

## FORM 2

### NOTICE OF DECISION OF CABINET MEMBER

Pursuant Section 15(4) of the Local Government Act 2000, as amended by section 63 of the Local Government and Public Involvement in Health Act 2007, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1<sup>st</sup> December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

In accordance with the authority delegated to me, I have made the following decision:

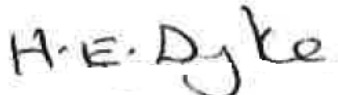
<b>Subject</b>	<b>Decision</b>	<b>Reason for decision</b>	<b>Date for Decision to be taken</b>
The procurement of a suitable contractor to deliver the redevelopment of the Kidderminster Creative Hub (former Magistrates Court), Kidderminster.	<p>Approval granted to enter into a revised* procurement exercise, via a suitable framework, to appoint a contractor to undertake the works to the Kidderminster Creative Hub (former Magistrates Court), as part of the Future High Streets Fund programme.</p> <p>Approval granted for the proposed evaluation criteria to be used within the tender process, as per Paragraph 9 of the Contract Procedure Rules.</p> <p>Delegated authority granted to the Head of North Worcestershire Economic Development and Regeneration, in consultation with the Solicitor to the Council, the Head of Resources and the Cabinet Member for Economic Regeneration, Planning &amp;</p>	To enable the appointment of a contractor to deliver the redevelopment of the Kidderminster Creative Hub (former Magistrates Court) within the Future High Streets Fund delivery timeframe.	27.04.2022

**FORM 2**

	Localism to appoint the contractor, following the evaluation of the bids.  *(noting that the procurement proposals have been amended to reflect the outcome of market engagement since this matter was previously presented)		
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**I confirm that the appropriate statutory officer consultation has taken place with regard to this decision.**

Dated: 27 April 2022

Signed: .....  .....

Councillor: .....Helen Dyke .....  
Leader

## **WYRE FOREST DISTRICT COUNCIL**

### **Strong Leader Report**

**The procurement of a suitable contractor to deliver the redevelopment of the Kidderminster Creative Hub (former Magistrates Court), Kidderminster.**

<b>OPEN with EXEMPT APPENDIX</b>	
<b>CONTACT OFFICER:</b>	Ostap Paparega, Head of NWedR
<b>DATE:</b>	21 April 2022
<b>APPENDICES:</b>	Appendix 1: WFDC – FHSF – FCM – Procurement Strategy Confidential Appendix 2: KCH – Procurement Addendum Note (this appendix is exempt from disclosure because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)). Appendix 3: Quality Questions rev. 2 (issue)

#### **1. PURPOSE**

- 1.1 To seek Cabinet approval to enter into a revised\* procurement exercise, via a suitable framework, to appoint a contractor to undertake the works to the Kidderminster Creative Hub (former Magistrates Court), as part of the Future High Streets Fund programme
- 1.2 The report seeks approval for the proposed evaluation criteria to be used within the tender process, as per Paragraph 9 of the Contract Procedure Rules.
- 1.3 The report also seeks approval for delegated authority to be given to the Head of North Worcestershire Economic Development and Regeneration, in consultation with the Solicitor to the Council, the Head of Resources and the Cabinet Member for Economic Regeneration, Planning & Localism to appoint the contractor, following the evaluation of the bids.

\*(noting that the procurement proposals have been amended to reflect the outcome of market engagement since this matter was previously presented)

#### **2. RECOMMENDATION**

**That the Leader:**

- 2.1 Approves the procurement exercise and the revised tender evaluation model contained in Section 4 of this report; and
- 2.2 Grants delegated authority to the Head of North Worcestershire Economic Development and Regeneration, in consultation with the Solicitor to the Council, the Head of Resources and the Cabinet Member for Economic

Regeneration, Planning & Localism to make any non-material amendments to the tender documents and evaluation criteria, evaluate the submissions received from the tender process and to award the contract for the Kidderminster Creative Hub project.

### 3. **BACKGROUND**

- 3.1 In March 2019 the Council responded to the Government's prospectus (launched in late December 2018) for transformational town centre proposals under the newly established Future High Streets Fund. In August 2019 the Council was notified that it was one of the first 50 successful expressions of interest to be approved and the Council was awarded £150k and invited to develop and submit a full HM Treasury Green Book compliant business case. Following some Government re-scheduling of the deadline for submitting the full business case due to the impact of the Covid19 pandemic, the Council finally submitted its case in June 2020. Against a programme envelope of £25m per authority the Council's bid was for £20.51m comprising interlinked elements which would enable the continued delivery of the strategy to re-balance the town on its west/east axis to improve outcomes for the eastern side of the town. All bidders were invited to re-profile their bids in October 2020 in the light of the potential ongoing impact of Covid-19.
- 3.2 On 26 December 2020 the Government announced the award of funding for projects across the country under the Future High Streets Fund Programme and the Council was one of 15 successful applicants to be awarded funding unconditionally (57 further projects received provisional funding). The Council received its full £20.5m funding request, the fifth highest award of all bidders.
- 3.3 At its meeting on the 9 February 2021, Cabinet agreed to recommend to Council that the Capital Programme is amended to accommodate the award of the Future High Streets Fund programme of initiatives. This was subsequently agreed by full Council at its meeting on 24<sup>th</sup> February 2021.
- 3.4 The projects comprising the bid were the improvement of the former Crown House site and Bullring as a gateway into the town with wider public open space, a multi-functional market and events space and to release some commercial development potential of the site; the acquisition of key properties in Worcester Street to improve access to the Lionfields area (a Strong Leader decision was taken in March 2020 which set out acquisition proposals in more detail as an 'Acquisitions Strategy' and provision was subsequently made in the Capital Programme by Council, in the event that the bid was successful); the rationalisation of the excess parking capacity on the Council's Bromsgrove Street car park to release the potential for a commercial development site; and finally the complete refurbishment of the former Magistrates' Court and indoor

market on Worcester Street as a new creative and innovation hub. These interventions reinforce and improve the access across the town as part of the strategic repositioning of the town and connection ultimately to the railway station as the town's key transport hub. Conceptual and aspirational proposals were submitted in support of the bid to demonstrate what the Council could achieve.

- 3.5 The most complex project of the FHSF is the redevelopment of the former Magistrates Court. Planning application was submitted and considered by the planning committee in January 2022 and subsequently approved on 8 March 2022.
- 3.6 The Council have already appointed professional teams to assist in preparing the designs for the development and also to advise on the most appropriate procurement route. In relation to the procurement route, a report detailing the potential options, and providing a recommendation was produced in November 2021 (see Appendix 1).
- 3.7 At the time the recommendation was produced, the assessment of suitable framework providers was ongoing and as such the soft market engagement with contractors had not yet taken place. Following approval of the recommendation and some framework level engagement, the Procure Partnerships West Midlands Contractors Framework (Procure Partnerships) was selected. A pre-tender contractor engagement was then facilitated through Procure Partnerships to showcase the project and approach prior to issuing the tender documents. Despite 6 potential bidders from the Procure Partnership Framework attending the market engagement, only one contractor committed to bidding for this project. In summary, the key comments from the pre-meet attendees were that:
  - they do not wish to tender on a single stage basis – largely based on the perceived risk that still exists in the project, focused on ground risk and structural risk.
  - some have also expressed concern about risk transfer generally around ground and structural risk

Whilst these are clearly issues contractors will be considering, the consultant's view was that there are wider issues at play. Specifically, that the current tender market is constrained by limited capacity at both main contractor and sub-contractor levels. This is leading contractors to seek opportunities with improved risk profiles and/or lower bidding costs. Anecdotally, we also understand contractors are concerned about the level of competition they may face (number of other contractors who may also submit bids) and are seeking opportunities with limited competition.

