

COMMERCIAL STRATEGY APPROVAL

CAPITAL CONSTRUCTION PROJECTS

This form should be completed by a Procurement Professional, liaising with the Capital Delivery Service and consulting with the service area client.

The Procurement Strategy should be completed prior to beginning a tender process. The Contract Award should be completed at the end of the process when you are seeking authority to award.

If the procurement route requires a waiver of Council Standing Orders please provide the justification in section D2 and also complete all applicable sections of the Procurement Strategy and Contract Award. If a Construction Project includes an aspect that requires a waiver, such as appointing a nominated/or assigned external consultant to support the project please ensure this is reflected as appropriate in the Procurement Strategy.

KEY FACTS

Project title	Dams and Watercourse Repairs 2016 / 2017 Phase 2	Project value	£92,728.00	Client Portfolio	Resources – T&FM	Evaluation Criteria	Price	80%	Quality	20%	E&S	0%
Purpose and scope of works	Due to the competitive tender prices received for the Original Phase 1 Contract, the Client has a potential underspend on this Financial Year's Budget. To alleviate this, a Phase 2 Project is being tendered which will include the next list of priorities identified through the programme of condition surveys and assessments previously carried out. The Works are to remove /renew paths, edgings and steps; installation of land drains; tree removal and structural rebuilding / renewal of outfalls / walls. The Works are located in / adjacent to various dams and watercourses within the Sheffield City Council boundaries. The final scope of Works / Locations is currently being discussed with the Client, Parks And Countryside, to enable them to prioritise what is to be included the Phase 2 Contract.											

RECOMMENDATIONS AND APPROVALS

PROCUREMENT STRATEGY		CONTRACT AWARD	
Recommendation:	<p>To approve the procurement of Dams and Watercourse Repairs Phase 2 using:</p> <ul style="list-style-type: none"> • Full competitive Open Tender Process with Suitability Assessment • Traditional (Client Design with the option for the Contractor to propose alternative solution(s) if applicable) procurement • JCT 2011 Standard Form of Minor Works Building Contract With Contractor's Design. <p>Delegated authority is given to the Director of Commercial Services or her nominated representative to accept Tenders and award a Contract.</p>	Recommendation:	That the Revised Tender of Alliance Group Solutions Ltd in the sum of £73,214.83 on a fixed price basis be accepted and a Letter of Acceptance be issued.

PROJECT TEAM APPROVALS

	Who	Signature	Date	Signature	Date
Cost Manager	S L Linley	<i>S L Linley</i>	07/10/2017	<i>S L Linley</i>	11/04/2017
Project Manager	P Dronfield	<i>P Dronfield</i>	7/10/2016	<i>P Dronfield</i>	12/04/2017
Contract Manager	P Dronfield	<i>P Dronfield</i>	7/10/2016	<i>P Dronfield</i>	12/04/2017
Client Lead	D Capp	<i>D Capp</i>	24/10/2016	<i>D Capp</i>	12/04/2017
Technical Manager – CM's	R Eccles	<i>R Eccles</i>	11/10/2016	<i>R Eccles</i>	13/04/2017
Procurement Professional	T Sharp	<i>T Sharp</i>	21/10/2016	<i>T Sharp</i>	24/04/2017
Project Sponsor	N Rodgers	<i>N Rodgers</i>	24/10/2016	<i>N Rodgers</i>	24/04/2017
Head of Capital Delivery Service	S McClean	<i>S McClean</i>	24/10/2016	<i>S McClean</i>	13/04/2017
Capital Programme Group	P Schofield	<i>P Schofield</i>	24/10/2016	<i>P Schofield</i>	24/04/2017
Commercial Director	Kerry Bollington	<i>K Bollington</i>	15/11/2016	<i>K Bollington</i>	01/06/2017

COMMERCIAL SERVICES' APPROVAL DETAILS

Commercial Approval No.	CS-077-16	Original Commercial Approval (if extension)		CDS Project Reference	RE05042
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PROCUREMENT STRATEGY APPROVAL

