

# 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

<b>Project title</b>	South West New School – Bannerdale	<b>Project value</b>	£27m	<b>Client Portfolio</b>	CYPF	<b>Evaluation Criteria</b>	Price	70%	Quality	20%	E&S	10%
<b>Purpose and scope of works</b>	<p>To provide a 6FE new secondary school with 300 post-16 places with the ability to expand to an 8FE. The new school will provide sporting facilities in the Southwest area for school and community use (school hall and MUGA). These works are programmed completion for occupation in September 2018.</p> <p>Additional works are being undertaken on this site at the same time, namely new build housing and an FA 3G pitch. These works do not form part of this procurement strategy.</p>											

### RECOMMENDATIONS AND APPROVALS

PROCUREMENT STRATEGY		CONTRACT AWARD	
<b>Recommendation:</b>	<p>To approve the procurement of Bannerdale School using the:</p> <ul style="list-style-type: none"> <li>• YORbuild2 framework</li> <li>• JCT Design and Build contract</li> <li>• Single stage procurement</li> <li>• Ancillary contracts set out in this Strategy</li> </ul> <p>To grant delegated authority to the Director of Finance and Commercial Services (or their nominated deputy) to accept tenders and award contracts set out in this Strategy in relation to this scheme.</p>	<b>Recommendation:</b>	<p><b>It is recommended that the tender of BAM Construction Ltd in the sum of £19,567,141.28 on a fixed price basis should be accepted and a letter of acceptance for this project be issued.</b></p> <p><b>It should be noted that any such letter of acceptance will not be issued prior to the receipt of Planning approval.</b></p>

### PROJECT TEAM APPROVALS

	Who	Signature	Date	Signature	Date
<b>Cost Manager</b>	Louisa Yellott, CDS (36229)	L Yellott	12/10/2016	L Yellott	10/03/17
<b>Project Manager</b>	Kathryn Trotter, CDS (35641)	K Trotter	12/10/2016	K Trotter	13/03/17
<b>Contract Manager</b>	Kathryn Trotter, CDS (35641)	K Trotter	12/10/2016	K Trotter	13/03/17
<b>Client Lead</b>	Patricia Slater, CYPF (35779)	P Slater	12/10/2016	P Slater	13/03/17
<b>Technical Manager – C &amp; C M</b>	Richard Eccles, CDS (36194)	R Eccles	12/10/2016	R Eccles	10/03/17
<b>Procurement Professional</b>	Phil Moorcroft, Com Serv (53732)	P Moorcroft	24/10/2016	P Moorcroft	24/03/2017
<b>Project Sponsor</b>	John Doyle, CYPF (35663)	J Doyle	24/10/2016	J Doyle	15/03/2017
<b>Head of Capital Delivery Service</b>	Sean McClean, CDS (30243)	S McClean	24/10/2016	S McClean	24/03/2017
<b>Capital Programme Group</b>	Paul Schofield	P Schofield	24/10/2016	K Bollington	24/03/2017
<b>Commercial Director</b>	Kerry Bollington	K Bollington	15/11/2016	K Bollington	18/04/2017

### COMMERCIAL SERVICES' APPROVAL DETAILS

<b>Commercial Approval No.</b>	CS -78-16	<b>Original Commercial Approval (if extension)</b>		<b>CDS Project Reference</b>	CY04828
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# PROCUREMENT STRATEGY APPROVAL

## SECTION A CAPITAL APPROVAL MILESTONES AND PROCUREMENT PROGRAMME

<b>A1</b>	<b>GATEWAY 1A (RELEVANT BOARD)</b> Initial Business Case	Name of Board: Capital & Growth Date of approval: 9 <sup>th</sup> March 2016	<b>A2</b>	<b>GATEWAY 1B (CAPITAL PROGRAMME GROUP)</b> Initial Business Case	Date of approval: 1 <sup>st</sup> April 2016
<b>A3</b>	<b>GATEWAY 2A (RELEVANT BOARD)</b> Outline Business Case	Name of Board: Capital & Growth Date of approval: 12 <sup>th</sup> October 2016	<b>A4</b>	<b>GATEWAY 2B (CAPITAL PROGRAMME GROUP)</b> Outline Business Case	Date of approval: 24 <sup>th</sup> October 2016
<b>A5</b>	<b>CABINET OR LEADER DELEGATION</b>	Cabinet Date of approval: 23 <sup>rd</sup> November 2016	<b>A6</b>	<b>Issue advertisement to market / notify framework participants</b>	Date: w/c 3 <sup>rd</sup> October 2016
<b>A7</b>	<b>Return of PQQ (if applicable)</b>	Date: N/A	<b>A8</b>	<b>Issue of tender documents:</b>	Date: 9 <sup>th</sup> December 2016
<b>A9</b>	<b>Deadline for tender / mini-competition returns</b>	Date: 24 <sup>th</sup> February 2016	<b>A10</b>	<b>Evaluation of tender deadline</b>	Date: 24 <sup>th</sup> March 2017
<b>A11</b>	<b>GATEWAY 3A (RELEVANT BOARD)</b> Final Business Case	Name of Board: Capital & Growth Proposed date of approval: 10 <sup>th</sup> April 2017 (Anticipated)	<b>A12</b>	<b>GATEWAY 3B (CAPITAL PROGRAMME GROUP)</b> Final Business Case and Contract Award Approval	Proposed date of approval: 28 <sup>th</sup> April 2017 (Anticipated)