- 3.8 Following the feedback received from contractors, the tender strategy was reconsidered to make the tender more attractive to the market and attract competitive offers. The revised recommendation is to undertake a two-stage tender, this responds to market sentiment. This was summarised in a procurement addendum note – see Appendix 2.
- 3.9 Following the recommendations in the procurement addendum note, it is proposed that the Council will seek to appoint a contractor from the Procure Partnership Framework, progressed through a two-stage tender, with typical first stage and a selected contractor then appointed under a PCSA during the second stage. This route will result in stronger competition and the best balance of risk transfer and programme certainty based on the market testing completed in mid-March 2022.

#### 4. **EVALUATION CRITERIA AND SCORING METHODOLOGY**

##### 4.1 Evaluation of Pricing

The Tenderer with the lowest tender price will score the maximum score of 30%. The other tenders will be scored pro-rata as a percentage of their tender sum compared with the lowest tender calculated using the below formula.

$$\text{Weighted Price Score} = \frac{\text{Lowest Submitted Total Price}}{\text{Submitted Total Price}} \times \text{Weighting}$$

##### 4.2 Evaluation of Quality Criteria

All first stage submissions will be evaluated on the quality criteria listed below. All Tenders will be evaluated on a 70/30 split in favour of quality over price. The detailed questionnaire is included in Appendix 3.

Summary Criteria	Weighting
Q1: Team, Resourcing and Personnel	10%
Q2: Health & Safety	10%
Q3: Management of the Works	15%
Q4: Supply chain	10%
Q5: Operations	5%
Q6: Cost Management	10%
Q7: Social Value	10%

- 4.3 The following matrix illustrates how response to questions will be assessed. The scores for each question will be used to calculate a percentage weighting based on the percentage weightings listed above.

<b>Performance</b>	<b>Judgement</b>	<b>Score</b>
Exceeds all expectations	Exceptional	10
Exceeds almost all expectations	Outstanding	9
Exceeds most expectations	Very good	8
Above Expectations	Good	7
Slightly exceeds expectations	Fair	6
Meets expectations	Average	5
Satisfactory but below expectations	Below average	4
Below expectations	Poor	3
Well below expectations	Weak	2
Almost Unacceptable	Very Weak	1
Unacceptable		0

- 4.7 The quality score achieved will be added to the financial score and a final decision made.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The funding for the works covered by the Future High Streets Fund grant award. The professional teams that have already been appointed to assist with the delivery of this project are also funded through the same award.

## **6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 Given that the value of the contract will exceed £175,000, Cabinet approval is required for the evaluation criteria, as outlined in paragraph 9 of the Contract Procedure Rules.

6.2 The successful contractor will be required to enter into a formal contract as identified in the narrative of this report.

## **7. CONCLUSION**

7.1 Due to the value of the contract proposed, authorisation is required for the proposed evaluation model that will be used to assess the tenders. This model has been provided in Section 4 of this report.

7.2 The successful appointment of a suitably qualified contractor will allow for the work that is programmed to be undertaken to be met within the time period. The use of the Procure Partnership Framework will ensure that there are suitably qualified companies that are used to undertaking large complex development projects bidding for the work.

## **8. RISK MANAGEMENT**

8.1 A Programme Board has already been established to oversee the delivery of the Future High Streets Fund programme. The project is being overseen by appointed Project Managers and a project specific risk register, action logs and spend profiles have been prepared and will continue to be updated as the project moves towards appointment of the contractor and then on to delivery.

## **9. EQUALITY IMPACT NEEDS ASSESSMENT**

9.1 This report relates solely to the procurement of a contractor to deliver the development of the Kidderminster Creative Hub site in Kidderminster. The fundamental principles of no discrimination and transparency relate to all procurement exercises; there is no requirement for an Equality Impact Assessment

## **10. BACKGROUND PAPERS**

- ReWyre Initiative: A Prospectus for Regenerating Kidderminster, September 2009
- Kidderminster Central Area Action Plan, July 2014
- Kidderminster Eastern Gateway, Delivery Framework, July 2016



# **Kidderminster Creative Hub**

Procurement Strategy Report  
for Wyre Forest District Council

NOVEMBER 2021

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## Version Control (optional)

Issue	Revision No.	Date Issued	Page No.	Description	Reviewed By
01	DRAFT	October 2021			DJ, KP
02	Draft for Comment	October 2021			DJ
03	Draft for Comment	November 2021			DJ and JE (WFDC)

This report dated 29 October 2021 has been prepared for Wyre Forest District Council(the "Client") in accordance with the terms and conditions of appointment dated 03 May 2021(the "Appointment") between the Client and Error! No text of specified style in document. ("Arcadis") for the purposes specified in the Appointment. For avoidance of doubt, no other person(s) may use or rely upon this report or its contents, and Arcadis accepts no responsibility for any such use or reliance thereon by any other third party.

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## 0. Exec Summary

Arcadis have reviewed the current position of this project, its goals and constraints, and subject to final market engagement, our recommendation is to follow a single stage Design & Build tender process, through a Framework, appointing the Main Contractor using a JCT Design & Build contract without quantities.

In making this recommendation, the report considers key client objectives and the current status of the project. Noting it's inclusion within the Future High Streets Fund, both programme and cost certainty are key to the success of this project. The multi-disciplinary consultant team appointed thus far are well advanced through RIBA Stage 4 Design (Technical Design) and are due to complete this over December 2021/ January 2022. This design detail, coupled with an expected planning approval and associated conditions, is expected to significantly define and control the quality requirements.

The reasons for this recommendation are therefore summarised as follows:

- **Route to Market: Framework Agreement** (with the specific Framework to be agreed based on further framework engagement following a client decision on the procurement approach)
  - The use of Framework Agreements reduces the level of client management and administration associated with pre-qualifying tender submissions and reduces the number of potential tenders to be evaluated. A Framework Agreement is a more streamlined approach in comparison to an Open Procedure, where there is a requirement for a longer time duration for advertising tender opportunities. Therefore, a Framework provides front end programme benefits.
- **Tender Process: Single Stage**
  - The multi-disciplinary consultant team are scheduled to complete RIBA Stage 4 (Technical Design) over December 2021/ January 2022. This is a greater level of detail than is typically produced for either single and two-stage tender processes. Therefore, we consider that there will be sufficient design information available for potential Main Contractors to engage through a single-stage tender process and price the project appropriately.
  - We will market test this approach with the panel members on three frameworks and could revert to a two-stage process if necessary to attract sufficient competition, but believe the level of detail available enables tenderers to go straight to their supply chain with a greater level of certainty enabling an efficient single stage process.
- **Form of Contract: JCT Design and Build without quantities**
  - Design and Build transfers the responsibility for both design and build to one contracting party, therefore reducing the level of client management and administration required to deliver the project. This is in comparison to a Standard Building Contract or 'Traditional' approach, in which the client retains responsibility for design and pays professional fees for appointing a design team. Whilst this could be considered beneficiary regarding quality control, it can leave the client exposed should inadequacies in design lead to problems on site, resulting in claims for extensions of time and costs.
  - The D&B contract can oblige the main contractor to deliver the project to a contract programme and fixed price, therefore providing the client with clearer cost and programme certainty from the beginning of the project.
  - It is also recommended that the Architects and Civil & Structural Engineers would be novated to the Main Contractor to provide continuity in any ongoing design throughout construction. It is also recommended that a shadow Client Design Advisory team are retained from the Architects and

Engineers to provide quality monitoring. Ethical walls within the practices would need to be established. The M&E Engineers would also be retained in a Client Design Advisory role as it is expected that the detailed M&E design remaining to be completed would be undertaken by a specialist sub-contractor.

