

DECISION NO: PCCG-2017-029	
<u>OFFICE OF POLICE AND CRIME COMMISSIONER</u>	
LEAD CHIEF OFFICER:	Nigel Stephens, Assistant Chief Officer – Resources
TITLE:	Contract for the Design & Construction of a New Gwent Police HQ and the Demolition of the Existing HQ
DATE:	19 July 2017
TIMING:	Urgent
PURPOSE:	Approval
1.	<u>RECOMMENDATION</u>
1.1	It is recommended that the contract for the Design & Construction of a New Gwent Police HQ and the Demolition of the Existing HQ be awarded to Tenderer A, in accordance with paragraph 84 of the Manual of Corporate Governance.
1.2	<p>A two stage procurement process was adopted, which means that the first stage of the Professional Services Contract (PSC) is for the Preconstruction Design Development stage and will be awarded for a period of approximately thirteen (13) months.</p> <p>Following this, if the Commissioner is satisfied with the Design and final Construction and Demolition costs, a Design and Build Construction contract (Engineering and Construction Contract/ECC) will be awarded for a period of approximately twenty-six (26) months. A decision on whether to award the Construction (ECC) contract will be made following submission of a further report to the Police and Crime Commissioner for Gwent (PCC).</p>
2.	<u>INTRODUCTION & BACKGROUND</u>
2.1	A decision was made to build a new Gwent Police Headquarters as a replacement to the current HQ located in Turnpike Road, Croesyceiliog, Cwmbran in June 2015. In March 2016 the PCC approved the proposal for the purchase of land with respect to the accommodation for the new Police Headquarters. A Project Manager was then appointed in September 2016 to manage the successful design and construction of the new HQ and also the demolition of the existing HQ.
2.2	<p>Through the Shared Facilities Management (SFM) team, Monmouthshire Council's Property Services team have been working with a Gwent Police Senior Procurement Officer with the instruction to procure a Design and Build Contractor in order to Design the New HQ, Construct the new HQ and Demolish the existing HQ.</p> <p>A suitable framework was identified, namely the South and Mid Wales Collaborative Construction Framework (SEWSCAP 2), Lot 5, awarded by Rhondda Cynon Taf County Borough Council.</p>

