

### Background and Outcome of the Procurement Process

#### 1. Background

- 1.1 Cabinet approved the strategy and the commencement of the procurement activity in the report Replacement 200m Indoor Athletics Track for Arena Birmingham dated 9<sup>th</sup> February 2021. The strategy was to tender following the open procedure as set out under Public Contracts Regulations 2015 (PCR 2015).
- 1.2 The opportunity was publicly advertised on 28<sup>th</sup> June 2021 in Find A Tender, Contracts Finder and on [www.finditinbirmingham.com](http://www.finditinbirmingham.com) seeking expressions of interest from organisations who wished to tender. In response to the advertisement, three organisations responded by submitting a tender by the return date of 20<sup>th</sup> August 2021.
- 1.3 During the evaluation process, it was established that no suitable tenders were received due to not meeting the specification for the installation and breakdown for the track which would not meet the timescales for the hosting of major athletics events required by the Council and Arena Birmingham. In addition, the specification incorporated the requirement for a track infield. This additional requirement added costs that were unforeseen and not within the approved budget.
- 1.4 It is an urgent requirement for a replacement track and work was commenced in conjunction with the Council's technical advisors to revise the specification to ensure it met the requirements and within an affordable budget.
- 1.5 An options appraisal was undertaken to define the procurement approach based on the revised specification. These options are detailed below:
  - To not proceed with the procurement of a replacement track – this is not an option as a replacement track is required to host major athletics events and the existing track is becoming unfit for purpose.
  - To carry out a new procurement process – this option was discounted on the basis that the approach below was considered to demonstrate better value for money and meet the timescales for the project. Engagement with the market identified that it was unlikely that any further bids would be received other than the three bidders from the aborted exercise. The market for the supply and installation of demountable indoor athletics tracks is niche with a limited number of capable suppliers.
  - To award a contract following the Negotiated Procedure without Prior Publication - Regulation 32(2)a of the Public Contract Regulations (2015) permits the use of the negotiated procedure without prior publication for contracts in the following cases: “where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the contract are not substantially altered”.

This was recommended option on the basis that no suitable tenders were received and there is no significant material alteration to the initial conditions of contract.

## 2. Negotiated Procedure

2.1 The process for the Negotiated Procedure was as follows:

- Identification of Parties to Negotiate with
- Round One Negotiations with the parties identified
- Further Negotiation Rounds (optional, if required by the Council)
- Close Negotiations and Commence Tendering
- Evaluations
- Final Negotiations

2.2 Bidders A, B and C from the original tender process were identified as those most suitable to negotiate with and meet the full specification requirements for the track.

2.3 Negotiations were commenced with the three bidders to confirm their continued interest in tendering for the contract and to ensure they could meet the revised specification to provide value for money. Confirmation was received from the three bidders these could be met.

2.4 Invitation to Tender documentation was issued on 7th December 2021 to the three bidders with a return date of 7th January 2022.

2.5 Tenders were returned by Bidders A, B and C by the deadline.

## 3. Evaluation and Selection Summary

3.1 Tenders were evaluated using a split of 35% quality, 20% social value and 45% price which was in accordance with the strategy approved in the Cabinet report Replacement 200m Indoor Athletics Track for Arena Birmingham dated 9<sup>th</sup> February 2021. The results of the evaluation process are detailed below.

3.2 The evaluation was undertaken by officers from City Operations, Neighbourhoods Directorate, a representative from UK Athletics and the Council's consultant Sports Labs, supported by Corporate Procurement Services

## 4. Evaluation Summary

### 4.1 Stage 1 Assessment

All bidders passed the Stage 1 assessment and proceeded to the next stage.

## 4.2 Final Negotiation Stage

After the initial evaluation of tenders, negotiations were entered into with Bidder A and C to finalise their pricing. Bidder B was discounted from the process having failed to meet the quality threshold (refer to paragraph 4.3 for further details). The tables in paragraphs 4.3 – 4.6 show the final scoring after the conclusion of the negotiations.

## 4.3 Quality Evaluation (35% Weighting)

The results of the quality evaluation are set out below:

<b>COMPANY</b>	<b><i>Bidder A</i></b>	<b><i>Bidder B</i></b>	<b><i>Bidder C</i></b>
Score (Max 100)	78.00	32.00	72.00
Adjusted Score (Max 35)	35.00	14.36	32.31
<b>Rank</b>	1	3	2

Tenderers were required to achieve a minimum score of 60 marks out of 100 to proceed to the next stage of the evaluation. The tender from Bidder B scored below this threshold and was therefore discounted from the process.

There were no other issues arising from the quality evaluation.

## 4.4 Social Value (20% Weighting)

The results of the social value evaluation are set out below.

<b>COMPANY</b>	<b><i>Bidder A</i></b>	<b><i>Bidder C</i></b>
<b>Qualitative</b>		
Score (Max 100)	73.00	43.00
Adjusted Score (Max 5)	5.00	2.95
<b>Quantitative</b>		
Financial Proxy	£62,922	£199,851
Adjusted Score (Max 15)	4.72	15.00
<b>Overall Social Value</b>		
Total (Max 20)	9.72	17.95
<b>Rank</b>	2	1

There were no issues arising from the evaluation of Bidders A and C's social value submission.

#### 4.5 Price Evaluation (45% Weighting)

The results of the price evaluation are set out below.

COMPANY	<i>Bidder A</i>	<i>Bidder C</i>
Adjusted Score (Max 45)	45.00	23.50
<b>Rank</b>	1	2

Further details of the price evaluation is in Exempt Appendix B.

#### 4.6 Overall Evaluation

The results of the overall evaluation are set out below:

COMPANY	<i>Bidder A</i>	<i>Bidder C</i>
<b>OVERALL SUMMARY</b>		
Quality	35.00	32.31
Social Value	9.72	17.95
Price	45.00	23.50
<b>TOTAL</b>	89.72	73.76
<b>RANK</b>	<b>1</b>	<b>2</b>

### 5 Recommendations

- 5.1 It is recommended that the contract for Replacement 200m Indoor Athletics Track for Arena Birmingham should be awarded to Bidder A on the basis of being ranked first, following the quality, social value and price evaluation.
- 5.2 Further details of the commercially confidential information are detailed in Exempt Appendix B.