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ALLIANCE

# Modern Methods of Construction (MMC) of New Homes

4TH MAY 2023 – 3RD MAY 2027

NH3 Framework Guide



Improving lives and places  
through quality procurement solutions

[welshprocurement.cymru](https://welshprocurement.cymru)





WPA provides compliant frameworks and Dynamic Purchasing Systems (DPS) which can be used by local authorities, social landlords and other public sector bodies to procure works, products and services for the construction, refurbishment and maintenance of social housing, schools and public buildings. Our vision is to be recognised throughout Wales as a centre of excellence for public sector procurement.

We operate in Wales connecting construction companies, manufacturers and service providers with the needs of our clients. We bring buyers and suppliers together, to build and maintain public property more efficiently and cost effectively, and to benefit local communities.

Our activity is guided by the WPA Committee which is made up of Local Authorities and Housing Associations from across Wales.

WPA is backed by LHC Procurement Group, a not-for-profit organisation, governed by public law and a central purchasing body providing procurement services in the UK, since 1966. All Contract Notices are issued on behalf of the WPA by LHC, who have an in-house team of technical procurement experts that produce and manage the frameworks.

WPA aims to deliver solutions for compliance, quality and best value and provides procurement and technical support and advice throughout the duration of our clients' projects. Any organisation that is publicly or partially publicly funded is eligible to utilise our frameworks.

If you would like any of the content of this brochure translated into Welsh please ask. Os hoffech i unrhyw ran o'r gynnwys y pamffled hwn gyfieithu i'r Gymraeg gofynnwch os gwelwch yn dda.

#### Welsh Procurement Alliance (WPA)

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🌐 WPA (Welsh Procurement Alliance)

## MODERN METHODS OF CONSTRUCTION (MMC) OF NEW HOMES

CN 2022/S 000-023117, CAN 2023/S 000-012816, S2W MAY436480

The New Homes framework (NH3) has been developed to be a market-leading framework providing a wide range of systems and project delivery models to give public sector organisations the flexibility to deliver MMC projects tailored to their specific requirements and priorities.

With the variety of high quality manufacturers and contractors appointed to this framework, NH3 provides an excellent choice for clients to access a range of MMC solutions and providers. NH3 is designed to facilitate greater collaboration between suppliers and the public sector, while continuing to provide an efficient, value for money procurement route for the public sector.

### Key benefits - at a glance:

- ✓ Higher service standards through increased use of PCSAs (Pre-Construction Service Agreements) to improve design, planning and delivery of projects
- ✓ Providing clients with a wide range of options to deliver MMC housing projects
- ✓ MMC solutions to enable clients to meet their new low-carbon home targets
- ✓ Promote the latest innovations in MMC design and construction technologies as viable options in delivering new homes targets

### About the Framework

In 2021 LHC was sought out due to our extensive experience in public sector procurement frameworks to provide insight and feedback into the government's independent review of public sector construction frameworks.

The resulting report 'Constructing the Gold Standard' by Professor David Mosey laid out the potential for frameworks to have a key role in implementing the 'Construction Playbook', which sets objectives to drive innovation and promotes Modern Methods of Construction alongside standardising design and components.



We have a strong track record in designing innovative frameworks for the public sector providing access to some of the leading manufacturers and contractors right across Wales.

NH3 replaces the NH2 framework and has been shaped by extensive engagement with housing contractors, partners and manufacturers. It allows for a range of housing types, from low rise and medium/high rise, through to specialist accommodation such as care homes.

