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Donna Kingett

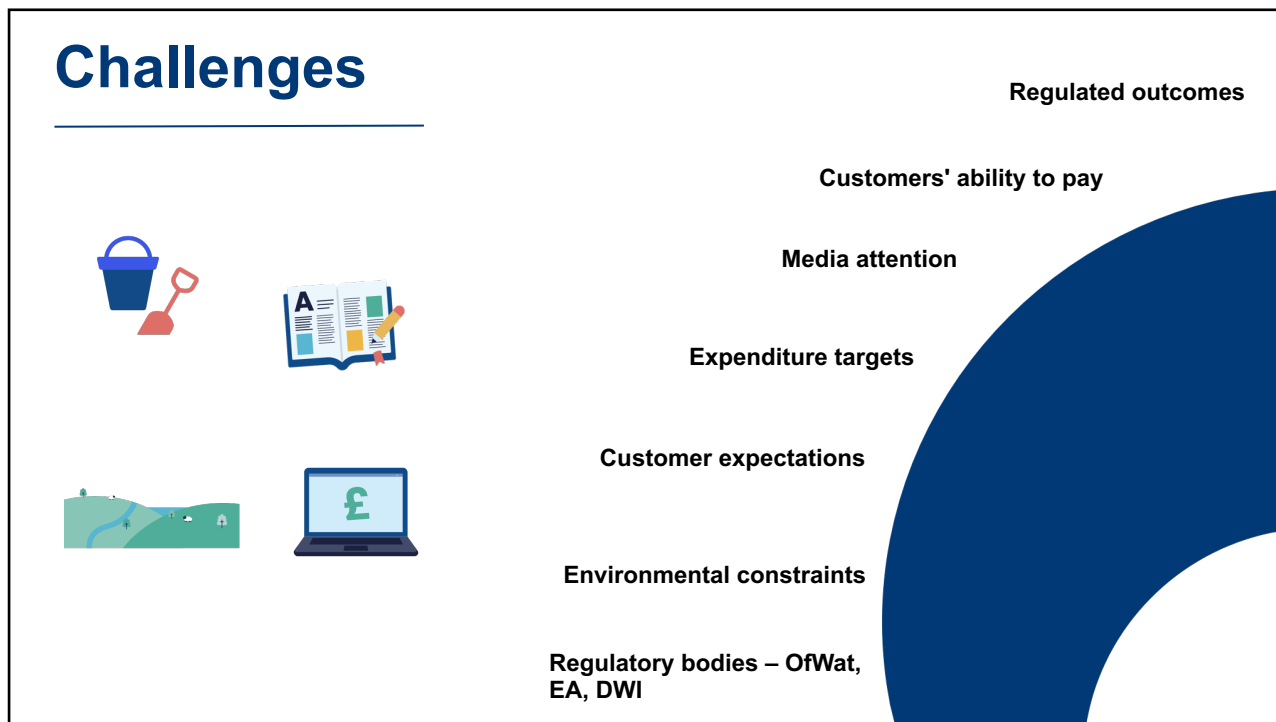
1992
Started YW career

1995
Moved onto capital programme delivery (AMP2)
Various roles in delivery and central capital support
Wastewater repair and maintenance framework
Kelda Water Services – non-regulated business
Commercial Manager capital programme (AMP6 / AMP7)