SECTION A CAPITAL APPROVAL MILESTONES AND PROCUREMENT PROGRAMME

A1	GATEWAY 1A (RELEVANT BOARD) Initial Business Case	Name of Board: T&FM Outcome Board Date of approval: 18 th January 2016 (Phase 1)	A2	GATEWAY 1B (CAPITAL PROGRAMME GROUP) Initial Business Case	Date of approval: 18 th January 2016 (Phase 1)
A3	GATEWAY 2A (RELEVANT BOARD) Outline Business Case	Name of Board: T&FM Outcome Board Date of approval: 06 th October 2016 (Phase 2)	A4	GATEWAY 2B (CAPITAL PROGRAMME GROUP) Outline Business Case	Date of approval: 24 th October 2016 (Phase 2)
A5	CABINET OR LEADER DELEGATION	Cabinet Date of approval: 23 rd November 2016	A6	Issue advertisement to market / notify framework participants	Date: 08 th December 2016
A7	Return of PQQ (if applicable)	Date: Not Applicable Single stage process	A8	Issue of tender documents	Date: 08 th December 2016
A9	Deadline for tender / mini-competition returns	Date: 23 rd January 2017	A10	Evaluation of tender deadline	Date: 03 rd February 2017
A11	GATEWAY 3A (RELEVANT BOARD) Final Business Case	Name of Board: T&FM Outcome Board Proposed date of approval: 02 nd February 2017	A12	GATEWAY 3B (CAPITAL PROGRAMME GROUP) Final Business Case and Contract Award Approval	Proposed date of approval: 20 th February 2017

SECTION B BUDGET

B1	TOTAL CAPITAL PROJECT BUDGET	B1a	This must agree to the latest approved value – quote the Q-tier CAF version	£92,728.00	OEO Business Unit No.: 90076 CAF version: 2
	The total project budget is the summation of B1b-B1f	B1b	Construction cost (estimated tender value excluding contingency) If this is a Design & Build contract, please state and provide full details	£73,228.00	Explanation: Balance of Original Budget less monies allocated to Phase 1.
		B1c	Lotting structure If this requirement is divided into lots, state the value of each lot and explain your approach	Lot 1: £ Lot 2: £ [etc]	Explanation: Not Applicable
		B1d	Fees - please provide a breakdown of all fees (e.g. QSs, in-house design fees, external fees)		Explanation:
			Capital Delivery Service fees	£14,500.00	Cost Manager - £4,500.00 + Project Manager - £2,500.00 + Structural Engineer / CDM Client Services – £7,500.00
			Delivery Partner fees (Turner and Townsend) fees	£N/A	Although no fees may be specifically allocated to the Delivery Partner at this stage, CDS reserves the right to engage the Delivery Partner in accordance with its 'Core & Flex' model.
			Commercial Services	£1,000	Fixed fee of £1k to cover all commercial / procurement costs
			External fees (please state how the external consultant is to be procured or, if a waiver request, include full justification)	£N/A	
			Other fees (please specify)	£N/A	
		B1e	Client costs capital - any client side costs that are recharged directly to this project	£N/A	Explanation:
		B1f	Contingency	£4,000.00	Approx. 5% Explanation: A contingency is required to allow for any unforeseen Works not included in the Client's Design or the Contractor's proposed alternative solution(s) if applicable.
B2	REVENUE COST IMPLICATIONS	Reduced Maintenance Costs and Health & Safety / Insurance Liability Risks.			
B3	EXTERNAL FUNDING (E.G. GRANTS / ERDF) Please specify grant, value and how key grant conditions will be complied with	Not Applicable.			