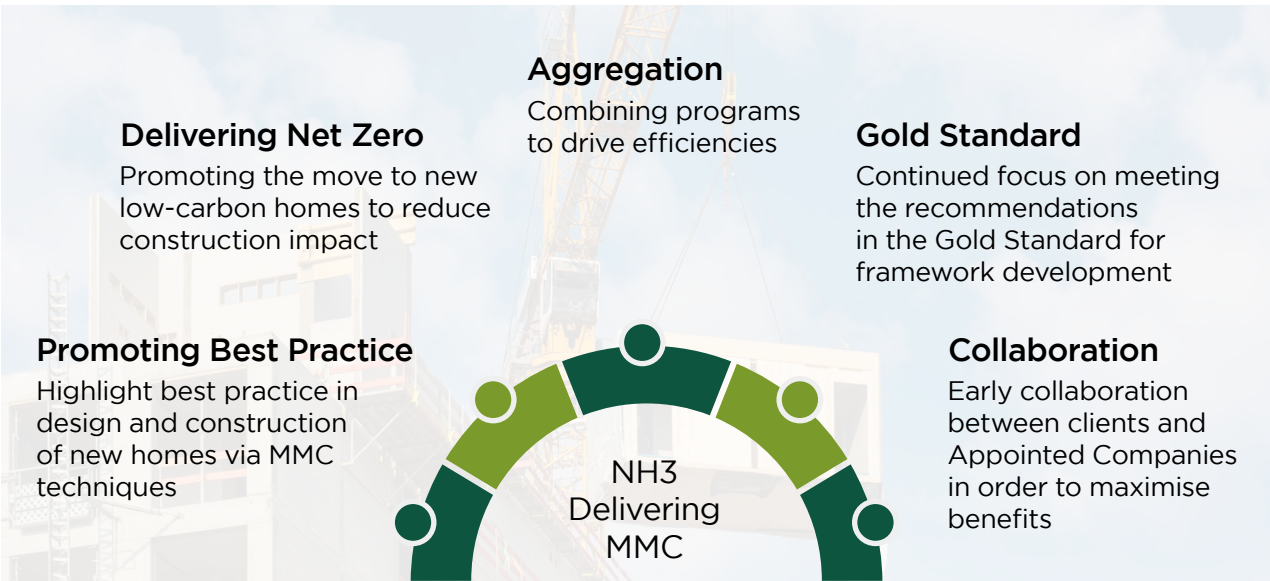
The framework also provides for delivery of 'room in the roof' projects and adaptive pods.



# ABOUT THIS FRAMEWORK

## VISION FOR THE FRAMEWORK

NH3 has been designed to provide WPA clients access to the latest design and construction techniques in MMC which can be tailored to meet specific requirements to aid in the delivery of their housing programmes through the following:



The tender was carried out in strict accordance with the UK Public Contracts Regulations. Places on the framework were awarded to 11 different suppliers in four workstreams. The companies appointed to the framework are experts in their field, with a proven track record in delivering projects with public sector clients.

The term of the framework is from **4th May 2023 to 3rd May 2027**. Individual call-off projects can be completed beyond the four-year duration of the framework as long as a contract is in place prior to the framework expiry date.

### Our vision for the framework

Through NH3, WPA is looking to support the public sector to increase the use of modern methods of construction and deliver low and net zero carbon homes with high levels of pre-manufactured value (PMV).

It has been designed to support social housing providers in addressing some of their new housing challenges around the need for sustainable methods of construction and a greater supply of housing stock that is environmentally fit for the future.

NH3 continues to fulfil a key WPA guiding principle to increase the public sector’s access to regional supply chains, encouraging SME involvement and driving economic uplift to regional areas.

# ABOUT THIS FRAMEWORK

## SOCIAL VALUE



### Well-being of Future Generations

The Well-being of Future Generations Act gives us the ambition, permission and legal obligation to improve our social, cultural, environmental and economic well-being.

The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change. Welsh Procurement Alliance is mindful to ensure that the Future Generations Act obligations are embedded into all our activity.

With the Well-being Goals in mind, WPA is committed to providing our clients with competitively tendered Framework Agreements for building works, goods and services and to delivering tangible social value and community benefits that meet local and regional needs. WPA work with our clients and Appointed Companies to ensure that wherever possible projects delivered using our frameworks leave a social legacy.



# WORKSTREAMS

## LOT OPTIONS

### WORKSTREAM 1 – 3D MODULAR SYSTEMS

A systemised approach based on volumetric construction involving the production of three-dimensional units in controlled factory conditions prior to the final installation.

Volumetric units can be brought to site in a variety of forms ranging from a basic structure to one with all internal and external finishes and services installed.

This workstream also allows for the installation of volumetric units and includes low rise housing, high rise housing, independent and assisted housing, care homes and adaptive pods.

Low Rise Housing and Apartments up to 11m floor height - 4 project unit bands:			
0 to 9 units	10 to 19 units	20 to 49 units	50 units and over
High Rise Housing 11m floor height or higher	Independent and Assisted Housing and Care Homes	Adaptive Pods	



### WORKSTREAM 2 – 2D PANELISED SYSTEMS

A systemised approach using flat panel units used for basic floor, wall and roof structures of varying materials which are produced in a factory environment and assembled by the workforce to produce a three-dimensional structure.

