

Strategic Procurement
CHECKPOINT REPORT 2: CONTRACT AWARD AND IMPLEMENTATION

18/56
Appendix

This form is to ascertain that the requisite steps have been undertaken prior to contract award. This form applies to all procurements of goods and services above the EU Threshold (£164,176) and for works above £500,000 in value.

1. CONTRACT TITLE AND KEY PEOPLE							
Complete this section if this is the first checkpoint you have undertaken for this procurement. If you have already completed a Checkpoint 1, copy and paste the information from there to here and then go on to complete the rest of this document.							
Contract Title		Extensions to Whybridge Infants & Junior School					
capitalEsourcing Reference		AF2418967/AF2675563			Report Date		29/06/2018
Tender Manager		Directorate		Buyer Assigned			
Nicola Lorenzo Prandini, Architect		Asset Management		David Mulford		Category Specialist	
Value of Contract		Targeted Financial Savings			Bankable Savings		
£1,194.615.00		N/A			N/A		
Is budget available to proceed with this procurement?	Yes	*Please enter the budget code	A2598 / A2597	If yes, is this a Revenue or Capital allocation ?	Capital	Procurement to be Approved by? Including date	Key Executive Decision by Executive Director for Children & Learning (subject to call-in)
Proposed Contract Start date	Proposed Contract End date		Is there an option to extend the contract?		If yes, give duration of extension option		
15/07/2018	15/05/2019		N/A		N/A		
Procurement route undertaken	Have you or your team received training on capitalEsourcing?		**Is there a current contract in place?		If yes, insert expiry date		
Single stage Design & Build Selective Tender below OJEU threshold	Yes		N/A		N/A		
Please state the Quality/Price threshold	Does TUPE apply to this exercise?		Have you considered Collaborative Working?		Have you used an eAuction or DPS?		
30% Quality / 70% Price	No		No		No. The construction Industry does not generally use e-auctions due to the extent of supply chain requirements which are procured at a later date. If the Contractor reduces their anticipated profits and overheads this will have an impact on the supply chain – mostly SMEs – with potential claims and impacts on fair payment etc. The tender includes a design element which is not usually subject to eAuction procurement as there as intellectual property right		

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			<i>implications and the quality of the aforementioned might be inferior.</i>
Checkpoint 2 Summary			
<i>This report seeks authorisation to award, in accordance with the Contract Procedure Rules, a contract to build (under a Design & Build) and extend at the Whybridge Infant and Whybridge Junior Schools in order to create school places to accommodate the expansion to three forms of entry.</i>			

CHECKPOINT PANEL RESPONSE

Date of Checkpoint Panel	11/09/2018
Panel Members present	Tara Philip, Phil Harris, Suzanne Wightwick, Amina Khaton, Hassan Iqbal, Phil Gable, Daniel Pluck

1. CONTRACT TITLE AND KEY PEOPLE

Title: Extensions to Whybridge Infants & Junior School
Key People: Andy Skeggs, Ian Saxby, David Mulford

2. PROJECT DEVELOPMENTS

Since the CP1 committee approved this procurement route on the 05/12/17 the market remains competitive. There is a delay on the programme but contingency measures are in place to mitigate the disruptions to the School's operation.

In addition to the £600.000 to fund the expansion, additional works (extension of the Catering Kitchen at the Junior School) and additional condition works (Partial Re.roofing of the Junior School; complete re roofing of the Infant School) was added on this project. This is to seek economies of scale and optimisation.

3. COMPLIANCE

Compliant with councils policies and CPRs.

4. TENDERING PROCESS

Single stage Design & Build Selective Tender below OJEU threshold

5. FINANCIAL: BUSINESS CASE & BENEFITS REALISATION

6. CONTRACTING INITIATION & READINESS FOR SERVICE

Arrangements are in place for the contract to be ready for commencement.

7. PERFORMANCE MANAGEMENT

N/A

8. ACHIEVABILITY

CHECKPOINT PANEL OVERALL RECOMMENDATION

The panel made the following comments/recommendations;

- Value of contract to be amended on report to cover the total cost with all fees included
- Start date on report is for the facilitating date, actual start date will be once the ED is signed

Procurement to proceed to award contract?	Yes
Red, Amber or Green Status?	Green

2. PROJECT DEVELOPMENTS

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Complete this section if you have already completed a Checkpoint 1. If this is the first checkpoint you have completed, go on to section 3.

2.1 Changes since Checkpoint 1 report

Describe any changes to the risk analysis, market analysis, or any other major changes since Checkpoint 1.

Since the CP1 committee approved this procurement route on the 05/12/17 the market remains competitive. There is a delay on the programme but contingency measures are in place to mitigate the disruptions to the School's operation.

