Contract Award Approval

Part F – Capital Approval Process

F1. Project Details	
Project Title	[Project Title]
Procurement Strategy Reference Number	CS-030-16

F2. Exception reporting from approved Procurement Strategy

The original procurement strategy for Project Cavendish was deferred at CPG in September 2015 in order for a Cabinet report to be drafted and submitted requesting approval of the scheme. Subsequent to this an ICM report 'Approval to Call for Tenders for Pre-Construction Services for Early Phases of the Sheffield Retail Quarter' was approved in April 2016. This report was to allow the commencement of the first stage of the procurement process by issuing expressions of interest and engaging the YORbuild contractors in the first stage of the tender process as set out in this report.

YORbuild 2 used in lieu of lapsed YORBuild 1 for procurement. Procurement timetable has therefore also changed with a need to appoint BAM Construction Ltd under a Pre-Construction Services Agreement to complete the design and build up a contract sum to allow works to commence on site in early April 2017.

The initial ICM report only provided authority to go out to Tender, and there is currently no authority in place to spend against the project. A further report requesting approval to spend is being submitted to Cabinet in July 2016.

F3. Summary of submission(s) received

Tenderer	Comment
BAM	Received
Galliford Try	Received
Interserve	Received
ISG	Received

F4. Tender evaluation

If using in-house provider, or have only engaged a single provider, please insert the price agreed

	Tenderer	Price (£)	Price Score *(if applicable)*	Quality Score *(if applicable)*	Total Score *(price + quality)*	Rank *(1 = preferred contractor)*
1	BAM	10,244,024	28.84	58.50	87.34	1

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2	Galliford Try	9,847,914	30.00	55.30	85.30	2
3	ISG	11,711,244	25.23	51.90	77.13	3
4	Interserve	15,388,966	19.20	41.60	60.80	4

NOTE: The above prices are based on equalised tender returns for Pre-Construction Fees, Professional Design Fees, Preliminaries, Contractor's Risk Allowance, YORbuild Call Off Charge, Guarantee Bond and Overheads and Profit. They are notional costs and will be subject to development and approval during the second stage tender period.

F5. Financial standing of preferred tenderer
(Do not complete if using in-house provider)

Please insert the recommendation from Project and Commercial Finance, together with the date of approval (where applicable)

Tenderer	Recommendation	Date of Approval

F6. Financial Provision

a) Has anything changed in regards to the values included in Part B5 of the Procurement Strategy form? *If yes, please detail below.*

Contract award is to appoint the contractor for the second tender stage only. The construction contract and contract sum will be subject to a further approval once developed in December 2016. The competition was undertaken on a 70:30 quality:cost ratio as advised.

b) Please insert revised total Project costs in table below	**Procurement Strategy**	**Contract Award**
Total Project Budget	TBC	TBC when the Cabinet paper is approved
The Total Project Budget is the summation of all the boxes within item b) which should align to the CAF. The allowances for contingency should be inserted for reference but it is recognised that it is included in the Construction Cost.		
Construction Cost *(estimated Tender value from Procurement Strategy including allowance for contingency)*	£87,925,067	Subject to further Contract Award form. No 'Construction cost' at this stage; this CAA is requesting approval of £149,674 for fees (see below)
Fees *(example QS fees and / or in-house design fees and / or external professional fees)*	Approx 12% - £10.05m	£149,674 plus design fees already approved in SRQ budget. This Contract Award is requesting approval for this figure.
Client Costs Capital *(any client side costs that are recharged directly to this project)*	n/a – part of SRQ	n/a – part of SRQ
Allowances for Contingency *(that are included in the Construction Cost)*	5% included in development appraisal	n/a

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Revenue Cost Implications	Risks set out in separate Cabinet Paper	Risks set out in separate Cabinet Paper
The estimated Contract Value for each of the constituent Contracts *(if more than one Contract relates to this project or programme)*	TBC	TBC – expected toward the end of 2016 when Contract sum / terms have been calculated.
c) Is the Tender price greater than:		
Total Project Budget	No	
or Construction Cost *(estimated Tender value from Procurement Strategy)*	No	
or Approved Q-tier / CAF form	No	
If so, how do you propose to reconcile this? *This could include altering the scope or using contingency monies. If the scope has changed, does it still fall within the original advertisement (OJEU Contract Notice, if applicable) and is it still covered by the previous Delegated Decision-Making authorisation?*		
d) Are there any Revenue Budget implications not previously considered?	No	
e) Date of Contract start?	1/8/2016	
f) Date of Contract end - plus end dates of any Contract extension options	1/3/17 – end of 2nd stage tender period 24/12/18 – end of construction period	

F7. Estimated Cash Flow Profile

Where contract length is over 3 years please attach a separate sheet.	**2015/16 £**	**2016/17 £**	**2017/18 £**	**Totals £**
Contract delivery	0	149,674	0	149,674
Retention *(if applicable)*	0	0	0	0
Totals	0	149,674	0	149,674

NOTE: The estimated cash flow profile is for the Pre Construction Service Agreement fees tendered by BAM that will be incurred during Stage 2. The above profile excludes design team fees.

F8. Actual Contract Savings
(Summation of the Actual TOTAL project costs less the Approved CAF Project Budget)

Where contract length is over 3 years please attach a separate sheet.	**2015/16 £**	**2016/17 £**	**2017/18 £**	**Totals £**
Savings	n/a	n/a	n/a	n/a
Method used to calculate above				

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Details of any other savings/benefits

F9. Are there any TUPE / legal implications not previously identified? *If 'yes', how are these being addressed?*	No
F10. Have all Key Risks as identified on the Procurement Strategy approval form been mitigated? *If 'no', please explain why below.*	Yes

F11. Are there any lessons learnt to inform future Procurement Strategies?
No.

F12. Date of Submission for Stage Approval to Capital Programme Group	30/06/2016

F13. Award recommendation
That approval is given to award a Contract to BAM Construction in the sum of £149,674 to provide input under a Pre-Construction Services Agreement at Stage 1 to develop design and deliver a contract sum for Stage 2, which will be subject to a further Contract Award. This is subject to the project receiving Cabinet approval in July 2016 providing the authority to spend.

F14. Signatures	Signed	Date
Client Lead	Nalin Seneviratne	22/07/2016
Project Manager	Neil Morris	28/06/2016
Contract Manager	Mark Imms	28/06/2016
Procurement Professional	Tim Sharp	25/07/2016
Senior Responsible Officer *(Client Head of Service or Director)*	Nalin Seneviratne	22/07/2016
Head of Capital Delivery Service	Sean McClean	22/07/2016
Capital Programme Group	Paul Schofield	25/07/2016

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Duly authorised by Director of Commercial Services *(or delegated officer)*	Kerry Bollington	27/07/2016
F15. To be completed by Commercial Services only		
Contract Award Reference Number	CS-030-16	
For any contract extension, please include the original Contract Award reference number		

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