## SECTION B BUDGET

<b>B1</b>	<b>TOTAL CAPITAL PROJECT BUDGET</b>	<b>B1a</b>	This must agree to the latest approved value – quote the Q-tier CAF version	£26,600,000	OEO Business Unit No.: 90797 CAF version: 3
	The total project budget is the summation of B1b-B1f	<b>B1b</b>	<b>Construction cost</b> (estimated tender value excluding contingency) If this is a Design & Build contract, please state and provide full details	£23,324,355	Explanation: Includes sums to cover scheme design from RIBA Stage 4 onwards.
		<b>B1c</b>	<b>Lotting structure</b> If this requirement is divided into lots, state the value of each lot and explain your approach	Lot 1: £- Lot 2: £ -	Explanation: Not applicable. There will be no lots.
		<b>B1d</b>	<b>Fees</b> - please provide a breakdown of all fees (e.g. QSs, in-house design fees, external fees)		Explanation:
			Capital Delivery Service fees	£190,000	This will cover the entirety of programme management, project management, cost management, clerk of works and contract preparation.  Further detail will be provided in the Commissioning Brief and Fee Proposal, which is currently being developed by CDS. This will be signed off by the CYPF client before the project progresses.
			Delivery Partner fees (Turner and Townsend) fees	£1,191,896	<ul style="list-style-type: none"> <li>• Full design team to RIBA Stage 3- £740,806</li> <li>• Appointment of gas monitoring contractor £16,607</li> <li>• Planning consultant £17,096</li> <li>• Principal designer (CDM) £17,300</li> <li>• BREAM consultant £23,202</li> <li>• Surveys £211,014</li> <li>• Transport assessment £27,000</li> <li>• Air quality assessment £17,104</li> <li>• Acoustic surveys and engineering £18,753</li> <li>• Topographic and utilities survey £18,000</li> <li>• Arboriculture £4,500</li> <li>• Fire Engineer £22,612</li> <li>• Ecology/flood risk £5,376</li> <li>• Other sundry services</li> </ul> <p>All contractors appointed by T&amp;T are either on their competitively tendered framework, or they will obtain competitive quotations.</p>
			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)	-	We reserve the right to appoint consultants / professional services advisers to complete site surveys and any preparatory information required to enable the design process to progress to the stipulated programme. These monies are already included within the figures set out at B1b above. These would be	

				small commissions of a low individual value (e.g. bat survey) – these will be procured by requesting three competitive quotations in accordance with Contracts Standing Orders.
		Other fees (please specify)	£55,600	Landscaping design for the scheme will be undertaken by Sheffield City Council's in-house Environmental Planning & Landscape Design Team. They participated in a mini-competition process to demonstrate their competence and value for money and will charge £30,000.  Road Safety Audits – these will be undertaken by the Council's TTAPS team at a cost of £1,500.  The balance of this sum consists of fees for pre planning advice and planning fee (£18,500), planning brief (£5,000) and Environmental protection services (£600) from our in-house Planning Department
	<b>B1e</b>	<b>Client costs capital</b> - any client side costs that are recharged directly to this project	£1,017,228	Explanation: <ul style="list-style-type: none"><li>Loose furniture – to be procured directly by the school.</li><li>ICT – to be procured directly by the school.</li><li>Ground investigation surveys – obtained three quotations.</li></ul> Please see Section C8 for breakdown.
	<b>B1f</b>	<b>Contingency</b>	£819,921	3.2% Explanation: This allowance considered appropriate considering the size and nature of the scheme. This does not form part of the contract costs.

