

**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**

<b>Author:</b>	Sohail Khan – Category Manager - Construction		
<b>Project Title:</b>	Bank Junction Improvements Project (All Change at Bank)		
<b>Summary of Goods or Services to be sourced</b>			
Over the life of the contract, a combination of consultants may be required to deliver traffic modelling expertise, structural engineering advice, and urban realm design to assist officers in developing the long-term solution for Bank Junction. The largest element of work for the immediate term will be traffic modelling.			
It is expected that these support contracts will be undertaken by specialist consultants rather than within one contract. This PT4 form focuses on procurement of the traffic modelling contract only, which is likely to be the largest contract upto Gateway 5.			
<b>Contract Duration:</b>	1-3 years	<b>Contract Value of traffic modelling</b>	<i>Estimated 75,000 to 250,000</i>
<b>Stakeholder information</b>			
<b>Project Lead &amp; Contract Manager:</b> Gillian Howard	<b>Category Manager:</b> Sohail Khan	<b>Lead Department:</b> Department of the Built Environment	
<b>Other Contact</b>		<b>Department</b>	

**Specification Overview**

<b>Summary of the Specification:</b>			
<b>Potential items that we will require assistance on.</b>			
<ul style="list-style-type: none"> <li>Traffic modelling support for option testing (this will comprise the use of two different traffic models).</li> <li>Building of a new traffic model and undertaking MAP process with TfL</li> <li>Assisting general technical liaison with TfL regarding modelling</li> </ul>			
<b>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)</b>			
<b>Project Objectives:</b>			
<b>Bank Junction Improvements Project Objectives</b>	<b>Corporate Plan Aim</b>	<b>Corporate Plan Outcome</b>	<b>Corporate Plan High-level activity</b>
<b>A</b> - To continue to reduce casualties	Contribute to a flourishing society	<b>1</b> – People are safe and feel safe	<b>C</b> – Protect consumers and users of building, streets and public spaces.
<b>B</b> - To reduce pedestrian crowding levels	Shape outstanding environments	<b>9</b> – We are digitally and physically well-connected and responsive	<b>D</b> – Improve the experience of arriving in and moving through our spaces.
<b>C</b> - To improve air quality	Shape outstanding environments	<b>11</b> – We have clean air, land and water and a thriving and sustainable natural environment	<b>A</b> – Provide a clean environment and drive down the negative effects of our own activities.
<b>D</b> - To improve the perception of place as a place to spend time in rather than to pass through.	Shape outstanding environments	<b>12</b> – Our spaces are secure, resilient and well maintained	<b>A</b> – Maintain our buildings, streets and public spaces to high standards.

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
<b>Are there any time constraints which need to be taken into consideration?</b>			
The aim is to complete construction by 2022 ahead of the London Underground capacity upgrade opening.			

<b>Efficiencies Target with supporting information</b>
Process efficiencies may in the main be derived as follows ( <i>according to City of London Procurement Efficiency &amp; Savings Process Manual</i> ):
<ul style="list-style-type: none"> <li>SE1 – Competitive price difference – difference in competitive prices received because of competition</li> <li>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.</li> <li>Use of external frameworks to reduce opportunity cost on procurement and project resource in delivering procurement process.</li> </ul>

### City of London Initiatives

<b>How will the Project meet the City of London's Obligation to</b>
<b>Adhere to the Corporation Social Responsibility:</b>
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.
<b>Take into account the London Living Wage (LLW):</b>
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.
<b>Consideration for Small to Medium Enterprises (SME):</b>
The City accepts applications to participate from SME's.
<b>Are there TUPE/Pension liabilities that need to be considered? NO</b>
<b>Other:</b>

### Procurement Strategy Options

<b>Option 1: Appoint via a framework supplier</b>
<b>Advantages to this Option</b>
<ul style="list-style-type: none"> <li>Quicker engagement with the market</li> <li>Access to a known, interested supplier who has the capability and expertise to carry out the project</li> <li>The favoured framework has been used successfully by the City previously</li> <li>The favoured framework oversees the contract management aspect and could potentially mean a time/cost saving where officers do not have to take on this duty</li> </ul>
<b>Disadvantages to this Option</b>
<ul style="list-style-type: none"> <li>Considered less likely to engage with SME's</li> <li>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.</li> <li>On occasion external framework terms aren't fit for purpose with CoL</li> </ul>