### **6.1 Next Steps**

- WFDC to confirm contentment with the recommendations within this report and seek confirmation of formal approval for this approach.
- Arcadis and the consultant team to further engage Framework organisations. The team will prepare a short briefing note on the project and procurement plans, and issue to the framework providers as soon as possible to test market appetite. This can include a request for short responses from any interested contractors, including any relevant recent experience.
- Confirm the details of roles and responsibilities going forward (See Appendix C) and agree any appointment amendments for the professional consultant team.
- Arcadis and the consultant team to draft a recommendation for the preferred framework provider. Upon approval, tender process can be prepared for and commenced.

# 1. Introduction

## 1.1 Purpose of the Report

The purpose of this report is to review the different procurement options and considerations available to the Wyre Forest District Council (WFDC), for the main contract works associated with the development of the Kidderminster Creative Hub (Former Magistrates' Court). The report will also seek to make a recommendation regarding the most suited procurement strategy including the route to market, tendering strategy, and contract strategy.

The report will address this by setting out the range of options for main contractor procurement routes, as well as frameworks through which we can implement these routes, and will present a description of each option with specific benefits and drawbacks that are most applicable to the project in question. Due to the range of procurement routes available, only the most utilised options will be discussed in this report.

## 1.2 Summary of the Project

The project forms part of WFDC's Future High Streets Fund (FHSF) programme of work, awarded funding in December 2020. The works include the refurbishment of and conversion of the existing Grade II Listed Building, and the creation of a new-build three-storey extension. The project will lead to the creation of the Kidderminster Creative Hub which will be a 7,680m<sup>2</sup> mixed-use development of flexible community space, workspace, and event space, primarily aimed at the creative industries and small enterprises. Works also comprise associated external works.

The building was originally built and used as a carpet factory but was most recently used as a Magistrates' Court. It has been vacant for c.12 years, during which time the condition of the building has deteriorated.

WFDC have already appointed a multi-disciplinary Professional Consultant team to oversee design work up to the completion of RIBA Stage 4 and to secure Planning Consent for the upcoming development. RIBA Stage 4 is now well advanced, with design work due to complete in December 2021, with finalised outputs to follow in January 2022. A planning application was submitted in August 2021, with a committee date set as 14 December 2021. The RIBA Stage 4 reports are due to complete in December 21/January 22, and with the expectation of planning approval being secured in November, WFDC must now make a decision on the procurement approach they wish to adopt for the delivery of the project.

## 1.3 Key Project Objectives

- Improving the perception of the high street: Re-activation of the unused assets will improve experience, kick start future growth and ensure future sustainability. An improved public open space outside the former Magistrates Court will enhance the gateway entrance to the town from the train station.
- Supporting the adaption of the high street in response to changing technology: Through the re-development and re-purposing of the former Magistrates Court into a digital and creative enterprise hub.

- **Community cohesion:** This community spaces and hubs at the former Magistrates Court as well will bring more cohesion to the town centre and benefit residents by increasing the amenities available within the local community diversifying the offer.

#### **1.4 Key Client Drivers**

- **Time:** The project grant funding must be spent by 31 March 2024, within the FHSF programme requirements or there is a risk funding could be lost. It is therefore essential works are delivered on programme. There is also an appetite for revenue generation to commence as soon as possible. Therefore, it will be key to appoint the contractor at pace to allow construction to commence with some elements of design (such as MEP) to be completed in parallel with the construction stage.
- **Cost:** There is a fixed overall budget for this project. The key requirement is to have cost certainty and maintain price competition to deliver a scheme that delivers the project as described in the business case.
- **Quality:** As a key civic and heritage asset at a key location in the town centre it is important that the project is delivered to a high-quality standard and in line with the heritage requirements which are expected to be included as planning conditions within a Listed Building Consent.

#### **1.5 Summary of Market Conditions**

The UK construction industry has been very significantly affected by both Brexit and Covid-19, as such the scale of construction works have slowed since 2019. Output in construction however stayed strong in Q2 2021, reaching almost £45 billion in real terms – a growth of 3.3%. The volume of construction works undertaken is starting to get back to pre-Covid levels since the sharp decline in activity from March 2020 onwards.

Following a modest recovery in 2020, new orders have recovered strongly and in the second quarter of 2021 surpassed pre-pandemic peaks. Orders increased by 10.7% in the second quarter of 2021 to reach £18.3 billion.

Availability issues and price hikes affecting construction materials have escalated rapidly over the last few months. Latest data from the Department for Business, Energy & Industrial Strategy (BEIS) highlights inflation of 15% since January 2021 across all product categories. In addition, challenges with logistics have expanded from a shortage of containers to the wider paralysis of UK haulage, which lacks tens of thousands of HGV drivers. Lack of capacity is causing widespread delays to deliveries across the whole economy. This perfect inflationary storm is further supported by a strong new orders intake that has taken away work-winning pressure from contractors, reducing competitiveness in the market.



## 2. Route to Market

As the Client is a Local Authority, the procedure for advertising and awarding a tender opportunity is governed by the Public Contract Regulations 2015. There is no longer a requirement to advertise on the Official Journal of the European Union (OJEU), however the wider regulations and requirements do not substantially change. This report considers three options available to run a procurement process to tender for these works. The options explored are:

- 2.1 Open procedure
- 2.2 Restricted procedure
- 2.3 Framework procedure

An overview of each is outlined below, as well as perceived advantages and disadvantages of each, before making a recommendation in the context of this project.

### 2.1 Open Procedure

2.1.1 The Open procedure is a one-stage procurement process which covers exclusion grounds, selection criteria and award criteria. An Open procedure means that any organisation can respond to the advertised Contract Notice, request, or download the procurement documents and submit a tender. All submitted tenders must then be evaluated in line with the methodology and criteria set out in the procurement documents.

2.1.2 The Open procedure is best used where:

- a. the requirements are typically straightforward, with a relatively simple Selection and Award process; and
- b. it is anticipated that only a small number of organisations will respond to the advertised contract notice.

2.1.3 Some advantages and disadvantages of the Open procedure can be summarised as:

Advantages	Disadvantages
Increased competition due to opportunity for any organisation to respond.	Resource implications of a potentially lengthy tender evaluation (high volume of responses)
Organisations of all sizes can tender, increasing the opportunity for innovative proposals	Increases the risk of challenge
Advantageous for simple requirements	Risk of lower quality bids (high volume responses)
Timescale reduced, as no pre-qualification stage	No opportunity to discuss/ refine bids

### 2.2 Restricted Procedure

2.2.1 A Restricted procedure should be used for procurement exercises where market analysis has shown that there are many bidders that could satisfy the tender requirements. The requirements are typically complex, with a relatively detailed selection and award evaluation process.

2.2.2 The Restricted procedure is a two-stage process involving:

- Stage One (Selection): suppliers are alerted to express an interest to a contract opportunity by obtaining and submitting a Selection Questionnaire (SQ); this will be used to establish their capability, experience, and suitability etc. The purpose of the SQ is to select a shortlist of suppliers that are likely to meet the tender requirements.

- Stage Two (Award): shortlisted suppliers that meet the selection criteria are invited to tender. All tenders are evaluated in line with the methodology and award criteria set out in the tender documentation.

2.2.3 Some advantages and disadvantages of the Restricted procedure can be summarised as:

Advantages	Disadvantages
Restricts the number of organisations invited to tender, making evaluation more manageable	Speculative SQ's being submitted since the full tender documentation may be unavailable at the Selection stage
Enables a detailed selection (to ensure basic criteria is satisfied e.g. H&S record and financial performance)	Increased timescales
Improves the quality of bids because there is an increased chance of a bidder being successful and the contracting authority has selected their shortlist of "pre-qualified" suppliers.	Added resource cost and potentially unnecessary burden for suppliers (making the contract opportunity appear unattractive to some)
	No opportunity to discuss/ refine bids

## 2.3 Framework Procedure

2.3.1 Framework arrangements are popular within the Public Sector and with private organisations with regular procurement needs as they can provide an efficient way to procure goods and services of a repetitive nature over a prolonged period, compared to placing a series of one-off orders. Existing Frameworks are also generally OJEU/ Regulation compliant, reducing an element of workload on the Client.