<b>B2</b>	<b>REVENUE COST IMPLICATIONS</b>	Considered by CYPF as a part of their financial planning process.
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<b>B3</b>	<b>EXTERNAL FUNDING (E.G. GRANTS / ERDF)</b> Please specify grant, value and how key grant conditions will be complied with	Funded through Basic Need Grant Allocation – Finance has been informed.
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### SECTION C OUR COMMERCIAL STRATEGY

<b>C1</b>	<b>PROPOSED TENDER ROUTE</b>	<b>Justification for proposed tender route / explanation why other options discounted</b>			
	<b>Framework contract</b> (e.g. YORhub / EN Procure / Scape – please specify)	Yes	<p>This scheme will be procured by way of a mini-competition through Yorbuild2 for the following reasons:</p> <ul style="list-style-type: none"> <li>Removes the requirement to prequalify component operators as they have already been selected to gain a place on the framework.</li> <li>Minimises procurement timescales and associated resource costs.</li> <li>High quality, competent contractors who are well experienced at delivering these types of schemes are on the framework. This will minimise risk of time and cost overruns on site.</li> <li>Minimises risk of procurement challenge as framework contractors are already approved.</li> </ul> <p>A mini competition will be conducted from the ten contractors in Lot 5 (Works over £10m, south and west region). We are not appointing by rotation as we believe a competition will provide best demonstrable VFM.</p>	Framework access fee	Capped at £30,000
	<b>Full competitive tender process</b> (please specify procedure to be used)	No	More time consuming, and we would be likely to shortlist the same contractors who are already on the YORbuild2 framework – and accepting higher level of procurement risk.		
	<b>In-house provider</b> (please confirm they have been asked to price first)	No	Not applicable.		
	<b>Existing contract</b> (please confirm it can be varied to deliver this project)	No	Not applicable.		
	<b>Single source tender</b> (please provide your evidence for this)	No	Not applicable.		
	<b>Waiver of Council Standing Orders</b> (please provide full justification)	No	Not applicable.		
	<b>Other options considered</b> (please provide details)	Not applicable			
	<b>Who are our potential contractors and how will we maximise responses?</b>	There are numerous contractors in the market with the facility to undertake works of this mature. It is recommended to utilise the YORbuild2 framework in order to obtain a shortlist of tenderers of a suitable capacity and experience. There are ten contractors on the relevant lot of the YORbuild2 framework and we anticipate strong interest in this opportunity.			
	<b>Above or below OJEU threshold?</b>	Above			

<b>C2</b>	<b>PROPOSED PROCUREMENT ROUTE</b> Please state proposed procurement route e.g. design and build, together with commercial reasons for this choice
	<p>Single stage design and build, tendered upon completion of RIBA Stage 3.</p> <p>Single stage: a single stage procurement is most appropriate for this scheme because:</p> <ul style="list-style-type: none"> <li>We want to get a full competitive price - a two stage design and build process would only attract a price evaluation of approximately 20% of the overall contract value of the scheme.</li> </ul> <p>Design and build – we want the detailed design to be undertaken by the contractor because:</p> <ul style="list-style-type: none"> <li>they have the risk of developing the detailed design for construction</li> </ul>

- they will bring their expertise on buildability
- they will be able to better co-ordinate design work packages

RIBA Stage 3 – we want to take it to this stage because:

- This is a relatively straightforward scheme to design; therefore we do not require early contractor involvement. Other previous schemes – e.g. North East School – had significant site abnormalities which benefit from early contractor involvement. In contract, one of the main issues on this scheme is the significant planning risk, which is better managed by the client design team.
- Design up to Stage 3 gives us greater control over the end design – which better mitigates the significant planning risk
- Designing to stage 4 will deny the contractors the opportunity to bring their buildability expertise to ensure the most efficient methods of construction are employed.
- Stage 4 is fully designed and the contractor would have no scope to suggest materials innovations which can drive further value from the scheme.

Cost-led procurement

We have considered trailing cost-led procurement, but this is not appropriate for this scheme because:

- We are already designing to RIBA Stage 3, which will not give contractors sufficient scope and flexibility to propose their design solution
- This is new procurement method which we wish to trial on a smaller scheme.

**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 design and build.

We are using the JCT form as opposed to the NEC because it provides for simpler contract administration. As this scheme is less complex and risky than previous schemes (such as North East School), we believe that the JCT form provides for streamlined contract administration which is appropriate to the scheme. The JCT forms are more favourable to the client than NEC forms and we believe that, having designed to RIBA Stage 3, the JCT form adequately protects the Council's position.

