The DBFM/PFI Model

Case Study - Ministry Of Defence UK

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The PFI now operates in its Main Phase over two buildings having completed the Decant, Refurbishment and Recant phases.
MOD Main Building

- Designed by Emmanuel Vincent Harris and construction completed 1959
- Building has significant historic features and is a Listed Building
- In 2004 a £352 million GBP refurbishment to over 85,000 sqm undertaken
- 3,300 workplaces in an open planned environment
- Main Building has over 10,000 visitors a month
- The building refurbishment provides
  - Conference Suite with translation facilities
  - Over 180 serviced meeting Rooms
  - Audio Visual Conferencing Facilities
  - Restaurant
  - Shop
  - Nursery
  - Gym
The Old War Office

- Designed and built by William Young, his son Clyde and Sir John Taylor
- Original construction was completed in 1906 and cost £1.2m
- In 1918 building capacity was 22,000 and currently less than 5%
- Last major refurbishment was 1977 to cellular office layout
- Services delivered to c.35,000 sqm
• The PFI Contract was signed by the Secretary of State on the 4th May 2000 and is for an initial period of 30 years

• Contract is based on an Output specification with deductions for poor performance and unavailability of facilities

• The refurbishment was completed on budget and ahead of schedule

• Project has received praise from the UK’s National Audit Office (NAO) in both its 2002 and 2008 reports on PFI

• There are good Stakeholder relationships between the MOD Client, PFI Contractor, Funders, Architects, Engineers, Builder, Key Service Providers for Hard FM and Soft Services and the Building users

• Significant number of additional Client variations with over 1500 Variation Orders
• Use of good Design maximised the Stakeholder returns

• Design was operationally sustainable and offered a new approach to workplace utilisation

• Design considered the whole-life management of the building and historic features were sympathetically adapted

• Stakeholders worked effectively together to engineer a cost effective design solution which has been essential to the project success
• Careful consideration by the original design team of modern construction and maintenance techniques has resulted in many innovations being successfully employed

• The design of the Chilled Beams contributed to the Main Building refurbishment being given an excellent BREEAM energy rating

• The refurbishment design has also proved to be operationally effective from a maintenance perspective

• In PFI innovative ideas need careful consideration and the potential consequential risks evaluated
• Inspection and maintenance plays a key role in the operational performance of a PFI and Assets need to be adequately maintained

• Good asset management is both an art and a science and requires collaboration between the Hard and Soft FM Providers to achieve the best value-for-money

• At the end of the PFI term, assets will have to be handed back with a minimum lifespan they also have to be handed back in the condition they were in when the PFI Contract commenced

• In respect of Main Building this is the condition post refurbishment
Summary

• A PFI project offers different challenges compared to a traditional refurbishment and operate via a Facilities Management contract

• These challenges include;
  • Understand what are the key drivers for each of the Stakeholders
  • Communicating the agreed outputs to the end users
  • Valuing Stakeholders input into the design and operational specifications
  • Workplace behavioural changes

• Building good stakeholder relationships is an essential part of a PFI
Thank you for listening