SECTION C OUR COMMERCIAL STRATEGY							
C1	PROPOSED TENDER ROUTE		Justification for proposed tender route / explanation why other options discounted				
	Framework contract (e.g. YORhub / EN Procure / Scape – please specify)	No	No time is saved against an Open Tender with Suitability Assessment and the Framework List of Contractors is more limited.		Framework access fee	Not Applicable.	
	Full competitive tender process (please specify procedure to be used)	Yes	Yes – it is felt that a full competitive tender process will allow as wide a range of potential suppliers as possible the opportunity to submit a bid, which should ensure that value for money is maximised. Due to the value of the works a single stage, open tender with suitability assessment will be used.				
	In-house provider (please confirm they have been asked to price first)	No	No in-house provider available				
	Existing contract (please confirm it can be varied to deliver this project)	No	Not Appropriate - No suitable existing Contracts available.				
	Single source tender (please provide your evidence for this)	No	Not Appropriate.				
	Waiver of Council Standing Orders (please provide full justification)	No	Not Appropriate.				
	Other options considered (please provide details)	None					
	Who are our potential contractors and how will we maximise responses?		Due to the nature, value and location of the works this opportunity may be of particular interest to Sheffield area based companies. CDS will contact Contractors who should be able to do this work to make them aware of the opportunity, gauge interest levels and advise that the opportunity will be advertised via YORTender.				
Above or below OJEU threshold?		Below.					
C2	PROPOSED PROCUREMENT ROUTE Please state proposed procurement route e.g. design and build, together with commercial reasons for this choice						
	Traditional Procurement, Open Tender with Suitability Assessment, Client Designed. Due to the nature of the Works this is the only appropriate method.						
C3	PROPOSED FORM OF CONTRACT Please provide the proposed form of contract e.g. JCT / NEC with(out) quantities, Option A, B, C - together with an explanation of our commercial reasons for this choice						
	JCT 2011 Standard Form of Minor Works Building Contract With Contractor's Design will be used due to it being Client Designed, with the option for the Contractor's proposed alternative solution(s) if applicable, before being tendered and due to the value and nature of the Works.						
C4	PROPOSED FORM OF PQQ (if applicable)		The use of the standard Crown Commercial Services or PAS91 PQQs is preferred by the Government's Crown Commercial Service and we must therefore demonstrate that we have considered which form of PQQ is most appropriate. We must also justify whether all or any additional questions are required.				
			Reasons for using or not using each proposed document, or		Additional project-specific questions (please list here)		
	Crown Commercial Services	No	SCC has its own standard PQQ / SA.				
	PAS91	No	SCC has its own standard PQQ / SA.				
	SCC Works suitability assessment (contracts < £164k)	Yes	Estimated Construction Value is £73,228.00 therefore an Open Tender with Suitability Assessment is required.				
	SCC Works short form (contracts < £500k)	No	Not Appropriate due to value.				
	SCC Works long form (contracts > £500k)	No	Not Appropriate due to value.				
Additional standard question modules for long form req'd? (please tick ✓)		References	Not Applicable.	Employment & skills	Not Applicable, see Item D2 below.	CDM Design	Yes.
C5	TENDER EVALUATION CRITERIA	Price /100	80%	Quality /100	20%	Employment & skills /100	0%
C6	TENDER QUALITY QUESTIONS						
	Please list your proposed tender quality questions / subjects here		The proposed quality questions / subjects are – A) Section A – Programming And Disruption B) Section B – Design C) Section C – Quality				