We have considered using NEC Option A, but have decided to use JCT to adopt a slighter lighter touch approach.

Using D & B will ultimately transfer design risk to the Contractor

**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)				
<b>Crown Commercial Services</b>	No	Not applicable, tender list to be obtained through YORbuild2.					
<b>PAS91</b>	No	Not applicable, tender list to be obtained through YORbuild2.					
<b>SCC Works suitability assessment (contracts &lt; £164k)</b>	No	Not applicable, tender list to be obtained through YORbuild2.					
<b>SCC Works short form (contracts &lt; £500k)</b>	No	Not applicable, tender list to be obtained through YORbuild2.					
<b>SCC Works long form (contracts &gt; £500k)</b>	No	Not applicable, tender list to be obtained through YORbuild2.					
Additional standard question modules for long form req'd? (please tick ✓)		<b>References</b>	N/A	<b>Employment &amp; skills</b>	N/A	<b>CDM Design</b>	N/A

**C5 TENDER EVALUATION CRITERIA**

<b>Price /100</b>	70%	<b>Quality /100</b>	20%	<b>Employment &amp; skills /100</b>	10%
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This split provides a sufficient focus on price to ensure that VFM is delivered.

As this scheme is worth £27m, we envisage that significant employment and skills outputs will be delivered. It is therefore appropriate to allocate 10% of the marks to this outcome.

Due to the size of the scheme, we consider that a 20% quality allocation is appropriate – see section C6 below.

**C6 TENDER QUALITY QUESTIONS**

**Please list your proposed tender quality questions / subjects here**

The tender quality questions will be developed in partnership with the client, Capital Delivery Service and Commercial Services.

We anticipate that questions are likely to cover programme (including design programme), managing site logistics and disruption, proposed project team (although this will attract a very small weighting), and potentially value engineering proposals.

Sustainability, health and safety and employment and skills have already been picked up through the tender process used to appoint contractors to the YORbuild2 framework, although we will consider whether any further questions are required.

**C7 KEY PROCUREMENT / BUDGETARY / COMMERCIAL RISKS**

	Risk	Mitigation		Risk	Mitigation
<b>C7a</b>	Insufficient funding to meet total scheme costs	Liaise with client to source additional funds Work with contractor to value engineer costs Risk allowances may reduce as project develops. Possibility to omit 6 <sup>th</sup> Form provision should cost pressures prove to be too great. There is no enhanced 'Sheffield Specification'. We are using the standard BB103 specification developed by EFA. The	<b>C7b</b>	Programme risk - approvals	Robustly project manage the process

		gross floor area averages 15% lower than that recommended in BB98 and around 6% lower than BB99. We are also developing models for further space reductions of 5% and 10%, so these can be modelled as part of value engineering.			
<b>C7c</b>	Programme risk – procurement	Use YORbuild2 framework to remove PQQ stage and minimise risk of challenge	<b>C7d</b>	Programme risk – ground conditions	Surveys currently being undertaken to inform tender documents
<b>C7e</b>	Planning risk - objections to the proposals, process and planning conditions may delay the programme and generate additional costs to the scheme	Design to RIBA stage 3. Planning consultant to be engaged.	<b>C7f</b>	Co-ordination with other developments – a housing scheme and FA scheme will be on site at the same time	Full details to be provided in tender document. Quality question to be asked at tender stage (see Section C6 above) Contractor's risk to manage this.

<b>C8</b>	<b>OTHER CONTRACTS RELATING TO THE SAME SCHEME (e.g. professional services)</b> Please add rows as required									
<b>C8a</b>	<b>Contract subject</b>	Furniture and ICT	<b>Value</b>	£0.96m The split between furniture and ICT will be decided by the school	<b>Procurement route</b>	We will give monies directly to the school for them to procure these items in accordance with their Standing Orders.	<b>Form of contract</b>	Funding agreement to be prepared	<b>Date of approval</b>	By this strategy
<b>C8b</b>	<b>Contract subject</b>	Ground investigation surveys	<b>Value</b>	£57,228	<b>Procurement route</b>	Three competitive quotations obtained by Mott MacDonald (part of the existing design team) in consultation with SCC	<b>Form of contract</b>	TBC	<b>Date of approval</b>	From A2