2.3.2 A framework agreement puts in place the pre-agreed terms, such as to price and quality as well as commercial terms, under which individual contracts can be made throughout the period of the agreement, normally a maximum of four years. This enables buyers to further refine their requirements whilst retaining the benefits offered under the framework agreement to place orders for services without having to first run lengthy full tendering exercises

2.3.3 From the Employer's perspective, a framework agreement is a means to procure goods and services over a period of time, and for one or more projects or schemes. Framework agreements provide for long-term relationships with several suppliers and are therefore conducive to sustainable investment and employment in local construction businesses and the reduction of waste in processes and physical resources.

2.3.4 Some advantages and disadvantages of the Framework procedure can be summarised as:

Advantages	Disadvantages
Potentially significant reduction in procurement timescales	Smaller or specialist local suppliers or contractors may be excluded because of the effort required to gain a place on a framework
Reduced procurement costs for individual projects and reduced client admin/ management	Some elements of the framework terms and conditions, pricing requirements etc are likely to be fixed and cannot respond to project specific needs
Robust agreements as a result of prolonged development over time	

Pre-agreed terms and conditions enabling funders/clients to simply “call-off” the framework to meet their requirements	
Long term relationships with suppliers	
Performance measurement systems designed to encourage continuous improvement	

2.3.5 Concern has been raised that the Contractors listed on a Framework agreement may be inexperienced or unable to deliver Listed Building projects. The Client and Arcadis have identified and engaged some existing Framework partners – namely, Procure Partnerships, Constructing West Midlands, and Crown Commercial Services – who have confirmed that the Contractors in their appropriate Lots will have sufficient experience in delivering Listed Building projects, and that evidence of this can be requested from them as part of their tenders.

2.3.6 To enable the Framework procedure to commence, Frameworks often require a project summary document to alert and inform Contractors of the upcoming development scope and timescales for them to confirm their expression of interest and resource for the tender process and project.

## 2.4 **Comparison and Impact on the Project**

2.4.1 It should be noted that although the Open procedure ensures that smaller, local contractors are not excluded from the opportunity to tender for this project, it is likely to attract a higher volume of responses and therefore a greater amount of time, management, and associated cost to fully evaluate responses and identify those which both qualify, as well as capture desirable quality and cost criteria to proceed. The additional and increased level of client-side management required to undertake this route has not been considered thus far and will have a programme impact.

2.4.2 As per 2.3.5 above, some concern has been raised about the suitability of Contractors listed on Frameworks to work successfully with Listed Buildings. Given the notability of the Contractors listed on each of the Frameworks approached, we consider this a very low risk and consider that all Contractors (mostly Tier 1 and 2), are likely to have the capabilities and access to supply chains required. A list of Contractors on the various frameworks are appended at Appendix A.. Furthermore, evidence of working with Listed Buildings can be requested as part of our evaluation criteria, facilitated by the Framework.

2.4.3 Much of the pre-qualification criteria associated with tendering has already been undertaken by the Framework providers and shortlist Contractors on their Lots. This reduces the level of client management required at an early stage and enables qualitative evaluation sooner, as all responses are pre-qualified.

## 2.5 **Recommendation**

2.5.1 Given the programme considerations required for this project, and the benefits of a more focused procurement process, it is our recommendation that a Framework procedure is used to progress Contractor procurement.

2.5.2 It is considered that the Framework procedure provides greater programme benefits through less time spent on “up-front” management of the tender and selection process. Pre-qualification is already undertaken, and there is only a set number of possible tender returns (although large enough to ensure sufficient competition in cost and quality).

2.5.3 Although Frameworks limit the pool of Contractors, those listed on the Frameworks that we have considered are of a well-established nature within the construction industry and so we should take confidence in their capabilities and supply chain.

2.5.4 As per 2.3.5 above, we have approached the following Framework providers:

- Procure Partnerships: West Midlands Framework. Lot £12m+.
- Constructing West Midlands: Lot 2
- Crown Commercial Services: Construction Works and Associated Services. Lot 3.1

2.5.5 Upon approval of proceeding with the Framework procedure, we will undertake further market engagement to test appetite before seeking to agree which Framework this project should proceed with.

## 3. Tender Process

Construction projects are typically tendered through either a 'single-stage' or a 'two-stage' process. The main aim of the single-stage approach is to generate a firm price at the outset through a competitive tendering process, where-as the two-stage approach embraces a more collaborative open book approach throughout the project and can benefit through Early Contractor Involvement (ECI) through design, procurement, and buildability input. ECI is usually facilitated via Pre-Contract services Agreement (PCSA).

There are pros and cons to both routes.

### 3.1 Single Stage Tendering

- 3.1.1 Single-stage tendering is when a client issues a tender for the whole project, with all the relevant information provided at the point of issue. The process seeks to ensure that the client can secure a competitive price and to this end, the contractor may decide to price more competitively in order to secure the project.
- 3.1.2 It can be an efficient route to obtaining a contractor. However, if elements from the project specification are missing or are unclear, or there are changes after the contract has been signed, it can lead to adjustments being made later in the contract, and the final account may be very different as unforeseen costs mount up and contractors seek to improve their profitability from a very competitive tender process.
- 3.1.3 The process also means clients are unable to benefit from early contractor engagement, as the process can take a long time in competition and contractors can be reluctant to engage in single stage tenders due to the bidding risks.

Advantages	Disadvantages
Tender programme benefits: There is only one stage of tendering.	Perception in the market that there is less appetite for single stage tenders at the moment. This is usually because design is not as well progressed, leaving uncertainty for contractors when pricing.
Competitive process through to the point of selecting the preferred contractor.	Less of an opportunity for ECI or a PCSA to further develop design, risk management, buildability, and logistics before committing to start on site.
The competitive nature can result in more competitive pricing returns from the tenderers.	There is more information to review upon receipt of tender returns, however, this process is only needed once.
If the design and tender documents are well developed and coordinated, then the client is able to get clearer cost certainty early upon return of the tenders.	
Reduced client management and administration (and associated costs), as there is only one stage to manage.	

### 3.2 Two-Stage Tendering

- 3.2.1 Two-stage tendering involves an initial competition stage, followed by early collaboration between client and selected contractor. This is typically achieved through a Pre-Construction Services Agreement (PCSA), a contract that typically covers the design/project development activity through RIBA PoW Stage 3 to 4. For many projects, and especially for those that are more complex, it can be useful to obtain contractor input before there is sufficient information available to enter into the main works contract. The preferred contractor can add value by driving out risk in the design, improve buildability, drive innovation, optimise logistics strategies and then prepare a fixed price offer to undertake the works once sufficient information is available.
- 3.2.2 In a two-stage tender, the first stage competition is typically based on deliverables including a construction programme and method statement, detailed preliminaries pricing, overheads and profit and the contractor’s price for accepting all the design and construction risks as defined under the main contract. Additionally, the contractors proposed team for the second stage services and main contract, together with the quoted PCSA fee are significant factors. Should time, information availability and contractor willingness allow, the first stage may also include the competitive tendering of some work packages. The first stage should conclude with the appointment of the preferred contractor under a PCSA.
- 3.2.3 Once appointed, the preferred contractor co-operates with the client’s designers in developing the design, begins to tender the works packages for fixed price lump sums and develops any contractor’s proposals. Once there is an agreement on the second stage lump sum and the contractor’s proposals, the main contract can be awarded.
- 3.2.4 For projects which are relatively complex, high risk, or subject to requirements including tight programmes and difficult site locations, ECI can be expected to help achieve objectives such as:
- establish an early collaborative working relationship,
  - encourage joint risk and value management and the alignment of project objectives,
  - obtain input from the contractor, subcontractors and specialist suppliers to develop the design,
  - maximise the design’s buildability at the earliest possible moment,
  - clarify the scope of work allocation between the designer and the contractor prior to the construction phase,
  - promote innovation in the use of new construction technologies,
  - improve the planning of construction sequence, methodology and logistics, and
  - improve early cost certainty of the project.
- 3.2.5 One risk which should be noted regarding the two-stage process is that a level of competition is lost in the second stage. The preferred contractor might assume they will be awarded the contract, and although there is an open book process in costing, there is less competition amongst Main Contractors and the supply chain and less incentive to price competitively as a result.