C7	KEY PROCUREMENT / BUDGETARY / COMMERCIAL RISKS									
		Risk		Mitigation		Risk		Mitigation		
	C7a	Deterioration of the sites requiring repairs prior to the proposed Start on Site date resulting in a Health & Safety Issue.		Building Control will use their Emergency Stand-By Contract / Kier / Amey to carry out any Temporary Repairs to ensure compliance with H & S and legal requirements.		C7b	Interest in tendering for this project won't be sufficient to generate a tender list		Ensure the tender programme allows enough time for the advert to generate interest and for the response to the Suitability Assessment and Quality to be completed comfortably.	
C7c	Risks to health & safety of employees and the general public.		This will be covered in detail in the Tender Documents. The Construction (Design and Management) Regulations apply and all health & safety responses will be evaluated by the City Council's Health and Safety Team. The Principal Designer and Contract Manager will monitor compliance throughout the delivery period.		C7d	The possibility for Tender returns to exceed the available budget.		Should this be the case the Works will be prioritised and the least urgent omitted.		
C8	OTHER CONTRACTS RELATING TO THE SAME SCHEME (e.g. professional services) Please add rows as required									
C8a	Contract subject	Not Applicable.	Value	£N/A	Procurement route	Not Applicable.	Form of contract	Not Applicable.	Date of approval	Not Applicable.
C8b	Contract subject	Not Applicable.	Value	£N/A	Procurement route	Not Applicable.	Form of contract	Not Applicable.	Date of approval	Not Applicable.
SECTION D PROJECT IMPACT AND IMPLICATIONS										
D1	TUPE									
	is this a Measured Term Contract?	No	Cost Manager to include the non-TUPE wording.							
D2	EMPLOYMENT AND SKILLS BENCHMARKS									
	Please liaise with Lifelong Learning and Skills to ascertain benchmark requirements for all contracts over £164k. These should be approved by Lifelong Learning and Skills, the client and procurement professional. If using a framework procurement route – irrespective of value - please notify Futureworks and the relevant Framework Manager (as the framework may wish to require outputs for contracts below £164k).									
D2a	Work experience (14-16 years)	Not Applicable.	D2b	Work experience (16+ years)	Not Applicable.	D2c	School workshops / site visits	Not Applicable.		
D2d	Internships	Not Applicable.	D2f	Employment	Not Applicable.	D2g	Apprenticeships (project initiated)	Not Applicable.		
D2h	Trainees (project initiated L4 and higher level skills)	Not Applicable.	D2i	Graduates	Not Applicable.	D2j	Other trainees	Not Applicable.		
D2k	Apprenticeships (existing)	Not Applicable.								
	If no or only voluntary outputs are to be delivered, please state why and the date this was approved by Lifelong Learning and Skills					After discussions with Lifelong Learning and Skills it has been decided that E & S benchmarking requirements would not be included in this Project due to:- 1) The Project is of insufficient duration and value to support apprenticeships. 2) Due to the high level of Health and Safety risks, working at height, it is a requirement of the Contract that all personnel on site must hold the appropriate Construction Industry Training Board accreditation. This makes this Project unsuitable for Work Experience Placements. Agreed with KM – 05 th October 2016				
D3	HEALTH AND SAFETY - CONSTRUCTION (DESIGN AND MANAGEMENT) REGULATIONS 2015									
	Principal Designer (insert name)	R Bulloss	Notification to Health and Safety Executive required? (i.e. over 30 days construction period PLUS >20 workers on site or 500 person days)						No	
D4	HIGHWAYS IMPLICATIONS									
	Will this project have any impacts on the highway? (N.B. this includes entrances to developments, landscaping works etc. – not just highways schemes)									No
	If 'yes', Cost Manager must ensure that the scheme is notified to SCC's New Works Team at NewWorks@sheffield.gov.uk so provisions such as highways inspections, commuted sums and other fees (such as Road Safety Audits – set out at C1d) are considered.									
D5	STEEL IMPLICATIONS									
	Is this project likely to have a requirement for steel exceeding c.£100k in value?		No	If 'yes', Commercial Services to update the Sheffield City Council Steel Forward Pipeline on the internet.						

D6	KEY PERFORMANCE INDICATORS	
	What project KPIs are we using?	Not Applicable – Estimated Construction Value is less than £500,000.

SECTION E INSURABLE RISKS

E1	INSURABLE RISKS							
	Please select the Insurable Risks that are relevant to this contract							
	E1a	Employee risk (relevant except for sole traders)	Employers' liability	Yes	E1b	Non-delegable duty of care risk	Public liability	No
	E1c	Physical injury risk to client employees	Public liability	Yes	E1d	Physical injury risk to service users (delegable)	Public liability	No
	E1e	Physical injury risk to other members of the public	Public liability	Yes	E1f	Material damage risk to client employees / organisation	Public liability	Yes
	E1g	Material damage risk to service users	Public liability	No	E1h	Material damage risk to other members of the public	Public liability	Yes
	E1i	Misuse or mismanagement of personal data risk to client organisation	Public liability	No	E1j	Misuse or mismanagement of personal data risk to service users	Public liability	No
	E1k	Misuse or mismanagement (infringement) of intellectual property risk	Public liability	No	E1l	Financial loss risk to client from professional services (consultants, architects)	Professional indemnity	Yes
	E1m	Medical or clinical negligence risk	Medical / clin. negligence	No				

E2	INDEMNITY LEVELS							
	Please provide the indemnity levels selected for each relevant type of insurance identified							
		Insurance type	Indemnity level (£)	Each & Every (E) or In the Aggregate (A)		Insurance type	Indemnity level (£)	Each & Every (E) or In the Aggregate (A)
	E2a	Employers' liability	£10,000,000.00	E	E2c	Professional indemnity	£50,000.00	E
	E2b	Public liability	£5,000,000.00	E	E2d	Medical or clinical negligence	Not Applicable.	-