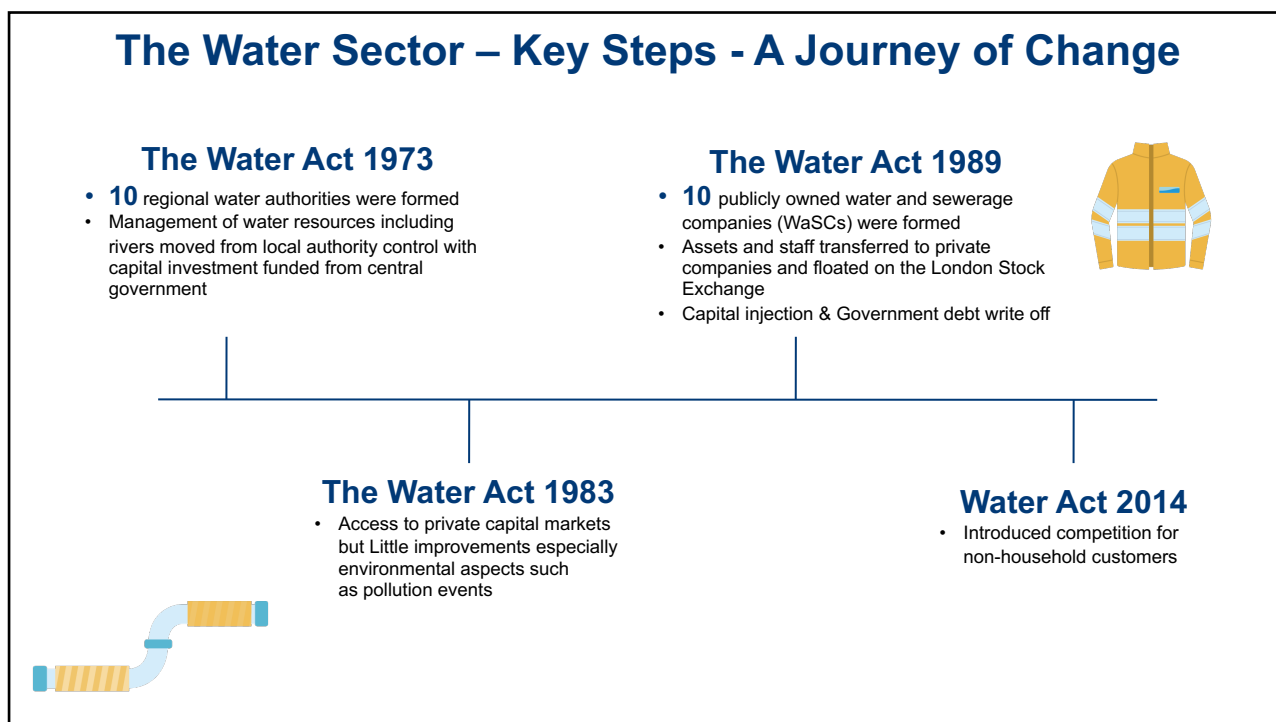
2021
Manager of Commercial



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Contracting to Deliver Change

AMP2 and AMP3 (1995-2004)

- Movement to NEC started
- Large programmes
- East Coast c.£120m programme



Before 1993 Pre NEC
ICE/ICHEME/JCT
– inertia and protracted claims



Consultative version of NEC

- YW heavily involved
- Construction industry needed a way forward
- 10.1 trust and cooperation whilst working as stated within the contract

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Our history together

We have worked together since the 1970s.

JN Bentley was founded in Skipton, North Yorkshire on 7th December 1972.

Our relationship began in JN Bentley's early days, back in 1973 in Skipton, Nth Yorks where we delivered our first scheme for YW at Emsay WTW.



During a nationwide drought in 1995, we played an important role in supporting Yorkshire Water - carrying out rapid response works to aid the tankering of water around Yorkshire.

In 1999, MMB was established, bringing together D & B and build expertise to deliver water and wastewater infrastructure and non-infrastructure projects under YW's AMP3 framework.

We delivered our first large project for Yorkshire Water in 2003 - a £19m scheme to provide a solution to Bradford's Urban Pollution Management (UPM).



1972

1973

1986

1990

1995

1999

2003



In 1986 we delivered a project at Rodley Sewage Treatment Works to construct the new inlet works.



AMP 1 Starts
JNB are working with YW

AMP 2 Starts
JNB are working with YW
MM are employed as separate consultants



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Paul Ellis – My Time working with YW

1988 -1998 – National Contractor working for YW

1988 -1992

- Working at Knostrop STW Primary tanks, Leeds
- ICE 5th - 1 off contract, no commitment or real allegiance to the client.
 - Clause 66 Engineer decision on a site sign board !!!



1992-1995

- still one-off contracts - Commercial lead on Headingley WTW (North Leeds) on ICE 6th edition - difficult job and commercially testing for both parties and SC's.

1993

- NEC had just been launched
- Contractor I was with was not successful on award of AMP 2 !