Advantages	Disadvantages
Perception that there is greater appetite within the market for a two-stage process.	One a preferred contractor has been selected after the first stage, an element of competition is lost throughout the PCSA and second stage as the contractor assumes they will be awarded the job.

The client is able to fix cost certainty on items such as overheads and prelims after the first stage.	Additional programme requirements in the tender process. There are two stages to consider in the programme, as well as the PCSA stage to continue to develop the design for the second stage.
ECI to further develop design, buildability, and logistics before committing to start on site.	Increased client management, administration and associated costs with managing a two-stage process.
If design is not well developed at the first stage, the preferred contractor can develop design alongside the client/ design team in the second stage.	
Open communication between the contractor and client when pricing packages in the second stage and cost certainty in the second stage.	

### **3.3 Comparison and Impact on the Project**

- 3.3.1 Before proceeding with either single or two-stage tendering, we should first consider the current stage at which the project is at.
- 3.3.2 The design team are well progressed through RIBA PoW Stage 4 and are due to complete the deliverables by January 2022. At this stage the only outstanding design should be the completion of M&E packages, but tender information for this will be available as a performance specification and schematic designs. It is assumed that the M&E sub-contractor would complete detailed design in any case.
- 3.3.3 Proceeding with a single stage process would provide significant programme benefits, and there is a greater level of detail available to undertake this process than is generally the case. It is not uncommon for a single stage tender to be tendered on RIBA PoW Stage 3 information, with detailed Employer’s Requirements. This project will be beyond this level of detail, with RIBA Stage 4 information available, as well as expectation of a planning approval and any associated conditions which may impact the design.
- 3.3.4 If a single stage process was applied, we would expect to issue an Invitation to Tender in January 2022, with an appointment in April or May 2022.
- 3.3.5 As discussed, a benefit of two-stage tendering is that it allows ECI, meaning Contractor input on the “buildability” and logistics of the evolving design, a perceived reduction in risk, and greater cost certainty. On a complex project such as the Kidderminster Creative Hub, this can be beneficial, and improve cost certainty in the absence of detailed design development.
- 3.3.6 If a two-stage process was applied, we would be looking to conclude the first stage and appoint the Contractor under a PCSA in March 2022. We would look to conclude the second stage and make an appointment in July 2022.

### **3.4 Recommendation**

- 3.4.1 Given the design and specification for the Kidderminster Creative Hub is of a greater level of detail than is usually required for a single stage tender - or the first stage of a two-stage process - we would recommend exploring a single stage approach, with a view to novation of the design team to the main contractor, and a retained client design advisor team with ethical walls.
- 3.4.2 A single stage approach will provide an initial programme benefit and ensure a level of increase competition throughout the process, encouraging tenderers to price competitively if they want

to secure the contract. This approach should also reduce the associated costs with management of the tender process; there is only a single stage to manage. We would advise testing the market through each of the three frameworks to gain comfort that this would be positively responded to by Contractors in the market. If it was not well received then a two-stage process could be reverted to.

- 3.4.3 The current level of design is produced to a technical level (RIBA Stage 4) and should be complete in January 2022. This level of detail should allow Contractors a greater level of certainty when going out to the market for prices on packages, therefore encouraging them to pursue this single stage tender opportunity. By engaging Contractors via Framework Agreements we will be able to determine whether this remains the case at an early stage, and whether we need to allow an element of flexibility to revert to a two-stage approach.
- 3.4.4 *It should be noted that there is a current risk in the market around materials supply. This means that there may be more change post tender or clarifications during the tender process than would usually be the case at the end of a single stage process, or a process with RIBA4 design information. This may occur if materials specified in the RIBA4 information are not available at a competitive price, or in a timely manner when contractors price the work. In a single stage tender process this might lead to more tender queries whilst contractors work out what is available with suppliers. However, proposed changes or variations from specification would need to be evidenced and approved by the client and their advisory design team.*



## 4. Contracting Approaches

In considering the optimum contracting approach for the project the two most applicable approaches are considered – Design and Build (D&B) and traditional.

### 4.1 Design and Build

4.1.1 Through D&B, the client engages a single company to perform both the design and construction of the works under a single contract. While the client may have already appointed a Design team and developed design to a particular stage (often RIBA Stages 3/4) before the point at which a D&B contract is awarded, the client transfers responsibility for the design to the Contractor. In this instance, the client might choose to novate the Design Team or retain them as advisors, ensuring contractor compliance with Employer’s Requirements, design, and specification.

4.1.2 D&B is a procurement process that is expected to speed up the programme and deliver a more time efficient and cost-effective design solution, because the appointed Main Contractor assumes responsibility for the delivery of the project on programme and for their specified price, reducing client risk and timescales associated with client admin and management.

4.1.3 Some typical advantages and disadvantages of Design and Build can be summarised as:

Advantages	Disadvantages
Single company takes full responsibility for the delivery of the project (design and build)	The client has less day-to-day control of the design and quality and will have to rely on the Contractor to complete the details of the design that have not been addressed by the Employer’s Consultants. (This can be mitigated using Client Advisors).
Greater cost certainty	If dissatisfied with the Contractor’s design development, the client will have to instruct changes, often resulting in increased costs or programme implications
The Contractor can be planning the build at the same time as the design process is ongoing and get on site sooner	
Greater “buildability” and efficiency on site, as the Main Contractor takes responsibility for both D&B.	

### 4.2 Traditional

4.2.1 Traditional delivery involves appointing a Lead Consultant/ Designer (often an architectural practice) and other supporting members of a Design Team to undertake the design and planning of the project. The client directly sets and manages the design and the budget parameters.

4.2.2 The traditional procurement process generally has three stages: design, bid and build. In this process, the project owner negotiates separately with a Lead Designer regarding the design of the project, and construction Contractor regarding the construction. Firstly, the project owner hires a design firm to deliver complete **design** documents. The company then

requests **bids** from contractors to perform the work defined in the tender documents and awards the tender to their preferred contract to **build** the project.

4.2.3 Some advantages and disadvantages of Traditional can be summarised as:

Advantages	Disadvantages
Client retains close control of the project, especially the design and specification	Unable to procure a contractor until the design is suitable complete and ready for tendering
Can use the tender process to choose the contractor based on the lowest price or best quality, or a combination of both that best fits its needs	The client remains responsible for any inadequacies in the design, and therefore the complications which may occur through construction because of these – therefore exposing themselves to claims for extensions of time and cost
Can deliver a more fully designed specification for the works, resulting in greater confidence in the tendered price as the magnitude of post-contract changes should be reduced	May face uncertainty if defects are discovered later as to whether the defects are the result of defects in design (Employer’s liability) or workmanship (Contractor’s liability)

### 4.3 Comparison and Impact on the Project

4.3.1 Given the complexity of design and treatment required with Grade II Listing of this project, the Traditional approach would provide the Client with greater control regarding control and quality of the ongoing project compared to the D&B route. This is because the Client retains responsibility for the design elements of the project.

4.3.2 However, consideration should be given to the implications of this and the specific context of this project:

- The client would need to appoint the design team from RIBA PoW Stage 5 through to completion of the project and must consider the associated costs, and time and management for this approach. They would also need to manage the interface between a designer appointed by them and the contractor as well as any works cost changes as a result.
- The client remains responsible for design and therefore complications which may arise through construction because of inadequacies in the design. This could leave the Contractor entitled to (and client exposed to) claims for extensions of time and cost.
- In the specific context of this project, it is important to note that planning permission and detailed construction drawings will be available prior to the procurement process commencing. This is with the exception of a fully coordinated M&E design, which is commonly designed and undertaken by the appointed M&E sub-contractor in any case.

