

10 February 2021

Report

RIBA 2 Procurement Report

**Adult Social Care, Supported Independent Living
Surrey County Council**

making the **difference**

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Introduction

Purpose of Report

This report introduces the procurement options available for the Supported Intendent Living projects within the Adult Social Care portfolio. This report is being issued at RIBA Stage 2, and whilst the final decision on procurement and tendering does not need to have been made at this time, a clear indication on the intention will help everyone involved in the project plan prepare accordingly.

The report uses the recently adopted Capital Programme Execution Plan (CPEP) procurement recommendations and processes and considers what is most appropriate for the individual projects individually and collectively. The report also looks at ways to access the contractor market which will be done following RIBA Stage 3 and will likely be commenced once planning approval has been granted. Finally, the report looks at the recommendation of the appointment of a contractor for the demolition on two of the three Supported Independent Living (SIL) sites.

Executive Summary

All contracting and procurement options for the three Adult Social Care SIL projects in scope have been reviewed. It is recommended that all three projects are procured and delivered via a JCT Design and Build contract form, using a Single Stage Tender. This route will provide SCC with cost certainty with optimum risk transfer to the contractor. The single stage procurement will enable SCC to maintain control of the design and quality of the finished building.

It is intended that the projects are tendered at the end of RIBA Stage 3, with the chosen contractor undertaking the technical design, overseen by the Surrey design team, Atkins.

Following Cabinet approval, the project team will work with Surrey procurement colleagues to evaluate the available contractor frameworks and compile the tender documents.

In parallel to the main works contracts, demolition works on two of the SIL sites needs to be undertaken in early 2022. In order to expedite getting a contractor on site, an open competitive tender with a minimum of three selected contractors is recommended.

Procurement Principles

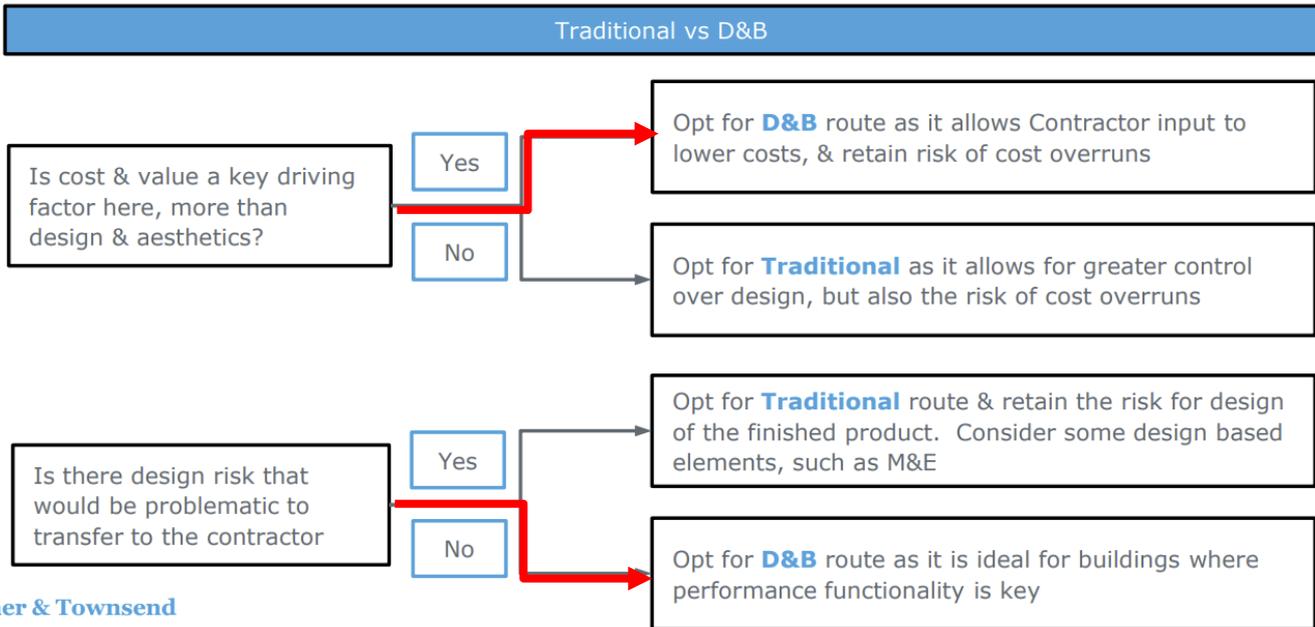
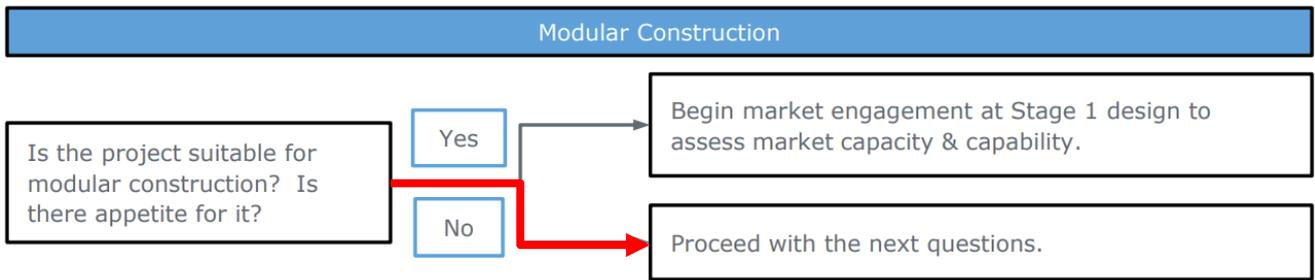
Programme Determined Recommendation