2.3	<p>In order to ensure best value and to utilise the expertise of the contractor, a Two Stage Open Book process was chosen; this is in line with the Cabinet Office Construction Strategy. Under the Two Stage Open Book process, a client invites prospective integrated teams to bid for a project based on their ability to deliver an outline brief and cost benchmark. Following the first stage competition, the appointed team works alongside the client to develop the proposal with the construction contract being awarded at the second stage. This differs from Cost Led Procurement in reducing industry bidding costs, enabling faster mobilisation and in providing the opportunity for clients to work earlier with a single integrated team.</p>																																																						
2.4	<p>An Invitation to Tender (ITT) was issued to all five (5) Tenderers under Lot 5 of the SEWSCAP Framework. All five (5) Tenderers submitted a Tender response by the tender deadline which was the 19 June 2017 (this was following a request to extend the deadline by two weeks). The tender responses were evaluated by;</p> <ul style="list-style-type: none"> • The SFM Property Services Quantity Surveyor; • The SFM Property Services Design Manager; • Head of Estate and Facilities for Heddlu Gwent Police; • Estates Strategy Implementation Project Manager for Heddlu Gwent Police; • The Consultant Project Managers. <p>To ensure impartiality, the evaluation process was facilitated by a Senior Procurement Officer, Gwent Police.</p>																																																						
3.	<u>ISSUES FOR CONSIDERATION</u>																																																						
3.1	<p>Below is a full breakdown of scores achieved by the five Tenderers where the weighting for the non financial element is 40% and the financial element is 60%.</p> <p><u>Quality Score</u></p> <table border="1" data-bbox="304 1435 1401 1688"> <thead> <tr> <th>Tenderer</th> <th>Weighted Score</th> <th>% Score</th> <th>Weighted % Score (out of 40%)</th> <th>Ranking</th> </tr> </thead> <tbody> <tr> <td>Tenderer A</td> <td>440</td> <td>90.72</td> <td>36.29</td> <td>2</td> </tr> <tr> <td>Tenderer B</td> <td>215</td> <td>44.33</td> <td>17.73</td> <td>4</td> </tr> <tr> <td>Tenderer C</td> <td>485</td> <td>100.00</td> <td>40.00</td> <td>1</td> </tr> <tr> <td>Tenderer D</td> <td>330</td> <td>68.04</td> <td>27.22</td> <td>5</td> </tr> <tr> <td>Tenderer E</td> <td>400</td> <td>82.47</td> <td>32.99</td> <td>3</td> </tr> </tbody> </table> <p><u>Price Score</u></p> <table border="1" data-bbox="304 1756 1257 2040"> <thead> <tr> <th>Tenderer</th> <th>% Score</th> <th>Weighted % Score (out of 60%)</th> <th>Ranking</th> </tr> </thead> <tbody> <tr> <td>Tenderer A</td> <td>98.60</td> <td>59.16</td> <td>2</td> </tr> <tr> <td>Tenderer B</td> <td>76.45</td> <td>45.87</td> <td>5</td> </tr> <tr> <td>Tenderer C</td> <td>83.85</td> <td>50.31</td> <td>4</td> </tr> <tr> <td>Tenderer D</td> <td>100.00</td> <td>60.00</td> <td>1</td> </tr> <tr> <td>Tenderer E</td> <td>96.70</td> <td>58.02</td> <td>3</td> </tr> </tbody> </table>	Tenderer	Weighted Score	% Score	Weighted % Score (out of 40%)	Ranking	Tenderer A	440	90.72	36.29	2	Tenderer B	215	44.33	17.73	4	Tenderer C	485	100.00	40.00	1	Tenderer D	330	68.04	27.22	5	Tenderer E	400	82.47	32.99	3	Tenderer	% Score	Weighted % Score (out of 60%)	Ranking	Tenderer A	98.60	59.16	2	Tenderer B	76.45	45.87	5	Tenderer C	83.85	50.31	4	Tenderer D	100.00	60.00	1	Tenderer E	96.70	58.02	3
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Final Score

Tenderer	Combined Score	Ranking
Tenderer A	95.45	1
Tenderer B	63.60	5
Tenderer C	90.31	3
Tenderer D	87.22	4
Tenderer E	91.01	2

The evaluation panel agreed the scores detailed in the table above at a consensus meeting, subject to requests for clarifications being sought.

All clarifications responses were received and the scores were then finalised.

4. NEXT STEPS

4.1 On approval of the report, Tenderer A will be sent an Intention to "Award" letter subject to a ten day standstill period. The unsuccessful Tenderers will be notified of the outcome of the tender process by a "Regret" letter which will confirm their scores, the scores of the successful Tenderer and the relative advantages of the successful Tenderers bid. Subject to no challenges being received in the standstill period and Vetting approval being received for the Tenderer's s relevant staff, the PSC contract will be awarded.

4.2 The PSC contract will involve :

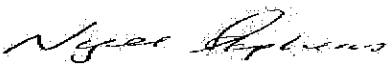
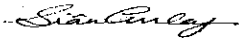
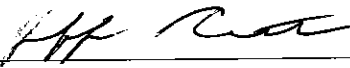
- 1 Leading the design process and engaging with the Client team in completing the stakeholder engagement process and, using this information, developing and finalising the Client Brief;
- 2 Producing and developing designs to meet the final Brief and, in consultation with the Planning Authority, submitting final designs to secure Planning Approval including mitigating any conditions as required;
- 3 In association with the above prepare, submit and secure Building Regulation Approval including mitigating any conditions as required;
- 4 Preparing all associated reports and studies for the demolition of the existing headquarters building and, in consultation with the Planning Authority submitting final proposals to secure Planning Approval;
- 5 Developing, finalising and agreeing a Lump Sum price during the initial Planning period, including for construction of the Works and the demolition of the existing headquarters building within the Police and Crime Commissioner for Gwent's Budget and Programme.