4.3.3 Consideration should also be given to other Client drivers: programme and cost.

4.3.4 Proceeding with a D&B approach transfers risk on cost and programme to the Main Contractor. If a contract is signed for an agreed fixed price, then the contractor must adhere to this price subject to the terms of the contract. The contractor may price a greater level of risk and contingency, but there is greater cost and programme certainty from the beginning for the client. The contractor is responsible for design and build elements and their coordination, reducing the risk of the client causing delays.

### 4.4 Recommendation

4.4.1 Design and Build transfers the responsibility for both design and build to one contracting party, reducing the level of client management and administration required to deliver the project.

- 4.4.2 This is in comparison to a Standard Building Contract, in which the client retains responsibility for design and has to manage a design team, as well as the interface between the design team and the contractor. Whilst this could be considered beneficiary regarding quality control, it can leave the client exposed should inadequacies in design lead to problems on site, resulting in claims for extensions of time and costs. The client must also pay the associated professional fees for appointing the design team.
- 4.4.3 The D&B contract can oblige the main contractor to deliver the project to a contract programme and fixed price, therefore providing the client with clearer cost and programme certainty from the beginning of the project.
- 4.4.4 In order to facilitate and minimise the risk of significant design changes, it is recommended that the Architects and Structural Engineers would be novated to the Main Contractor. This would provide continuity in any ongoing design throughout construction.
- 4.4.5 It is also recommended that a shadow Client Design Advisory team are retained from the Architects and Engineers to provide quality monitoring. Ethical walls within the practices would need to be established. The M&E Engineers would also be retained in a Client Design Advisory role.

## 5. Form and Type of Contract

### 5.1 JCT Options

The JCT suite is probably the most widely used suite of contracts for building works within the UK. While the suite contains many variants, the options explored herein include:

- Design and Build Contract (DB)
- Standard Building Contract with Quantities (SBC/Q)
- Standard Building Contract with Approximate Quantities (SBC/AQ)
- Standard Building Contract without Quantities (SBC/XQ)

#### 5.1.1 Design and Build Contract (DB)

- Appropriate:
  - Where detailed contract provisions are necessary, and Employer's Requirements have been prepared and provided to the Contractor.
  - Where the Contractor is not only to carry out and complete the works, but also to complete the design.
  - Where the Employer employs an agent (who may be an external consultant or employee) to administer the conditions.
- Can be used:
  - Where the works are to be carried out in sections.
  - By both private and local authority employers.

*Where the Contractor is restricted to design small discrete parts of the works and not made responsible for completing the design for the whole works, consideration should be given to using one of the JCT contracts that provide for such limited design input by the Contractor and the employment of an Architect/Contract Administrator.*

#### 5.1.2 Standard Building Contract with Quantities (SBC/Q)

- Appropriate:
  - For larger works designed and/or detailed by, or on behalf of the Employer, where detailed contract provisions are necessary, and the Employer is to provide the Contractor with drawings; and with bills of quantities to define the quantity and quality of the work.
  - Where an Architect/Contract Administrator and Quantity Surveyor are to administer the conditions.
- Can be used:
  - Where the Contractor is to design discrete part(s) of the works (Contractor's Designed Portion).
  - Where the works are to be carried out in sections.
  - By both private and local authority employers.

#### 5.1.3 Standard Building Contract with Approximate Quantities (SBC/AQ)

- Appropriate:
  - For larger works designed and/or detailed by, or on behalf of the Employer, where detailed contract provisions are necessary and the Employer is to provide the Contractor with drawings; and with approximate bills of quantities to define the quantity and quality of the

work, which are to be subject to remeasurement, as there is insufficient time to prepare the detailed drawings necessary for accurate bills of quantities to be produced.

- Where an Architect/Contract Administrator and Quantity Surveyor are to administer the conditions.
- Can be used:
  - Where the Contractor is to design discrete part(s) of the works (Contractor's Designed Portion).
  - Where the works are to be carried out in sections.
  - By both private and local authority employers.

#### 5.1.4 Standard Building Contract without Quantities (SBC/XQ)

- Appropriate:
  - For larger works designed and/or detailed by or on behalf of the Employer, where detailed contract provisions are necessary, and the Employer is to provide the Contractor with drawings; and with either a specification or work schedules to define adequately the scope and quality of the work and where the degree of complexity is not such as to require bills of quantities.
  - Where an Architect/Contract Administrator and Quantity Surveyor are to administer the conditions.
- Can be used:
  - Where the Contractor is to design discrete part(s) of the works (Contractor's Designed Portion).
  - Where the works are to be carried out in sections.
  - By both private and local authority employers.

## 5.2 NEC Options

It is generally considered that the NEC Engineering and Construction Contract (ECC) suite of contracts are more often used for engineering and infrastructure works. Similar to the JCT, the NEC suite contains many variants. The most suitable options considered here are:

### NEC4 ECC

- Option A: Priced Contract with Activity Schedule
- Option B: Priced Contract with Bill of Quantities

#### 5.2.1 ECC Option A: Priced Contract with Activity Schedule

Option A is a priced contract with an activity schedule where the risk of carrying out the work at the agreed prices is largely borne by the contractor. This document contains all the clauses, the shorter schedule of cost components, and contract data, relevant to an Option A contract. This option provides the highest level of cost certainty.

#### 5.2.2 ECC Option B: Priced Contract with Bill of Quantities

Option B is a priced contract with a bill of quantities where the risk of carrying out the work at the agreed prices is largely borne by the contractor. This document contains all the core and secondary option clauses, the shorter schedule of cost components, and contract data, relevant to an Option B contract.

## 5.3 Comparison and Impact on the Project

- 5.3.1 It is generally accepted that the JCT suite is more applicable to building projects of this nature, whilst the NEC suite is more suited to engineering and infrastructure projects, and so the recommendation proceeds on this basis with comparison amongst the JCT variants discussed above.

#### **5.4 Recommendation**

- 5.4.1 JCT Standard Building Contract without Quantities (SBC/XQ) provides a sensible balance of risk transfer and seems the most suited approach in these project circumstances.
- 5.4.2 NEC contracts require higher levels of administrative burden on the client aren't commonly used in building projects. They are most commonly used on engineering and infrastructure projects.
- 5.4.3 In comparison, JCT contracts reduce the administrative burden on the client and industry standard for building projects.
- 5.4.4 The use of a JCT should increase market appetite, in comparison to an NEC.

## 6. Recommendation and Next Steps

### 6.2 Recommendation

Arcadis have reviewed the current position of this project, its goals and constraints, and subject to final market engagement, our recommendation is to follow a single stage Design & Build tender process, through a Framework, appointing the Main Contractor using a JCT Design & Build contract.

In making this recommendation, the report considers key client objectives and the current status of the project. Noting it's inclusion within the Future High Streets Fund, both programme and cost certainty are key to the success of this project. The multi-disciplinary consultant team appointed thus far are well advanced through RIBA Stage 4 Design (Technical Design) and are due to complete this over December 2021/ January 2022.

The reasons for this recommendation are summarised as follows:

- Route to Market: Framework Agreement (with the specific Framework to be agreed based on further framework engagement following a client decision on the procurement approach)
  - The use of Framework Agreements reduces the level of client management and administration associated with pre-qualifying tender submissions.
  - Unlike an Open procedure, there is no requirement for a time duration for advertising the tender opportunity. Therefore, a Framework provides front end programme benefits.
  
