

PT4 - Committee Procurement Report

This document is to be used to identify the Procurement Strategy and Purchasing Routes associated with a project and only considers the option recommended on the associated Gateway report.

Introduction

This is an early attempt of the PT4 Form which will be amended when more information is available following the committee decision on the project's direction.

Author:	Sohail Khan – Category Manager - Construction		
Project Title:	Bank Junction Improvements Project (All Change at Bank)		
Summary of Goods or Services to be sourced			
Depending upon the strategic option chosen to develop the designs, a combination of consultants may be required including traffic modelling expertise, structural engineer advice and urban realm design to assist officers in developing the long-term solution for Bank Junction.			
Whether this is one contract or multiple specialist contracts is to be defined once the scope of the work is fully understood (following this current committee report). An amendment with a more detailed approach will be provided.			
Contract Duration:	1-3 years	Contract Value:	Estimated 250,000 to 500,000
Stakeholder information			
Project Lead & Contract Manager: Gillian Howard	Category Manager: Sohail Khan	Lead Department: Department of the Built Environment	
Other Contact		Department	

Specification Overview

Summary of the Specification:			
Potential items that we will require assistance on.			
<ul style="list-style-type: none"> Revision of traffic model work with a new Future base and full MAP process with TfL Structural engineer advice regarding the impact of loading of an existing underground structure (by way of changing materials and moving kerb lines or adding additional public realm structures) Development of the urban realm environment to reflect the iconic setting. 			
Is the contract likely to require financial uplifts? (Please describe what method will be used to calculate the uplift and whether this will be capped)			
This will be covered in the future amended PT4 form.			
Project Objectives:			
Bank Junction Improvements Project Objectives	Corporate Plan Aim	Corporate Plan Outcome	Corporate Plan High-level activity
A - To continue to reduce casualties	Contribute to a flourishing society	1 – People are safe and feel safe	C – Protect consumers and users of building, streets and public spaces.
B - To reduce pedestrian crowding levels	Shape outstanding environments	9 – We are digitally and physically well-connected and responsive	D – Improve the experience of arriving in and moving through our spaces.
C - To improve air quality	Shape outstanding environments	11 – We have clean air, land and water and a thriving and sustainable natural environment	A – Provide a clean environment and drive down the negative effects of our own activities.
D - To improve the perception of place as a place to spend	Shape outstanding environments	12 – Our spaces are secure, resilient and well maintained	A – Maintain our buildings, streets and public spaces to high standards.

time in rather than to pass through.			
--------------------------------------	--	--	--

Does the scope of those project include the processing of personal data? Yes No

If yes, have you defined roles and responsibilities within your project specification? For more information visit [Designing Specifications under GDPR](#). You may include your Privacy Impact Assessment or other relevant report as an appendix to this PT form when submitting to Committee (for information).

Customer Requirements

Target completion date	(design) Q1 2021	Target Contract award date	July 2019
Are there any time constraints which need to be taken into consideration?			
The aim is to complete construction by 2022 ahead of the London Underground capacity upgrade opening.			

Efficiencies Target with supporting information
Process efficiencies may in the main be derived as follows (<i>according to City of London Procurement Efficiency & Savings Process Manual</i>):
<ul style="list-style-type: none"> • SE1 – Competitive price difference – difference in competitive prices received because of competition • SE18 – Cost to procure – cost of additional procurement opportunity cost avoided by virtue of the option to extend the appointment beyond concept design stage. COL would have the discretion to proceed to next stages if required. • Use of external frameworks to reduce opportunity cost on procurement and project resource in delivering procurement process.

City of London Initiatives

How will the Project meet the City of London's Obligation to Adhere to the Corporation Social Responsibility:
CSR matters will be considered in the selection and evaluation process to the extent advised by City Responsible Procurement provisions at the point of engaging with the market. Subsequently CSR matters will be considered as part of design development according to client project objectives and future instruction and can be expected to form part of a design brief to the project in due course.
Take into account the London Living Wage (LLW):
This is unlikely to be an issue with a direct impact on this contract opportunity given the nature of the business being contracted. LLW will be stipulated in the ITT.
Consideration for Small to Medium Enterprises (SME):
The City accepts applications to participate from SME's.
Are there TUPE/Pension liabilities that need to be considered? NO
Other:

Procurement Strategy Options

Option 1: Multiple Tender Process – Sub OJEU
Choosing multidisciplinary teams to deliver development has clear advantages. Procurement is simplified, and the right specialists can be brought together for a holistic project approach. Greater communication and established relationships within the team can lead to better solutions and a smoother process.
Disadvantages to this Option:
Depending on the project plan and timeframes ; this option could take up to 10 weeks and will need to be planned against current procurement activities.