2002 - My move to JNB – Contractual landscape had moved on






- Amp 2 had come and gone
- Amp 3 was just ramping up and MMB had been formed and was delivering for YW as where other partners
- Leap of faith from one off contracts to a 5-year framework – Both parties were in for the long haul – We needed to work together

MMB's Mantras at the time

- *"What's good for YW is good for MMB"*
- *"It's not what you pay today, but what you pay tomorrow"*

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AMP3 2000-2005 Design and Build Framework	AMP4 2005-2010 Wastewater North, Clean Water West and Large Schemes Frameworks	AMP5 2010-2015 Reservoirs, Sewerage and Other Installations and Large Stream Frameworks	AMP6 2015-2020 Reservoirs, Sewerage and Other Installations Frameworks [AMP6 framework extension]	AMP7 2020-2025 Complex Civils, Minor Civils, MEICA and Infrastructure Networks Frameworks	AMP8 2025-2030 ??	
 <p>After devastating flooding hit the North Yorkshire village of Boltby in 2005, severely damaging the overflow channel at the reservoir we carried out substantial emergency works before completing permanent repair works in 2007.</p>	<p>In 2005 we also secured a project at Esholt Wastewater Treatment Works - one of the largest wastewater treatment works in Yorkshire.</p>	 <p>We also started works at Hull Wastewater Treatment Works in 2019 - a £29m project and our largest ever for Yorkshire Water.</p> <p>Detailed design and construction was on two fronts: a new elevated inlet works and refurbishment of an existing sludge treatment facility.</p>	<p>50 yrs later back at Emsbay WTW building a new Contact tank</p>			
<p>2004</p> <p>In 2004, MMB was appointed to YW's AMP4 Framework for Wastewater North, Clean Water West and Large Schemes.</p>	<p>2005</p> <p>Following our AMP4 success, in 2005, we converted part of YW's Depot at Buttershaw in Bradford into new office space for YW & MMB - we worked together in co-located offices for the next 15 years.</p> 	<p>2007</p>	<p>2009</p> <p>In 2009, we secured AMP5</p> 	<p>2013</p> <p>In 2013, we received a framework extension for AMP6.</p>	<p>2019</p> <p>In 2019, we secured another framework for AMP7.</p> 	<p>2023</p>

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Paul Ellis – My Time working with YW

- The other “leap of faith” was accepting targets set from historic YW cost models (On a top-down basis) , with inflationary and discount factors then applied.
- Data capture was and still is important, therefore.
- An even bigger leap was trying to get the supply chain to adopt this same methodology for target costs.
 - Some SC's took that leap , others didn't
- What were the issues ?
 - People trying to be clever with the contract – making it difficult to administer-Too many Z clauses at times.
 - Making defined cost not reflective of actual costs
 - Targets set via a Capex only or Whole Life Cost Model came and went.
 - CECA schedule for Equipment 🚫 - great idea you would have thought, but in practice it was a nightmare. Not every piece of Equipment is in the schedule.
 - People Cost on a CTE multiplier 😊
- *The mantras on the previous slide have stood the test of time*

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Josh Clarke – A decade working with YW

- Joined MMB in **2012** working as a QS on the AMP5 framework with Yorkshire Water.
- Involved in both AMP transitions – now responsible for commercial management of the AMP7 complex MEICA framework between YW and MMB.
- Transition from AMP5 to AMP6 resulted in minimal change as existing framework was extended with minor changes.
- Transition from AMP6 to AMP7 was a significant change in terms of YW's capital delivery model.

Key Changes:

- NEC3 replaced by NEC4.
- YW appoint a strategic planning partner to assist in early stages of projects (e.g. concept, feasibility, outline design) – something MMB were more involved in during the previous AMP's.
- Clients default commercial model switches from cost based (main options C / D) to priced (main option A)
- Risk position altered to align more closely with a standard form NEC (e.g. physical conditions CE included in some of the frameworks which had been a contractor's risk in previous AMPs).
- Increased number of Contractor's on the framework with an aspiration for more competitive tendering between partners as opposed to the use of agreed schedule of rates / cost models use to set targets in previous AMPs.

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Target cost vs Fixed Price

AMP7 Transition – Pro’s and Con’s associated with cost-based vs price based from a Contractor’s perspective

Pro’s

- More certainty around final contract value for both parties.
- Strategic planning partner able to take a holistic view on the best solution to resolve a business risk.
- Significant benefits associated with not having to administer a defined cost contract (time / cost / less conflict).
- Forecasting expenditure to client on a month-to-month basis a lot simpler.
- Competitive tendering – better value for client.

