

APPENDIX 1 - Farm Lane - Design Team Procurement Strategy

*The following procurement strategy has been produced in collaboration with **Andra Ulianov, Head of Contracts and Procurement***

1. PROCUREMENT SCOPE – WHY THE PROCUREMENT IS NEEDED

- 1.1 In July 2019 Cabinet approved the 'Building Homes and Communities Strategy' which set out the principles of a self-funding programme of investment in homes and community assets. Through the Building Homes and Communities Strategy, the Council is committed to using its assets to meet its strategic objective of delivering genuinely affordable homes.
- The Council identified opportunities to deliver up to 1,800 homes and generate long-term income to support the Council's financial challenges. The strategic business case in the strategy sets clear objectives to:
 - Build new, genuinely affordable housing which will help maintain the borough's vibrant social mix;
 - Supports the Council's Business Plan priority of 'Building Shared Prosperity';
 - Renew key community assets, including schools and leisure centres; and
 - Generates income to reinvest in frontline services
 - This decision supported the 2018-2022 Business Plan objectives and aspirations and enabled the council to deliver much needed affordable housing at pace
- 1.2 On 7th July 2020 Cabinet approved an overall budget of £1,269,947 to progress the project up to Stage 2 (Planning) and 3 (Procurement) of the Council's Development Gateway process.
- 1.3 This is in line with Council's commitment to replacing social housing and providing genuinely affordable housing to meet the acute housing needs in the Borough and help rejuvenate the local area and local business that are still struggling from the effects of Covid-19.
- 1.4 To fulfil the Council's commitment to redevelop the site as quickly and efficiently as possible, it is necessary to procure a design team to include lead architect, planning consultant, principal designer, structural and civil engineer, mechanical electrical & plumbing engineer, Energy adviser, Consultation adviser (further details of the proposed team are set out in section 8). The intended contract will be from RIBA 1 to RIBA 3 design stages, including some elements of RIBA 4 relating to procurement of construction contractor. It is expected that at RIBA stage 3 a planning application for the site will be submitted.
- 1.5 The contract will be a multistage appointment, as permitted by the selected Framework, under which the council reserves the right to proceed on a stage by stage basis. Continuation of the contracted services under each stage will

be subject to project viability with the ability of the Council to terminate on notice at any time.

- 1.6 This procurement will be run concurrently with the procurement of a Control Team, which will provide project management, Employers Agent, Cost consultancy CDM and principle design services and will support the council to manage and co-ordinate design services, procurement of a construction contractor and delivery on site.

2. MARKET ANALYSIS

- 2.1 The provision of residential design services is a specialist area. However, this is a mature market and there are a broad range of consultants with the experience and capability to carry out these services. There are large consultancies that provide design services for large projects as well as smaller individual consultancies that can provide services. Officers are confident there are a select number of consultants in the market that would allow a successful procurement exercise to be undertaken. The size of this project, in construction value terms, is circa £11.5m and is considered small to medium.
- 2.2 The design and construction industry, like many other industries, has been greatly affected by the lockdown and downturn in business creating some uncertainty over the medium to long term viability of many companies in the industry. This creates an additional risk to the Council, which this procurement strategy seeks to control using an existing framework and application of strict financial and quality control mechanisms in the contract.

3. PROCUREMENT ROUTE OPTIONS AND CONSIDERATIONS

- 3.1 The value of the services is above the EU threshold meaning Public Contract Regulations 2015 and Public Sector Directive 2014/24/EU would apply.
- 3.2 The proposed procurement route to market is to use a compliant third-party framework in line with CSO 19.1.

Procurement Options Analysis

Option 1: Do nothing (not recommended)

- 3.3 The “do nothing” option would either mean (a) not proceeding with this decision or (b) not proceeding with the redevelopment project.
 - a. Not proceeding with this decision but proceeding with the redevelopment would result in further delay to procurement of the Design Team which are specialist services not available to the council internally. This option would significantly delay commencement on site and ultimately the timely delivery of much needed affordable housing.

