

North Somerset Council Decision

Decision Of: Director of Children's Services
With Advice From: S151 Officer and Head of Strategic Procurement
Directorate: Children's Services



Decision No: CY06 (2020/21 SCHEME)

Subject: Contract Award report for the Employer's Agent for the Winterstoke Hundred Academy Extension (WHAE)

Key Decision: YES

Reason:

The value of the contract is greater than £500,000.

Background:

The Highway Infrastructure Fund (HIF) is £5.5 billion capital grant funding available until March 2024.

It has been allocated to local government on a competitive basis, providing infrastructure targeted at unlocking up to 650,000 new homes in England.

Following a successful shortlisting, COU18 on the 8 May 2018, gave authority to work up the business case for this project, as part of Stage Two: Co-Development. This work was completed, and the HIF business case was submitted on 7th February 2019 following approval under 18/19 DE341.

Following a period of assessment and scrutiny, the Ministry of Housing, Communities and Local Government (MHCLG) recommended to the Secretary of State for Housing, Communities and Local Government approval of NSC's HIF FF bid. This was confirmed on the 26th November 2019 in a letter to NSC together with accompanying terms and conditions. The HIF grant was formally accepted at the council meeting on 16th June 2020 subject to approval of the final terms and conditions by the Executive meeting on the 29 June 2020; these were subsequently approved by the Executive for signing.

The award of the HIF grant for NSC is for the delivery of key enabling infrastructure, namely;

- **Secondary school place provision at Weston Villages;**
- Banwell bypass including land assembly and flood mitigation works;

- Local transport improvements including supporting active and sustainable travel and public realm/traffic management within Banwell village and the adjacent road network and villages;
- Utility improvements.

Cabot Learning Federation (CLF) are operating the Winterstoke Hundred Academy on Beaufighter Road (WHA - BR) until their expansion to their main site on the Parklands development is available. WHAE forms part of the HIF grant awarded to NSC.

A Multi-disciplinary consultant was procured to take the scheme to RIBA stage 0-1 by October 2020, with an initial design accommodating 900-1200 school children. These school places are viewed as essential as the demand grows in line with the ongoing housing developments and the development sites related to the HIF grant.

Decision:

It is requested that the contract for the Employer's Agent for the WHAE be awarded to Atkins Limited of Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW Company number: 00688424 on a four-year contract (or until the project in completed) with an estimated contract value of £688,206.

Reasons:

Introduction

The council tendered for the provision of a multi-disciplinary consultant to assist with the design, construction and post-construction stages (RIBA stages 2-7) of WHAE and to provide the following services:

1. Employer's Agent
2. Cost Consultant/Quantity Surveyor
3. Technical Advisor (to include all relevant disciplines)

The works will include:

Programme management, safety management, risk management, quality assurance and management, budget management and cost forecasting, managing and administering the JCT Design and Build 2016 contract, managing and administering the PCSA contract, leading the technical review stage, acting as the Employer's Agent, acting as the Cost Consultant/Quantity Surveyor and acting as the Technical Advisor.

The contract will start in January 2021 and the contract duration is approximately 4 years – or until the completion of the project.

A joint commissioning and procurement plan (20/21 DE135) was approved by the Executive Member for Planning and Transport, advised by the Head of Procurement and the Director of Development and Environment, on 24 September 2020 (see Background Papers).

Market Engagement actions

All appointed suppliers on the WECA framework were notified in advance of the mini competition for this contract and two submitted bids, AECOM and Atkins. WSP opted not to bid because they are also part of the bid team for the WHAE Design & Build tender. The

PSF suppliers were given the option to bid even if they were part of the D&B bid teams, however it was made clear in the tender documents that if the winning bidder won the D&B contract, the Employer’s Agent contract would be awarded to the second placed bidder.

Award Criteria

The following weightings were applied to the evaluation:

- 40% Quality • 60% Price

Quality: Suppliers were required to answer five quality questions, which had the following weightings:

	Quality Submission	Weighting
1	Skills and expertise (Professional expertise)	25%
2	Resource and project management (Business capability, resource & Project team)	25%
3	Examples of similar previous projects (Track record)	10%
4	Cost control and savings opportunities (Commercial offering)	25%
5	Carbon management	15%
	Total	100%

Price: The tender with the lowest total price received the maximum score of 100% and the prices of all other tenders are expressed as a percentage of the maximum score.