<ul style="list-style-type: none"> <li>The favoured framework overseeing contract management may mean a lesser degree of control of the consultant output</li> </ul>
<b>Option 2: Multiple Tender Process – Sub OJEU</b>
<p><b>Advantages to this Option:</b>          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.</p>
<p><b>Disadvantages to this Option:</b>          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.</p>
<b>Please highlight any possible risks associated with this option:</b>
<b>Option 3: Explore existing COL suppliers with capability and scope</b>
<p><b>Advantages to this Option:</b></p> <ul style="list-style-type: none"> <li>Significantly reduce the procurement time required</li> <li>Shows greater partnership with existing suppliers</li> </ul>
<p><b>Disadvantages to this Option:</b></p> <ul style="list-style-type: none"> <li>If not market tested we may not be getting a competitive price</li> </ul>
<p><b>Please highlight any possible risks associated with this option:</b>          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 .</p>

**Procurement Strategy Recommendation**

<b>City Procurement team recommended option</b>
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*

<b>Option 1: An existing compliant Framework Agreement (Bloom)</b>
<p><b>Advantages to this Option:</b></p> <ul style="list-style-type: none"> <li>Faster route to market</li> <li>Less exposure to risk of legal challenge</li> <li>Fees and margins are capped by framework</li> <li>Known proven vetted list of contractors</li> <li>Bloom framework is the preferred option, and the use of a mini-competition would be the preferred method of selecting a supplier</li> </ul>
<p><b>Disadvantages to this Option:</b></p> <ul style="list-style-type: none"> <li>Reliance on limited marketplace</li> <li>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</li> <li>Possibly less engagement with SME’s</li> <li>The Bloom framework means that bloom manage the contract and reporting, therefore some degree of control is lost</li> <li>5% Levy to use the framework</li> </ul>
<b>Please highlight any possible risks associated with this option:</b>
Potentially may be difficult to get a suitable number of quotes
<b>Option 2: Undertake an OJEU compliant tender</b>
<p><b>Advantages to this Option:</b></p> <ul style="list-style-type: none"> <li>Established and compliant method/process.</li> <li>Established regulatory process aimed at securing a best and final offer at tender stage</li> <li>Allows to shortlist at first stage to avoid review of high-volume returns</li> <li>Allows us to engage with SME’s as opposed to using a framework, which typically have larger suppliers appointed to them</li> </ul>
<b>Disadvantages to this Option:</b>

<ul style="list-style-type: none"> <li>• Tender submission in the first instance is on a best and final offer basis.</li> <li>• Longer timeframes – selection stage and associated evaluation (Restricted)</li> <li>• Many suppliers could respond resulting in a longer evaluation process (Open)</li> </ul>
<p><b>Please highlight any possible risks associated with this option:</b></p> <ul style="list-style-type: none"> <li>• A high level of interest at SQ stage is expected and may place significant demand on project resources.</li> <li>• 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.</li> </ul>
<p><b>Option 3: Contract through the existing JB Riney Highways term maintenance contract</b></p>
<p><b>Advantages to this Option:</b></p> <ul style="list-style-type: none"> <li>• Known contractor with knowledge of COL procedures and processes.</li> <li>• Compliant and quick route.</li> </ul>
<p><b>Disadvantages to this Option:</b></p> <ul style="list-style-type: none"> <li>• Not going out to receive competitive tenders. Not the best possible offer may be received.</li> <li>• Specialism may not cover all areas sought. Mainly sub-contract.</li> <li>• Not testing the market.</li> </ul>
<p><b>Please highlight any possible risks associated with this option:</b></p>

**Procurement Route Recommendation**

<p><b>City Procurement team recommended option</b></p> <p><b>Framework Route - There is consensus between project team and City Procurement that a 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</b></p> <p><b>There is a TfL framework but there is limited choice of consultant.</b></p> <p><b>Current provider should have an opportunity to bid, considering their experience on this project and their reputation for high quality work. They cannot bid through the TfL framework contract, or others as they are not on those frameworks. It will still be a mini competition.</b></p>
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**Sign Off**

<b>Date of Report:</b>	17/04/2019
<b>Reviewed By:</b>	Gillian Howard
<b>Department:</b>	Built Environment
<b>Reviewed By:</b>	Sohail Khan
<b>Department:</b>	<b>Chamberlain's Department</b>