

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

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| City Procurement Project Reference: | 16/189PS | | |
| Project / Contract Title: | Barbican Estate Redecoration Programme 2020-25 | | |
| Project Lead & Contract Manager: | David Downing | Lead Department: | DCCS Housing & Barbican |
| Category Manager: | Michael Harrington | Other Contact: | n/a |
| Total Contract Value (excluding VAT and inc. extension options): | £2,700,000 - £3,000,000 | Contract Duration (inc. extension options): | 60 Months |
| Budget approved Capital/Revenue: | No Capital | Capital Project reference (if applicable): | 04800017 |
| Gateway Approval Process | | | |
| <ul style="list-style-type: none"> - 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 2 approved 12 December 2018, Gateway 3/4 approval anticipated March 2019. | | | |
| Opportunity for Inter-City Collaboration (is there another site/department that could benefit from this project)? | | | |
| No | | | |

Procurement Strategy Recommendation

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| City Procurement team recommended option |
| Option 1: Traditional – Delivery Specification – More robust specification, which can closely monitor the Suppliers delivery |

Route to Market Recommendation

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| City Procurement team recommended option |
| Option 1: Sub OJEU – Open Tender – In line with our procurement code and not verging towards the works OJEU threshold |

Specification and Evaluation Overview

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| Summary of the main requirements: | |
| <p>The works to be carried out under the proposed contract will be preparing existing decorated surfaces, which includes cleaning, sanding and any minor repairs that may be necessary; and then re-coating these surfaces with undercoats, paints and varnishes, as may be required, to achieve the necessary finish.</p> <p>External redecoration is currently undertaken on a seven-year cycle (as stipulated by recommended product lifecycles), with internal areas, where not subject to the same degree of environmental pressures, on a ten-year cycle.</p> <p>The outline programme for the next five years encompasses the internal redecoration of nine blocks and the external redecoration of fifteen blocks.</p> | |
| Technical and Pricing evaluation ratio | |
| 60% (Technical) / 40% (Price) | |
| Overview of the key Evaluation areas (if known at this stage): | |
| <p>Establishing a rolling programme of communal redecoration and minor repair work to preserve the residential buildings of the Barbican Estate.</p> <p>Ensure resident satisfaction and safeguard the City's reputation by maintaining the Barbican Estate to the high standards required.</p> <p>Achievement of a better value contract through procuring for a 5-year term thereby delivering cost surety and minimising procurement and management costs.</p> | |
| Does contract delivery involve a higher than usual level of Health & Safety, Insurance, or Business risk to be allowed in the procurement strategy? | |
| <ul style="list-style-type: none"> • Enhanced level of health and safety because of works • GDPR will need to be met as the suppliers will be logging tenants details. | |
| Are there any accompanying documents with this report? e.g. PTO/outlined project plan identifying roles and responsibilities as appropriate | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

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| If yes, please include information in the appendices section below. | |
| 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) | |
| Jason Hayes | DCCS Housing |
| Mike Saunders | DCCS Housing |
| David Downing | DCCS Housing |
| Steve Murray | DCCS Housing |
| Natalie Evans | City Procurement |

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.

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| Option 1: Traditional – Delivery Specification |
| Advantages to this Option: |
| <ul style="list-style-type: none"> It identifies what is required for a supplier It requires the level of quality a supplier must adhere to when delivering. It identifies a standard of material to be used. |
| Disadvantages to this Option: |
| <ul style="list-style-type: none"> It may not cater for elements that could be unforeseen If a level of tenant interaction is required, this may reduce access to areas. |
| Please highlight any possible risks associated with this option: The levels of the specification maybe outside of the of the estimated budget |
| Option 2: Other –Outcome Specification |
| Advantages to this Option: |
| <ul style="list-style-type: none"> Leaves the supplier free to deliver the project within their capabilities, meeting the City's requests. Standard of materials are not specified, so supply issues are not affected. |
| Disadvantages to this Option: |
| <ul style="list-style-type: none"> Not specifying the standard of materials, lesser products could be used. Delivery by the supplier is not set to a standard. |
| Please highlight any possible risks associated with this option: A poorer standard of delivery would be provided by the supplier. |