## SECTION D PROJECT IMPACT AND IMPLICATIONS

<b>D1</b>	<b>TUPE</b>									
	<b>is this a Measured Term Contract?</b>	No	Cost Manager to include the non-TUPE wording.							
<b>D2</b>	<b>EMPLOYMENT AND SKILLS BENCHMARKS</b>									
	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).									
<b>D2a</b>	<b>Work experience (under 18 years)</b>	6	<b>D2b</b>	<b>Work experience (18+ years)</b>	6	<b>D2c</b>	<b>School workshops / site visits</b>	10 visits, 5 workshops		
<b>D2d</b>	<b>Internships</b>	-	<b>D2f</b>	<b>Employment</b>	4	<b>D2g</b>	<b>Apprenticeships (project initiated)</b>	2		
<b>D2h</b>	<b>Trainees (project initiated L4 and higher level skills)</b>	1	<b>D2i</b>	<b>Graduates</b>	-	<b>D2j</b>	<b>Other trainees</b>			
<b>D2k</b>	<b>Apprenticeships (existing)</b>	58 person weeks								
	<b>If no or only voluntary outputs are to be delivered, please state why and the date this was approved by Lifelong Learning and Skills</b>					Email from Kerry Moon 24 October 2016.				
<b>D3</b>	<b>HEALTH AND SAFETY - CONSTRUCTION (DESIGN AND MANAGEMENT) REGULATIONS 2015</b>									
	<b>Principal Designer</b> (insert name)	Currently with the Design Team; this will be handed over to the contractor upon appointment	<b>Notification to Health and Safety Executive required?</b> (i.e. over 30 days construction period PLUS >20 workers on site or 500 person days)						Yes	
<b>D4</b>	<b>HIGHWAYS IMPLICATIONS</b>									
	<b>Will this project have any impacts on the highway?</b> (N.B. this includes entrances to developments, landscaping works etc. – not just highways schemes)									Yes
	If 'yes', Cost Manager must ensure that the scheme is notified to SCC's New Works Team at <a href="mailto:NewWorks@sheffield.gov.uk">NewWorks@sheffield.gov.uk</a> so provisions such as highways inspections, commuted sums and other fees (such as Road Safety Audits – set out at C1d) are considered.									
<b>D5</b>	<b>STEEL IMPLICATIONS</b>									
	<b>Is this project likely to have a requirement for steel exceeding c.£100k in value?</b>	Yes	If 'yes', Commercial Services to update the Sheffield City Council Steel Forward Pipeline on the internet.							
<b>D6</b>	<b>KEY PERFORMANCE INDICATORS</b>									
	<b>What project KPIs are we using?</b>	Both YORbuild2 and SCC standard KPIs will be used. These cover criteria such as Client satisfaction, defects, and predictability of cost and time.								

## SECTION E INSURABLE RISKS

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

<b>E2</b>	<b>INDEMNITY LEVELS</b>							
Please provide the indemnity levels selected for each relevant type of insurance identified								
	<b>Insurance type</b>	<b>Indemnity level (£)</b>	<b>Each &amp; Every (E) or In the Aggregate (A)</b>		<b>Insurance type</b>	<b>Indemnity level (£)</b>	<b>Each &amp; Every (E) or In the Aggregate (A)</b>	
<b>E2a</b>	<b>Employers' liability</b>	£10,000,000	E	<b>E2c</b>	<b>Professional indemnity</b>	£10,000,000	A	
<b>E2b</b>	<b>Public liability</b>	£20,000,000	E	<b>E2d</b>	<b>Medical or clinical negligence</b>	N/A		

## CONTRACT AWARD APPROVAL

### SECTION F EXCEPTION REPORTING

<b>F1</b>	<b>Exception reporting from Procurement Strategy</b>	N/A
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### SECTION G TENDER EVALUATION AND AWARD RECOMMENDATION

<b>G1</b>	<b>TENDER DETAILS – received and adjusted</b> (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							
	<b>Tenderer</b>	<b>Original submitted price</b>	<b>Amended final price</b> (if applicable)	<b>Price score</b> (if applicable)	<b>Quality Score</b> (if applicable)	<b>Total score</b> (price+ quality)	<b>Rank</b>	<b>Comments</b>
<b>G1a</b>	BAM Construction Limited	£19,386,979	£19,567,141.28	70.00	24.84	94.84	1	
<b>G1b</b>	Bardsley Construction Limited	£	£					Withdrew
<b>G1c</b>	Clugston Construction Ltd	£	£					Did not tender
<b>G1d</b>	Interserve Construction Limited	£	£					Withdrew
<b>G1e</b>	ISG Construction Ltd	£	£					Did not tender
<b>G1f</b>	Keepmoat Regeneration Ltd							Withdrew
<b>G1g</b>	Kier Construction Ltd	£21,211,305	£	64.58	21.92	86.50	2	*Price score based on unequalised tender (See note G4 below)
<b>G1h</b>	Willmott Dixon Construction Limited	£	£					Did not tender
<b>G2</b>	<b>ARITHMETICAL CHECK</b>			<b>G3</b>	<b>TECHNICAL CHECK</b>			
An arithmetical check has been carried out on the tenders received which revealed a minor error in the tender of BAM Construction. This matter was put to the contractor who subsequently elected to amend the tender figure to correct the error.				A technical check was carried out on all tenders received and no issues were found				