CONTRACT AWARD APPROVAL

SECTION F EXCEPTION REPORTING

F1	Exception reporting from Procurement Strategy	Due to delays to the Programme in agreeing the Scope of Works / Prioritisation of the Works and clarifications of the lowest Tender the Start on Site date has moved from 22 nd May 2017 to 05 th June 2017 IE + 2 weeks. Prior to the Tender Documents being issued and following discussions between members of the Project Team it was decided that the responses to the proposed Quality Criteria, see Item C6 above, would be meaningless due to which Sites would be included / excluded being unknown until after the Prices had been analysed.
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SECTION G TENDER EVALUATION AND AWARD RECOMMENDATION

G1	TENDER DETAILS – received and adjusted (please add rows as required). If using an in-house provider or have only engaged a single provider, please insert the price agreed. If a tenderer withdrew or did not return, please state in 'Comments' column								
		Tenderer	Original submitted price	Amended final price (if applicable)	Price score (if applicable)	Quality Score (if applicable)	Total score (price+ quality)	Rank	Comments
	G1a	Alliance Group Solutions Ltd	£ 100,285.32	Revised to £121,772.32 (Due to Arithmetical and Technical Checks) Revised to £73,214.83 (Due to Budget Restraints)				1	
	G1b	Amey LG Ltd	£ 158,389.00					2	
	G1c	Construction Marine Limited	£ 258,997.56					4	
	G1d	CPC Civils	Failed the Suitability Assessment					N/A	
	G1e	Stonbury Limited	£ 193,548.95					3	

G2	ARITHMETICAL CHECK			G3	TECHNICAL CHECK			
	Alliance Group Solutions Ltd Tender was checked and minor arithmetical errors were found. These queries have been raised with the Contractor who has elected to revise his Tender, in accordance with Alternative 2 as defined in Paragraphs 68 and 69 of JCT Practice Note "Tendering 2012". The corrected arithmetical errors increased the Tender by £100.40.				Alliance Group Solutions Ltd Tender was checked and some Items, mainly Preliminaries, were found to have not been priced or "Included". Section 5 – Provisional Sums had not been priced or carried forward to the Tender Summary. These queries have been raised with the Contractor who has elected to amend his Tender, in accordance with Alternative 2 as defined in Paragraphs 68 and 69 of JCT Practice Note "Tendering 2012". These amendments have increased the Tender by £21,386.60.			
G4	TENDER QUALIFICATIONS AND CLARIFICATIONS			G5	ADDENDA ISSUED DURING THE TENDER PERIOD			
	There were no Qualifications. Clarifications were requested regarding information submitted / not submitted, see Arithmetical and Technical Checks also. Following the Arithmetical and Technical corrections the Tender of Alliance Group Solutions Ltd was revised to £121,772.32. Due to the Budget only being £92,728.00 the number of sites have been reduced which has reduced the Tender to ££73,214.83. This process was explained as part of the Tender and the Contractor has therefore accepted the reduction. The sites being undertaken as part of this Phase 2 project have been prioritised on the basis of both need and cost. These are Endcliffe Park Wildlife Pond, Hillsborough Park Pond, Forge Dam, and Ibbotson Wheel Dam. Carr Forge Dam is being undertaken with the money saved by not requiring a bond.				Appendix H – Ecological Surveys & Reports received and issued to the Tenderers.			
G6	PRELIMINARIES			G7	PROVISIONAL SUMS and DAYWORKS			
	The total Preliminaries for the reduced number of sites is £5,450.00 which is 9.62% of the Measured Works. This is a reasonable level for the sites and nature of the Works.				The total of Provisional Sums and Dayworks is £5,520.00. This is made up of Dayworks (£3,820.00) and Additional Works for Footpath Repairs (£1,700.00).			
G8	CONTINGENCIES (outside contract sum)			G9	BOND / ULTIMATE HOLDING COMPANY GUARANTEE Please state if requiring and reasons for this decision			
	The Contingencies held outside the Contract Sum are now £4,013.17 so that the Budget figure is balanced.				£5,617.00 – Due to the Financial Standing of Alliance Group Solutions Ltd, see Item G12 below, the Bond is not required. It will be omitted and the money reallocated to enable the Works to an additional Dam(s) to be carried out.			
G10	QUALITATIVE ASSESSMENT QUESTIONS			G11	ASSESSMENT CRITERIA			
	Not Applicable.				Price: (lowest tender / tender) x 100 Quality: SCC 0-5 scoring system; failure to achieve 50% across a criterion disqualifies			
G12	FINANCIAL STANDING OF PREFERRED TENDERER (do not complete if using an in-house provider)							
	Tenderer:	Alliance Group Solutions Ltd	Recommendation:	Company only been trading 2 years so only 2 years accounts. Proceed	Date of approval:	04 th April 2017		
H1	ACTUAL TOTAL PROJECT COSTS (see definitions at section C of the Procurement Strategy above)							
			Procurement Strategy	Contract Award	Reasons for any differences			
	H1a	Total project budget	£92,728.00	£92,728.00				
	H1b	Construction cost	£73,228.00	£73,214.83				
	H1c	Fees	£14,500.00 (CDS) + £1,000.00 (CS)	£14,500.00 (CDS) + £1,000.00 (CS)				
	H1d	Client costs capital	£N/A	£N/A				
	H1e	Allowances for contingency	£4,000.00	£4,013.17	To "balance" with the overall Budget.			
	H1f	Revenue cost implications	£N/A	£N/A				
	H1g	Estimated contract value for each contract (see section D8 above)	£N/A	£N/A				
H2	COMPARISON WITH PRE-TENDER ESTIMATE including reasons for differences							
	No Pre-Tender Estimate was carried out.							
H3	RECONCILIATION TO BUDGET							
	Is the tender price greater than:							
	H3a	Total project budget (see C1a above)	No	H3b	Construction cost (see B1b above)	No	H3c	Approved Q-tier / CAF (if different to C1a above)

