

Procurement Strategy for the City Centre Public Realm Works

1 **Background**

- 1.1 The background and context are detailed in the Cabinet report.
- 1.2 Cabinet approved entering into single contractor negotiations for the public realm works in Victoria Square and along Colmore Row in the Planned Procurement Activities Report to Cabinet dated 11th February 2020. The negotiations failed to reach a satisfactory conclusion between the two parties and there is now a requirement for a procurement process to be undertaken for these works plus the public realm improvements in Waterloo Street and the reinstatement of the River Fountain in Victoria Square.

2 **Outcomes Expected**

- 2.1 The following outcomes are anticipated as a result of the proposed procurement process to be carried out:
 - An improved public realm in the area to create an attractive focal point in the city centre, improving the overall experience for visitors; particularly those arriving to support the Commonwealth Games;
 - Reinstatement of the River Fountain;
 - Provision of hostile vehicle mitigation measures at seven locations in the city core;
 - Social value actions committed and delivered in accordance with the contractor's social value action plan.

3 **Market Analysis**

- 3.1 There are a large number of providers in the market who could provide the required works. It is anticipated with the Covid-19 situation, that there will be an appetite from the marketplace for an opportunity of this size and value from a number of providers as organisations try and win business to offset that lost due to cancelled contracts in other areas.

4 **Strategic Procurement Approach**

- 4.1 The following options were considered:
 - Not to tender the requirement – this is not an option on the basis that the works are required to improve the visitor experience to the city centre and assist with the facilitation of economic growth.

- To tender for separate works contracts – this option was considered and discounted due to the lack of technical expertise in the Council to support the project, in particular in relation to the River Fountain.
- To tender for a single works contract. This is the recommended option on the basis that it will allow for all suppliers to express an interest in tendering for the opportunity, costs will be reflective of the current market position and all the Council's priorities can be incorporated into the tender documentation.
- To use a collaborative framework agreement. There are collaborative framework agreements in place and these options were discounted as detailed below.
 - Crown Commercial Services Construction Works and Associated Services: this covers both construction and civil engineering. A review of the framework suppliers gave a view that they primarily deliver building contracts and were unlikely to have the relevant ability or interest to deliver a public realm scheme.
 - Midlands Highway Alliance (MHA) – Although there are number of suppliers on this framework agreement suitable to deliver the works, in the current environment it is considered that better value for money will be realised from tendering to the open market. This option was discounted on this basis.
 - Scape National Civil Engineering Framework – This is a sole supplier framework agreement. This option was discounted for the same reasons as the MHA framework agreement.

5 Procurement Approach

5.1 Duration and Advertising Route:

5.1.1 The contract will be awarded for a period of up to 30 months and advertised in the www.findatender.co.uk, Contracts Finder and www.finditinbirmingham.com.

5.2 Sourcing Strategy

5.2.1 The contract will be awarded to one supplier.

5.3 Procurement Route

5.3.1 The contract will be tendered using the 'Open' Procedure on the basis that there are a large number of providers in the market who could provide the required works for an opportunity of this size and value.

5.4 Scope and Specification

5.4.1 The scope and specification for the public realm works and reinstatement of the water feature will be in accordance with the contract documentation produced by the project team and in accordance with approved specification for highway works to support the infrastructure improvements.

5.5 Tender Structure (Including Evaluation and Selection Criteria)

5.5.1 Evaluation and Selection Criteria

The quality, social value and price balances below were established having due regard for the corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided. The tender documents will include the form of contract based on the New Engineering Contract (NEC) Engineering and Construction Contract Option C: target cost with activity schedule and with appropriate revisions to incorporate the Council's policies.

5.5.2 Tenders will be evaluated against the specification in accordance with a pre-determined evaluation model.

5.5.3 The evaluation of tenders will be assessed as detailed below:

The assessment will be divided into the following stages:

Stage 1 – Selection Assessment

Stage 2 – Invitation to Tender

Stage 1 – Selection Assessment

Criteria	Evaluation
STAGE ONE - Selection Stage	
Company Information	Pass / Fail
Financial Information (including Insurance)	Pass / Fail
Health and Safety	Pass / Fail
Compliance with Equalities	Pass / Fail
Quality Management	Pass / Fail
Grounds for Mandatory Exclusion	Pass / Fail
Grounds for Discretionary Exclusion	Pass / Fail
Modern Slavery Act 2015	Pass / Fail
Technical and Professional Ability *	Pass / Fail
Declaration	Pass / Fail

* A robust pass/fail will be incorporated to ensure that only those tenderers with satisfactory experience of delivering public realm schemes with a water feature in a busy city centre environment proceed to the next stage.

Tenderers must pass all the pass/fail elements for their responses to Stage 2 Invitation to Tender to be evaluated.

Stage 2 – Invitation to Tender Stage

Evaluation and Selection Criteria

Tenders will be evaluated using the quality/social value/price in accordance with a pre-determined evaluation model. The quality element will account for 50%, social value 20% and price 30%. This quality, social value and price balance has been established having due regard to the corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided and the degree of detail contained within the contract specification.

Tenders will be evaluated against the specification in accordance with the pre-determined evaluation model described below:

Quality (50% Weighting)

Criteria	Overall Weighting	Sub-weighting
Technical Competency and Delivery Methodology	50%	40%
Organisation and Resources		10%
Project Management		10%
Stakeholder Engagement		40%
Total		100%

Tenderers who score less than 60% of the quality threshold i.e. a score of 60 marks out of maximum quality score of 100 marks will not proceed to the next stage of the evaluation.

Social Value (20%)

	Sub-Weighting	Sub-Criteria	Theme Sub-Weighting
Qualitative	25%	Local Employment	25%
		Buy Local	20%
		Partners in Communities	20%
		Good Employer	15%
		Ethical Procurement	10%
		Green and Sustainable	10%
			TOTAL 100%

Quantitative	75%	BBC4SR Action Plan	Total of financial proxies (£) score
			TOTAL 100%
Overall Social Value	20%		

Social Value Outcomes

The social value outcomes tenderers will be required to address will include:

Local Employment

- A strong local employment offer with the focus on hardest to reach groups particularly focused on the residents in the surrounding areas of the Council House, in particular to Ladywood, Bordesley and Highgate and Nechells wards.
- Employment and employability opportunities for the target groups particularly young, BAME, NEET, care leavers and ex-offenders.

Buy Local

- Spend to be, as practically as possible, with local, small and medium enterprises as well as social enterprises.

Partners in Communities

- Bidders and their supply chain will need to utilise their community reach and focus their outcomes on community cohesion with sensitivity to local demographics and dynamics, working with existing charities, in particular around rough sleeping.
- Working with schools and colleges to promote the STEM agenda for girls.
- Working with schools will need to focus on increasing attainment and employment options for those students facing disadvantage.
- Volunteering, fundraising, donations and supporting local, relevant community organisations
- A robust understanding and methodology for community engagement

Good Employer

- Provide good employment practices to increase the staff employability and quality of employment.
- Demonstration of the provision of in-depth training for their employees in equality, diversity and inclusion.
- Good practices around areas including collective representation, zero-hour contracts, whistle blowing policies
- The payment of the Real Living Wage down the supply chain is a mandatory requirement in accordance with the Council's policy.

Green and Sustainable

- Plans for a carbon natural position and what activities they are undertaking to achieve that additional to the specification including details relating to transport, recycling, materials used and offsetting.

Ethical Procurement

- The outcomes sought under this theme relate to the treatment of subcontractors in terms of payment and training.
- Evidence is required as to how the bidder is ensuring that the materials used are sourced ethically.

Price (30%):

Tenderers will be required to price on a fixed fee contract on the basis of the tender documents comprising: Schedule of Works, Specifications, NEC Engineering and Construction Contract Option C: target cost with activity schedule. This option is a cost reimbursable contract, subject to a pain/gain share mechanism – with an agreed target cost built up from an activity schedule. This option provides incentives to the contractor to ensure efficient delivery, by allowing them to share in the benefits of any scheme cost savings, but also to bear a share of the additional cost if there are any overruns.

Overall Evaluation

The evaluation process will result in comparative quality, social value and price scores for each tenderer. The maximum quality score will be awarded to the bid that demonstrates the highest quality. The maximum social value score will be awarded to the bid that demonstrates the highest social value. The lowest price will be given the maximum score. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money and the proposed contract will be awarded to the first ranked tenderer.