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

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| Option 1: Sub OJEU – Open Tender |
| Advantages to this Option: |
| <ul style="list-style-type: none"> Advertises via Capital eSourcing and Contracts Finder and should encourage competition in the market. Allows for a wide variety of suppliers to respond. Creates an opportunity to contract with a new supplier. |
| Disadvantages to this Option: |
| <ul style="list-style-type: none"> May result in large volumes of returns, which will need to be evaluated. Additional resources are required to process the admin both pre- and post-tender process. |
| Please highlight any possible risks associated with this option: |
| Option 2: External Framework |
| Advantages to this Option: |
| <ul style="list-style-type: none"> The Framework is focused on the spend value and location. Reduced number of suppliers. |
| Disadvantages to this Option: |
| <ul style="list-style-type: none"> Set rates could be assigned to the framework. A framework levy could be added to the final cost provided by the contractor. There are specialist requirements which mean the supplier may not be able to deliver this project. |
| Please highlight any possible risks associated with this option: A contractor nomination received during S20 consultation for a contractor not on the intended framework may give rise to a necessary change of strategy to OJEU where the contractor nomination must be upheld. |

Price Mechanism

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| Option 1: Lump sum fixed price |
| Advantages to this Option: |
| <ul style="list-style-type: none"> • Gives the Client confidence in paying the one fee. • Only required to raise one PO for the programme of works. • Predictability in the price you receive and stick to overall. |
| Disadvantages to this Option: |
| <ul style="list-style-type: none"> • Increased costs from the Fixed Priced supplier to factor in for risk. |
| Please highlight benefits and possible risks associated with this option relative to the specifics of the project: |
| Does not provide a transparent mechanism for calculating cost adjustments. |
| Option 2: Fixed price - Schedule of Requirements |
| Advantages to this Option: |
| <ul style="list-style-type: none"> • A fixed fee for different requirements, allows us to better budget future works depending on the requirement. • The Schedule of rates is split up by size of flat and works required, allowing us better visibility on variations. |
| Disadvantages to this Option: |
| <ul style="list-style-type: none"> • Additional resources are required to measure work and certify payments • There is no real incentive for contractors to treat work with urgency as there may not be LAD's in place. |
| Please highlight benefits and possible risks associated with this option relative to the specifics of the project: |

Form of Contract

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| Option 1: Col Standard amendments to JCT |
| Advantages to this Option: |
| <ul style="list-style-type: none"> • City amended terms to what is otherwise a standard industry form of contract. • City amendments balance some risk back towards the contractor • Project delivery team is familiar with managing contractors under this form of contract |
| Disadvantages to this Option: |
| <ul style="list-style-type: none"> • Does not promote collaborative working. • Not considered to be as balanced apportioning contractual risk as NEC3 • |
| Please highlight benefits and possible risks associated with this option relative to the specifics of the project: JCT is a more reactive form of tender |
| Option 2: Other CC&S standard form |
| Advantages to this Option: |
| <ul style="list-style-type: none"> • Can be signed underhand as opposed to as a deed. • Standard terms that suppliers who have worked with the City before, are used to the ways of execution. |
| Disadvantages to this Option: |
| <ul style="list-style-type: none"> • More relevant for less complex works. • Limited to contract valued up to £450k. |
| Please highlight benefits and possible risks associated with this option relative to the specifics of the project: |
| More complex works may have a higher likely hood of dispute without the dispute resolution methods in the standard JCT with City amendments. |

Outline of appendices

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| Not applicable |
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Report Sign-offs

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| Senior Category Manager Chamberlain's Department | Michael Harrington PP. In absence of a Senior Category Manager | Date | 01/02/2019 |
| Departmental Stakeholder Department | David Downing DCCS – Housing & Barbican | Date | 01/02/2019 |