Con’s

- Client cost models not as accurate – based on fixed price rather than actual final defined cost.
- Time required to get into contract – Challenging given most schemes will have regulatory compliance dates associated with them, competitive tendering & less early contractor involvement has prolonged the pre-contract phase.
- Attitude to risk – Significant shift in mindset from previous AMPs whereby target cost model allowed a more tolerant approach to taking on risks associated with the construction. Potential client could pay for risks Contractor prices but are never realised, target cost model protected client against this.
- Competitive tendering – associated time and cost.
- Behaviours – Target cost model resulted in a more collaborative approach whereby both parties benefited from keeping the Contractor’s defined cost in check, less of this with fixed price although value engineering mechanism is been used.

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What could the future hold?

MMB
MOTT MACDONALD
BENTLEY

AMP8

Yorkshire Water currently procuring proposed AMP8 capital investment programme

Multiple frameworks (infrastructure, complex / minor non-infrastructure and stormwater alliance)

Alliance

The alliance will consist of at least one design consultant and three contractors.

New direction

Alliance working will be a new direction in terms of how Yorkshire Water procure capital delivery works.

Experience

MMB have experience with this model having spent the last 13 yrs working in another Alliance environment with Anglian Water.



Why the change in direction to an alliance model?

Could an alliance model be the answer? YW have tried various methods to encourage collaboration between their partners on past frameworks which haven’t really delivered the intended benefits (such as AMP6 model included a shared pain / gain allocation between the framework partners)

If successful, a stormwater alliance model could play a big part in helping YW to achieve their AMP8 business plan objectives around storm spill reductions.

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Alliance model – key characteristics

Commercial

- Aligned budgets and incentives – all parties working towards the same common goals.
- Risk allocated to part of the alliance best placed to manage it.
- Potential for use of NEC4 alliance contract
- Fair return in relation to partner contribution

Leadership

- Clear & simple purpose across alliance
- Open decision making & governance process
- Visible drive for change and improvement
- Collective leadership teams committed to change



Behaviours

- Right people, right attitude
- Teams respond collectively and constructively to challenge
- Commercial model to promote right behaviours
- Innovation & challenge co-exist

Integration

- Common goals across the alliance
- Client integrated within the alliance
- Whole supply chain integration
- Co-located teams
- Best person for task approach

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YWS & Partners

Tender lists – individual contracts tendered

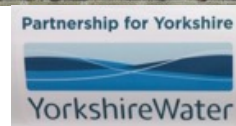
Framework Agreements

Shared objectives – Capital Solution Partners (CASPs)

Tier 1 and direct delivery arrangements

Partnering – P4Y

Moving to an Alliance



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Contracting to deliver change

AMP4 (2005-2009)

- Mini programmes
 - Water & environmental quality



AMP5 and AMP6 (2010-2019)

- Batched schemes and trials for direct delivery
 - Base maintenance

AMP7 (2020-2024)

- Civils / MEICA / Infra segmentation
 - Water & environmental quality and base maintenance



AMP8 (2025-2029)

- Alliance working
 - Environmental quality

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Use of NEC

Vanilla

Bespoke amendments

A distant relation of NEC

Vanilla...ish



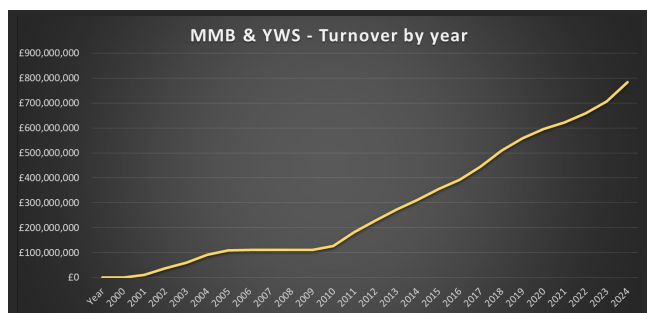
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Our 30-year NEC journey - in numbers



In the last 15 years we have...

- 40** Created opportunity for 261 year out placement students - 40 of these are involved in YW
- 45** Created opportunity for 259 graduates - 45 of these are involved in YW
- 88** Created opportunity for 280 apprentices - 88 of these are involved in YW



MMB & YW have collectively delivered almost £800 million of work over the past 20 years

500,000

In the last 12 months, MMB have worked half a million hours in relation to Yorkshire Water projects

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Our 30 Year NEC Journey

10.1 - We have acted as stated in the Contract

10.2 - We have acted in a spirit of mutual trust and co-operation

Mistakes have been made along the way by both parties

If we have had a disagreement or needed clarification over the contract, we have referred to the above

We have resolved it, come out the other side and moved on



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