4.3 The second Stage, for which approval will be sought via a separate report, is the construction of the new headquarters building on a Design and Build basis, to be fully functional for occupation at handover and include all necessary facilities, fixed and loose furniture and equipment complete to meet the needs of the Police and Crime Commissioner for Gwent.

This stage will also include the demolition of the existing headquarters buildings and its associated roads/pavings etc., and leaving the site ready for future development.

5.	<u>FINANCIAL CONSIDERATIONS</u>
5.1	Based on the costs submitted by Tenderer A, the value of the PSC contract for the Preconstruction Design Development stage will be £522,837 in total.
5.2	Based on the average tender value, this further competition has demonstrated a saving for the PSC contract of £82,808.91 .
5.3	Based on the costs submitted by Tenderer A, the value of the ECC contract for the Design and Build Construction stage is estimated to be £15,580,146 in total.
6.	<u>PERSONNEL CONSIDERATIONS</u>
6.1	Resource has been allocated to this project through the SFM. A Gwent Police Estates Project Manager has also been assigned. Project Boards and Programme Board resource has also been allocated.
7.	<u>LEGAL IMPLICATIONS</u>
7.1	This report has been submitted in line with the PCC for Gwent Manual of Corporate Governance and in accordance with the SEWSCAP Framework Agreement further competition procedure.
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>
8.1	This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.
8.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
9.	<u>RISK</u>
9.1	The risk of challenge to the awarded contract is mitigated by ensuring a robust and well documented evaluation process has taken place and by implementing a Standstill period following the issue of an Intention to "Award" letter to Tenderer A and "Regret" Letters to the unsuccessful Tenderers. The Regret Letters will disclose their scores and the relative advantages of the winning Tenderer, thus giving the unsuccessful Tenderers an opportunity to challenge the award within ten calendar days.
9.2	There is a risk that the proposed construction value will be higher than the allocated budget. This risk is mitigated in a number of ways; <ul style="list-style-type: none"> 1. The tender response has ensured that a high level elemental breakdown of costs was available to provide confidence that the project as a whole will not exceed £16.5m; 2. The two stage tender process will allow value engineering exercises to take place if it is believed that the project as a whole will exceed £16.5m;

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Office of the Chief Constable I confirm that the report for a contract for the Design & Construction of a New Gwent Police HQ and the Demolition of the Existing HQ has been discussed and approved at a formal Chief Officers' meeting. It is now forwarded to the OPCC for approval .	
Signature: 	
Date: 20.07.17	
	Tick to confirm (if applicable)
Financial The Chief Finance Officer has been consulted on this proposal.	✓
OPCC (insert name) The Chief of Staff has reviewed the request and is satisfied that it is correct and consistent with the PCC's plans and priorities.	✓
Legal The legal team have been consulted on this proposal.	N/A
Equalities The Equalities Officer has been consulted on this proposal.	N/A
Chief of Staff: I have been consulted about the proposal and can confirm that financial, legal, equalities etc... advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate report to be submitted to the Police and Crime Commissioner for Gwent.	
Signature: 	
Date: 20/07/17	
Police and Crime Commissioner for Gwent I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. The above request has my approval.	
Signature: 	
Date: 21/7/17	

	<p>3. The Police and Crime Commissioner is not committed to the construction (ECC) contract until the design phase is complete and therefore the construction value is known.</p> <p>It should be noted that any additions/changes to the scope of the contract will incur a Compensation Event. Compensation Events are events which, if they occur and do not arise from the Contractor's fault, entitle the Contractor to be compensated for any effect the event may have on the prices. A compensation event will normally result in additional payment to the Contractor but in a few cases may result in reduced payment.</p>
10.	<u>PUBLIC INTEREST</u>
10.1	Following approval of this report by the Police and Crime Commissioner, the decision to appoint Tenderer A can be published.
11.	<u>CONTACT OFFICER</u>
11.1	Natalie Noble, Senior Procurement Officer
12.	<u>ANNEXES</u>
12.1	None