

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

City Procurement Project Reference:	18-307PS		
Project / Contract Title:	Southwark Bridge Approach Viaduct Waterproofing		
Project Lead & Contract Manager:	Mark Bailey	Lead Department:	DBE
Category Manager:	Mamun Khan	Other Contact:	
Total Contract Value (excluding VAT and inc. extension options):	£1,300,000	Contract Duration (inc. extension options):	16 weeks envisaged
Budget approved Capital/Revenue:	Yes – subject to further Gateway approval Capital	Capital Project reference (if applicable):	72800018
Gateway Approval Process - Is this project subject to the Gateway process? Yes - If so, what was the last Gateway report, and date of approval, and what is the next Gateway report and scheduled date for recommendation for approval? Gateway 1/2 approved March 2018. Next Gateway 3/4 March 2019			
Opportunity for Inter-City Collaboration (is there another site/department that could benefit from this project)? N/A			

Procurement Strategy Recommendation

City Procurement team recommended option Option 1 - Traditional – Client Led (Single Stage) City Procurement concurs that a traditional – client led is in this case would be the most appropriate method City Procurement concurs that the NEC4 form of contract is considered to be the most appropriate form of contract for a project of this value. NEC remains a technically reasonable alternative form of contract save that the contract administration regime arising from the contract form can be associated with higher project consultant fees, and which can be considered less justifiable for lower value works projects.

Route to Market Recommendation

City Procurement team recommended option Option 2 - Sub OJEU – Open Preferred route to market – Sub-OJEU. A framework route is not preferable in this case on the basis that framework contractors tend to be general contractors who would most likely sub-contract this predominantly specialist work in any case.

Specification and Evaluation Overview

Summary of the main requirements: <ul style="list-style-type: none">The works comprise of: -<ul style="list-style-type: none">Remove existing pavingConstruct concrete sub-base to footwaysRepair sub-base on carriagewayOn Southwark side – carry out Directional drilling of Archways underneath the bridge for relief of drainageThe Waterproofing of the two approaches (City side & Southwark side) then resurface the approaches
Technical and Pricing evaluation ratio

40% (Technical) / 60% (Price) The Project Manager has advised City Procurement that the project has no design input. It is for straight-forward routine maintenance works, and therefore, this project is more suited to a heavier weighting on the price. City Procurement have agreed for the evaluation ratio to be 60% Price and 40% Technical.	
Overview of the key Evaluation areas (if known at this stage): N/A	
Does contract delivery involve a higher than usual level of Health & Safety, Insurance, or Business risk to be allowed in the procurement strategy?	
Are there any accompanying documents with this report? e.g. PTO/outlined project plan identifying roles and responsibilities as appropriate If yes, please include information in the appendices section below.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Will this project require the winning supplier(s) to process personal data on our behalf?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If yes, please make sure you've 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 category board (for information).	
Evaluation Panel – Please enter Names and Departments below (if known)	
N/A	

Procurement Strategy Options This could include inter-departmental usage, external collaborative opportunities, existing contracts integrated once expired or adding it to an existing contract. Options for Make (In-house delivery) versus Buy (Outsource) decision to be considered; also indicate any discarded or radical options.

Option 1: Traditional – Client Led (Single Stage) - Recommended
Advantages to this Option:
<ul style="list-style-type: none"> • Competed Design produced by the City, with no substantial design elements required from the supplier. • Traditional method suites the approach in which this project relates to. • Design Control with the City
Disadvantages to this Option:
<ul style="list-style-type: none"> • Design risk is not passed to the contractor. • More of a conformance specification as opposed to a fully completed design and can be amended.
Option 2: Design & Build
Advantages to this Option:
<ul style="list-style-type: none"> • Construction can start earlier, reducing the overall project delivery time. • The employer only has one organisation to deal with - one point of responsibility • The ability to novate the design team to the design and build contractor
Disadvantages to this Option:
<ul style="list-style-type: none"> • The employer may pay more if they ask the contractor to take on an unreasonably high level of risk • The quality may be compromised if the supplier does not follow specifications.
Option 4: Other Partner
Advantages to this Option:
<ul style="list-style-type: none"> • Fully Managed service • Issues that arise are dealt with the managing partner. • The successful delivery and keeping programming risk is transferred from the City to the Supplier.
Disadvantages to this Option:
<ul style="list-style-type: none"> • Increased pricing due to additional management of the programme. • Not dealing with the Supplier directly, a third party instead. • Fail to agree on design/construction elements regarding responsibility or sharing specifications/drawings/reports could affect the delivery of the project.

Route to Market Options: Route to market is the way in which the City will invite suppliers to bid for the procurement.

Option 1: OJEU – Not Applicable
Option 2: Sub OJEU Open Procedure - Recommended
Advantages to this Option:
<ul style="list-style-type: none"> • Compliant and defined process • Established regulatory process aimed at securing a best and final offer at tender stage • Can allow shortlist at first stage to avoid review of high volume returns under some circumstances • Opens up competition to the wider market
Disadvantages to this Option:

- Tender submission in the first instance is on a best and final offer basis.
- There is no compliant provision for development to technical offers after receipt of tenders as is the case with other procedures competition with negotiation
- Procurement lead time of up to 10 weeks not as fast as an established framework

Option 3: Internal Framework - Not Available

Option 4: External Framework - Not Applicable

Advantages to this Option:

- Faster route to market (6 to 10 weeks depending on project complexity and procurement strategy)
- Compliant alternative to full OJEU Restricted or Open Procedure

Disadvantages to this Option:

- The contactors available are defined by the framework
- Level of competition experience can be limited and may not realise a minimum of 3 tenders required by City

Price Mechanism

Option 1: Lump sum fixed price

Option 2: Fixed price - schedule of rates/bill of quantities

Option 3: Bill of Quantities – Recommended

Option 4: Target cost

Option 5: Cost reimbursable

Option 6: Other

Form of Contract

Option 1: Col Standard amendments to JCT

Option 2: Col Standard amendments to NEC4 - Recommended

Option 3: NEC3/JCT – unamended

Option 4: Other CC&S standard form

Option 5: Other

Outline of appendices

- Please list appendices here or mark 'Not applicable' if there is none. N/A

Report Sign-offs

Senior Category Manager Chamberlain's Department	Michael Harrington	Date	18/03/2019
Departmental Stakeholder Department	Mark, Bailey	Date	Click here to enter a date.