- b. Not proceeding with this project would mean the Council not complying with its GLA funding and delivery commitments. This would also not be in line with the Council's commitment to delivering the redevelopment of the site and would result in no re-provision of much needed genuinely affordable housing in the Borough.

Option 2: Carry out an open tender (not recommended)

- 3.4 Commencing a new EU compliant tender exercise under the open, restricted, competitive procedure with negotiation or competitive dialogue procedures would be time-consuming and could take from 4 months to a year (depending on the procedure selected).
- 3.5 Due to the urgent need to procure these services this option is not recommended.

Option 3: Call off (mini competition) under an existing framework agreement (recommended)

Existing Third-Party Framework

- 3.6 There are various OJEU-compliant frameworks provided by some of the major housing associations (G15) that offer a route to market and access to a pool of pre-selected consultants that have already been assessed by the framework provider as suitable for delivering construction professional services.
- 3.7 Review of available frameworks such as Fusion 21; LHC; and South East Consortium identified **Notting Hill Housing (NHH) Consultants Framework 'CF1 and CF2'** as most suitable for use for this project as it offers the running a mini competition between invited suppliers with demonstrable ability and skill to delivering council's objectives as set out in section 2 above.
- 3.8 The identified Framework is OJEU compliant; and Officers and Legal Services have reviewed the details of Notting Hill's Framework Agreements as part of preparation of this strategy.
- 3.9 The use of an existing third-party framework, such as NHH's Development Framework, offers demonstrable advantage to the council as all registered consultants on the framework would have been vetted and appointed following assessment of their technical capability, insurance, health & safety and financial standing.
- 3.10 NHH's Development Framework specifically permits the running of mini competition between invited suppliers meeting capability assessment.
- 3.11 NHH's Development Framework is an OJEU-compliant framework agreement that offers the Council quick access to a pool of pre-selected consultants. The consultants on the framework have been assessed for their suitability for undertaking construction professional services for housing development

projects.

- 3.12 The Framework commenced on 31st May 2017, includes a high number of known reputable experienced consultants with specialist skills including in the design of modular, off site construction of residential property.
- 3.13 Assessment of the framework's suitability has identified 26 registered suppliers in CF1 and CF2, that closely match the council's target of contractors. Further, the Framework permits the running of a mini competition by invitation following an initial assessment of contractors' capability.
- 3.14 Significantly, the council as an authorised user will not be charged a fee for using the Framework. The Council has entered into an Access Agreement in order to call-off from the Framework.
- 3.15 Given the number of organisations on the framework it is expected that the Council will receive manageable number of quality tenders allowing effective evaluation and conclusion of appointment.

4. RISK ASSESSMENT AND PROPOSED MITIGATIONS

- 4.1 In producing this report, procurement risks and their control measures were considered and implemented.

Risk	Likelihood	Risk Control	Residual control
Limited interest from suppliers on the framework resulting in low, or poor quality, tenders.	Low	Soft market testing indicates a high level of interest in this work from supplier. Quality will be controlled through the development of a detailed and clear procurement brief highlighting both quality and price objectives. Further, proposed procurement route through the Framework offers the council direct control over the number and experience of tenderers.	Residual risk is further controlled through the ability to work closely with Notting Hill and ensure capability assessment of contractors is adapted to meet council's requirements.
Not using an open procurement may limit	Medium	The use of a framework through which a limited number of supplier's are invited to tender may	Robust and effective project management

competitiveness between suppliers to achieve best value for money.		result in quantitatively limiting competition and resulting in a limited number of large suppliers tendering for the work. Large suppliers may have larger overheads compared to small to medium suppliers. This risk is mitigated against through the use of a detailed pricing schedule and directly procuring the services of a quantitative surveyor as well as having the option to procure sub-contractors directly.	will help control this risk as well as regular review of the project's budget and contingency.
Lack of experience in delivering new high-quality constructions.	Low	An initial assessment has been carried out on registered suppliers on the Framework and suitably qualified suppliers have been identified.	Quality assessment will help ensure successful tenderer has the required experience.
Procurement legal challenge	Low	Procurement through the Framework offers an established procurement route with manageable number of tenders expected. This would help streamline the evaluation and award process and reduces risk of any challenge.	Council's internal procurement evaluation process will be followed further reducing the risk of a challenge.

5. **FINANCIAL INFORMATION**

- 5.1 On 7th July 2020, Cabinet approved a budget of £1,269,947 for the redevelopment's planning and procurement stages of which £1,269,947 remains to be used.
- 5.2 The appointed Design Team will enable the council to develop a detailed cost plan which will be interrogated by a quantity surveyor appointed under the Control Team procurement strategy, following which further funding might be sought subject to viability assessment.
- 5.3 Whilst it is anticipated that the costs associated with the procurement and subsequent contract will be capitalised there is a risk that should the

procurement not be successful, or the appointed building contractor not complete the contract, or the project is aborted, the costs would be written off as an unbudgeted charge to HRA revenue.

- 5.4 The Instruction to Tenderer (ITT) document for this procurement exercise should include economic and financial standing threshold checks that tenderers will need to meet in order to qualify for evaluation.
- 5.5 The requirement for a contract such as this would be:
 - i. A credit safe score of 50 or more.
 - ii. An average turnover over the last two years that is at least double the anticipated contract value of the appointment.
- 5.6 The ITT may include a provision that, should a supplier not pass the credit score set out above, the Council's Section 151 officer may decide that it in the council's best interest to proceed with that supplier if a parent company guarantee or bond are in place to reduce and control the risks to the council.

6. COMPETITION PROCESS

- 6.1 The recommended option is to use NHH's Consultants Framework 'CF1 and CF2' and to run a mini competition following a capability assessment between contractors best suited to meet the Council's design, quality and best value objectives.
- 6.2 The following indicative timetable has been set for running the procurement exercise. The dates are subject to change at any stage in the process.

Activity	Completed by
Issue Invitation to bidders to submit Tender (ITT):	6 th November 2020
Site visit date:	N/A
Closing date for submission of Tenderers' questions:	17 th November 2020
Closing date for receipt of Tenders (the "Deadline"):	1 st December 2020
Evaluation of Tenders:	2 nd December 2020
Award governance process completed:	23 rd December 2020
Issue of Standstill Letters - Standstill period commences:	1 st January 2021
Contract signature:	8 th January 2021
Contract Commencement:	8 th January 2021

7. SELECTION AND AWARD CRITERIA

7.1 A capability assessment will be run as the first stage of the selection process. This is run through the framework and must be in line with the set framework criteria. The assessment will include:

- The Consultant's capability to carry out a project of the size and complexity of the proposed project;
- The Consultant's capability to carry out services in the locality of the proposed project;
- The Consultant's financial stability and standing;
- The insurances held by the Consultant;
- The Consultant's capacity, taking into account the value of Services already awarded to it under the Framework Agreement;
- The volume of work (as a percentage of its total turnover) that the Consultant is currently carrying out for NHHT or the Authorised User in question;
- The Consultant's performance against KPIs on current or previous Call Off Contracts awarded to it under the Framework Agreement; and
- The Consultant's willingness to work at risk on the project (as may be evidenced by examples of previous occasions where it has done so).

7.2 In accordance with the council's CSO and PCR 2015 Regulation (67) the council seeks to award the contract on the basis of the Most Economically Advantageous Tender. This will be in accordance with the award criteria described in paragraph 7.3 and in line with the Council's evaluation procedures as set out in the CSOs.

7.3 Submissions will be assessed on a price/quality ratio of 40/60 and quality is scored in accordance with the framework's terms, which shall also incorporate an assessment of social value.

7.4 The use of this price/quality ratio of 40/60 respectively would ensure both value for money and quality despite the assessment giving a slightly higher weight to quality in recognition of the specialist technical nature of the project.

7.5 In calculating submissions, the lowest priced tenderer will receive 40% and the remaining will be scored proportionately to the lowest price.

7.6 Tenders will be evaluated in accordance with the following criteria:

Element	Weighting	Scoring basis
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Price	40%	<p>Lowest price submitted will receive 40% and the remaining submissions will be scored in accordance with their difference from the lowest price as follow:</p> $\text{Score} = \frac{\text{Lowest Price}}{\text{Current Price}} \times 40\%$
Quality	60%	<p>Quality scoring will be carried out in accordance with the Framework's terms (by assessing the sub-criteria set out below) and weighted as follow:</p> $\text{Score} = \frac{\text{Scored Marks}}{\text{Marks Available}} \times 60\%$

Quality evaluation will be scored using a scoring scale of 0 to 5. The Quality sub-criteria will be weighted as follows:

Quality sub-categories	Weighting
Design Delivery – Approach to the services and the design delivery and Technical Competence for the project	31.5%
Approach to collaboration & the proposed programme with project plan	21.5%
Resource proposals and Management Structure and sub-contractor arrangements	12.3%
Project Risks and Mitigation	9%
Communication and Stakeholder Engagement	5%
BIM (Building Information Modelling) principals and compliance	4%
Social Value Matrix	8.7%
Social Value Methodology	8%

In accordance with council's requirement, Social Value must account for 10% of the overall scoring which equates to 16.7% of the quality score.

8. CONTRACT PACKAGE, LENGTH AND SPECIFICATION

- 8.1 Initial estimate of the costs under this procurement up to RIBA 3, including some elements of RIBA 4 relating to procurement of construction contractor, is estimated at £740,000. The existing budget provides sufficient funding for RIBA 3 stage (for the appointments of the Design Team).
- 8.2 The Design Team will be appointed to deliver services up to and including RIBA 4 (with the option to break the contract on notice subject to viability, funding

availability and performance.

8.3 The council will set out this information clearly within the tender documents and bidders will be required to provide proposal fees for RIBA stages 1 to 4

8.4 The services to be procured include an Architect/Lead Consultant and a multi-disciplinary team. This team is expected to include the following consultants/services:

- Environmental Impact Assessors
- Planning Consultant
- Principal Designer
- Daylight / Sunlight and associated rights
- Mechanical, Electrical & Plumbing including energy consultants
- Landscape Designer
- Structural and Civil Engineers

The Contract will allow for termination in part so if the Consultant fails in any specific area the Council will have the option to terminate that service and appoint an alternative consultant.

8.5 The Design Team may also be required to:

- a) Co-ordinate and manage site surveys which include structural, asbestos and land contamination investigations
- b) Co-ordinate the two-stage procurement for a construction partner as this is likely to be above the OJEU 'works' threshold
- c) Supporting the council's engagement with residents

9. CONTRACT MANAGEMENT

9.1 The contract will be managed by a project team supported by a team of professional services to be appointed under a separate procurement strategy.

9.2 A suite of KPI's will be used to monitor, measure and report on the performance of both consultants and sub-contractors at 0.33 monthly intervals (every third month) via verbal engagement at Project Design Team Meetings. The following are example KPIs that may be used to monitor performance and will be measured using a scale where 0-3 = Poor; 4-6 = Below Average; 6-7 = Average; 8-9 = Good; 10 = Excellent.

- a) Client satisfaction and quality of service – Measured using the following criteria: understanding the brief; quality of documentation produced; quality of resources employed.
- b) Time predictability and responsiveness – Measured using the following criteria: ability to keep to programme; responsiveness to dealing with queries; early warning to client of any potential delays to the programme.
- c) Communication and Stakeholder engagement – Measured using the following criteria: Keeping the client informed in the most effective means

possible; proactive approach to mapping and conducting stakeholder engagement.

- d) Cost predictability – Measured using the following criteria: accuracy of cost estimating; ability to consider value engineering as part of an exercise to mitigate cost increases; the quality of the Employers Requirements.
- e) Successful delivery of social value as per prior proposals.

APPENDIX 2 - Farm Lane - Control Team Procurement Strategy

*The following procurement strategy has been produced in collaboration with **Andra Ulianov, Head of Contracts and Procurement***

1. **PROCUREMENT SCOPE – WHY THE PROCUREMENT IS NEEDED**
- 1.1 In July 2019 Cabinet approved the ‘Building Homes and Communities Strategy’ which set out the principles of a self-funding programme of investment in homes and community assets. Through the Building Homes and Communities Strategy, the Council is committed to using its assets to meet its strategic objective of delivering genuinely affordable homes.
 - The Council identified opportunities to deliver up to 1,800 homes and generate long-term income to support the Council’s financial challenges. The strategic business case in the strategy sets clear objectives to:
 - Build new, genuinely affordable housing which will help maintain the borough’s vibrant social mix;
 - Supports the Council’s Business Plan priority of ‘Building Shared Prosperity’;
 - Renew key community assets, including schools and leisure centres; and
 - Generates income to reinvest in frontline services
 - This decision supported the 2018-2022 Business Plan objectives and aspirations and enabled the council to deliver much needed affordable housing at pace
- 1.2 On 7th July 2020 Cabinet approved an overall budget of £1,269,947 to progress the project up to Stage 2 (Planning) and 3 (Procurement) of the Council’s Development Gateway process.
- 1.3 This is in line with Council’s commitment to replacing social housing and providing genuinely affordable housing to meet the acute housing needs in the Borough and help rejuvenate the local area and local business that are still struggling from the effects of Covid-19.
- 1.4 To support the redevelopment and to fulfil the Council’s commitment to redevelop the site as quickly and efficiently as possible, it is necessary to procure a Control Team from RIBA 1 to RIBA 7 which will provide project management, Employers Agent, Cost consultancy CDM and principle design services and will support the council to manage and co-ordinate design services, procurement of a construction contractor and delivery on site.
- 1.5 The contract will be on a multi-stage appointment, as permitted by the selected Framework, under which the council reserves the right to proceed on a stage by stage basis. Continuation of the contracted services under each stage will be subject to project viability with the ability of the council to terminate on notice at any time.

- 1.6 This procurement will be run concurrently with the procurement of a Design Team, which will provide a lead architect, planning consultant, principal designer, structural and civil engineer, mechanical electrical & plumbing engineer, Energy adviser, Consultation adviser.

2. **MARKET ANALYSIS**

- 2.1 The provision of construction professional services is a specialist area and there are a number of consultants with the experience and capability to carry out these services. There are large consultancies that provide employers agent / project management services for large projects as well as smaller individual consultancies that can provide these services. The size of this project, in construction value terms, is circa £11.5m and is considered small to medium.
- 2.2 The design and construction industry, like many other industries, has been greatly affected by the Covid-19 lockdown and downturn in business creating some uncertainty over the medium to long term viability of many companies in the industry. This creates an additional risk to the Council, which this procurement strategy seeks to control using an existing Framework and application of strict financial and quality control mechanisms in the contract.

3. **PROCUREMENT ROUTE OPTIONS AND CONSIDERATIONS**

- 3.1 The value of the services is above the EU threshold meaning Public Contract Regulations 2015 and Public Sector Directive 2014/24/EU would apply.
- 3.2 The proposed procurement route to market is to use a compliant third-party framework in line with CSO 19.1.

Procurement Options Analysis

Option 1: Do nothing (not recommended)

- 3.3 The “do nothing” option would either mean (a) not proceeding with this decision or (b) not proceeding with the redevelopment project or (c) not appointing a control team but proceeding with development.
 - a. Not proceeding with this decision but proceeding with the redevelopment would result in further delay to procurement of the Control Team which are specialist services not available to the council internally. This option would significantly delay commencement on site and ultimately the timely delivery of much needed affordable housing.
 - b. Not proceeding with this project would mean the Council not complying with its GLA funding and delivery commitments. This would also not be in line with the Council’s commitment to delivering the redevelopment of the site and would result in no re-provision of much needed genuinely affordable housing in the Borough.

- c. Not appointing a Control Team would give rise to significant risks and make the council wholly reliant on the architect led design team with no technical oversight of their work such as cost consultants, employer's agent and CDM.