The most common approach is to use open panels, or frames which consist of a skeletal structure only with services, insulation, external cladding and internal finishing being installed on-site.

There is a supply only lot and a supply and installation lot for panelised systems such as timber, light gauge steel frames and structural insulated panels (SIPS) or other alternatives.

2D Panelised Systems	
Supply only	Supply and Install

# WORKSTREAMS

## LOT OPTIONS

### WORKSTREAM 3 – MAIN CONTRACTORS

This workstream for main contractors focuses on organisations that provide MMC solutions and principal contractor services to deliver all scopes of a construction project including design, manufacturing, groundworks, installation (sub and super structure), handover and post construction. This also includes the ability for an organisation to supply through either an internal manufacturing facility, nominated third party or another organisation awarded on the framework supplying all MMC categories.

This workstream includes low rise housing, high rise housing, care homes, other specialised housing and room on the roof projects.

Low Rise Housing and Apartments up to 11m floor height - 4 project unit bands:			
0 to 9 units	10 to 19 units	20 to 49 units	50 units and over
High Rise Housing 11m floor height or higher	Care Homes and Specialised Housing	Room on the Roof	

### WORKSTREAM 4 – GROUNDWORKS AND ASSOCIATED WORKS

This workstream allows flexibility for a client to select a groundworks contractor working in combination with workstreams 1 and 2 with the view of completing all site preparation and clearance and substructure works with a separate contractor to complete superstructure works.

### WORKSTREAM SUPER LOTS

A super lot is in operation for the following workstreams where a client may carry out a mini competition to all other companies within the workstream if they do not receive sufficient expressions of interest from those companies within their region (subject to restrictions):

#### Workstream 1 – 3D Modular Systems

Low Rise Housing and Apartments up to 11m floor height - 4 project unit bands:			
0 to 9 units	10 to 19 units	20 to 49 units	50 units and over

#### Workstream 3 – Main Contractors

Low Rise Housing and Apartments up to 11m floor height - 4 project unit bands:			
0 to 9 units	10 to 19 units	20 to 49 units	50 units and over



APPOINTED COMPANIES

AWARDED WORKSTREAMS (All Appointed Companies are listed alphabetically)

WORKSTREAM 1 – 3D MODULAR SYSTEMS

Low Rise Housing and Apartments up to 11m floor height - 0-9 Units	Low Rise Housing and Apartments up to 11m floor height - 10-19 Units
J.G Hale Construction	J.G Hale Construction
Reds10 (UK)	Reds10 (UK)
ZED PODS	ZED PODS
Low Rise Housing and Apartments up to 11m floor height - 20-49 Units	Low Rise Housing and Apartments up to 11m floor height - 50 units and over
J.G Hale Construction	J.G Hale Construction
Reds10 (UK)	Reds10 (UK)
TopHat Communities	--

WORKSTREAM 2 – 2D PANELISED SYSTEMS

Supply Only	Supply and Install
Celtic Offsite	Celtic Offsite
J.G Hale Construction	Donaldson Timber Systems
LoCal Homes	Etex uk Remagin
--	J.G Hale Construction
--	LoCal Homes



APPOINTED COMPANIES

AWARDED WORKSTREAMS (All Appointed Companies are listed alphabetically)

WORKSTREAM 3 – MAIN CONTRACTORS

Low Rise Housing and Apartments up to 11m floor height - 0-9 Units	Low Rise Housing and Apartments up to 11m floor height - 10-19 Units
ZED PODS	--
Low Rise Housing and Apartments up to 11m floor height - 20-49 Units	Low Rise Housing and Apartments up to 11m floor height - 50 units and over
J.G Hale Construction	Vistry Partnerships
High Rise Housing - 11m or Higher	Care Homes and Specialised Housing
Vistry Partnerships	Vistry Partnerships
--	J.G Hale Construction

Room on the Roof
ZED PODS

WORKSTREAM 4 – GROUNDWORKS AND ASSOCIATED WORKS

Groundworks an Associated Works
Knights Construction

WORKSTREAM SUPER LOTS

3D Modular Systems - Low Rise Housing	Main Contractors - Low Rise Housing
J.G Hale Construction	Vistry Partnerships
Reds10 (UK)	J.G Hale Construction
TopHat Communities	ZED PODS
ZED PODS	--