Procurement procedure & publishing information

The opportunity was tendered using the WECA Professional Services Framework as the scope of the framework included the services required. The framework has three pre-approved suppliers: AECOM Ltd, Atkins Ltd and WSP Ltd.

The tender information was published on the WECA framework on the 2 October 2020 and the submission deadline was 1pm, 6 November 2020.

Evaluation Panel Members

The panel consisted of:

- Major Scheme Project Manager
- Senior Project Manager (School Team)
- Project Officers (School Team)

Moderated by the Strategic Procurement Service.

Price Evaluation

The pricing schedule included a schedule of different activities e.g. project manager, quantity surveyor, and bidders were asked to complete the day rates and hours for providing these activities through from pre-construction to defects. The supplier is committed to the day rates

submitted in the tender, but the hours are only indicative as the contract will operate on a time charge basis.

Unfortunately, this approach led to a significant variance in the number of indicative hours provided by the two bidders. This made it difficult to evaluate the price element of the bids on a like-for-like basis.

In order to achieve a comparable metric for the evaluation and ensure fairness between bidders, a composite day rate for each supplier was calculated based on:

Total number of days suggested to complete the project / total price = composite day rate

Quality Evaluation

The individual panel members scored the supplier bids. The 2 bidders submitted bids via the council's e-procurement system, Procontract, and the panel evaluated out of 5 using the scoring matrix below:

Score	Classification	Award Criteria
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met, and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

A moderation session was held on the 17 November 2020 to come to a consensus.

The result of the evaluation is as follows:

	Atkins Ltd	Supplier 2
Quality Score	30.00%	27.20%
Price Score	58.85%	60.00%
Total Score	88.85%	87.20%

Social Value

Social value will be delivered in line with the agreed WECA framework requirements.

Contract Management

Contract management will sit with the Senior Project Manager for the HIF Secondary School. The supplier will be engaged on a NEC4 Option E Cost Reimbursable/Time charged contract which will be managed through monthly meetings to discuss the forthcoming resource requirements and anticipated cost. Monthly invoices will be received for work undertaken.

Implementation of contract

The contract will start in January 2021 and the contract duration is approximately 4 years – or until the completion of the project.

Options Considered:

1. CCS Framework or similar

Option to run a mini competition using a framework. e.g. the CCS Project Management and Full Design Team Services. Whilst this would ensure a competitive process and value for money for the council, there were 16 suppliers on the Multi-Disciplinary Lot, which would have involved more time and resource than the WECA PSF to run.

2. Competitive Open Tender

Going to open tender can offer value for money but would be more resource intensive than using a framework agreement. The time to prepare additional tender documentation and evaluate company credentials etc. would not meet the programme requirements.

3. WECA Professional Services Framework

Given the urgency of this work, the project and procurement teams favoured the council's preferred framework, the WECA Professional Services Framework as the basis of this procurement opportunity. This provided a quicker process whilst retaining an element of competition between the 3 suppliers on the framework: AECOM, Atkins and WSP.

Option 3 (WECA Framework) was recommended in the commissioning and procurement plan (19/20 DE392).

Financial Implications:

Based on the anticipated work programme and a day rate agreed with the winning supplier the indicative value of this contract is £688,206. It should be noted that this is an NEC4 Option E Cost Reimbursable/Time charged contract and the scale of support required from the supplier over the duration of the project may vary from what is expected at this stage resulting in an increase or decrease in this value.

The project team will hold monthly meetings with the supplier at which the forthcoming programme is discussed and agreed, along with the resource required from the supplier and associated total cost. At the end of each month the supplier will issue an invoice for the time spent on the project.

This approach will support budget management and cash flow requirements.

Costs:

The approximate break down of the indicative budget across the duration of the project is outlined below:

Year	Activity	Cost
1	Preliminary & detailed design plus statutory permissions	£191,042
2	Construction	£270,321
3	Construction	£171,549
4	Defect management	£55,294
		£688,206

Funding:

The works are funded from the HIF Forward Fund grant allocation of £97,067,550. Of this £27,604,192 is allocated to the construction of the school and £700,000 for the Employer’s Agent contract.