In addition to the £600.000 to fund the expansion, additional works (extension of the Catering Kitchen at the Junior School) and additional condition works (Partial Re roofing of the Junior School; complete re roofing of the Infant School) was added on this project. This is to seek economies of scale and optimisation.

2.2. Checkpoint 1 recommendations from panel

Detail below any Panel recommendations made at Checkpoint 1 and describe actions taken as a result of those recommendations.

No recommendations were made.

3. COMPLIANCE**3.1 Existing Contract**

Is there a current contract in place?	No
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If there is a current contract or service in place go on to complete all the questions in this section. If this is the first time these goods or services are being procured, go on to section 3.2

Has the contract expiry date been extended?	N/A
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If extended, give details of date of extension	Extended to	N/A
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Has permission been sought to extend the contract?	N/A
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If yes, give details of Committee who granted extension	N/A
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3.2 Are all procurement documents stored on Capital eSourcing?	Yes
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3.3 Is there any form of commitment in place i.e. purchase order, letter of acceptance?	No
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3.4 Are there any other approvals needed (e.g. Contract award approval through a general or specific Officer delegation(s))?	No
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4. TENDERING PROCESS**4.1 Tender Submissions**

Did you receive sufficient Tenders for effective competition? Was quality of bids

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satisfactory overall? Was there effective competition?

The market was engaged and seven tenderers were invited to bid. Four bids were returned. The exercise provides guarantees of efficacy of competition.

4.2 Tender Evaluation

Briefly describe the tender evaluation process undertaken, providing the evaluation model for both cost and quality.

Have any issues arisen during the evaluation, debrief or Alcatel (if applicable)?

Please describe any constraints which prevented you from getting maximum value for money out of this contract.

The commercial element was checked arithmetically, and against trade current prices ranges. The quality element was evaluated by the Tender Evaluation Panel with scores 1-5 on the ten issued Quality Questions:

The Quality Questions were as follows (detailed questions are collated to the ITT):

1. SITE LOGISTICS 15%
2. STAFFING 10%
3. PROGRAMMING 10%
4. H&S SITE 5%
5. SUSTAINABILITY 5%
6. PROJECT RISK 10%
7. VALUE 10%
8. QUALITY CONTROL 15%
9. LIAISING 10%
10. FINANCIAL CONTROL 10%

The results of the tender exercise and evaluation are listed below. The full tender report is attached as a confidential appendix.

Cost Scores

Contractor A	1,428,916.60	83.60%
MT Build	1,194,615	100.00%
Contractor B	1,660,147	71.95
Contractor C	1,337,403	89.32

Total Score	Technical 30%		Cost 70%		
Contractor A	52 / 100 * 30	15.6	83.60/ 100 * 70	58.520%	74.12%
MT Build	58 / 100 * 30	17.4	100/ 100 *70	70%	87.40%
Contractor B	70 / 100 * 30	21	71.95/ 100 *70	50.36%	71.36
Contractor C	74 / 100 * 30	22.2	89.32/ 100 *70	62.52%	84.72

4.3 Unsuccessful Bidders

Do you have plans for debriefing unsuccessful bidders?

Will or have bidders been surveyed, or feedback sought from bidders?

Is there any likelihood of challenge from unsuccessful bidders?

Unsuccessful bidders will be debriefed and positive feedback provided, with indication of their strong and weak points, both on the quality and on the commercial submission.

The likelihood of challenges is low. It is not possible to implement the voluntary standstill

period and meet programme requirements.

4.4 Sustainability

Please provide an update on sustainability risks and initiatives since Checkpoint 1. Have tenders met all sustainability requirements? Have waste minimisation and disposal issues been fully addressed?

The tenderers included within their offer proposals/ measures against the ER specifications that ensure sustainability requirements are met. These include operating the Considerate Constructor's Scheme and Site Waste Management Plan. A clause also relating to Employment and Skills is included. A clause outlining a Sustainable Timber Policy is included.

4.5 Diversity & Equality

Have the diversity and equality issues associated with this project been considered? Have you considered an Equalities Impact Assessment action plan in the context of this procurement?

An Equality Impact Assessment has been prepared and published as part of the Statutory Notification.

4.6 Contract Award

Are you able to recommend a tender or tenders for acceptance? Does this tender achieve the original business objectives? If not, what are the issues, and how will they be addressed?

Yes. The recommended tender offer is lower than Technical Service's anticipated costs. This is due to the market remaining highly competitive at this value in these times of uncertainties.

5. FINANCIAL: BUSINESS CASE & BENEFITS REALISATION

5.1 Cashable Savings

N/A

Please explain any shortfall from original projections.

N/A

5.2 Headcount Reductions

What is the estimated headcount reduction saving achieved through the contracting process?