- Tender Process: Single Stage
  - The multi-disciplinary consultant team are scheduled to complete RIBA Stage 4 (Technical Design) over December 2021/ January 2022. This is a greater level of detail than what is typically produced for both single and two-stage tender processes. Therefore, we consider that there will be sufficient design information available for potential Main Contractors to accept a single-stage tender process.
  - We do appreciate that this approach is still subject to market testing, but believe the level of detail available enables tenderers to go straight to their supply chain with a greater level of certainty
  
- Form of Contract: JCT Design and Build
  - Design and Build transfers the responsibility for both design and build to one contracting party, therefore reducing the level of client management and administration required to deliver the project in comparison to a Standard Building Contract, in which the client retains responsibility for design and pays the associated costs for appointing a design team. Whilst this could be considered beneficiary regarding quality control, it can leave the client exposed should inadequacies in design lead to problems on site, resulting in claims for extensions of time and costs.
  - The D&B contract can oblige the main contractor to deliver the project to a contract programme and fixed price, therefore providing the client with clearer cost and programme certainty from the beginning of the project.
  - It is also recommended that the Architects and Structural Engineers would be novated to the Main Contractor to provide continuity in any ongoing design throughout construction. It is also recommended that a shadow Client Design Advisory team are retained from the Architects and Engineers to provide quality monitoring. Ethical walls within the practices would need to be established. The M&E Engineers would also be retained in a Client Design Advisory role.

### **6.3 Next Steps**

- 6.3.1 WFDC to confirm contentment with the recommendations within this report and seek confirmation of formal approval for this approach.
- 6.3.2 Arcadis and the consultant team to further engage Framework organisations. The team will prepare a short briefing note on the project and procurement plans, and issue to the framework providers as soon as possible to test market appetite. This can include a request for short responses from any interested contractors, including any relevant recent experience.
- 6.3.3 Confirm the details of roles and responsibilities going forward (See Appendix C) and agree any appointment amendments for the professional consultant team.
- 6.3.4 Arcadis and the consultant team to draft a recommendation for the preferred framework provider. Upon approval, tender process can be prepared for and commenced.



## 7. Appendices

- A | List of contractors on frameworks considered**
- B | Single stage and two stage Process: Headline Dates**
- C | Proposed roles & responsibilities in procurement process**

## A | List of contractors on frameworks considered

### 1. Procure Partnerships – Contractor Framework West Midlands

Contractors (£12m+ Lot):

- BAM
- Galliford Try
- Kier
- Tilbury Douglas
- Lang O'Rourke
- McLaughlin & Harvey
- Morgan Sindall
- Willmott Dixon

### 2. Constructing West Midlands

Contractors (Lot 2 in excess of £5m):

- ISG
- Galliford Try
- Morgan Sindall
- Willmott Dixon

### 3. Crown Commercial Services - Construction Works and Associated Services

Lot 3.1 (North): Construction Works (£10m - £30m)

Contractors (Lot 3.2 England South):

- Balfour Beatty Construction
- BAM Building & Infrastructure
- Bouygues (U.K)
- Galliford Try Construction
- Henry Boot Construction
- Henry Brothers
- ISG Construction
- John Graham Construction
- Kier
- Laing O'Rourke
- McLaughlin & Harvey
- Russells
- Tilbury Douglas
- Wates

## B | Single stage and two stage process: Headline Dates

Activity	Single stage	Two stage
Framework Project Engagement	November 2021	November 2021
Invitation to Tender	January 2022	*December 2021
Tender Response	March/April 2022	February 2022
Recommendation	April 2022	February 2022
PCSA Period	-	March – May 2022
Second Stage Tender Response	-	June 2022
Recommendation	-	June 2022
Contract Award	May 2022	July 2022
Start on Site	June 2022	August 2022

*\*First stage*

## C | Proposed roles & responsibilities in procurement process

Scope of Services	WFDC	Arcadis	Focus	BIFF	Additional Notes
<b>Pre-tender</b>					
In consultation with the Project Team and the Client, agree the procurement route and the standard form of Building Contract.	✓	●	○	○	
Complete design development and preparation of the drawings and specifications in readiness for inclusion in the Employers Requirements	✓	○	○	●	
Develop prelims to be included in the tender pack	✓	○	●	○	
Develop pricing schedule and evaluation for completion by the contractor	✓	○	●	○	
Develop evaluation criteria in consultation with the Client and Project Team	✓	●	○	○	
Collate information from the Client and Project Team and assemble the Employer's Requirements and wider tender pack, based on WFDC standard docs.	✓	●	○	○	WFDC solicitor to prepare contract, schedule of amendments and accompanying schedules such as warranties. Focus to have a key role in this process as well.
Collate and issue the tender documentation to Client's procurement team for issue to the framework administrators/via Council procurement portal.	✓	●	○	○	
<b>During Tender</b>					
Lead the tender process including coordination of tender any addendums, tender queries and mid- or post- tender interviews/engagement with Contractors.	✓	●	○	○	
Review and assess tender response including programmes, method statements experience, teams, CVs and the like to ensure alignment with the contract documentation and the further review and evaluation of responses to any Design Queries, clarifications etc from the tenderer.	✓	●	○	○	
Coordinate the assessment of the submission from the selected tenderer of technical information such as design / specifications, pricing information, cash-flows, insurances, health and safety information etc	✓	●	○	○	
Review and assess tender response including pricing information, cash-flows, insurances.	✓	○	●	○	
Review and assess tender response including design / specifications, construction methodology etc.	✓	○	○	●	
Preparation of the recommendation report to seek approval from the Council to award the contract with input from the wider Project Team	✓	●	○	○	
<b>Post Tender</b>					
Agree the detailed content and assist with the finalisation of the contract documentation.	✓	○	●	○	WFDC solicitor to prepare final contract, schedule of amendments and accompanying schedules such as warranties.
Novate to Contractor team following appointment, providing ethically separate shadow team, including M&E designer, to act as client advisor.	✓	○		●	
Support the client through the project delivery process, playing appropriate roles as PM, QS and Client Design Advisor.	✓	●	○	○	

Key	
Lead	●
Contribute	○
Approve	✓

## Evaluation of Pricing

The Tenderer with the lowest tender price will score the maximum score of 30%. The other tenders will be scored pro-rata as a percentage of their tender sum compared with the lowest tender calculated using the below formula.

$$\text{Weighted Price Score} = \frac{\text{Lowest Submitted Total Price}}{\text{Submitted Total Price}} \times \text{Weighting}$$

## Evaluation of Quality Criteria

All first stage submissions will be evaluated on the quality criteria listed below. Tenderers are requested to **format any response in line with the below criteria** e.g. use the criteria as headings for the various sections of any submission.

All Tenders will be evaluated on a **70/30** split in favour of quality over price.

The quality criteria and weightings are as follows:

Summary Criteria	Weighting
Q1: Team, Resourcing and Personnel	10%
Q2: Health & Safety	10%
Q3: Management of the Works	15%
Q4: Supply chain	10%
Q5: Operations	5%
Q6: Cost Management	10%
Q7: Social Value	10%

**QUESTION 1: Team, Resourcing and Personnel**

OVERALL MAXIMUM WEIGHTED SCORE AS A PERCENTAGE OF THE TOTAL QUALITY SCORE

10%

**Question Area**

Resourcing, key personnel, experience, relevant project delivery structure(s)

**Introduction**

The successful tenderer must demonstrate how delivery of the Project will be structured and resourced, to deliver on client expectations.

**Question**

Please specify exactly how your organisation will arrange and structure your business and team to manage the requirements of the Works at Kidderminster Creative Hub. Please, include:

- Submit CVs for all personnel including names, skills, experience, qualifications, and competence of the key personnel
- How your organisation will provide the other resources you will require under the Contract
- A structure chart showing how the key Personnel are connected, and how other resources (head office, site labour, sub-contractors) will be connected to them
- Provide references and examples of 2-3 recent schemes of similar type and size on which those with key responsibilities have worked together on.