Option 2: Carry out an open tender (not recommended)

- 3.4 Commencing a new EU compliant tender exercise under the Open, Restricted, Competitive Procedure with Negotiation or Competitive Dialogue procedures would be time-consuming and could take from 4 months to a year (depending on the procedure selected).
- 3.5 Due to the urgent need to procure these services this option is not recommended.

Option 3: Call off (mini competition) under an existing framework agreement (recommended)

Existing Third-Party Framework

- 3.6 There are various OJEU-compliant frameworks provided by some of the major housing associations (G15) that offer a route to market and access to a pool of pre-selected consultants that have already been assessed by the framework provider as suitable for delivering construction professional services.
- 3.7 Review of available frameworks such as Fusion 21; LHC; and South East Consortium identified **Notting Hill Housing (NHH) Consultants Framework 'CF3'** as most suitable for use for this project as it offers the running a mini competition between invited suppliers with demonstrable ability and skill to delivering council's objectives as set out in section 2 above.
- 3.8 The identified Framework is OJEU compliant; and Officers and Legal Services have reviewed the details of Notting Hill's Framework Agreements as part of preparation of this strategy.
- 3.9 The use of an existing third-party framework, such as NHH's Development Framework, offers demonstrable advantage to the council as all registered consultants on the framework would have been vetted and appointed following assessment of their technical capability, insurance, health & safety and financial standing.
- 3.10 NHH's Development Framework specifically permits the running of mini competition between invited suppliers meeting capability assessment.
- 3.11 NHH's Development Framework is an OJEU-compliant framework agreement that offers the Council quick access to a pool of pre-selected consultants. The consultants on the framework have been assessed for their suitability for undertaking construction professional services for housing development projects.

- 3.12 The Framework commenced on 31st May 2017, includes a high number of known reputable experienced consultants with specialist skills including in the design of modular, off site construction of residential property.
- 3.13 Assessment of the framework's suitability has identified 26 registered suppliers in CF3, that closely match the council's target of contractors. Further, the Framework permits the running of a mini competition by invitation following an initial assessment of contractors' capability.
- 3.14 Significantly, the council as an authorised user will not be charged a fee for using the Framework. The Council has entered into an Access Agreement in order to call-off from the Framework.
- 3.15 Given the number of organisations on the framework it is expected that the Council will receive manageable number of quality tenders allowing effective evaluation and conclusion of appointment.

4. **RISK ASSESSMENT AND PROPOSED MITIGATIONS**

- 4.1 In producing this report, procurement risks and their control measures were considered and implemented.

Risk	Likelihood	Risk Control	Residual control
Limited interest from suppliers on the framework resulting in low, or poor quality, tenders.	Low	Soft market testing indicates a high level of interest in this work from supplier. Quality will be controlled through the development of a detailed and clear procurement brief highlighting both quality and price objectives. Further, proposed procurement route through the Framework offers the council direct control over the number and experience of tenderers.	Residual risk is further controlled through the ability to work closely with Notting Hill and ensure capability assessment of contractors is adapted to meet council's requirements.
Not using an open procurement may limit competitiveness between suppliers to achieve best	Medium	The use of a framework through which a limited number of supplier's are invited to tender may result in quantitatively limiting competition and resulting in a limited number of large suppliers tendering for the work.	Robust and effective project management will help control this risk as well as regular review of the project's

value for money.		Large suppliers may have larger overheads compared to small to medium suppliers. This risk is mitigated against through the use of a detailed pricing schedule and directly procuring the services of a quantitative surveyor as well as having the option to procure sub-contractors directly.	budget and contingency.
Lack of experience in delivering new high-quality constructions.	Low	An initial assessment has been carried out on registered suppliers on the Framework and suitably qualified suppliers have been identified.	Quality assessment will help ensure successful tenderer has the required experience.
Construction market inflation.	Medium	Close working between the council's appointed control team (e.g. Quantitative Surveyor, Employer's Agent, cost consultant) and the Design Team would offer adequate controls over market inflation by mitigating and foreseeing inflation risks and where necessary adapting the speed of delivery, order and timing of work packages to limit inflation effects.	An appropriate level of project contingency needs to be agreed in advance of appointment to further mitigate against inflation risks.
Procurement legal challenge	Low	Procurement through the Framework offers an established procurement route with manageable number of tenders expected. This would help streamline the evaluation and award process and reduces risk of any challenge.	Council's internal procurement evaluation process will be followed further reducing the risk of a challenge.

