

## APPENDIX D – Procurement Strategy

The City Centre Public Realm project comprises of a number of individual elements and in view of its scale and location within a busy retail and business environment will require a phased delivery programme.

The project is intended to provide a backdrop for the hosting of the Commonwealth Games in 2022, and as such it is vital that key areas are completed prior to Spring 2022.

The project will however also leave a lasting legacy for the city in providing an improved safe and modern city centre, after the Games and as such the project will extend beyond the 2022 and the balance of the works be completed by 2024.

### 1. Service Requirements

There is a requirement for the following works and services:

- Public Realm works to replace the existing poor quality public realm with high quality street scape throughout the City Centre retail core. This comprises:
  - a. Renewal of up to 40,000m<sup>2</sup> paving and hard surfacing
  - b. Enlargement of Victoria Square pedestrian area
  - c. Replacement lighting columns and CCTV
  - d. Replacement of street furniture
  - e. Tree works
  - f. Infrastructure to support future events
- The provision of permanent security Hostile Vehicle Mitigation measures in 19 locations including access control and CCTV to support its operation.
- The repair of the Victoria Square Water Feature - The River
- The introduction of a revised Traffic Regulation Order
- Signage works to support a Revised Traffic Regulation Order as required

### 2. Packaging of the Works

- 2.1. The approved approach to procurement of works of this nature is to use the Council's the Highways and Infrastructure Framework Agreement. As part of the development of the procurement strategy, a works shop was held with the framework contractors in order to ensure that a coherent approach for the works is taken for successful outcomes for the schemes
- 2.2. As part of the workshop the constraints and options for delivery were discussed and the outcome of this meeting has informed the strategy for packaging the works.
- 2.3. Following feedback from the workshop, the following options for packaging the works were considered:

To tender for the work as separate packages:

Pros	Cons
Individual contracts will enable various elements of the project to be progressed independently to meet programme requirements.	Resource required for up to three procurement exercises to be undertaken

Contract for repair work to the fountain may be brought forward.	Additional management of separate contracts required
Reduces reliance on single main contractor	Will require coordination of the contractors to avoid adverse impact on the delivery of the overall project.
	This was not an attractive option for the framework contractors. Some schemes not be less attractive than others and result in no bids.
	Additional set up and fee costs.

A single tender for all the Work Packages.

Pros	Cons
Potential price benefits from economies of scale	Potential additional risk to contractor due to the complexity of the project and extent of scope, is priced in by tenderers resulting in higher price to client
Single tender process	Delivery risk of reliance on a single main contractor
The combination of the fountain repair works; HVM and traditional public realm and paving scheme is of greater interest to the contractors allowing them to spread their risk and derive value from the scheme.	Specialist sub-contractors are required for elements of the work that may affect overall programme timescales.
A single contractor will be able to co-ordinate works between subcontractors with overall responsibility	
This would enable the contractor to be given the surety of appointment, allowing for the early ordering of materials, and mobilisation in advance of completion of detailed design.	

#### 2.4. Other feedback from the workshop included:

- 2.4..1. The Council needs to be clear on the works required; its priorities and the phasing required.
- 2.4..2. That the pre-Games works and post Games works can either be delivered in separate contracts or one contract. As long as sectional completion dates are included. There is no preference on approach by contractors.
- 2.4..3. Key dates that cannot be missed should be provided in the tender documentation
- 2.4..4. The Council needs to be able to provide the largest areas possible in which works can be undertaken at any time. This might be enabled by suspension of traffic in some areas to allow clear run at works; not putting too much limitation on working times etc.
- 2.4..5. The management of stakeholders needs to be shared between the contractor and the Council
- 2.4..6. The Council needs to streamline and if possible, accelerate required formal approvals associated with works to the highway to prevent delays to delivery
- 2.4..7. A greater weighting should be applied to quality in tender evaluation

- 2.4..8. Require sufficient certainty that design parameters are agreed prior to formal contractor design process.
- 2.4..9. The current two stage approach to procurement i.e. the appointment for design and subsequent appointment for works is not favoured in view of the condensed time available for the design process.

- 2.5. The recommended option is to package the works as a single tender exercise and award to one contractor to undertake the work on the basis that the use of separate work packages for procurement; whilst reducing the reliance on a single contractor could potentially cause a problem for the coordination of works in an already busy city centre environment where there is significant amount of development work being undertaken. Victoria Square is a priority area for delivery before the Commonwealth Games and as such a single contractor can co-ordinate these works.

### 3. Procurement Approach – Route

#### **Council's Highways and Infrastructure Framework Agreement**

- 3.1. The approved approach for the procurement of works of this nature is to use the Council's Highways and Infrastructure Framework Agreement. It is proposed that the Public Realm Works be tendered using the Lot 4 – Works above £500,000. This is the approved route for design and specification construction works of this nature.
- 3.2. It is proposed that a single stage tender process is carried out on a design and build basis to design and construct the works.
- 3.3. The proposed procurement route is to follow the process set out below and will be undertaken using the evaluation criteria for call offs from the framework agreement:
  - 3.3..1. An invitation to tender would be issued to framework contractors that will result in the evaluation of tenders with the recommendation to appoint a Contractor to provide the design and construction of the works for a fixed price.

### 4. Indicative Implementation Plan

Cabinet Approval (Strategy)	29 <sup>th</sup> October 2019
FITT Issued	5 <sup>th</sup> November
FITT Return	20 <sup>th</sup> December 2019
Evaluation Period	Dec –Jan 2020
Approval (Award)	January 2020
Contract Award	March 2020
Contract Start	March 2020
Sectional Completion Pre Games works	March 2022
Practical completion all works (including sectional completions	Dec 2024

## **5. Tender Structure (Including Evaluation and Selection Criteria)**

- 5.1. It is proposed to undertake a competition exercise for this project using Lot 4 of the Council's Highways and Infrastructure Works Framework Agreement. Tender documentation will be sent out to the framework providers that express an interest in tendering. The agreed weightings for further competition exercises approved by Cabinet using the framework agreement are 60% price, 30% quality and 10% Social Value.
- 5.2. In order to deliver this contract on time, the Council needs to make it clear to tenderers that behaviours and techniques that are focussed on timely delivery are important differentiators for this project. The contractors will need to demonstrate in their bids that they have the right behaviours and processes to ensure that the scheme is delivered in time, in particular for those schemes to be delivered before the Commonwealth Games. In order to succeed, there is a need to show contractors that these attributes are considered to be important by weighting them appropriately. If not, then there is a risk in attracting the right delivery partner and putting the reputation of the Council at risk.
- 5.3. To do this and recognise the right attributes and after feedback from the market place, there is a requirement to increase the weighting of the quality part of the bid to 50%. This will give a revised weighting of 50% quality, 40% price and 10% social value. This revised weighting will demonstrate to tenderers that they can invest in the project by putting their best people on the project and that demonstrating exceptional quality will enhance their chance of winning. There is a risk that this will increase tender prices, but this is one instance where the Council has to be prepared to pay for increased quality. Securing the right contractor will deliver the most cost-effective solution in the long run.
- 5.4. The award of a contract for the Public Realm Works will be subject to securing Full Business Case approval.

## **6. Work Package : Revised Traffic Regulation Order and Associated Works**

- 6.1. As part of the overall scheme a single revised traffic regulation order is to be introduced in the retail core of the city centre to replace a number of existing orders, and control access. This will support the security measures introduced as part of the main works. The timetable for delivery may follow the main works, due to the consultation requirements of this process. The implementation of the revised TRO will require works such as changes to signage. The proposed route for this work is a direct award from the Council's Highways and Infrastructure Framework Agreement. In the event of the cost of these works exceeding £50k, an alternate framework will be utilised.
- 6.2. The contracts will be managed by the Project Manager and will be monitored and reported to the Heads of Infrastructure Delivery who will have overall responsibility.
- 6.3. The contractors' performance in delivery of the works will be monitored through the use of Key Performance Indicators (KPIs) and the result may be used to determine whether a contractor is selected for future work.

## **7. Professional Services**

- 7.1. Should there be any further professional services required to deliver the project Council's West Midlands Transportation Professional Services Agreement will be utilised. Where it is found that this framework agreement does not cover the scope of services required or the organisations on the framework agreement do not have the capacity to deliver, alternative procurement routes will be considered including using other public sector framework agreements such as Crown Commercial Services Framework or carrying out a full procurement process. The selected route will be carried out in accordance with the Council's Standing Orders and Procurement Governance Arrangements.
- 7.2. Approval is sought through the executive report to delegate to the appropriate decision-maker in accordance with the Procurement Governance Arrangements to award contracts for professional services to support the project.