At programme level, the Capital Programme Execution Plan (CPEP) has set the standard procurement route which will be followed for all projects in the programme. The follow extract is taken from the CPEP.

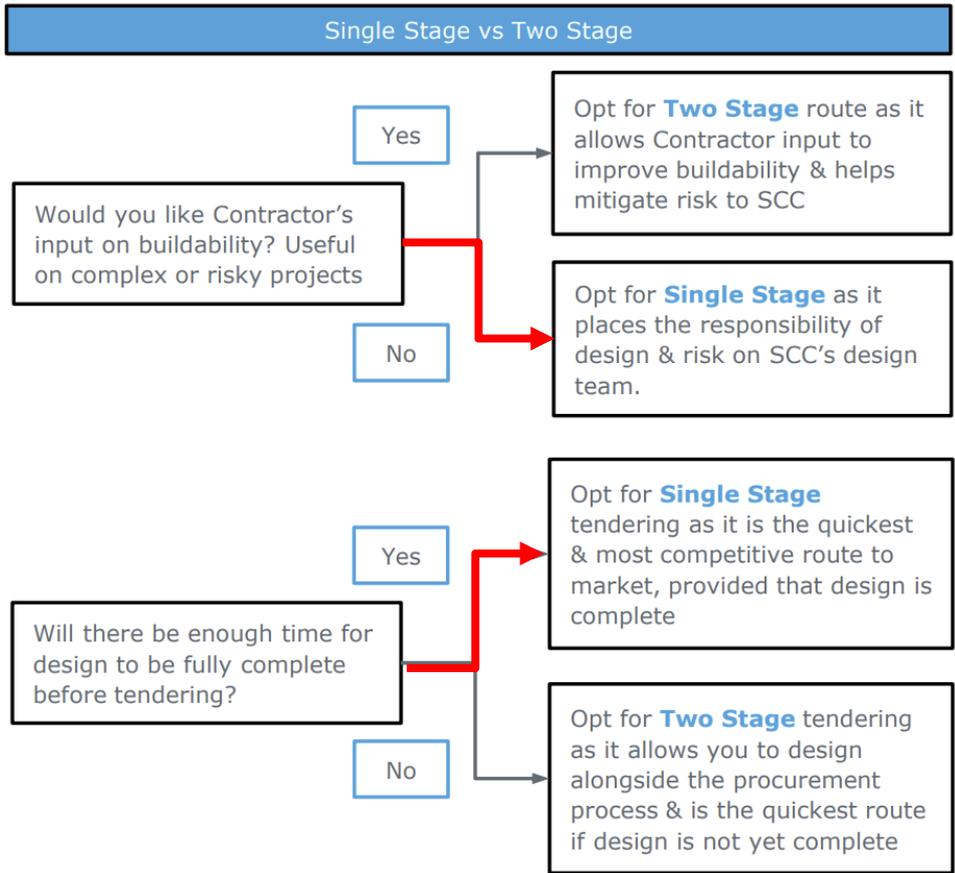
Single Stage D&B is the default procurement route for the Programme, however this can be challenged depending on the particular needs of the project. As part of RIBA Stage 1 outputs T&T will produce a Procurement Recommendation report, setting out the optimal route.

Programme Decision Trees

The CPEP includes a number of decision trees as follows. A red line has been added to show the decisions which are being recommended within this report and as explained in later sections.



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Modular Construction

The RIBA 2 report prepared by Atkins makes the recommendation at the SIL projects are not suitable for modular or MMC routes, primarily due to the scale of the projects and the low repetitive nature of the design. On the decision tree, the Turner & Townsend recommendation is therefore 'No'.

The impact of this means that there is no requirement engage a specialist contractor during the design development process.