Please highlight any possible risks associated with this option:

Option 2: Appoint via a framework supplier (internal/ external)

Advantages to this Option:

- Quicker engagement with the market.
- Pre-vetted suppliers on the framework.

Disadvantages to this Option:

- Considered less likely to engage with SME's
- City has experienced inconsistent levels of response from frameworks and which do not always offer the minimum of 3 tender returns required by City Procurement Rules.
- On occasion external framework terms aren't fit for purpose with CoL

Option 3: Explore existing COL suppliers with capability and scope

Advantages to this Option:

- Significantly reduce the procurement time required
- Shows greater partnership with existing suppliers

Disadvantages to this Option:

- If not market tested we may not be getting a competitive price

Please highlight any possible risks associated with this option:

Depending on existing contract that we may choose to use; financial limits on the contract may limit the award, and should we award CoL may be at risk of awarding a contract to a supplier that may have financial constraints in delivery of the work; or inability to absorb additional volume due to capacity .

Procurement Strategy Recommendation

City Procurement team recommended option

This will be determined once the project strategy has been approved and agreed; to ensure the best option is chosen

Procurement Route Options

Make v buy to be considered; also indicate any discarded or radical options

Option 1: An existing compliant Framework Agreement

Advantages to this Option:

- Faster route to market
- Less exposure to risk of legal challenge.
- Fees and margins are capped by framework
- Known proven vetted list of contractors
- Ability to use own ITT and terms and conditions
- TFL Framework is the preferred option (currently re-tendering process), but open to utilise other appropriate frameworks.

Disadvantages to this Option:

- Reliance on limited market place
- Contractors may have an already full order book and made commitments elsewhere giving rise to limited competition and reduced confidence in level of value for money realised by the procurement process
- Less engagement with SMEs

Please highlight any possible risks associated with this option:

Option 2: Undertake an OJEU compliant tender

Advantages to this Option:

- Established and compliant method/process.
- Established regulatory process aimed at securing a best and final offer at tender stage
- Allows to shortlist at first stage to avoid review of high-volume returns
- Allows us to engage with SME's as opposed to using a framework, which typically have larger suppliers appointed to them

Disadvantages to this Option:

- Tender submission in the first instance is on a best and final offer basis.
- Longer timeframes – selection stage and associated evaluation (Restricted)
- Many suppliers could respond resulting in a longer evaluation process (Open)

Please highlight any possible risks associated with this option:

- A high level of interest at SQ stage is expected and may place significant demand on project resources.

- Careful choice in of selection and evaluation criteria is required to ensure there is an effective and compliant mechanism for differentiating between stronger and weaker submissions.

Option 3: Contract through the existing JB Riney Highways term maintenance contract

Advantages to this Option:

- Known contractor with knowledge of COL procedures and processes.
- Compliant and quick route.

Disadvantages to this Option:

- Not going out to receive competitive tenders. Not the best possible offer may be received.
- Specialism may not cover all areas sought. Mainly sub-contract.
- Not testing the market.

Please highlight any possible risks associated with this option:

Option 4: Deliver Using In-House Resource

Advantages to this Option:

- Closer working relationship with the project team
- Efficiencies in delivery due to knowledge of how the City and it's processes
- Lower overall costs

Disadvantages to this Option:

- May not have the breadth of experience and expertise which an external supplier would have
- May be a long-term project with no guarantee of staff turnover.

Please highlight any possible risks associated with this option:

Procurement Route Recommendation

City Procurement team recommended option

Framework Route - There is consensus between project team and City Procurement that a multi-disciplinary framework is the preferred procedure in this instance. It offers an appropriate balance between time and a need to reduce the number of bidders to be invited to tender. The commercial and technical requirements are sufficiently defined to be capable of being appointed on a framework only basis. This is of course dependant on strategy outcome and approval

Sign Off

Date of Report:	11/01/2019
Reviewed By:	Gillian Howard
Department:	Built Environment
Reviewed By:	
Department:	Chamberlain's Department