

Finance and Resources Committee

10.00 am, Thursday, 24 September 2015

Construction Professional Services Framework Agreement – Award of Contract

Item number	7.20
Report number	
Executive/routine	
Wards	All

Executive summary

This report seeks Committee approval to award a multi-lot framework agreement to the most economically advantageous organisations identified following a competitive tendering process. The framework consists of 9 lots for construction professional services to support the Council in delivering it's construction, maintenance and repair programmes.

Links

Coalition pledges	P17, P29, P30, P31
Council outcomes	CO16, CO23
Single Outcome Agreement	SO4

Construction Professional Services Framework Agreement – Award of Contract

Recommendations

It is recommended that Committee:

- 1.1 Approves the award of Lot 1 Project Management Services to Doig and Smith Ltd, Sweett (UK) Ltd and Thomas and Adamson Ltd at an estimated contract value of £1,000,000 per annum;
- 1.2 Approves the award of Lot 2 Building Surveying Services to Faithful and Gould, Hardies and Summers Inman at an estimated contract value of £1,000,000 per annum;
- 1.3 Approves the award of Lot 3 Quantity Surveying Services to Doig & Smith Ltd, Gardiner & Theobald Ltd and Sweett (UK) Ltd at an estimated contract value of £1,000,000 per annum;
- 1.4 Approves the award of Lot 4 Architectural Services to Anderson Bell Christie Ltd, Collective Architecture and Holmes Miller Ltd at an estimated contract value of £1,000,000 per annum;
- 1.5 Approves the award of Lot 5 Structural Engineering Services to Aecom Ltd, David Narro Associates and Will Rudd Davidson Ltd at an estimated contract value of £1,250,000 per annum;
- 1.6 Approves the award of Lot 6 Mechanical & Electrical Engineering Services to Blackwood Partnership Ltd, Cundall Johnston and RSP Consulting at an estimated contract value of £750,000 per annum;
- 1.7 Approves the award of Lot 7 Fire Engineering Services to Aecom Ltd and Ramboll Ltd at an estimated contract value of £300,000 per annum;
- 1.8 Approves the award of Lot 8 Interior Design, Space Planning and Move Management Services to Holmes Miller Ltd, Smith Scott Mullan Architects Ltd and Space Solutions Ltd at an estimated contract value of £300,000 per annum;
- 1.9 Approves the award of Lot 9 Multi-Discipline Design Team Services to AHR Architects, Capita Property and Infrastructure Ltd and Gardiner & Theobald at an estimated contract value of £1,500,000 per annum;
- 1.10 Notes the contract values above are reflective of historical spend on these services over the previous three financial years, and that the scope of works may fluctuate subject to budget allocation and funding approvals; and
- 1.11 Notes that the Framework Agreement is a collaborative arrangement to be used predominantly by Corporate Property and Housing Asset Management. The

Framework Agreements are also available to other Council Departments and may be utilised by West Lothian Council, Midlothian Council and Council's Arms Length Organisations.

Background

- 2.1 The Council has limited construction technical resources to support its Capital Investment Programme for construction and maintenance and repair programmes.
- 2.2 To meet critical targets, the internal service often requires support from external consultants through a range of procured contractual arrangements. This may be single discipline or require multi-discipline services depending on the nature of the project and its complexity.
- 2.3 At present, the Council is utilising a range of organisations to deliver construction professional services, through a range of procured contractual arrangements and Quick Quotes.
- 2.4 Commercial and Procurement Services has undertaken a procurement strategy to bring these requirements under one framework. This aims to provide suitable support to internal services, and maximise economies of scale, improve contract management efficiencies, and rationalise the portfolio of providers.
- 2.5 A review of the current arrangements commenced in early 2014 with the aim to consolidate the current requirements into one framework, which can then be used by other Council service areas, provide support to other local authorities in the Lothian region and the Councils Arms Length Organisations, if required.

Main report

- 3.1 The Council wishes to appoint a number of suitably qualified and experienced consultants to carry out construction professional services for an undefined programme of construction, maintenance and repairs. The tender and evaluation process was conducted in accordance with Council Contract Standing Orders, Public Contracts (Scotland) Regulations 2012 and EU Procurement Directives.
- 3.2 On 6th March 2015, the Council undertook a full tender exercise by placing a contract notice on the Public Contracts Scotland Portal as a two stage process.
- 3.3 The lots advertised were:
 - Lot 1 Project Management Services;
 - Lot 2 Building Surveying Services;
 - Lot 3 Quantity Surveying Services;
 - Lot 4 Architectural Services;
 - Lot 5 Structural Engineering Services;
 - Lot 6 Mechanical & Electrical Engineering Services;
 - Lot 7 Fire Engineering Services;

- Lot 8 Interior Design, Space Planning & Move Management Services; and
 - Lot 9 Multi-Discipline Design Team Services.
- 3.4 The aim of the Pre-Qualification Questionnaire (PQQ) evaluation process was to allow the Council to identify suitably qualified and experienced bidders to be invited to tender. Up to six organisations per lot were successful in proceeding to the tender stage.
- 3.5 Following tender returns in July 2015, tender submissions were evaluated by a technical evaluation panel. This places an emphasis on quality, as well as price, with the aim of selecting the most economically advantageous tenders for each of the 9 lots based on consultants tendering on a cost quality ratio of 60% quality and 40% price. The quality/cost ratio was determined due to a need for consultants to provide quality service at the most economical price.
- 3.6 The quality analysis was based on weighted award criteria questions, which were scored using a 0 to 10 matrix. Following completion of the quality analysis, tenders that passed the minimum threshold of 60% were subject to cost analysis.
- 3.7 All the bids submitted were based on a percentage fee for the provision of the services, based on a range of construction values, with 30% of the award criteria allocated to this element of the pricing evaluation. Bidders were also asked to provide a price for a range of hourly rates, allocated 7.5% of the award criteria and the remaining 2.5% for acting as Principal Designer and Contract Administrator and, where appropriate, a cost for Building Information Modelling. The tender results for each lot are set out below.

