capacity on the PPP Steering Committee, including the Victorian Government Architect, or a senior representative from / nominee of the OVGA.
- Appoint a Design Manager with proven design expertise and previous PPP experience in the project team. This person should be engaged based on consultation with the OVGA.
- Understanding that design is key to achieving any form of innovation in a PPP.
- Put adequate time and resources into developing the project brief. A PPP requires a very detailed design brief, where the government delivery agency is very clear about its requirements.
- Community consultation needs to be undertaken by the agency during the project brief development.
- Separate the planning process from the bidding costs. This will allow time for consultation, options to be developed and a preferred option submitted.
- Ensure all parties visit the site early on.
- A commitment to quality by benchmarking the Environmental Sustainable Design (ESD) features with accepted industry tools such as Greenstar or NABERS. This will elevate the whole-of-life considerations.
- Establish, before the bidding process, a detailed and robust Reference Design that has been developed through a close working relationship between the client and an architect. This will help test if the brief and/or masterplan is 'fit for purpose'. For example will the site have the capacity to meet the area requirements for the brief?
- When using Reference Designs ensure that they are developed to set a qualitative benchmark, integrate the design ambition and establish a commitment to design excellence.
- Landscape architecture and wayfinding must be embedded early in the design process.

Bidding Stage:

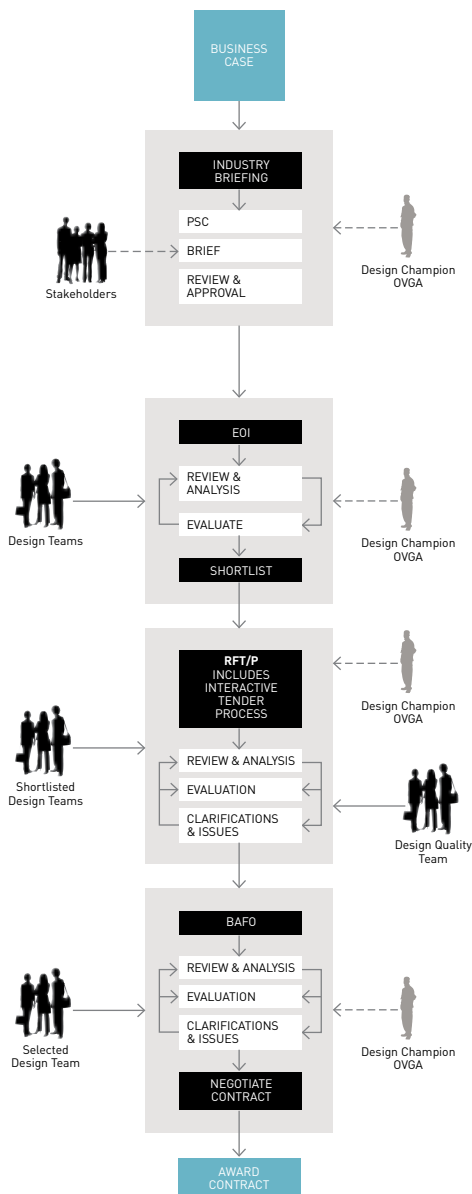
- Develop specific design principles to include in the EOJ and RFP documents. Support the design principles with precedent images, comparative projects, the OVGA's Good Design Publications and the Urban Design Charter.

- Limit additions and variations to the RFP documents, including Reference Design, to allow the bidding teams to advance design solutions efficiently.
- Design representation on the Evaluation Panel for the Expression of Interest (EOI) and the Request for Proposal (RFP) evaluation.
- Ensure bidding design teams value the whole-of-life impact and the social, cultural, economic and environmental performance of a development.
- Ensure bidding design teams are appropriately resourced to deliver the project.
- Ensure that the bidding process is not rushed, allowing sufficient time between the selection of the preferred bidder and financial close to negotiate excellent design outcomes.
- Understanding the benefits of a Best and Final Offer (BAFO) when bidders need to elevate the design quality. Addressing design issues through a BAFO is more important than prioritising the program and time pressures.

- Provide the time for design thinking to future-proof the project.
- Ensure that there is a design intent statement from the bidding teams.
- Provide design advice at a high level and then move into the detail. Focussing on the detail design too early in the process limits the opportunities and the state may become complicit in a lesser proposal.
- Value design quality equally against time and cost in the evaluation phase.
- Achieving value for money does not mean that the highest or lowest bid is selected. Value for money requires all factors affecting the procurement process to be taken into account and to ensure that the best design is selected.

Procurement of Buildings and Infrastructure:

- Any change to the output specification must not diminish the performance, whole-of-life cost or design quality of the project. Changes to the output specification require approval from the design quality team.
- Only include scope ladder items if there is the budget to effectively deliver them.
- Allow enough time prior to Contract Close for the State to make an informed assessment.



Glossary:

- PSC: Public Sector Comparator
- EOI: Expression of Interest
- RFT/P: Request for Tender / Proposal
- BAFO: Best and Final Offer

This document is available as a PDF at www.ovga.vic.gov.au

For more information on the VDRP see www.ovga.vic.gov.au

Figure 1. Indicative PPP Process

(Source: Government as Smart Client, OVGA).