EVALUATION  
WEIGHTING

Quality Weighting 80%		Price Weighting 20%	
Workstreams 1, 2 & 3		Workstreams 1 and 2	
Technical questions and case studies	50%	Manufacture, delivery and installation	10%
Regional questions	15%	Overheads and Profits	5%
Factory assessment	15%	Scenario	5%
Workstream 4		Workstreams 3 and 4	
Technical questions and case studies	65%	New Build Management Fees, JCT Contracts	10%
Regional questions	15%	New Build Management Fees, NEC Contracts	5%
		New Build Management Fees, other type of contract	5%

80%  
Quality

20%  
Price

Compliance with Carbon Reduction Plans

Where applicable, bidders were required to meet the reporting requirements set out in PPN-06 21 and include their current carbon footprint and its commitment to reducing emissions to achieve Net Zero emissions by 2050.

Bidders’ responses were assessed in accordance with the guidance on adopting and applying PPN-06 21 on a pass-fail criterion.

Factory Assessments

As part of the quality assessment proceeded, manufacturers applying for workstream 1, workstream 2, and workstream 3 were subject to a factory inspection from representatives of LHC’s technical team who undertook a detailed assessment of the factory and process as detailed in the table below.

1	Quality of products - structure, cladding, finish, M&E installation
2	Pre-manufactured value - level of automation of manufacturing
3	Environmental and waste management
4	Process management
5	Quality of temporary weather protection during storage (factory/site) and transportation

EVALUATION  
ACCREDITATION AND CERTIFICATIONS

Accreditations and Certifications

In order to be considered eligible for this Framework, Appointed Companies were required to evidence that they had the relevant health and safety, environmental, equality and quality systems as listed below:

**Environmental Management**

Appointed Companies on workstreams 1, 2 and 3 must hold UKAS (or equivalent) accredited independent third-party certificate of compliance BS EN ISO 14001 (or equivalent) or a valid EMAS (or equivalent) certificate.

**Health and Safety**

The appointed company must hold a UKAS (or equivalent), accredited independent third party certificate of compliance in accordance with ISO 45001 (or equivalent) or have, within the last 12 months, successfully met the assessment requirements of a construction-related scheme in registered membership of the Safety Schemes in Procurement (SSIP) forum or equivalent such as STA AssureGold membership.

**Quality Management**

Appointed Companies on workstreams 1, 2 and 3 must hold UKAS (or equivalent) accredited independent third-party certificate of compliance in accordance with BS EN ISO 9001 (or equivalent).

**Compliance with Equality Act 2010**

Appointed Companies were required to evidence through several confirmatory statements that they are compliant with the Equality Act 2010 and have robust measures in place to promote equality and diversity within their organisation.





# EVALUATION

## INSURANCE REQUIREMENTS

### Insurance Requirements

Throughout the duration of the framework Appointed Companies are required to have the minimum levels of insurance as set out in the table below:

Workstream 1 - 3D Modular Low Rise Housing and Apartments up to 11m floor height	
Insurance	Value
Employers (Compulsory) Liability Insurance	£5,000,000
Public Liability Insurance	£5,000,000
Product Liability Insurance	£2,000,000
Workstream 2 - 2D Panelised Systems	
Insurance	Value
Employers (Compulsory) Liability Insurance	£5,000,000
Public Liability Insurance	£5,000,000
Product Liability Insurance	£2,000,000
Workstream 3 - Main Contractor	
Insurance	Value
Employers (Compulsory) Liability Insurance	£5,000,000
Public Liability Insurance	£5,000,000
Product Liability Insurance	£2,000,000
Workstream 4 - Groundworks and Site Preparation for New Build Housing Projects	
Insurance	Value
Employers (Compulsory) Liability Insurance	£5,000,000
Public Liability Insurance	£5,000,000
Professional Indemnity Insurance	£1,000,000

# EVALUATION

## FINANCIAL STABILITY ASSESSMENT

A single stage open tender process was used as set out within the Public Contracts Regulations 2015. The following qualification criteria were used to assess the suitability of applicants.

