

## Appendix 5: PT4 - PSDS Project

### 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>City Procurement Project Reference:</b>	Not Been Allocated Yet – Due to urgency.		
<b>Project / Contract Title:</b>	PSDS Project		
<b>Project Lead &amp; Contract Manager:</b>	James Rooke	<b>Lead Department:</b>	City Surveyors
<b>Category Manager:</b>	TBC	<b>Other Contact:</b>	Edmund Tran
<b>Total Contract Value (excluding VAT and inc. extension options):</b>	£9,455,948	<b>Contract Duration (inc. extension options):</b>	7 Months
<b>Budget approved Capital/Revenue:</b>	No Capital	<b>Capital Project reference (if applicable):</b>	
<b>Gateway Approval Process</b>			
<ul style="list-style-type: none"> <li>- Is this project subject to the Gateway process? Yes</li> <li>- 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? None so far due to the urgency.</li> </ul>			
<b>Opportunity for Inter-City Collaboration (is there another site/department that could benefit from this project)?</b>			
This is a cross departmental approach considering decarbonisation across the City Estate.			

#### Procurement Strategy Recommendation

<b>City Procurement team recommended option</b>
The proposed approach is a partnering approach. This has been suggested due to the unforeseen within our current stock. A partner role will be to assess, report and deliver on the approved options for each of the sites proposed.

#### Route to Market Recommendation

<b>City Procurement team recommended option</b>
The recommended route proposed is a Mini Competition via the Retrofit Accelerator framework. The relevant investigations have been completed and seems to be a viable option. However, due to the urgency and the critical delivery date to meet grant funding. This seems to be the only viable option in this climate. This framework does have different engagement routes and the Partnering approach is the best method based on the work required to propose another route.

#### Specification and Evaluation Overview

<b>Summary of the main requirements:</b>	
A package of energy efficiency measures to reduce the energy consumption at Barbican Arts Centre, GSMD and Guildhall. Includes LED lighting upgrades, valve replacements, metering, HVAC works, fans, sensor replacements, BMS works & optimisation, energy management software, design & engineering work, project management, contingencies. Also see attached project breakdown.	
<b>Technical and Pricing evaluation ratio</b>	
This is to be determined. Only after an expression of interest stage, will we have further clarity on the best economic vs Technical approach	
<b>Overview of the key Evaluation areas (if known at this stage):</b>	
<ul style="list-style-type: none"> <li>• What extras do we got for our investment? The grant must not be exceeded.</li> <li>• This is an opportunity for a supplier to lead us in certain approaches. What can the provide as the best viable option?</li> </ul>	
<b>Does contract delivery involve a higher than usual level of Health &amp; Safety, Insurance, or Business risk to be allowed in the procurement strategy?</b>	
<ul style="list-style-type: none"> <li>• Enhanced level of health and safety because of works</li> </ul>	
<b>Are there any accompanying documents with this report? e.g. PTO/outlined project plan identifying roles and responsibilities as appropriate</b> If yes, please include information in the appendices section below.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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Will this project require the winning supplier(s) to process personal data on our behalf?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Is there a requirement for a Performance Bond on this Project and if so, on what grounds? No	
Will the procurement process require a financial assessment? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, please indicate recommended assessment: Finance Check <input type="checkbox"/> Financial Appraisal <input type="checkbox"/> Please indicate reasons for this recommendation (please include in this section information on project being rated low/not low): A financial assessment has not been recommended for this project as the framework suppliers will have had to pre qualify to sit on the framework.	
If yes, please make sure you've defined roles and responsibilities within your project specification. For more information visit <a href="#">Designing Specifications under GDPR</a> . 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)	
Edward Tran	James Rooke

**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.

<b>Option 1: Traditional – Client Led</b>
<b>Advantages to this Option:</b> <ul style="list-style-type: none"> <li>Fully Completed Design approach</li> <li>City has full control of the Design approach.</li> <li>Allows for clear pricing options.</li> </ul>
<b>Disadvantages to this Option:</b> <ul style="list-style-type: none"> <li>If unsure of the design approach, would not be suitable as variations would be costly.</li> <li>The City has less control over changes that maybe required.</li> <li>Traditional is an approach used more for standardised approaches.</li> </ul>
<b>Please highlight any possible risks associated with this option:</b> The Use of traditional could result in many different design changes across the different sites and cause programme issues.
<b>Option 2: Partnering</b>
<b>Advantages to this Option:</b> <ul style="list-style-type: none"> <li>Allows more experienced providers to help guide the City to get the best option for the delivery.</li> <li>Provides a design element that will allow to be implemented along the course of the delivery.</li> <li>A more partnering approach allows for a more transparent programme and sharing of information.</li> </ul>
<b>Disadvantages to this Option:</b> <ul style="list-style-type: none"> <li>Costs can be increased.</li> <li>As there is only one supplier, if performance is poor the only option is to cancel the contract.</li> </ul>
<b>Please highlight any possible risks associated with this option:</b> Increased costs but caveated with investment in an inexperienced client us).