Legal Powers and Implications:

The WECA framework is an inter-authority professional services framework agreement which has been compliantly procured in line with the Public Contracts Regulations 2015.

The call-off contract is an NEC4 Professional Services Contract, populated by the winning bidder and the council.

This procurement also complies with the Public Services (Social Value) Act 2012 and the council’s social value policy. Social value will be delivered in line with the agreed WECA framework requirements.

Climate Change and Environmental Implications:

A project of the scale of a new secondary school has the potential to have significant environmental implications and impact on climate change. This is fully recognised by the NSC project team and it is their intention to ensure that a school is delivered which will minimise these impacts.

It is the project teams’ objective the school will:

- Use a Sustainable Procurement Plan – ensuring that materials used throughout the construction have the minimum possible impact on the environment, through their sourcing, production, operation and end of life
- Deliver a net-zero carbon in operation school
- Achieve a BREEAM Excellent certification – an internationally recognised scheme to measure the environmental performance of buildings
- Certify the building as Passivhaus – an internationally recognised measure of low energy use
- Achieve a minimum biodiversity net-gain of 10%

Atkins have a strong track record of facilitating the delivery these objectives and have communicated through the procurement process how they will work with us to make sure that these objectives are delivered.

Consultation:

All appointed suppliers on the WECA framework were notified of the mini competition for the multi-disciplinary consultant.

Risk Management:

Risk	Impact	Mitigation
Changes in specification of school	More work created for the EA in managing these changes which will result in increase of cost	Project Team to work closely with the contractor design team and the EA and any other relevant stakeholders to minimise amendments to scope.
EA role more involved than anticipated and more resource required	An increase in cost for EA contract which must be found by project team from construction funding or other NSC funding stream	Regular meetings between the project team and the EA to include review of resource requirements and forecasting
Inadequate internal resource available within the appointed EA team	Failure to deliver to the required quality in time and on budget	Rigorous checks during the procurement process to ensure suitable internal capability is available or available via partner organisations
Key individual such as the lead EA or QS becoming unavailable mid-project (i.e. illness, change of role, employer)	A potential loss of continuity which ultimately could affect quality. Delays in programme bringing replacements up to speed	Ensuring that the other members of the EA team, principally the project Director and assistant EA and QS are fully across all aspects of the project

Equality Implications:

An initial screening exercise has been carried out as part of the HIF development business case process to identify protected characteristics that the Equality Act 2010 requires us to consider, in relation to the highway and school infrastructure.

The protected characteristics most pertinent to the highways scheme are age, disability and religion or belief. The school shares the same conclusions, with the addition of sex. Provisions will be made to maximise equality between those who share a protected characteristic and those who do not.

A full equality impact assessment will be undertaken as part of the highway and School development proposal.

Corporate Implications:

The provision of key enabling infrastructure and educational facilities and the improvement of the transport network widely supports the Corporate Plan objectives in all areas of Prosperity and Opportunity, Health and Wellbeing and Quality Place.

Appendices:

N/A.

Background Papers:

Procurement plan

<https://www.n-somerset.gov.uk/sites/default/files/2020-09/20-21%20DE135%20signed.pdf>

Commissioning plan

<http://apps.n-somerset.gov.uk/cairo/docs/doc29685.pdf>

Acceptance of HIF Forward Fund Grant Heads of Terms with Conditions

<https://apps.n-somerset.gov.uk/Meetings/document/report/NSCPM-38-570>

HIF Business Case Development and Submission approval

<http://apps.n-somerset.gov.uk/cairo/docs/doc28834.pdf>

Signatories:

Decision Maker(s):



Signed:

Title: Director of Children's Services

Date: 15.12.20

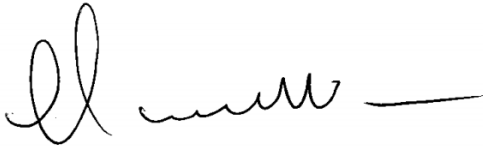
With Advice From:



Signed:

Title: S151 Officer

Date: 14.12.20

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by several loops and a horizontal line at the end.

Signed:

Title: Head of Strategic Procurement

Date: 15.12.20

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable: