

PROCUREMENT METHODOLOGY

1 **Procurement Approach**

1.1 Procurement Options

- Tender for a Council only contract – this option was discounted on the basis that the CWM2 Framework Agreement is the Council's preferred route for construction works of this type and no additional benefit would be realised from carrying out a tender process advertised to the open market.
- Use a collaborative framework agreement - The Council's primary procurement route for capital works of this nature is to use Acivico DCFM Limited's Constructing West Midlands 2 Framework Agreement as approved in the Schools' Capital Programme – School Condition Allocation, High Needs Allocation, Basic Need Allocation 2024-25+ Future Years report to Cabinet dated 19th March 2024 either by undertaking a further competition exercise (this being the default route) or a direct award, subject to the complexities and timescales of each project in order to ensure that the Council's statutory duties are met.

This framework agreement is compliant with the Public Contracts Regulations 2015 (PCR15) and is suitable for use for a project of this nature therefore no other procurement route was considered.

1.2 Constructing West Midlands 2 Capital Works Framework Agreement

1.2.1 Award Mechanism

A further competition exercise was undertaken for this contract to demonstrate value for money to the Council using Lot 2 – projects above £5m.

1.2.2 Procurement Process

The first stage is competitive, with the successful tenderer being selected on the basis of their ability and understanding of the project for works, together with the pricing of those elements of the works which are normally under the control of the main contractor, e.g. preliminaries, overheads & profit, programme period, cost of rates for identifiable sections of work. This will be documented in a PCSA subject to approval of recommendation 2.3.

During the second stage, the Council's design team develops and completes the design in conjunction with the successful tenderer. The successful tenderer undertakes a compliant procurement process for the various work packages that are reviewed by the Council's technical cost control advisor to ensure that prices are reflective of current market conditions, are within budget and deliver Best

Value. Once the overall tender price is confirmed for the works, the Council will enter into the main works contract subject to authorisation.

1.3 Further Competition Assessment

1.2.1 The quality and price weightings below were established in line with the requirements of the framework agreement. The criteria used was 40% quality, 20% social value and 40% price.

1.2.2 The evaluation criteria used is as follows:

Initial Assessment (Pass / Fail)

GENERAL INFORMATION	Scoring Assessment
Potential Supplier Information	Information only
Declaration	Pass / Fail
Payment by BACS	Information only

Tenderers had to pass the above to proceed to the Quality Assessment.

Quality Assessment

CRITERIA (40% WEIGHTING)	SUB-WEIGHTING
Methodology and Delivery	40%
Programme Management	40%
Organisation and Resources	20%
TOTAL	100%

Social Value Assessment

	Sub-Weighting	Sub-Criteria	Theme Sub-Weighting
Qualitative	5%	Local Employment	30%
		Buy Local	10%
		Partners in Communities	25%
		Good Employer	15%
		Green and Sustainable	10%
		Ethical Procurement	10%
			TOTAL 100%
Quantitative	15%	BBC4SR Action Plan sub-weighted as above	Total of financial proxies (£) score
			TOTAL 100%
Overall Social Value	20%		

Price Assessment

The pricing assessment accounted for 40% of the overall weighting. Tenderers were asked to submit total costs for the works.

Combined Quality and Price Assessment

The Weighted Quality, Social Value and Price Score for each tenderer were added to produce an overall combined total score. The scores for each tenderer were compared and (subject to a final risk assessment) the potential suppliers with the highest score offering the most economically advantageous bid recommended for acceptance.

1.4 Invitation to Tender (ITT) Stage

1.4.1 Tender documentation was issued to the four framework providers; Galliford Try Construction Ltd, ISG Construction Ltd, Morgan Sindall Construction & Infrastructure Ltd and Willmott Dixon Construction Ltd on 17th October 2023 with a return deadline on 1st December 2023.

1.4.2 Questions were raised by tenderers during the tender period and these were addressed by issuing clarifications to all tenderers and requesting these were incorporated into their submission.

1.4.3 Three tender responses were received by the deadline; from Galliford Try Construction Ltd, Morgan Sindall Construction & Infrastructure Ltd and Willmott Dixon Construction Ltd.

1.5 Evaluation and Selection Summary

1.5.1 The evaluation was carried out in accordance with the details published in the tender documentation issued to all suppliers, and outlined that tenders received would be evaluated using a split of 40% quality, 20% social value and 40% price.

1.5.2 The evaluation of tenders was carried out by representatives from Education Infrastructure and Acivico Ltd, supported by Corporate Procurement Services.

1.5.3 All tenderers passed the General Information stage and proceeded to the next stage.

1.5.4 Quality Evaluation (40% Weighting)

The results of the quality evaluation are shown below:

Company	Galliford	Morgan Sindall	Willmott Dixon
Quality Score (Max 100)	80.00	64.80	72.80
Weighted Score (Max 40)	40.00	32.40	36.40
Rank	1	3	2

There were no issues arising with the quality evaluation.

1.5.5 Social Value Evaluation (20% Weighting)

The results of the social value evaluation are shown below:

Company	Galliford	Morgan Sindall	Willmott Dixon
Qualitative			
Score (Max 100)	98.00	92.00	86.00
Weighted Score (Max 5)	5.00	4.69	4.39
Quantitative			
Financial Proxy	£1,467,898.26	£3,323,572.38	£1,257,614.65
Weighted Score (Max 15)	6.62	15.00	5.68
Overall Social Value			
Total (Max 20)	11.62	19.69	10.07
Rank	2	1	3

A clarification was issued on the tenderers' proposed number of full time employees engaged on the contract for longer than 12 months. All tenderers responded with a satisfactory response in accordance with the requirement and the proxy figures are reflective of the final number after the clarification.

1.5.6 Price Evaluation (40% Weighting)

Company	Morgan Sindall	Willmott Dixon
Price	£10,088,667	£10,234,458
Weighted Score (Max 40)	40.00	39.43
Rank	1	2

It should be noted that Morgan Sindall Construction & Infrastructure Ltd submitted pricing for both a compliant and an alternative solution. The alternative solution was not evaluated as variant bids are not permitted as stated in the tender documentation.

After completion of the evaluation, Galliford Try Ltd advised there was an error in their pricing which was not sustainable and withdrew their tender offer.

The forecast net build cost of £7,820,000 has been estimated by Acivico and the basis of the pricing is that construction related preliminaries, overheads & profit and fee percentages are added by the tenderer(s) based on their framework rates to arrive the tender price and an indicative value for the purposes of evaluation. It should be noted the PCSA cost of £397,644 is contained within the above fee percentages.

1.5.7 Combined Quality / Social Value / Price Assessment

Company	Morgan Sindall	Willmott Dixon
Quality	32.40	36.40
Social Value Qualitative	4.69	4.39
Social Value Quantitative	15.00	5.68
Price	40.00	39.43
TOTAL	92.09	85.90
Rank	1	2

1.5.8 Recommendation

It is recommended that the contract be awarded to Morgan Sindall Construction & Infrastructure Ltd on the basis of being the first ranked tenderer after the quality / social value / price evaluation.

1.6 Service Delivery Management

1.6.1 Contract Management

The contract will be managed operationally by the Project Manager from Acivico Ltd reporting to the Principal Officer, Education Infrastructure – Capital Projects Team.

1.6.2 Performance Management

Formal contract management measures will be included as a requirement of the contract including key performance indicators around service levels.