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

<b>Option 1: Find a Tender - Open</b>
<b>Advantages to this Option:</b> <ul style="list-style-type: none"> <li>Allows us to engage with the Market as a Whole</li> <li>Open Tender process allows for specialist tenderers to make an impact.</li> </ul>
<b>Disadvantages to this Option:</b> <ul style="list-style-type: none"> <li>Resources could be strained because of the large number of suppliers received.</li> <li>Longer tender period to cater for all suppliers.</li> </ul>
<b>Please highlight any possible risks associated with this option:</b> An already strain team could delay the award and allocation of funds risks the delivery of the programme.
<b>Option 3: Internal Framework</b>
<b>Advantages to this Option:</b> <ul style="list-style-type: none"> <li>City Owns and manages this approach and documentation.</li> <li>We have established relationships with the suppliers which sit on it.</li> <li>The Framework has set Rates</li> </ul>
<b>Disadvantages to this Option:</b>

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<b>Please highlight any possible risks associated with this option:</b>
<b>Option 4: External Framework - Retrofit Accelerator</b>
<b>Advantages to this Option:</b>
<ul style="list-style-type: none"> <li>• Retrofit Accelerator are specialists in this area and have existing relationships with the suppliers.</li> <li>• Part of their delivery to to aid and advise new clients on the best approach to take.</li> <li>• The Framework has set Rates</li> </ul>
<b>Disadvantages to this Option:</b>
<ul style="list-style-type: none"> <li>• We are not using our own standard documents.</li> <li>• This does not engage with the market as a whole.</li> </ul>
<b>Please highlight any possible risks associated with this option:</b> If no tenderers come back, we are unable to deliver the project. Due to time restrictions on the funds, we have not been able to research the market properly and a recommendation has come from the department to delivery via this route.


### Price Mechanism

<b>Option 1: Partnering Bid</b>
<b>Advantages to this Option:</b>
<ul style="list-style-type: none"> <li>• Allows for a joined-up approach to the delivery.</li> <li>• Allows us to set minimum performance KPI requirements to deliver the contract.</li> <li>• Allows us to set 'in addition to' standards where the suppliers can provide us services in addition to our existing.</li> </ul>
<b>Disadvantages to this Option:</b>
<ul style="list-style-type: none"> <li>• This is an untested approach and unable to market test the requirements.</li> </ul>
<b>Please highlight benefits and possible risks associated with this option relative to the specifics of the project:</b>
Unsure if the services for the awarded tenderer is value for money or not.
<b>Option 2: Fixed price - schedule of rates/bill of quantities</b>
<b>Advantages to this Option:</b>
<ul style="list-style-type: none"> <li>• Gives us the best opportunity to cost certainty.</li> <li>• Give a clear deliverable plan</li> </ul>
<b>Disadvantages to this Option:</b>
<ul style="list-style-type: none"> <li>• As we have not conducted surveys yet, we are unsure what the requirements are and could result in costly variations.</li> <li>• Surveys have not been completed, so the possibility of unforeseen is high and could result in variations.</li> </ul>
<b>Please highlight benefits and possible risks associated with this option relative to the specifics of the project:</b>
Without a defined specification the Fixed Price approach is unrealistic.
<b>Option 4: Target cost</b>
<b>Advantages to this Option:</b>
<ul style="list-style-type: none"> <li>• This is a good approach for a client who is able to properly define the condition of their stock and relevant achievable.</li> <li>• Can give our members and stakeholders clear fees that can be achieved.</li> </ul>
<b>Disadvantages to this Option:</b>
Without a defined scope, we are unable to set target costs and could be unrealistic and be unattractive to the tenderers.
<b>Please highlight benefits and possible risks associated with this option relative to the specifics of the project:</b>
The unknown of the scope and the ambiguity around the potential return of investment can result in an unrealistic contract with a supplier.

### Outline of appendices

<ul style="list-style-type: none"> <li>• Please list appendices here or mark 'Not applicable' if there is none.</li> <li>• Items to consider appending: <ul style="list-style-type: none"> <li>○ PTO (Project Plan with Roles and Responsibilities)</li> <li>○ Data Protection Impact Assessment</li> <li>○ <b>risk matrix here</b></li> </ul> </li> </ul>
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### Report Sign-offs

<b>Senior Category Manager Chamberlain's Department</b>	Michael Harrington	<b>Date</b>	<b>04/03/2021</b>
<b>Departmental Stakeholder</b>		<b>Date</b>	<b>08/03/2021</b>

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