

Reference no. (office use only)



The National Audit Office (NAO) reports to Parliament on the use of public money. It is independent of government. As part of a study of construction projects, we are asking project managers of PFI construction projects a series of questions to help us assess whether construction projects are completed within time and budget.

PFI Construction Performance

Project Details

Name of project.

Date of contract let. (Please enter the date as month / year)

m	m	y	y
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For this survey we are only interested in the PFI projects for which the construction of a built asset is either complete, or was due to be completed by now, according to the timetables agreed in the contract. If your project does not involve construction of a built asset, or if the asset is not due to be completed until a later date, according to timetables agreed in the contract, please do not complete the survey, but return to the NAO stating the reason for non-completion.

Please indicate the nature of the construction phase of the project. (Please tick one box only)

- Prison build
- Road build
- Bridge build
- Hospital build
- Head office build
- Other – please specify in the space below

Please indicate the geographical location of the project according to the government regions listed below. (Please tick one box only.)

North East	<input type="checkbox"/>
North West	<input type="checkbox"/>
Yorkshire and Humberside	<input type="checkbox"/>
West Midlands	<input type="checkbox"/>
East Midlands	<input type="checkbox"/>
East Anglia	<input type="checkbox"/>
South East	<input type="checkbox"/>
South West	<input type="checkbox"/>
London	<input type="checkbox"/>

Please indicate your own personal experience with traditional procurement. *(Please tick one box only)*

Considerable experience	<input type="checkbox"/>
Some experience	<input type="checkbox"/>
No experience at all	<input type="checkbox"/>

Overall perspective

1. Briefly, drawing on your own experience of construction projects, what do you consider to be the three main advantages and three main disadvantages that PFI has brought to the construction element of projects compared with what may have been achieved under conventional procurement?

Advantages – *please write in answers*

1. _____
2. _____
3. _____

Disadvantages – *please write in answers*

1. _____
2. _____
3. _____

2. a. Do you believe that the Egan Report¹ has affected these advantages/disadvantages at all? *(Please tick one box only.)*

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>

- b. Please explain your answer briefly.

¹ John Egan, *Rethinking Construction*

Price Certainty

3. Incidences and causes of price changes from preferred bidder to contract close

a. How many bidders were there at the following stages: *(Please write in a number for each stage.)*

<u>Stage</u>	<u>Number of bidders</u>
Invitation to negotiate	<input style="width: 50px; height: 20px;" type="text"/>
At the time of preferred bidder selection	<input style="width: 50px; height: 20px;" type="text"/>

b. What were the values of the annual unitary charge and estimated contract NPV at selection of preferred bidder? *(Please enter the values in £ thousands).*

Annual Unitary Charge	£ _____
Contract NPV	£ _____

c. Did the price alter as a result of construction related changes following the selection of preferred bidder and before contract award? *(Please tick one box only.)*

Yes	<i>(go to Q. 3ci.)</i>	<input style="width: 30px; height: 20px;" type="checkbox"/>
No	<i>(go to Q. 4)</i>	<input style="width: 30px; height: 20px;" type="checkbox"/>
Don't Know	<i>(go to Q. 4)</i>	<input style="width: 30px; height: 20px;" type="checkbox"/>

i. In total, by how much did the price increase between preferred bidder and contract award due to construction related changes? *(please enter the values in thousands)*

Annual Unitary Charge	£ _____
Contract NPV	£ _____

ii. Please describe briefly the four most substantial construction related changes in annual unitary charge and contract NPV in £ thousands between selection of preferred bidder and contract award.

<u>Change – please write in answers</u>	<u>Change in annual unitary charge (£thousands)</u>	<u>Change in Contract NPV (£thousands)</u>
1.	£	£
2.	£	£
3.	£	£
4.	£	£

iii. For each construction related change please specify whether they were led by the department or the contractor or whether other reasons/parties led to the changes. *(Please tick one box only for each change)*

<u>Change</u>	Department	Contractor	Other
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

iv. Were the construction related price changes benchmarked during this period? *(Please tick one box per instance. If yes, please explain briefly how they were benchmarked.)*

<u>Change</u>	Yes	No	Don't know	If yes, please explain briefly. If you don't know, please explain why?
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
4.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

4. Incidences and causes of price changes since contract close

a. What were the estimates of annual unitary charge and Contract NPV at the time of **contract award**? *(Please enter the values in £ thousands)*

Annual Unitary Charge £ _____
 Contract NPV £ _____

b. If different, what are the current estimates of annual unitary charge and contract NPV? *(Please indicate if same as 4a, if different, please enter the values in £ thousands)*

As in 4a *(Please tick and go to 4e)*

(If different, please enter values in £ thousands in box below)

Annual Unitary Charge £ _____
 Contract NPV £ _____

c. Have these altered since contract award as a result of construction related changes? *(Please tick one box only.)*

Yes *(go to Q. 4ci)*
 No *(go to Q.4d)*
 Don't Know *(go to Q.4d)*

i. In total, by how much has the price increased since contract award due to construction related changes? *(please enter the values in thousands)*

Annual Unitary Charge £ _____
 Contract NPV £ _____

ii. Please describe briefly the four most substantial construction related changes in annual unitary charge and contract NPV in £ thousands during the construction phase.