H3d	If so, how will you reconcile this? This could include altering scope or using contingency monies. If scope change, does it still fall within OJEU notice (if applicable) and is it covered by previous delegated authority?							
Not Applicable.								
H4	ESTIMATED CASH FLOW							
H4a	Date of contract start	05 th June 2017	H4b	Date of contract end	20 th October 2017	H4c	End dates of any contract extensions	Not Applicable.
ANTICIPATED CASH FLOW PROFILE								
		2016/17 £	2017/18 £	2018/19 £	2019 / 20 £	2020 / 21 £	Total £	
H4d	Contract delivery	69,600.00	-	-	-	-	69,600.00	
H4e	Retention	1,800.00	1,814.83	-	-	-	3,614.83	
H4f	Total	71,400.00	1,814.83	-	-	-	73,214.83	
H5	ACTUAL CONTRACT SAVINGS							
Summation of actual contract construction cost at contract award stage, versus anticipated costs at procurement strategy stage (annual breakdown of figures provided at H1b above)								
		2016/17 £	2017 / 18 £	2018 / 19 £	2019 / 20 £	2020 / 21 £	Total £	
	Savings	-	-	-	-	-	13.17	
H6	DETAILS OF ANY OTHER SAVINGS OR BENEFITS							
Reduced Maintenance Costs and Health & Safety / Insurance Liability Risks.								
I1	EMPLOYMENT AND SKILLS OUTPUTS							
I1a	Work experience (14-16 years)	Not Applicable.	I1b	Work experience (16+ years)	Not Applicable.	I1c	School workshops / site visits	Not Applicable.
I1d	Internships	Not Applicable.	I1f	Employment	Not Applicable.	I1g	Apprenticeships (project initiated)	Not Applicable.
I1h	Trainees (project initiated L4 and higher level skills)	Not Applicable.	I1i	Graduates	Not Applicable.	I1j	Other trainees	Not Applicable.
I1k	Apprenticeships (existing)	Not Applicable.						
If these differ from the benchmarks set in the Procurement Strategy, please state why here				Not Applicable.				
I2	Are there any TUPE implications which have not previously been identified or addressed? If yes, how are these now being addressed?							No
I3	Are there any legal implications which have not previously been identified or addressed? If yes, how are these now being addressed?							No
I4	Are there any lessons learned to inform future procurement strategies?							
Ensure there is adequate time in the Programme for Post Tender Queries and Clarifications.								