N/A

5.3 Other Efficiency Gains

Describe the other, non-cashable efficiencies, including:
Minimising the cost of routine transactions; utilising ICT to reduce costs and improve performance; the procurement process (e.g. electronic tendering/e-auctions); process rationalisation/simplification/reducing non-value added work; reducing other costs – consumption, wastage, price, specification; inventory/cash flow savings; getting more for less/the same; improved quality

The project contract covers multiple interventions on the existing building (Such as a comprehensive re roofing and rooflight modernisation programme, aimed at sustainability and resilience) in addition to the expansion works. This is a rationalisation as it reduces administrative and procurement work and a time saving efficiency.

5.4 Benefits Realisation

How will benefits be measured and tracked?

Are you satisfied that the contract will deliver value for money throughout its life? What mechanisms does it include for continuous improvement?

Benefits will be derived from the community engagement process e.g. apprentice scheme/work experience. Any other benefits will accrue directly to the school. There are no direct cashable benefits.

6. CONTRACTING INITIATION & READINESS FOR SERVICE

6.1 Readiness for Service

Are all arrangements in place for the contract to be ready for commencement?

Will the supplier be ready to supply at full capacity from day one?

What arrangements have been made to ensure a successful start to the contract?

Yes. The supplier has indicated as part of their tender submission readiness to mobilise to site in order to allow timely delivery of the scheme.

6.2 Change Management

Are there any organisational change management issues? Please describe how these will be managed.

There is a change control policy in place, which insures that changes are categorised (Must Have / Important / Nice to have / Cosmetic), impacts analysed, costs (omissions or additions) valuated prior to decision. Consequently the Contract Administrator shall issue a change if required.

6.3 Continuous Improvement & Price Reviews

What are the contract arrangements for price revisions? How will you ensure that continuous improvements will be secured in respect of cost?

JCT 2016 Design & Build contract has specific provisions for variations during construction if required.

6.4 TUPE

If TUPE applies to this contract please confirm that all arrangements are in place for an effective transfer of staff

N/A

6.5 Workforce Issues

Are there any other workforce issues (e.g. application of the Workforce Code of Practice) Have these been satisfactorily resolved? Please describe any continuing issues

N/A

7. PERFORMANCE MANAGEMENT

7.1 Contract Transition & Implementation

Are all arrangements in place for contract transition & implementation?

N/A

7.2 Performance Indicators and Management Information

What are the performance indicators by which the success of the contract will be judged?

What management information will be provided and at what frequency?

Are you satisfied that Performance Indicators and management information are realistic and appropriate?

The Key performance indicators for this project are listed below. Expected time of assessment indicated in brackets.

- 1. PREDICTABILITY OF CONSTRUCTION TIME (Handover)*
- 2. PREDICTABILITY OF CONSTRUCTION COST (Handover)*
- 3. SCHOOL SATISFACTION WITH THE BUILDING (End of project)*
- 4. SCHOOL SATISFACTION WITH THE CONTRACTOR'S SERVICE (4 Weekly)*

5. DEFECTS (Handover)
6. WASTE TO LANDFILL (Handover)
7. HEALTH AND SAFETY (Continuous, collected 4 weekly – final calculation on Handover)
8. LOCAL LABOUR (4 Weekly)
9. SME ENGAGEMENT (4 Weekly)
10. SME SPEND (4 Weekly)
11. £/m² CONTRACT SUM (Award of Contract)
12. £/m² ACTUAL COST SUM (Handover)
13. FAIR PAYMENT (4 Weekly)
14. CCS (Handover)

Details of the target KPI and the calculation criteria are collated to the tender documentation.

7.3 Contract Management

Have all arrangements been made for effective contract management?	Yes
Are sufficient Council and supplier resources available?	Yes
Is everybody involved in contract management aware of their responsibilities	Yes
Are you clear about the arrangements for contract review meetings?	Yes
How will the contract and relationship management operate throughout the contract?	
<i>Four weekly reviews shall be held. The contract administration shall chair. Technical Services shall assign a Clerk of Works to the project who shall visit site thrice a week and during any sensitive building phase. This will serve to manage closely the quality of delivery.</i>	

8. ACHIEVABILITY

8.1 Risk

What are the key risks moving forward?

1. Ability to award and sign main contract within timescale.
2. Main Contractor's ability to procure sub-contractors and suppliers.
3. Programme may be unachievable given the need to maintain operations.
4. Labour / Trade shortages during the summer Months.
5. Unforeseen costs of contingency measures.
6. Unforeseen costs of rectification works to existing building/ ground.

How will these be managed/escalated?

1. Contract to be awarded ASAP.
2. Early award of main contract will allow early sub contract / supply.
3. A contingency measure scheme is agreed with the end user.
4. Early award / appointment allows for early engagement of the supply chain.
5. Contingency measures will be accounted as any other variation (Change Control)
6. Early appointment of a D&B team who will produce detailed structural design.

8.2 Lessons learned

What are the main lessons learned to date?

N/A