5. **FINANCIAL INFORMATION**

5.1 On 7th July 2020, Cabinet approved a budget of £1,269,947 for the

redevelopment's planning and procurement stages of which £1,269,947 remains to be used.

- 5.2 The appointed Control Team will interrogate and quality test the design work of the separate design team and enable the council to develop a detailed cost plan, following which, further funding might be sought subject to viability assessment.
- 5.3 While it is anticipated that the costs associated with the procurement and subsequent contract will be capitalised there is a risk that should the procurement not be successful, or the appointed building contractor not complete the contract, or the project is aborted, that costs would be written off as an unbudgeted charge to HRA revenue.
- 5.4 The Instruction to Tenderer (ITT) document for this procurement exercise will include an economic and financial standing threshold checks that tenderers will need to meet in order to qualify for evaluation.
- 5.5 The requirement for a contract such as this would be:
 - i. A credit safe score of 50 or more.
 - ii. An average turnover over the last two years that is at least double the anticipated contract value of the appointment.
- 5.6 The ITT may include a provision that, should a supplier not pass the credit score set out above, the Council's Section 151 officer may decide that it in the council's best interest to proceed with that supplier if a parent company guarantee or bond are in place to reduce and control the risks to the council.

6. **COMPETITION PROCESS**

- 6.1 The recommended option is to use NHH's Consultants Framework 'CF3' and to run a mini competition following a capability assessment between contractors best suited to meet the Council's design, quality and best value objectives.
- 6.2 The following indicative timetable has been set for running the procurement exercise. The dates are subject to change at any stage in the process.

Activity	Completed by
Issue Invitation to bidders to submit Tender (ITT):	6 th November 2020
Site visit date:	N/A
Closing date for submission of Tenderers' questions:	17 th November 2020
Closing date for receipt of Tenders (the "Deadline"):	1 st December 2020
Evaluation of Tenders:	2 nd December 2020
Award governance process completed:	23 rd December 2020

Activity	Completed by
Issue of Standstill Letters - Standstill period commences:	1 st January 2021
Contract signature:	8 th January 2021
Contract Commencement:	8 th January 2021

7. SELECTION AND AWARD CRITERIA

7.1 A capability assessment will be run as the first stage of the selection process. This is run through the framework and must be in line with the set framework criteria.

The assessment will include:

- The Consultant's capability to carry out a project of the size and complexity of the proposed project;
- The Consultant's capability to carry out services in the locality of the proposed project;
- The Consultant's financial stability and standing;
- The insurances held by the Consultant;
- The Consultant's capacity, taking into account the value of Services already awarded to it under the Framework Agreement;
- The volume of work (as a percentage of its total turnover) that the Consultant is currently carrying out for NHHT or the Authorised User in question;
- The Consultant's performance against KPIs on current or previous Call Off Contracts awarded to it under the Framework Agreement; and
- The Consultant's willingness to work at risk on the project (as may be evidenced by examples of previous occasions where it has done so).

7.2 In accordance with the council's CSO and PCR 2015 Regulation (67) the council seeks to award the contract on the basis of the Most Economically Advantageous Tender. This will be in accordance with the award criteria described in paragraph 7.3 and in line with the Council's evaluation procedures as set out in the CSOs.

7.3 Submissions will be assessed on a price/quality ratio of 40/60 and quality is scored in accordance with the framework's terms, which shall also incorporate an assessment of social value.

7.4 The use of this price/quality ratio of 40/60 respectively would ensure both value for money and quality despite the assessment giving a slightly higher weight to quality in recognition of the specialist technical nature of the project.

