

Agenda Item No:

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Report of : Asset Management

Report to : Chief Officer Waste Management

Date: 6th March 2015

Subject: Proposed Contractor Procurement, Kirkstall Household Waste Sorting Site and Transfer Loading Station (HWSS/TLS)

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Kirkstall		
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. The report advises that following the RIBA Stage D design phase several procurement meetings were held with representatives of the client, the design team and PPPU/PU to consider the procurement route for the appointment of a contractor to undertake the proposed works at Kirkstall HWSS/TLS
2. Having regard to the nature of the project, the Council's approach to risk transfer, the desire as far as possible to achieve cost certainty and the allocation of design responsibility to the party best equipped to assume such responsibility, the report advises that the meetings concluded that the Council should pursue a design and build NEC construction contract for the appointment of a contractor via the YorBuild Framework.
3. In accordance with the Council's Contract Procedure Rules (CPR) 3.1.8 and 3.1.10, the report requests that the Chief Officer Waste Management approve the procurement of a contractor via the YorBuild Framework to undertake the proposed redevelopment of Kirkstall HWSS/TLS. The Chief Officer Waste Management is also requested to approve the proposed evaluation model of 100% of the evaluation marks to be awarded for cost, based on the fact that companies on the framework have already passed a quality assessment and a robust and detailed specification will form part of the tender documents

Recommendation

4. In accordance with CPR 3.1.8 and 3.1.10 the Chief Officer Waste Management is requested to approve the procurement of a contractor from the YorBuild Framework, and to further approve the evaluation criteria of 100% price for the procurement of the contractor to undertake the proposed construction of a redeveloped HWSS/TLS at Kirkstall.
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1 Purpose of this report

- 1.1 The purpose of this report is to seek the Chief Officer Waste Management's approval for the procurement of a contractor from the Yorbuild framework, utilising a standard NEC design and build construction contract, for the redevelopment of the HWSS/TLS at Kirkstall, and to approve the evaluation criteria for the selection of the contractor to undertake the proposed works.

2 Background information

- 2.1 The City Council's Executive Board on 5th March 2014 resolved to;
 - Approve the RIBA stage D designs and cost estimates for the redevelopment of Kirkstall TLS and HWSS;
 - Authorise expenditure up to a limit of £4.3m from existing budget provision (capital scheme 16169) on the redevelopment of Kirkstall TLS and HWSS;
 - Approve the further development of designs and the procurement of a contractor to carry out construction work at Kirkstall TLS and HWSS;

3 Main issues

- 3.1 Following the conclusion of the RIBA Stage D design phase, the design team facilitated a procurement workshop with representatives of the client and PPPU to consider a suitable procurement route of the Kirkstall HWSS/TLS project. Having regard to the Council's approach to risk transfer; the nature of the project; the desire to achieve cost certainty and allocating design responsibility to the party best equipped to assume such responsibility, it was concluded that the City Council should pursue a single stage design and build construction contract via the YorBuild Framework.
- 3.2 The conclusion that a single stage procurement approach is the most appropriate for the proposed HWSS/TLS at Kirkstall was reached due to the following factors:-
 - (i) Risk Transfer: The procurement strategy must ensure that risk is placed with those best suited to managing the risks, whilst ensuring that no significant premium is paid in passing risk to another party. In this context a design and build contract transfers much of the risk to the contractor. It is proposed to utilise the Yorbuild construction framework, as contractors on the framework have been pre-evaluated on quality elements to ensure they have the appropriate skills and experience. The framework utilises an NEC form of contract which requires early resolution of issues which may arise as works progress.

- (ii) Nature of the Project: In construction terms the project requires standard materials, civil works and standard construction techniques, there are no unique elements. In addition a stage of design development has already been reached such that a single rather than two stage tender is appropriate. Such a contract can also be delivered within a shorter timescale
- (iii) Design Responsibility: Under a design and build contract design responsibility would rest clearly with the contractor, which reduces the risk of additional cost due to incomplete design or design errors.

3.3 The Chief Officer Waste Management is also requested to approve the proposed evaluation criteria of 100% of marks for the price, for the appointment of the contractor. The client project team and representatives from PPPU/PU consider that given the advanced stage of the design, the level of detail in the specification, the non-specialist nature of the materials and construction methods, and the fact that bidders on the Yorbuild framework have already passed quality evaluation, cost should be the key consideration.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Executive Member for Cleaner, Stronger and Safer Communities has been consulted.

4.1.2 The Waste Management Project Board has been consulted on the proposed procurement route for the contractor for the redevelopment of Kirkstall HWSS and TLS and is supportive of the recommendation contained in the report.

4.1.3 The Council's Procurement Unit has been consulted and has 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.

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 Kirkstall TLS and HWSS is consistent with the Best Council Plan 2013 – 17 in terms of dealing with the City's waste

4.4 Resources and Value for Money

4.4.1 The Chief Officer Waste Management should note that the proposed evaluation model of 100% of the marks for cost places the achievement of value for money as the only component of the procurement strategy, noting that the bidders on the Yorbuild framework have already passed a quality evaluation.

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 Kirkstall TLS and HWSS, 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 companies on the YorBuild Framework will not be interested in tendering for the contract. Market testing the contract has been undertaken with companies across the Framework, giving advance notice of the procurement programme, form of contract and the nature of the works to be undertaken.
- 4.6.2 There is a risk that the tender returns may exceed the available budget. This has been mitigated by the inclusion of a client contingency in the budget. A plan has also been developed to address the position if only the core scheme is affordable, in accordance with which the project has been placed on the Forward Plan for Executive Board in July or September.

5 Recommendation

In accordance with CPR 3.1.8 and 3.1.10 the Chief Officer Waste Management is requested to approve the procurement of a contractor from the YorBuild Framework, and to further approve the evaluation criteria of 100% price for the procurement of the contractor to undertake the proposed construction of a redeveloped HWSS/TLS at Kirkstall.

6 Background documents¹

- 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.