**Purpose of Question and Reasoning:**

*To assess the professional competencies, experience and capabilities of the tenderer's team, who will be delivering the requirements under the Contract*

**Page limit – 5 sides A4 response, plus up to 10 CVs single sided on A4, minimum font size 10pt Arial.**

**QUESTION 2: Health and Safety**

OVERALL MAXIMUM WEIGHTED SCORE AS A  
PERCENTAGE OF THE TOTAL QUALITY SCORE

10%

**Question Area**

Health and Safety

**Introduction**

The Council must be satisfied that the tenderer has the necessary skill, experience, and expertise to appropriately manage health and safety throughout the delivery of the project, in line with all relevant legislation, regulation as well as its own and the Employer's policy requirements.

**Question**

The tenderer shall, by referring to the Pre-Construction Information pack, submit a comprehensive statement on the key considerations, principles and criteria for their Construction Phase Health and Safety Plan relating to the site and its constraints, in accordance with the tender documents.

As a minimum, this should cover:

- Risk assessments
- Management system
- Selection of suppliers / subcontractor
- Communication
- Emergency procedure
- Records
- Personnel
- Monitoring
- Covid management and safety of staff

**Purpose of Question and Reasoning:**

*To undertake an assessment of the tenderer's processes and procedures to Health and Safety management including assessing the systems, resources and monitoring arrangements proposed to be adopted throughout the delivery of the Project*

**Page limit – 5 sides A4, minimum font size 10pt Arial**

**QUESTION 3: Management of the Works**

OVERALL MAXIMUM WEIGHTED SCORE AS A PERCENTAGE OF THE TOTAL QUALITY SCORE

15%

**Question Area**

Management of the Works

**Introduction**

The Council must be satisfied that the tenderer has a detailed plan for management of the Works.

**Question**

The tenderer shall detail how it would approach the management and the delivery of the Works, in accordance with the Employer's Requirements, and set out for each project stage where applicable, proposals showing how key elements will be managed, including but not limited to:

- Pre-Construction Phase methodology including details on design and risk management, collaboration and reporting
- Site set up and logistics
- Site segregation and access control
- Protection of the public and staff
- A separate Gantt Chart programme for the Pre-Construction Phase and Main Contract, and to include:
  - a. Planning and mobilisation by the Contractor.
  - b. Procurement of subcontractors, suppliers and long lead-time materials or equipment.
  - c. The dates for the issue of Contractor's designs and other information including approval, comment and re-issue periods for design by the Contractor (or its Subcontractors).
  - d. Running in, adjustment, commissioning and testing (including re-commissioning and re-testing where there has been beneficial use) of all engineering services and installations.
  - e. The work of local authorities and any public utilities.
  - f. Any work by or on behalf of the Employer and concurrent with the Contract works, the nature and scope of which, the relationship with preceding and following work and any relevant limitations are defined in the tender documents.

Note: The programme is required to be separated into the major elements of work/activities required and showing the different Sections. The programme must demonstrate critical path and resource build up.

- Construction Phase Plan
- Quality Management System Standard (e.g., ISO accreditation and company policies)
- Method Statement to undertake the works and services required by the works information for that stage
- Construction and design standards that shall be applied
- Design acceptance and sign off protocols
- Resource management
- Progress reporting
- Risk management
- Change management
- Management of Covid

**Purpose of Question and Reasoning:**

*To undertake an assessment of the tenderer's management plan for the delivery of the Pre-Construction Phase and Main Contract ensuring they will be delivered safely to the required quality and within the fixed programme deadlines.*

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#### **QUESTION 4: Supply Chain**

OVERALL MAXIMUM WEIGHTED SCORE AS A  
PERCENTAGE OF THE TOTAL QUALITY SCORE

10%

#### **Question Area**

Supply chain, selecting the team, managing inflation

#### **Introduction**

This question is designed to show how a tenderer shall manage its supply chain and sub-contractors, this should reflect the current market challenges, to ensure the Project is delivered to time and to budget.

#### **Question**

The tenderer is required to submit detail of how supply chain resilience will be created and maintained, to facilitate efficient and timely delivery of the project. The proposals should include:

- Details of the sub-contracting strategy in the Pre-Construction Phase (1<sup>st</sup> Stage) including proposed packages and list of proposed sub-contract tenderers.
- Details of how the tenderer will use its supply chain relationships to secure the availability of labour resources and reducing the possibility of skills shortages for the Projects delivery.
- The tenderer should be able to set out key supply chain partners, and to demonstrate how they can ensure supply chain certainty to the best practicable means and reducing the likelihood of supply chain issues restricting Project delivery.
- Given current market volatility, demonstrate how the tenderer will manage cost inflation, subcontractor financial stability and securing of materials to complete the works on time and to the desired quality standards within the fixed programme timescales.

#### **Purpose of Question and Reasoning:**

*To evaluate how the tenderer will reduce the likelihood of limitations in the supply chain negatively effecting project delivery, particularly in the context of the fixed programme deadlines and budget.*

**Page limit – 5 sides A4, minimum font size 10pt Arial**

### **QUESTION 5: Operations**

OVERALL MAXIMUM WEIGHTED SCORE AS A PERCENTAGE OF THE TOTAL QUALITY SCORE

5%

#### **Question Area**

Considerate Contractor and Behaviour

#### **Introduction**

This question is designed to show how a tenderer shall consider the constraints of the site regarding, amongst other things, sensitive neighbours, most notably the Boars Head Public House.

#### **Question**

The tenderer is required to provide proposals on how they will respond to such constraints and considerations of the site, not limited to:

- Sensitive neighbours, this includes the Boars Head Public House, Other Active Businesses in the area, and the public.
- Noise levels and general liaison and communications with sensitive sites and other stakeholders
- Working hours and when and how deliveries will be managed
- Site security to deter undesirable activities (which is already an issue)
- Stakeholder and third-party engagement

#### **Purpose of Question and Reasoning:**

*To evaluate how the tenderer will conduct their activities and operations to minimise impact to other business in neighbouring units and the public*

***Page limit – 3 sides A4, minimum font size 10pt Arial***

**QUESTION 6: Cost Management**

OVERALL MAXIMUM WEIGHTED SCORE AS A  
PERCENTAGE OF THE TOTAL QUALITY SCORE

10%

**Question Area**

Cost management and delivering best value.

**Introduction**

This question is designed to show how a tenderer shall consider the client's best interests in getting the best value for money.

**Question**

Please describe how you will help the client achieve best value in the delivery of this project. This should be evidenced with;

- Your proposed approach to transparent cost management and collaboration with the Client's appointed Quantity Surveyor to achieve best value, savings and cost certainty.
- Identification of areas of focus for the PCSA stage which will help to drive value and savings for the client.

**Purpose of Question and Reasoning:**

*To evaluate how the tenderer will approach providing best value, cost certainty and beneficial savings for the client and help ensure the project is delivered within its fixed budget.*

***Page limit – 5 sides A4, minimum font size 10pt Arial***

**QUESTION 7: Social Value**

OVERALL MAXIMUM WEIGHTED SCORE AS A PERCENTAGE OF THE TOTAL QUALITY SCORE

10%

**Question Area**

Social Value Commitment – including employment, skills and training, environmental sustainability and working with the community.

**Introduction**

This question is to give the tenderer the opportunity to demonstrate the social value commitments that will be made through out the delivery of the project.

**Question**

The tenderer should provide:

- A schedule of social value commitments that have been identified as deliverable within the project.
- Provide examples of social value being delivered on other construction projects.
- Post Practical Completion commitments and after care package to the employer, and any ongoing community engagement

**Purpose of Question and Reasoning:**

*To evaluate the tenderer's recognition of delivering beneficial outcomes to the wider community in which they operate and commitment to social values*

***Page limit – 3 sides A4, minimum font size 10pt Arial***