<p><b>G4 TENDER QUALIFICATIONS AND CLARIFICATIONS</b></p> <p>Both tenderers included schedules of clarification with their tender submissions. The clarifications raised by both tenderers have been reviewed in detail and in the case of BAM Construction Limited, these have been put to the Contractor and resolved. The amendments to BAM's tender price as a consequence of these matters are:</p> <p>Additional laptop charging stations - £35,000</p> <p>Specification of corridor lighting - £110,701</p> <p>Due to the volume and nature of the matters raised by Kier Construction Ltd and the relative scores after the initial evaluation, it was considered a disproportionate use of time for both the authority and the Contractor to seek to resolve these. The nature of the matters raised would only serve to increase the tender of Kier Construction Ltd; therefore the overall result of the evaluation would not be compromised. This issue was discussed with Kier who were in agreement with this approach.</p>	<p><b>G5 ADDENDA ISSUED DURING THE TENDER PERIOD</b></p> <p>6 nr tender amendment letters were issued during the tender period. The tenderer recommended for acceptance has confirmed that these have been received and incorporated into their tender.</p>
<p><b>G6 PRELIMINARIES</b></p> <p>The preferred tenderer, BAM Construction Ltd has priced the preliminaries at £1,588,559.00, which is approximately 8% of the tender sum.</p>	<p><b>G7 PROVISIONAL SUMS and DAYWORKS</b></p> <p>Daywork sums to a total of £141,500 are included within the tender of the preferred tenderer.</p> <p>The following provisional sums were included within the tender submissions:</p> <p>Reception desk - £20,000</p> <p>Internal way-finding signage - £5,000</p> <p>Public art - £30,000.00</p> <p>Internal wall art - £5,000</p> <p>External signage - £10,000</p>
<p><b>G8 CONTINGENCIES (outside contract sum)</b></p> <p>It is proposed that the current level of CAF approval be retained for the early stages of the project giving a revised Client contingency of £4,577,134.72; to be held outside of the tender figure. This is due to the potential for additional costs arising on the scheme given the nature of the scheme and the inherent risks including planning conditions, ground conditions and late appointment of an academy sponsor.</p> <p>The level of contingency will be reviewed during the course of the construction phase and the CAF revised as appropriate.</p>	<p><b>G9 BOND / ULTIMATE HOLDING COMPANY GUARANTEE</b> Please state if requiring and reasons for this decision</p> <p>The sum of £21,840.00 is included in the tender recommended for acceptance for the provision of a Guarantee Bond.</p> <p>Due to the low level of risk indicated by the financial check, it has been confirmed that a Guarantee bond is not required and that this sum will therefore be omitted.</p>
<p><b>G10 QUALITATIVE ASSESSMENT QUESTIONS</b></p> <p><b>Q1 – MANAGEMENT OF THE WORKS</b></p> <p><u>Q1.1 Pre-construction team - 10%</u></p> <p>The team you will be using to deliver the project is of upmost importance to the Employer as the project will only be successful if the right skills and capabilities are provided.</p> <p>Please outline your team structure for the design and construction phases, including organograms, with pen portraits for each member of staff that explain their proposed role on the project. You should also detail why they are qualified to undertake that role and what benefits they will bring to the relationship with the project team and the Employer, referring to previous experience as a demonstration of the success this will realise.</p> <p>Pen-portraits for the key personnel who will be engaged on the project should include as a minimum, but not limited to:</p> <ul style="list-style-type: none"> <li>• Project Director.</li> <li>• Contracts Manager.</li> <li>• Project Manager (i.e. person who will be responsible for day-to-day delivery on site).</li> <li>• Design Manager.</li> <li>• Commercial Manager.</li> <li>• MEP Services Manager.</li> <li>• Community Liaison Manager.</li> </ul> <p><b>Q2 – BREEAM</b></p> <p><u>Q2.1 – BREEAM commentary (Max 4 sides of A4) - 20%</u></p> <p>The completed scheme is required to achieve a BREEAM rating of "very good". The Employer has appointed a BREEAM advisor, as set out in the Preliminaries section of the Employer's Requirements.</p> <p>Having regard to the strategic context of the BREEAM Credit Schedule issued with this tender document, please detail your proposals regarding the document BREEAM 2014 NC - Constructors Responsibilities to ensure that a BREEAM "Very good" rating is obtained.</p>	<p><b>G11 ASSESSMENT CRITERIA</b></p> <p><b>Price:</b> (lowest tender / tender) x 100 <b>Quality:</b> SCC 0-5 scoring system; failure to achieve 50% across a criterion disqualifies</p>