### Financial Stability Assessment

Appointed Companies were assessed on their financial stability based on a range of financial information including annual turnover, post-tax profit and current liabilities and checked via Creditsafe. The results of this check were assessed on a pass/fail basis. In addition to the financial stability assessment, the minimum average annual turnover requirement for each lot is as follows:

WORKSTREAM 1 - 3D MODULAR SYSTEMS		
Lot	Lot Description	Turnover Required
1	Low Rise Housing and Apartments up to 11m - 0-9 Units	£1 Million
2	Low Rise Housing and Apartments up to 11m - 10-19 Units	£3 Million
3	Low Rise Housing and Apartments up to 11m - 20-49 Units	£7.5 Million
4	Low Rise Housing and Apartments up to 11m - 50+ Units	£20 Million
5	High Rise Housing - 11m or Higher	£20 Million
6	Care Homes and Specialised Housing	£10 Million
7	Adaptive Pods	£200,000
WORKSTREAM 2 - 2D PANELISED SYSTEMS		
8	Supply Only	£3 Million
10	Supply and Install	£4 Million
WORKSTREAM 3 - MAIN CONTRACTORS		
11	Low Rise Housing and Apartments up to 11m - 0-9 Units	£2 Million
12	Low Rise Housing and Apartments up to 11m - 10-19 Units	£4 Million
13	Low Rise Housing and Apartments up to 11m - 20-49 Units	£8 Million
14	Low Rise Housing and Apartments up to 11m - 50+ Units	£40 Million
15	High Rise Housing - 11m or Higher	£40 Million
16	Care Homes and Specialised Housing	£15 Million
17	Room on the Roof	£2 Million
WORKSTREAM 4 - GROUNDWORKS AND ASSOCIATED WORKS		
18	Groundworks and Associated Works	£750,000

# CALL-OFF AWARD OPTIONS

## THE FRAMEWORK ALLOWS PARTNERS THE OPTION OF:

**Direct award** without further competition, where all terms and conditions of the call-off project are within the terms and conditions of the framework

OR

**Mini-competition**, where terms and conditions of the call-off may vary or be modified from the framework or at the choice of the Partner.

When calling off projects, clients can use any one of a range of standard forms of building contract including JCT/SBCC, NEC/NEC4, ACE, PPC, TPC, FAC1, or their own in-house agreement.

## ELIGIBILITY

WPA is part of LHC Procurement Group, a not-for-profit organisation, governed by public law, and a central purchasing body providing procurement services.

Over 400 publicly funded organisations throughout the UK currently use LHC frameworks to procure works, goods and services to construct, refurbish and maintain social housing, schools and public buildings. The specific classes of public sector organisation authorised to use the framework include:

- Local Authorities and any subsidiaries and joint-venture vehicles of those Local Authorities

- Housing Associations and other Registered Social Landlords (RSLs)
- Health Authorities, Councils, Boards and Trusts
- Publicly funded schools
- Universities, colleges and other further education establishments
- Police authorities
- Fire and Rescue services
- Registered charities
- Government departments

**NB:** The framework can also be used by other organisations that are either publicly funded or have been given public funds and require a compliant procurement route.

