

Agenda Item No:

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Report of : Asset Management

Report to : Chief Asset Management and Regeneration Officer

Date: 15th April 2014

Subject: Proposed Contractor Procurement, Sovereign Street Green Space

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	City & Hunslet	
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. Following Executive Board's authority to incur expenditure in November 2013, on the creation of new, high quality green space at Sovereign Street, technical design works for the scheme have continued through to RIBA Stage H. Tender drawings and documents have been prepared and evaluated and this report seeks approval to the submission of those documents.
2. The report advises that during the RIBA Stage D design phase, the Sovereign Street Project Board considered several procurement options for the appointment of a contractor to undertake the proposed works for the new green space. Having regard to the nature and value of the project, the approach to risk transfer, the timescales involved and the desire as far as possible to achieve cost certainty, the report advises that Project Board concluded that the Council should pursue the appointment of a contractor via the YorBuild Framework.
3. In accordance with the Council's Contract Procedure Rules 3.1.8 and 3.1.10, the report requests the Chief Asset Management and Regeneration Officer to approve the selection of a list of contractors via the YorBuild Framework and the proposed tender evaluation criteria respectively for the procurement of a preferred contractor to deliver the new green space at Sovereign Square.

Recommendation

4. The Chief Asset Management and Regeneration officer is requested to approve the use of the YorBuild Construction Framework to develop a list of contractors and the proposed tender evaluation criteria of 60% price and 40% quality for the procurement of the new green space at Sovereign Square.
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1 Purpose of this report

- 1.1 The purpose of this report to seek the Chief Asset Management Officer's approval to the use of the YorBuild Construction Framework for the development of the tender list for contractors and the proposed Tender Evaluation Criteria with 60% price and 40% quality split, for the procurement of the new green space at Sovereign Square.

2 Background information

- 2.1 The City Council's Executive Board gave approval to the revised planning statement in June 2011, which was adopted to allow new development proposals to come forward on the majority Council owned site. This was aimed at providing guidance on the consideration of new development proposals for the site, the potential to deliver new high quality green infrastructure in the city centre and identify individual development plot locations.
- 2.2 As a consequence of this guidance and the agreement to progress negotiations for the development of one of the plots for a new northern HQ building for KPMG, Executive Board in July 2012, approved the injection of capital into the Sovereign Street green space scheme, which would be funded by the first call on any capital receipts generated from the Sovereign Street development plots. Subsequently, in November 2012 detailed planning approval was granted for both the KPMG HQ building and the green space.
- 2.3 In November 2013, Executive Board gave authority to incur expenditure on the delivery of the first two phases (1&1a) of the new green space at Sovereign Square.

3 Main issues

- 3.1 The Council for many years maintained approved lists of contractors and consultants who could be selected and potentially included on a potential list of tenderers according to their specialist area of work. However, the Council no longer maintains a system of approved lists and have put in place a series of framework contracts.
- 3.2 During the early stages of the RIBA Stage D design phase, the Sovereign Square green space Project Board, considered the Procurement Strategy report of the Project Manager. This Strategy considered a number of potential procurement routes for the construction of the new green space. These included:-
 - **YORBuild** the Council's current construction framework contract;
 - Construction Line an on-line pre-qualified database of suppliers;
 - OJEU tendering (although the scheme is below the threshold);

3.3 The Council's current construction framework contract is YORBUILD, which is being used for several schemes under construction at the moment (Middleton Park Heritage Lottery Fund Project and Farnley Hall Coach House refurbishment).

3.4 The two key advantages for procurers using the framework are:-

- i) Process saving – contracts are quicker to put in place, up to 10 weeks compared with up to 8 months for any EU contract process.
- ii) Effectiveness – the framework agreement includes added value clauses including sustainability, employment and skills, enhancing opportunities for local workers and residents.

3.5 The recommendation from the Procurement Unit, was that the YORbuild route would provide the right framework under which Sovereign Square could be tendered and using this recommendation, the information above in 3.4 and the Council's previous experience of tendering schemes through it, Project Board agreed to the procurement of the scheme through YorBuild and tender documentation has been developed on this basis.

3.5 The Project Design Team has now developed the Tender Evaluation Criteria which is based on a 60% price and 40% quality split. The Quality Evaluation Criteria are set out and scored as follows:-

1. Tender Programme – 10%/40 points
2. Outline Quality Method Statement, Resources and Sub-Contractors - 40%/160 points broken down into
 - (i) Site Organisation
 - (ii) Design
 - (iii) Construction Programme
3. Health and Safety including Preliminary construction phase Health and Safety Plan – 20%/80 points;
4. Site Staff and CV's – 20%/80 points
5. Employment and Skills Plan – 10%/40 points

3.6 This approach has been discussed with Legal Services and Procurement, who are happy with the Tender Evaluation Criteria and how these will be used to evaluate the information to be returned by the contractors. A copy of the information for Tenderers is attached at appendix 1, which breaks these heading down further into sub-criteria against which, the quality submission from each returning contractor will be assessed and scored.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 In November 2013, Executive Board gave authority to incur expenditure on the delivery of the first two phases (1&1a) of the new green space at Sovereign Square.

- 4.1.2 The Executive Member for Development and the Economy has been informed of the proposed tender dates.
- 4.1.3 The Sovereign Square Project Board has been consulted on the proposed procurement route for the contractor for the delivery of new green space at Sovereign Square supported the recommendation contained in the report.
- 4.1.4 The Council's Procurement Unit has been consulted and, it advised that under Contract Procedure Rules 3.1.8 and 3.1.10, the delegated decision to undertake a procurement approach will be taken at the point that the procurement route is chosen and, subject to any project specific issues, this will normally be the main decision that all subsequent decisions flow from and, the evaluation criteria must be formally by the relevant Chief Officer respectively.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There is no expected impact on the protected equality characteristics and, therefore, it is not applicable for an EIA or screening form to be completed at this time.

4.3 Council Policies and City Priorities

- 4.3.1 The proposed improvement and refurbishment of Kirkgate Market is consistent with the Best Council Plan 2013 – 17 in terms of promoting sustainable and inclusive economic growth by maximising employment opportunities for local residents.

4.4 Resources and Value for Money

- 4.4.1 The Chief Asset Management and Regeneration Officer will be responsible for the award of the contract to the preferred contractor based on a 60% price and 40% quality split

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The Council's Procurement Governance and Regulations Officer has advised that the delegated decision to determine the procurement approach and the evaluation criteria for the appointment of the contractor to undertake works at Sovereign Square should be taken in compliance with Contract Procedure Rules 3.1.8 and 3.1.10 respectively.
- 4.5.2 The proposals constitute an administrative decision and are, therefore, not subject to call in.

4.6 Risk Management

- 4.6.1 There is a risk that no companies in the appropriate lots of the YorBuild Framework will be interested in tendering for the contract. However, to date 10 companies have registered an interest in the project.

5 Recommendation

- 5.1 The Chief Asset Management and Regeneration Officer is requested to approve the selection of a contractor for the new green space at Sovereign Square via the YorBuild Framework and, the evaluation criteria of 60% price and 40% quality for the procurement of the contractor to undertake the proposed new green space at Sovereign Square.

6 Background Papers¹

6.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.