5.6 Evaluation Team

The evaluation of tenders will be undertaken by officers from the Transport Projects Team, Inclusive Growth Directorate and supported by the Corporate Procurement Services.

5.7 Indicative Implementation Plan

Cabinet Approval (Strategy)	January 2021
ITT Issued	February 2021
ITT Return	March 2021
Evaluation Period	March 2021

Contract Approval (Award)	April 2021
Mobilisation period	May 2021
Contract Start	June 2021

5.8 Service Delivery Management

5.8.1 Contract Management

The contract will be managed operationally by the Transport Delivery Manager, Transport Projects, Transport and Connectivity, Inclusive Growth Directorate.

PROCUREMENT STRATEGY FOR THE SUPPLY OF PAVING MATERIAL FOR THE CCPR WORKS

1 Service Requirements

- 1.1 In order to meet the timescales for the scheme, due to the lead times for delivery of the paving materials, there is a requirement for the initial paviours be ordered in advance of the award of contract for the works to enable the contractor to commence as early as possible. There is not enough float in the timetable to wait for the award of contract for the works and for the recommended contractor to order the first batch of materials, hence the recommendation for the Council to order the materials. Other paving materials required will be ordered by the contractor and will form part of the works contract.
- 1.2 To ensure consistency of public realm, it is a fundamental principle that the paving materials match those installed by the West Midlands Combined Authority (WMCA) for the Metro extension that adjoins the scheme.

2 Procurement Options

2.1 The following options were considered:

- To enter into single contractor negotiations with the WMCA for the supply of the paving materials. This is the recommended option and further details for the justification for this approach is detailed in paragraph 3.2.
- To undertake an open procurement process – There is no time in the programme to undertake a procurement process as detailed in paragraph 1.1 and therefore this option was discounted.
- To use a collaborative framework agreement – There is a collaborative framework agreement in place for building materials from Yorkshire Purchasing Organisation that covers the supply of paving materials. This option was considered and discounted on the basis that the rules of the framework agreement require a further competition exercise to be undertaken. As per paragraph 1.1, there is not time for a contract to be awarded following a further competition exercise.

3 Procurement Approach

3.1 Scope and Specification

- 3.1.1 The scope and specification are as follows:
- 2,700m² Granite paviours; and

- 212m² Yorkstone slab paving.

3.2 Justification for Single Contractor Negotiations

- 3.2.1 The WMCA undertook a procurement exercise compliant to the Public Contracts Regulations 2015 to implement a 10-year programme of tram system enhancement works across the West Midlands and awarded an alliance contract to the Midland Metro Alliance (MMA), consortium of private sector suppliers. Included within the specification is the supply of paving materials to support these works. The MMA is a partnership and not a contracting entity therefore in order to access the arrangement a contract for the paving materials is required to be entered into with the WMCA. To be compliant with the Council's Constitution and Procurement Governance Arrangements, the proposed procurement route is to enter into single contractor negotiations with the WMCA.
- 3.2.2 Informal discussions have taken place with WMCA for the supply of the paving materials and support Council decision-making on the chosen procurement route that indicated an estimated cost of £500,000. These discussions have resulted in an indicative proposal that informs the recommended procurement option to enter into single contractor negotiations to conclude the award of a contract for the paving materials. This indicative cost includes all the costs to the Council.
- 3.2.3 The basis of the negotiations is to confirm value for money to the Council, delivery arrangements and the terms and conditions the materials will be supplied under.
- 3.2.4 The value of this contract is below the threshold for goods for the Birmingham Business Charter for Social Responsibility.
- 3.2.5 The justification for entering into single contractor negotiations is that due to practical and logistical considerations, WMCA is the sole supplier that could supply the paving materials and realise the benefits as stated above in paragraph 1.1 and 1.2. This requirement is not being tendered as this may result in different specifications for the materials to match the adjoining Metro scheme paving and overall project timescales.
- 3.2.6 The Interim Chief Finance Officer and the City Solicitor have certified in writing their approval to enter into single contractor negotiations with the WMCA for the supply of paving materials.