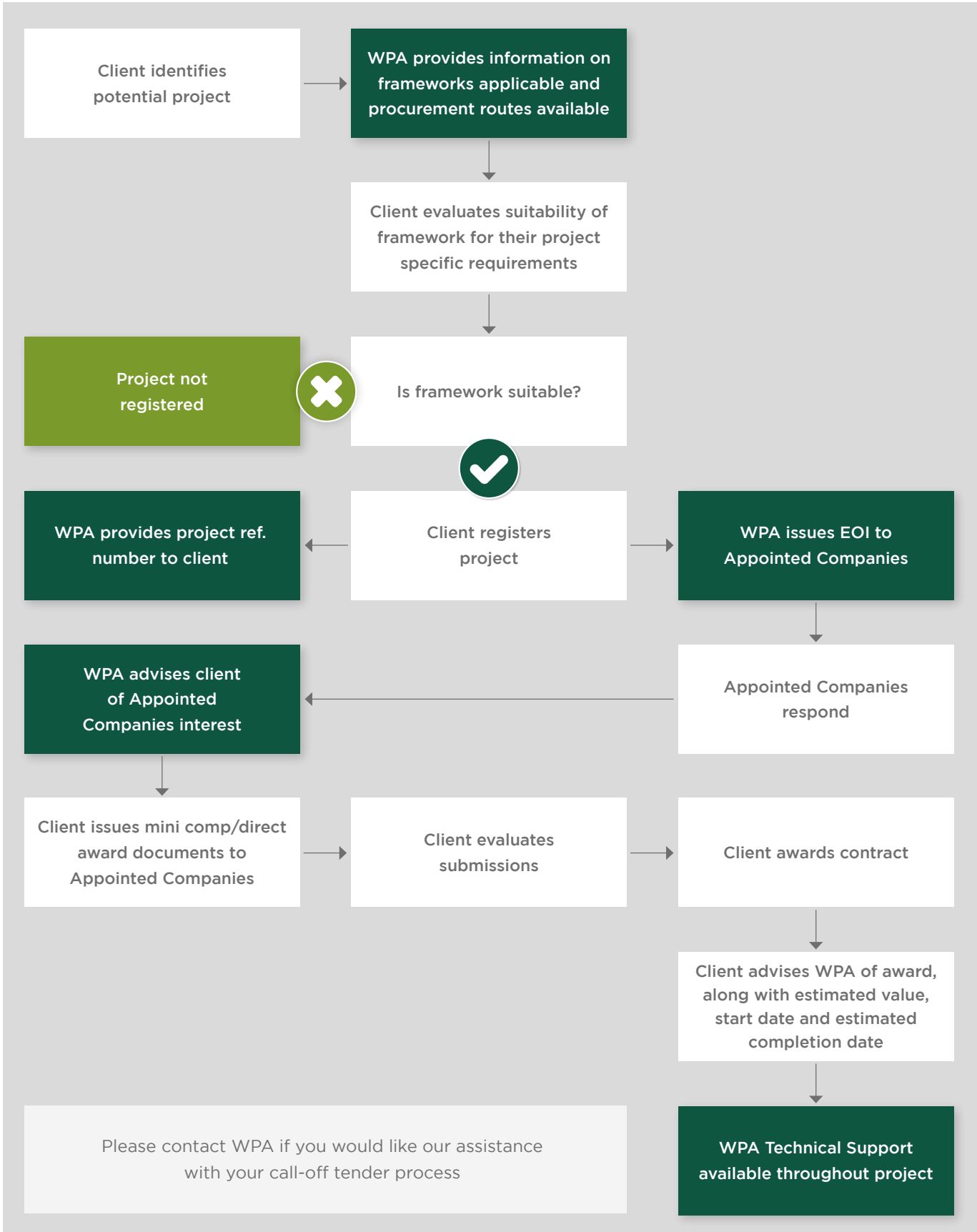
Details of those contracting authorities identified are listed at:  
[www.welshprocurement.cymru/who-we-work-with/](http://www.welshprocurement.cymru/who-we-work-with/)

## GENERAL TERMS AND CONDITIONS

LHC uses the FAC-1 standard form of contract to manage our frameworks. The LHC pro forma, which should be read in conjunction with the FAC-1 in published form, details the terms and conditions that govern the operation of the framework, including the procedures to call off projects under

the framework. A free copy of the LHC proforma is available upon request. The FAC-1 in standard published form can be purchased at a negotiated rate from ACA, by emailing [office@acarchitects.co.uk](mailto:office@acarchitects.co.uk) and quoting discount code reference: LHCFAC2516102017.

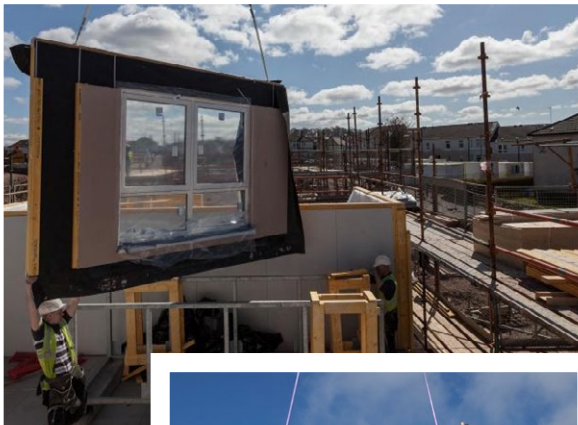
# THE PROCESS OF USING OUR FRAMEWORK







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