

Appendix 3 - Procurement Strategy and Delivery Programme**Requirements**

The requirements have been developed in close association with Birmingham City Council (Planning, Property, Legal, Finance, Strategic Sport and Procurement) Sport England, British Athletics and are consistent with the relevant strategies. A robust outcome specification has been produced and included in the tender documentation, so the bidder's solution, financial and legal makeup of the contract will be the negotiated elements of the procurement.

The specification will include an element of future proofing, to take account of changes in the market and changes in technology, as well as any major developments in Birmingham. The specification will also include the flexibility to identify new opportunities for development and also financial and KPI reviews will be undertaken throughout the contract to ensure that the Council gains the best value from the arrangement.

Duration and Advertising Route

A 15 year contract term was considered optimal for this opportunity, but based on market testing responses the market advised that this restricted the potential offers/development opportunities that could be gained from the site. At present there is no optimal contract term as this will depend on the bids received back taking into account the overall costs of procuring the contract and the ability of the tenderers to make a return on their investments in a reasonable time period. The most appropriate procurement route for this project is the Competitive Procedure with Negotiation (CPN) on the basis that:

- There are a number of suitable specialist providers in the market place that can provide the required services.
- it will create healthy competition between providers and potentially the best solution for the Council.
- It will not exclude any proposed delivery models thereby maximising the opportunities for the Council to find the right delivery model, that can deliver the outcomes the Council requires.
- Due to the likely diverse range of solutions that will be submitted, the Council may be unable to award a contract without prior negotiation because of specific circumstances related to the nature, complexity or the legal and financial make up or because of the risks attached to them.

The CPN route is an updating of the negotiated procurement procedure under the Public Contract Regulations 2015 and allows flexibility for both the contractor and the client.

The procurer can reserve the right to negotiate bids, but the regulations do not mandate negotiations if the procurer considers that it can make an award decision based on the initial bids. However, the council is allowed to negotiate if it deems it necessary, which will be useful for the bidder's site proposal, legal and financial element of the tenders. Also, the CPN route allows the council to reduce the number of bidders during the negotiation stage if this is suitable.

The contract will be advertised in the Official Journal of the European Union, Contracts Finder and on the www.finditinbirmingham.com. See the attached for the procurement timescale.

The Procurement Process

The Competitive Procedure with Negotiation is comprised of four stages:

- Stage 1 – Pre Qualification Stage (PQQ)
- Stage 2 – Invitation to Tender (ITT)
- Stage 3 – Negotiation with bidders (if required)
- Stage 4 – Invitation to Submit Final Tenders (ITSFT) following negotiation

Stage 1 – Pre Qualification Questionnaire

The evaluation of PQQ's will be assessed on a pass/fail basis as detailed below:

- Supplier Information
- Grounds for Mandatory Exclusion
- Grounds for Discretionary Exclusion (Part 1 and Part 2)
- Economic and Financial Standing
- Technical and Professional Ability
- Additional Selection Questions
 - Environmental Management
 - Insurances
 - Compliance to Equality Duties
 - Health and Safety

- Compliance to the Birmingham Business Charter for Social Responsibility
- Experience in the Market
- TUPE
- Declaration

Stage 2 – Invitation to Tender (ITT)

At this stage bidders will respond to the ITT and the Council will assess the tenders received for this contract based on the published evaluation criteria. Should tender submissions at this stage fully meet the Council's requirements then there may not be a need to move to Stage 3 – Negotiation.

Stage 3 – Negotiation with Bidders (if required)

This stage allows for negotiation with bidders on any aspect of their bid should this be required prior to the submission of final tenders.

Stage 4 – Invitation to Submit Final Tenders (ITSFT) following negotiation (ITSFT)

This will be the final stage of the process and final tenders will be evaluated against the same criteria as determined at ITT stage.

Evaluation of Bids

The evaluation of bids will be based on a value assessment approach that enables the Council to assess bids on Quality Social Value and Price (Revenue). The assessment of Quality will consider written information provided by the bidder. All relevant evidence submitted will be assessed against pre-determined criteria.

After rejecting bids that in the opinion of the Council are unrealistically high or low in terms of quality or price, the scores for each tender will be compared and subject to a final risk assessment the bidder with the highest score offering the most economically advantageous bid will be recommended for acceptance.

The Council reserves the right not to award contracts to bidders that score as follows in any stage of the procurement:

- Below a threshold of 60% in terms of quality
- Below a threshold of 40% in terms of social value
- 0% in any one section or zero/no response in any one scored question
- Fails to pass the pass/fail criteria questions

Weighting of Evaluation and Award Criteria

The evaluation of the ITT's will be assessed as detailed below:

The evaluation model is based on a /Quality/Social Value/Price (Revenue) weighting of 30%/10%/60%. The evaluation criteria are:

Quality (30%):

- Proposed Solution and Method Statements – 30%
- Innovation – 30%
- Contract Management –30%
- Legal Risk – 10%

Social Value (10%):

- Local Employment – 30%
- Buy Birmingham First – 30%
- Partners in Communities – 10%
- Good Employer – 10%
- Green and Sustainable – 10%
- Ethical Procurement – 10%

Price (Revenue) (60%):

- Guaranteed Lump Sum payable each year (50%)
- Gross Revenue Share % (50%)

Overall Evaluation

The Weighted Quality Score, the Weighted Social Value Score and the Weighted Price (Revenue) Score for each tender will be added together to produce a total score. The scores for each tender will be compared, ranked and subject to a final risk assessment the bidder with the highest weighted score offering the most economically advantageous tender will be recommended for acceptance.

Evaluation Team

The evaluation of the tenders will be undertaken by officers from Place Directorate, Finance and Legal Directorate, Economy Directorate and Corporate Resources Directorate and supported by Corporate Procurement Services.

Risk

The Corporate Procurement Services (CPS) approach is to follow the Council Risk Management Methodology and the Procurement and Contract Management Team will be responsible for local risk management. CPS maintains a risk management register and documentation relevant for each contract. The risk register for the service has been jointly produced and owned by the Sport and Leisure Service with arrangements being put in place to ensure operational risks are mitigated.

Indicative Implementation Plan

Cabinet Approval to Strategy	20 September 2016
OJEU Notice Issued	September 2016
Clarification Period	28 th September 2016 – 20 th October 2016
PQQ Deadline Submission	28 th October 2016
Evaluation of PQQ Responses	31 st October 2016 – 11 th November 2016
Issue ITT to Shortlisted Companies	14 th November 2016
ITT Deadline Submission	19 th December 2016
Evaluation Period	4 th January 2017 – 20 th January 2017
Negotiations	1 st Feb 2017 – 28 th April 2017
Call for Final Tenders	1 st May 2017 – 2 nd June 2017
Cabinet Award Report	September 2017
Award Contract and Mobilise	November 2017
Contract Start	February 2018

Contract Management

The contract will be managed operationally by the Sport and Leisure Service with support from Corporate Procurement Services Contract Management team as appropriate. Draft Key Performance Indicators, performance targets including key milestones and reporting requirements have been developed and will be negotiated during the procurement process and included in the final contract. A mobilisation plan will also be developed during the negotiation period and will be a contractual requirement of the successful bid.