<u>Change</u> — please write in answers	Change in annual unitary charge (£thousands)	Change in Contract NPV (£thousands)
1.	£	£
2.	£	£
3.	£	£
4.	£	£

iii. For each construction related price change please specify whether they were led by the department or the contractor or whether other reasons/parties led to the changes. *(Please tick one box only for each change)*

<u>Changes</u>	Department	Contractor	Other
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

iv. Were any construction related price changes benchmarked during this period? *(Please tick one box per instance, if yes, please explain briefly.)*

<u>Change</u>	Yes	No	Don't know	If yes, please explain briefly. If you don't know, please explain why
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
4.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

d. Has the annual unitary charge increased in order to provide the level of service agreed at contract award? *(Please tick one box only.)*

Yes *(go to Q.5)*
 No *(go to Q.4e)*
 Don't Know *(go to Q.4e)*

e. Has the annual unitary charge remained the same but with a reduction in the service provided, compared to that agreed at contract award? *(Please tick one box only.)*

Yes
 No
 Don't Know

5. Construction risk transfer

a. Are you aware of construction outturn costs being different to those in the bidders' financial model? *(Please tick one box only.)*

Yes *(go to Q. 5b.)*

No *(go to Q. 6)*

Don't Know *(go to Q. 6)*

b. Please indicate the size of the difference in construction outturn costs to those in the bidders' financial model:

Small (10% or less)

Medium (11% to 25%)

Large (above 25%)

c. If construction outturn costs were different, please indicate the reason and who bore the costs of any increase in construction costs? *(For each reason, please tick one box to indicate the cause and who bore the cost changes.)*

<u>Reasons for cost changes</u>	<u>Were the cost increases borne:</u>		
	Wholly by contractor	Partly by contractor and partly by Department in a price increase	Wholly by Department in a price increase
Unforeseen ground conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public interventions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Labour problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Weather conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Flow of design information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supply difficulties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other-please specify briefly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Timing

6. Actual achievement compared with expected milestones

- a. Please indicate the dates of the specified milestone as expected at contract award compared to their actual occurrence.

<u>Milestone</u>	Date expected at contract award				Actual date			
	Date (month/year)				Date (month/year)			
Commencement of construction	m	m	y	y	m	m	y	y
End of construction	m	m	y	y	m	m	y	y
Asset available for use	m	m	y	y	m	m	y	y

- b. If the expected dates differ from those that actually occurred, please explain why. *(please write in reasons per milestone if applicable)*

<u>Milestone</u>	Reason <i>(please write)</i>
Commencement of construction	_____
End of construction	_____
Asset available for use	_____

- c. Was the asset available for use earlier than stipulated in the contract? *(Please tick one box only.)*

Yes	<i>(go to Q. 6ci.)</i>	<input type="checkbox"/>
No	<i>(go to Q.7)</i>	<input type="checkbox"/>
Don't Know	<i>(go to Q.7)</i>	<input type="checkbox"/>

- i. Did the Department pay any form of bonus for early completion? *(Please tick one box only.)*

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>

- ii. Was the Department ready to use the asset at the earlier date? *(Please tick one box only.)*

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>

d. Were there any financial incentives available to the Department to encourage the expected date for construction completion to be met? *(Please tick one box only.)*

- Yes *(go to Q. 6d.i.)*
 No *(go to Q.7)*
 Don't Know *(go to Q.7)*

i. Please select any of the following financial incentives available. *(Please tick as many boxes as appropriate.)*

- unitary charge deferred if not achieved
 unitary charge partly deferred if not achieved
 Department received compensation if not achieved
 Other – please provide brief details

ii. Were these available contractual incentives used if delays occurred - for example, deferrals in Unitary charge? *(Please tick one box only.)*

- Yes *(go to Q.7)*
 No *(go to Q.6diii.)*
 Don't Know *(go to Q7)*

iii. If no, please explain briefly why not.