7.5 In calculating submissions, the lowest priced tenderer will receive 40% and the remaining will be scored proportionately to the lowest price.

7.6 Tenders will be evaluated in accordance with the following criteria:

Element	Weighting	Scoring basis
Price	40%	<p>Lowest price submitted will receive 40% and the remaining submissions will be scored in accordance with their difference from the lowest price as follow:</p> $Score = \frac{Lowest\ Price}{Current\ Price} \times 40\%$
Quality	60%	<p>Quality scoring will be carried out in accordance with the Framework's terms (by assessing the sub-criteria set out below) and weighted as follow:</p> $Score = \frac{Scored\ Marks}{Marks\ Available} \times 60\%$

7.7 Quality evaluation will be scored using a scoring scale of 0 to 5. The quality sub-criteria will be weighted as follows:

Quality sub-categories	Weighting
Project Delivery – Approach to the services and project	24%
Approach to design, collaboration and programme	24%
Resource proposals and Management Structure and sub-contractors arrangements	11.3%
Project Risks and Mitigation	11%
Communication and Stakeholder Engagement	9%
Health and Safety	4%
Social Value Matrix	8.7%
Social Value Methodology	8%

7.8 In accordance with council's requirements, Social Value must account for 10% of the overall scoring which equates to 16.7% of the quality score.

8. **CONTRACT PACKAGE, LENGTH AND SPECIFICATION**

8.1 Initial estimate of the costs under this procurement up to RIBA 7, is estimated at £507,000. The existing budget provides sufficient funding (for the appointment of the Control Team) to progress to RIBA stage 7.

8.2 The council will appoint the successful supplier to deliver the services from RIBA 1 to RIBA stage 7 with the option to break the contract on notice subject to viability, funding availability and performance.

8.3 The council will set out this information clearly within the tender documents and

bidders will be required to provide proposal fees for RIBA stages 1 to 7.

8.4 Services to be procured include a lead consultant supported by a multi-disciplinary team, appointed either independently or through the lead consultant this would include but not limited to:

- Employer's Agent
- Project Management
- Quantity Surveyor and cost consultants
- Principle Designer / CDM

The Contract will allow for termination in part so if the Consultant fails in any specific area the Council will have the option to terminate that service and appoint an alternative consultant.

8.5 The supplier will manage the project, assist the council in cost planning, preparation of project requirements, oversee the work of architect led design team, lead the procurement of the construction contractor and manage the construction contract on behalf of the council, ensuring council's requirements and specifications meet CDM and safety requirements for the project. The supplier will also assist in the completion and maintenance of a risk register for the project.

8.6 It is proposed to award a single contract expected to start in January 2021 and conclude in December 2023. At the end of each RIBA stage, the council will take a view on the services to date, available funding and budgets and decide whether to continue with the contract or to activate the break provisions.

9. **CONTRACT MANAGEMENT**

9.1 The contract will be managed by a project team supported by a team of professional services to be appointed under a separate procurement strategy.

9.2 A suite of KPI's will be used to monitor, measure and report on the performance of both consultants and sub-contractors at 0.33 monthly intervals (every third month) via verbal engagement at Project Design Team Meetings. The following are example KPIs that may be used to monitor performance and will be measured using a scale where 0-3 = Poor; 4-6 = Below Average; 6-7 = Average; 8-9 = Good; 10 = Excellent.

- a) Client satisfaction and quality of service – Measured using the following criteria: understanding the brief; quality of documentation produced; quality of resources employed.
- b) Time predictability and responsiveness – Measured using the following criteria: ability to keep to programme; responsiveness to dealing with queries; early warning to client of any potential delays to the programme.
- c) Communication and Stakeholder engagement – Measured using the following criteria: Keeping the client informed in the most effective means possible; proactive approach to mapping and conducting stakeholder engagement.

- d) Cost predictability – Measured using the following criteria: accuracy of cost estimating; ability to consider value engineering as part of an exercise to mitigate cost increases; the quality of the Employers Requirements.
- e) Successful delivery of social value as per prior proposals.