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DEFRA IMPROVES NEC CONTRACT MANAGEMENT BY INSTALLING THE CONTRACT CHANGE MANAGEMENT (CCM) SYSTEM

(London, 12 July 2007)

The Estate Division of the Department for Environment, Food and Rural Affairs (Defra) has implemented the CCM system to enable improved contract management of their major building projects in York and Alnwick. The CCM system is an internet based service, provided by Management Process Systems (MPS) Ltd., which supports the contract change processes defined in the NEC form of contract. It is currently being used by a wide range of clients on civil, power and building projects. Key benefits include timely agreement of change, quality assured contract administration, the early completion of final account, improved contract management discipline, instant visibility of risk and change issues, improved change management, quality assured processes, consistency, instant access to risk spend data, rigorous audit trail, and instant availability of Excel reports over the web—all leading to reduced risk and reduced costs.

The York Refresh Project is the reorganisation, refurbishment and extension of an existing office complex to create, modern and efficient office accommodation. The refurbishment will enable the occupancy to be increased from circa 850 to 1,150 and in line with Government requirements for major refurbishments our aim is to achieve BREEAM excellent. To enable better use of valuable office space, a new hub building is being constructed to provide a deli style restaurant and informal meeting facility. Following an OJEU process the project was awarded to Kier Northern using the NEC3 Option C contract with a Target Cost of circa £15m. Following a design and tender stage the project, commenced on site in April 2006 and will be completed in mid 2008. As with other projects that Appleyards have completed for Defra, the aim is to encourage good sustainability practice throughout the design, construction and occupation processes.

Visualisations:



New Office Environment



New Hub Building

Stephen Prowse, Associate Director with Appleyards said, "As with many major refurbishment projects, you can never be sure what you will find behind ceilings and floors once you open them up and with the need to ensure that it is business as usual for our client, effective risk and change management is paramount to the project success. The CCM system is proving to be an essential tool in ensuring that we all keep to the Contract, and manage the risks to our project. We are recommending the CCM system for all our NEC3 contract projects of this nature"

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The Alnwick project, Project Zebra, comprise the re-provision of an office facility, Lion House in Alnwick, Northumberland to accommodate three Defra business units. Along with achieving a BREEAM excellent rating this project has the potential to be Defra's first Carbon Neutral Building in operation – and includes wind turbines, photovoltaic cells, solar heating and a biomass boiler.

For this project Defra have opted to procure the building via a Design and Build procurement process using the NEC3 Option A (fixed price) with a value of just over £4m. The project commenced on site in February 2007 and will be completed mid 2008.



Organisations from the DEFRA framework for Project Managers – Appleyards; Quantity Surveyors - Davis Langdon; and Contractors - Kier will use the system to manage risk and change on their projects.

CCM is being used by a range of clients such as EDF Energy, Siemens, National Grid, Environment Agency, Highways Agency, TfL, Imperial College and a number of Councils. It is also used by most of the major consultant engineers, project managers and quantity surveyors in the UK.

The award winning system is built with IBM hardware and software in a state of the art data centre provided by Cantono. MPS are an IBM Advanced Business Partner.

Robin Wilkin, Operations Director of MPS said, "We are very pleased that DEFRA and their Project Managers Appleyards recognise the business benefits available from using CCM. Traditional JCT contracts have been the norm for many of the participants in building projects however the NEC form has been very successful in the civil engineering sector, so it is good to see clients in the building sector recognising the business benefits of the innovative NEC contract. A recent research report confirms that CCM assists clients and their teams in realising these benefits. We look forward to working with DEFRA, and their partners, in a major building programme that relies on excellent all round collaboration for success."

About Management Process Systems Limited

Management Process Systems Limited is a management services company whose mission is to deliver innovative solutions that deliver identifiable business advantage to the construction industry.

The company has extensive experience in the business processes, methodologies, information and knowledge requirements of the construction industry. This expertise and knowledge is re-enforced by a highly experienced capability to deploy Information Technology in support of business processes.

Editors Note

Information regarding MPS is available on the website www.mpsprocess.com.

Contract Change Management (CCM) is an innovative and exciting British success story on the provision of IT support to a key business process.

Hundreds of construction industry professionals from most of the large PM, QS, Engineering, and construction companies have been managing projects worth hundreds of millions of pounds using the system. These projects have included thousands of Early Warnings giving notice of new risks, and Compensation Events for change management.

Client customers include EDF Energy, Highways Agency, Environment Agency, Imperial College London, a number of Councils, and many more.

Four key gains leading to reduced costs for customers using CCM are -

1. Increased productivity

Increasing workloads and shortages of skilled managers have led firms to maximise efficiency of their professional staff. CCM enables remote working, less travelling, and more effective use of key resources. Managers spend more time on decision making and less time on administration. They are also able to manage more projects.

2. Improved predictability of outcome (cost & time)

Predictability of cost and time are two of the top ten key performance measures for business excellence as identified by Constructing Excellence. CCM improves predictability, minimises surprises, facilitates speedy agreement of change, and provides very early close out of final accounts.

3. Reduced risk

CCM facilitates early warning of liabilities and opportunities, improved risk management, increased collaboration, and therefore better-informed decision making. CCM also improves contract management, which reduces the level of risk to all involved.

4. Compliance - Improved audit and visibility

CCM is a secure quality controlled system, which enables compliance in the most challenging and demanding environments. Process visibility and audit ability facilitate improved communications for all participants. Coupled with its ability to transcend location, CCM provides a powerful management tool for all members of the project team.

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