**Q3 – PROGRAMME**

Q3.1 – Master Programme (Max 2 sides of A4 + GANTT Chart) - 25%

Please provide a commentary, including a detailed programme (GANTT Chart), to outline how you will approach the project, including key activities and durations, to be able to complete construction by the stipulated date. Key Activities should include but are not restricted to:

- Completion of RIBA Stage 4 Design
- Review & Sign-off by SCC of RIBA Stage 4 Design
- Start On-site Date
- Completion Date & Handover

Your Programme should demonstrate the following:

- A critical path through the programme/logic links.
- Programme planning and review.
- Appreciation of the mobilisation and lead-in requirements and key interface risks between the individual sub-contractor packages.
- Phasing to tie in with adjacent residential development.
- Appreciation of commissioning and handover activities, sequence and timetable.
- Measures to manage risk through the programme.

Q3.2 – Working with residential development (Max 2 sides of A4) - 10%

Provide proposals for working in conjunction with the developer of the adjacent residential site so as to ensure that the programme of works for the Bannerdale School project is not compromised; taking into account -

- allowing access for upgrade of the existing access road by the residential developer
- maintaining safe, shared access for future residents of the residential units

**Q4 – COST**

Q4.1 – Value Engineering proposals - 35%

Please provide a list of proposals for value engineering the current designed scheme. A good score for this section will include the following:

- Detailed and definitive proposals including a firm cost for the anticipated saving.
- The identification of any impact on the educational environment of implementing a proposed saving.
- The inclusion of additional design fees required to accommodate any given item within the proposed saving.

<b>G12</b>	<b>FINANCIAL STANDING OF PREFERRED TENDERER</b> (do not complete if using an in-house provider)			
<b>Tenderer:</b>	BAM Construction Limited.	<b>Recommendation:</b>	D&B report concluded that BAM Construction Limited represents a low risk of business failure and recommended to proceed.	<b>Date of approval:</b> 9/3/17

**SECTION H FINANCIAL / BUDGETARY PROVISION**

<b>H1</b>	<b>ACTUAL TOTAL PROJECT COSTS</b> (see definitions at section C of the Procurement Strategy above)			
		<b>Procurement Strategy</b>	<b>Contract Award</b>	<b>Reasons for any differences</b>
<b>H1a</b>	<b>Total project budget</b>	£26,600,000	£26,600,000	
<b>H1b</b>	<b>Construction cost</b>	£23,324,355	£19,567,141.28	Preferred tender is below PS allowance.
<b>H1c</b>	<b>Fees</b>	£1,438,496	£1,438,496	
<b>H1d</b>	<b>Client costs capital</b>	£1,017,228	£1,017,228	
<b>H1e</b>	<b>Allowances for contingency</b>	£819,921	£4,577,134.72	See G8 above.
<b>H1f</b>	<b>Revenue cost implications</b>	N/A	N/A	
<b>H1g</b>	<b>Estimated contract value for each contract</b> (see section D8 above)	N/A	N/A	

<b>H2</b>	<b>COMPARISON WITH PRE-TENDER ESTIMATE</b> including reasons for differences
	The latest cost plan for the scheme was £23,324,355 which is a variance of £3,757,213.72 from the tender recommended for acceptance. Expressed as a percentage, the variance between estimate and tender is 16.1%. The reasons for this variance include:-