Traditional vs D&B

The first decision tree seeks to determine if the primary driver is cost and value, rather than design and aesthetics. On the basis that the programme is likely to face budget constraints to deliver all of SCC aspirations Turner & Townsend are determining the that 'Yes' the primary driver is cost and value. None of the SIL sites have indicated planning constraints likely to warrant enhanced aesthetic design.

The second decision trees sets to reinforce this decision. The decision is based on whether the design would be problematic for a contractor to take on board. The SIL projects are fairly simple in their construction design and methodology, and the therefore it is Turner & Townsend's view is that 'No' these schemes will no represent a problematic design risk.

Both of these decisions point towards a Design and Build route being most appropriate.

Single Stage vs Two Stage

The first decision tree seeks to determine if Contractor input on buildability would be beneficial to the scheme. Whilst buildability input is normally useful, on these SIL schemes, Turner & Townsend considers

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that the design and likely build methodology is sufficiently simple that contractor input would not be beneficial to be extent of warranting the additional PCSA fees which would be incurred. On this basis, Turner & Townsend has selected 'No' on this decision tree.

The second decision tree looks at the programme available to undertake the tendering process. The programme for these three projects is ambitious but achievable. The period allowed for tendering following the completion of the RIBA 3 design is adequate for the scale and complexity of the works. On this basis Turner & Townsend has selected 'Yes' on this decision tree.

Both of these decisions point towards the most appropriate tendering route being a single stage.

Summary and Recommendation

Within the CPEP the default procurement and tendering route is a Design and Build, Single Stage Tender. Based on the Turner and Townsend recommended decision, on the SIL programme, this default seems to be the most appropriate route.

Other Considerations

Route to Market

Within the recommended procurement and tendering route, there remains the decision to be made on how to access the market. The decision on this does not need to be made until during RIBA 3 and needs to be agreed by the SCC Procurement Team. It is assumed that SCC will have a number of compliance requirements around their tendering. The requirements for public sector procurement still follows the principles established by The Public Contracts Regulations 2015 (OJEU) required to demonstrate that a transparent, open, and competitive tendering process is being adopted. The CPEP sets out the three options likely to be available, with one further option, Open Market, which can be considered.

Contractors Frameworks

SCC is able to access a number of existing public sector frameworks. The SIL projects would likely be suitable for delivery through this route, especially when the number of available frameworks are considered. All frameworks have slightly different contractual arrangements, fees, and contractors, with some likely to be more suitable than others. At the next design stage, the available frameworks will be analysed to work out which would be most suitable in providing the best contractor in terms of quality, programme, price, and risk. The frameworks which would be considered would all meet the public procurement requirements. Our recommendation at this current stage of the project would be that the use of a Contractors Framework would most likely be the most commercially advantageous.

Batch One Arrangement

The purpose of the Batch One agreement is to simplify the route to market for medium sized projects listed within the agreement. The Batch One Contractor has pre agreed contract terms & rates using a single stage JCT Design & Build contract. This arrangement might be a suitable route for the SIL projects, however this would need to be considered further during the next design stage. The review of the suitability would need to take into account the contractors experience, capability and capacity.

Direct Award

It is unlikely that SIL would be a suitable series of projects for direct award. This would only be an option where the works being delivered are nearly identical to previously delivered project. This criteria would not be met on the SIL schemes.

Open Market

If the above options do not provide the correct type of contractor with relevant experience, an Open Market tender could be a further option. This route tends to be relatively slow but does open the tendering to a

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larger contractor market, increasing the ability to find a contractor with relevant experience. This route would need to be agreed with the SCC procurement team and would deviate from the adopted routes within the CPEP.

Demolition

Route to Delivery

The demolition works on two of the SIL sites needs to be undertaken in early 2022. The works would entail asbestos survey, asbestos removal, and full building demolition, including grubbing out of foundations. The route to getting a contractor on site may differ slightly from the routes identified above for the main works.

Turner & Townsend consider that the most appropriate route is likely to be an open tender. The value of these works would be below the public sector threshold, and therefore a competitive tender could be undertaken with a minimum of 3 selected contractors. This would provide the benefit of being quick to tender allowing demolition to commence as soon as needed but would also allow contractors with the correct experience to be selected.

Next Steps

The above recommendations need to be reviewed with the SCC project team, and with the SCC procurement team. If these recommendations are accepted, the tender documents and list of contractors for the demolition works will be pulled together, whilst a summary of the available Contractor Framework would be prepared to identify which would best suit the main contractor selection for the SIL projects.

This should be done at the earliest point during RIBA Stage 3 to provide the project team with the clarity around the procurement route which will be followed.

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