7. How design work was incorporated in the timetable

a. Some design work will be an important element of the construction phase but what percentages of design work were done within the procurement stages? *(Please enter a % value for each stage.)*

<u>Stage</u>	<u>%</u>
Before preferred bidder selection	_____
Between preferred bidder selection and contract award	_____
After contract award	_____
Total %	100

b. Was it a bespoke or standard design? *(Please tick one box only.)*

- Bespoke
 Standard
 Don't Know

Quality

8. Innovation

- a. Was there any innovation in construction techniques and/or design in this project?
(Please tick as appropriate)

<u>Innovation in construction techniques</u>			<u>Innovation in design</u>		
Yes	<i>(go to Q. 8ai)</i>	<input type="checkbox"/>	Yes	<i>(go to Q. 8ai)</i>	<input type="checkbox"/>
No	<i>(go to Q.8b)</i>	<input type="checkbox"/>	No	<i>(go to Q.8b)</i>	<input type="checkbox"/>
Don't Know	<i>(go to Q.8b)</i>	<input type="checkbox"/>	Don't Know	<i>(go to Q.8b)</i>	<input type="checkbox"/>

- i. Please explain briefly the innovation in construction techniques and/or design used in this project.

Innovation in construction techniques _____
 Innovation in design _____

- ii. As a result of this innovation in construction techniques and/or design did you benefit in price and / or delivery? (Please tick as appropriate.)

<u>Benefit</u>	<u>construction techniques</u>			<u>Design</u>		
	Yes	No	Don't know	Yes	No	Don't know
Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Delivery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- b. In PFI projects Departments usually specify their requirements in terms of outputs to allow scope for innovation. To what extent did the Department prescribe inputs for this project? (Please tick one box only.)

To a great extent *(go to Q.8bi)*
 To some extent *(go to Q.8bi)*
 Not at all *(go to Q.9)*

- i. What were the reasons for this prescriptive approach? (Please tick as many boxes as appropriate.)

Reason

Specialised nature of project
 Departmental policy
 Legislation
 Best practice
 Other – please specify briefly

9. Satisfaction with design and build quality

a. How do the following groups rate the **design** quality? (Please tick one box for each group.)

	Very good	Good	Adequate	Poor	Very Poor
Department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b. How do the following groups rate the **build** quality? (Please tick one box for each group.)

	Very good	Good	Adequate	Poor	Very Poor
Department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

c. Who are the users of the asset?

d. Have you conducted detailed user satisfaction surveys? (Please tick one box only.)

Yes	(go to Q. 9e)	<input type="checkbox"/>
No	(go to Q. 9di)	<input type="checkbox"/>
Don't Know	(go to Q. 9di)	<input type="checkbox"/>

i. Do you have any other evidence of user satisfaction? (Please tick one box only.)

Yes	(go to Q. 9dii)	<input type="checkbox"/>
No	(go to Q. 9f)	<input type="checkbox"/>
Don't Know	(go to Q. 9f)	<input type="checkbox"/>

ii. Briefly, what form does this evidence take?

iii. What does it indicate about user satisfaction with **design** and **build** quality? (Please write your answers in the space provided.)

Design Quality

Build Quality

If you have conducted user satisfaction surveys

e. How do the users rate the **design** and **build** quality? (Please tick one box per row.)

	Very good	Good	Adequate	Poor	Very Poor
Design Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Build Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

f. How did you consider the impact of the design of the built asset on the external environment?

i. If the impact of the design on the assets external environment was an important aspect, please answer the following questions. *(Please tick one box per question.)*

	Yes	No	Don't know
Did the annual unitary charge and NPV increase as a result of design aesthetics?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you satisfied with the results?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ii. By how much did the annual unitary charge and NPV increase as a result? *(Please enter the value in £ thousands)*

Annual Unitary Charge	£
<hr/>	
Contract NPV	£
<hr/>	

10. Performance of the built asset

a. To what extent is the built asset performing to the contract specifications? *(Please tick one box only.)*

Fully	Well	Adequately	Poorly	Not at all
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b. To what extent does the contract entitle you to make performance deductions if built asset is not performing to contract specifications? *(Please tick one box only.)*

Whole of Unitary Charge	<input type="checkbox"/>
Part of Unitary Charge	<input type="checkbox"/>
None	<input type="checkbox"/>

c. Are these deductions being made in full when performance is not at the levels defined by the contract? *(Please tick one box only.)*

Yes	<i>(go to Q.11)</i>	<input type="checkbox"/>
No	<i>(go to Q. 10ci)</i>	<input type="checkbox"/>
Don't Know	<i>(go to Q.11)</i>	<input type="checkbox"/>

i. **If no**, please explain why not?

11. Are there any other matters you wish to raise?

We may wish to contact you for more details at a later date. We would be grateful if you could provide us with your name, telephone number and email address.

Name

Telephone number

Email address

Thank you for completing the survey.