	<ul style="list-style-type: none"> <li>The tender of BAM Construction Limited proposed an alternative groundwork strategy that provides a significant saving to the design included within the Pre-Tender Estimate.</li> <li>The inherent nature of a Design and build tender potentially introduces a greater degree of variance between estimate and tender due to the scope for contractors to make their own assessments on the cost impact of further design development</li> <li>The cost estimate was deliberately priced conservatively in order to give the most robust estimate possible given the level of information available. This approach leaves scope for significant cost variances with regard to tenderers' attitudes to risk, preliminaries costs, etc.</li> <li>The limited number of tenders returned for the scheme makes it difficult to meaningfully comment on the pricing level of the estimate. A greater level of interest from the market could have generated tender figures significantly higher than those actually returned. This is borne out by the fact that the tender of Kier Construction was considerably higher than that of BAM despite the fact that our understanding was that both tenderers were extremely keen to secure the project.</li> <li>The original tender list comprised 8 tenderers; therefore notwithstanding the fact that only two tenders were actually received, this was actually a very competitive process as the two tenderers submitting a bid would not have been aware of the position regarding tenderers withdrawing from the process.</li> </ul>								
<b>H3</b>	<b>RECONCILIATION TO BUDGET</b>								
	Is the tender price greater than:								
	<b>H3a</b>	<b>Total project budget</b> (see C1a above)	No	<b>H3b</b>	<b>Construction cost</b> (see B1b above)	No	<b>H3c</b>	<b>Approved Q-tier / CAF</b> (if different to C1a above)	No
	<b>H3d</b>	<b>If so, how will you reconcile this?</b> 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?							
	N/A								
<b>H4</b>	<b>ESTIMATED CASH FLOW</b>								
	<b>H4a</b>	<b>Date of contract start</b>	May 2017	<b>H4b</b>	<b>Date of contract end</b>	August 2018	<b>H4c</b>	<b>End dates of any contract extensions</b>	N/A
	<b>ANTICIPATED CASH FLOW PROFILE</b>								
			<b>2016/17 £</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019 / 20 £</b>	<b>2020 / 21 £</b>	<b>Total £</b>	
	<b>H4d</b>	<b>Contract delivery</b>	-	£13,000,000.00	£6,270,000.00	-	-	£19,270,000.00	
	<b>H4e</b>	<b>Retention</b>	-	-	-	£297,141.28	-	£297,141.28	
<b>H4f</b>	<b>Total</b>	-	£13,000,000.00	£6,270,000.00	£297,141.28	-	£19,567,141.28		
<b>H5</b>	<b>ACTUAL CONTRACT SAVINGS</b>								
	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)								
			<b>2016/17 £</b>	<b>2017 / 18 £</b>	<b>2018 / 19 £</b>	<b>2019 / 20 £</b>	<b>2020 / 21 £</b>	<b>Total £</b>	
	<b>Savings</b>	-	£2,600,000.00	£1,157,231.72	-	-	£3,757,213.72		
<b>H6</b>	<b>DETAILS OF ANY OTHER SAVINGS OR BENEFITS</b>								
	Whilst the tender price received is below the anticipated Construction cost reported at PSA stage; in consideration of the nature of the scheme and inherent risks involved in the project (e.g. planning conditions, ground conditions and late appointment of an academy sponsor), it is prudent to add this value to the Contingency sum for the project (please see G8)								
<b>I1</b>	<b>EMPLOYMENT AND SKILLS OUTPUTS</b>								
	<b>I1a</b>	<b>Work experience (14-16 years)</b>		<b>I1b</b>	<b>Work experience (16+ years)</b>	12	<b>I1c</b>	<b>School workshops / site visits</b>	5 workshops, 10 site visits.
	<b>I1d</b>	<b>Internships</b>		<b>I1f</b>	<b>Employment</b>	8	<b>I1g</b>	<b>Apprenticeships (project initiated)</b>	2
	<b>I1h</b>	<b>Trainees (project initiated L4 and higher level skills)</b>	1	<b>I1i</b>	<b>Graduates</b>		<b>I1j</b>	<b>Other trainees</b>	
	<b>I1k</b>	<b>Apprenticeships (existing)</b>	65 weeks						
	<b>If these differ from the benchmarks set in the Procurement Strategy, please state why here</b>					N/A			
<b>I2</b>	<b>Are there any TUPE implications which have not previously been identified or addressed?</b> If yes, how are these now being addressed?							Yes / No	
	No.								
<b>I3</b>	<b>Are there any legal implications which have not previously been identified or addressed?</b> If yes, how are these now being addressed?							Yes / No	
	No.								

<b>I4</b>	<b>Are there any lessons learned to inform future procurement strategies?</b>
	We are producing a paper to compare this method of procurement against other methods used on recent similar schemes, benchmarking them against EFA rates.