Lot 1 Project Management Services

Consultant	Quality (Max 60)	Price (Max 40)	Overall Rank
Sweett Group UK	46.80	32.98	1
Thomas and Adamson	45.60	33.50	2
Doig and Smith	41.40	36.71	3
Bidder 4	47.70	18.37	4
Bidder 5	43.80	22.05	5
Bidder 6	36.60	15.69	6

Lot 2 Building Surveying Services

Consultant	Quality (Max 60)	Price (Max 40)	Overall Rank
Summers Inman	45.60	38.39	1
Faithful & Gould	39.90	32.39	2
Hardies	45.30	18.33	3
Bidder 4	42.30	21.04	4
Bidder 5	42.00	19.72	5
Bidder 6	40.80	14.15	6

Lot 3 Quantity Surveying Services

Consultant	Quality (Max 60)	Price (Max 40)	Overall Rank
Sweett (UK) Group	48.60	35.51	1
Doig & Smith	46.80	36.75	2
Gardiner & Theobald	52.20	22.07	3
Bidder 4	43.50	30.09	4
Bidder 5	48.00	24.70	5
Bidder 6	42.30	30.31	6
Bidder 7	39.00	27.33	7
Bidder 8	43.50	22.14	8

Lot 4 Architectural Services

Consultant	Quality (Max 60)	Price (Max 40)	Overall Rank
Anderson Bell Christie	45.90	37.22	1
Collective Architecture	48.60	33.06	2

Holmes Miller	44.10	33.60	3
Bidder 4	51.00	23.53	4
Bidder 5	42.60	27.70	5

Lot 5 Structural Engineering Services

Consultant	Quality (Max 60)	Price (Max 40)	Overall Rank
David Narro Associates	45.60	33.22	1
Will Rudd Davidson	47.10	29.74	2
Aecom	48.00	28.72	3
Bidder 4	43.50	33.07	4
Bidder 5	44.40	28.19	5
Bidder 6	46.50	22.38	6

Lot 6 Mechanical & Electrical Engineering Services

Consultant	Quality (Max 60)	Price (Max 40)	Overall Rank
RSP Consulting	46.80	38.82	1
Blackwood Partnership	45.30	35.85	2
Cundall Johnston	56.10	24.02	3
Bidder 4	46.20	32.43	4
Bidder 5	48.30	27.93	5
Bidder 6	34.80	0	6
Bidder 7	34.50	0	7

Lot 7 Fire Engineering Services

Consultant	Quality (Max 60)	Price (Max 40)	Overall Rank
Ramboll	48.00	40.00	1
Aecom	48.00	30.77	2

Lot 8 Interior Design, Space Planning and Move Management Services

Consultant	Quality (Max 60)	Price (Max 40)	Overall Rank
Space Solutions	48.60	37.83	1
Holmes Miller	39.90	33.12	2
Smith Scott Mullan	45.60	20.37	3

Lot 9 Multi-Discipline Design Team Services

Consultant	Quality (Max 60)	Price (Max 40)	Overall Rank
AHR Architects	44.70	37.14	1
Capita	42.90	32.91	2
Gardiner & Theobald	44.40	29.72	3
Bidder 4	44.10	29.17	4
Bidder 5	40.80	31.41	5
Bidder 6	41.70	28.46	6
Bidder 7	36.60	28.51	

- 3.8 Where organisations have a “0.0” score for price this is due to their quality bid failing to achieve the pre-set quality threshold of 60%. Organisations failing to achieve the 60% threshold were not considered further for appointment and their fee bid was not reviewed.

Measures of success

- Performance will be assessed against set objectives measured by Key Performance Indicators (KPIs). Performance monitoring KPIs assures the consultants meet and exceed required service standards in managing:
- Cost Compliance
- Time Performance
- Customer Complaints
- Availability of Staff
- Compliance against the Framework Agreement Community Benefits Programme

Financial impact

- 5.1 The estimated contract value of each of the 9 lots is reflective of historical spend for these services over the previous three financial years. Contract spend will be monitored on an ongoing basis.
- 5.2 It is anticipated that significant financial efficiencies of approximately 5%, will be delivered through the new framework. This will be achieved by rationalising the number of suppliers, consolidating spend, realising volume discounts and promoting contract compliance. The Council may use mini competitions to further drive additional value where it is deemed appropriate.
- 5.3 The costs associated with procuring this contract are estimated to be between £20,000 and £35,000.

Risk, policy, compliance and governance impact

- 6.1 Whilst previous professional consultancy services were procured on a departmental basis, using a variety of contracting arrangements, the collective use of this framework across the Council, will achieve succeeds in city wide benefits as well as the ability to build long term working relationship with each consultant.
- 6.2 The risk of not approving the framework could result in major Council building programmes of work being put at risk.
- 6.3 To meet the Council's extensive building, maintenance and repair programmes it is essential that internal resources are supported in the long term by a range of external consultants. Continuing with the present procurement options, to tender such a scale of services puts the Council at risk of failing to comply with Contract Standing Orders and European procurement rules. This could result in the Council not being able to meet its agreed coalition pledges and statutory duties.

Equalities impact

- 7.1 Investing in new buildings, altering and extending existing stock and improving external environment will have a positive impact on users and local communities.
- 7.2 Improving housing stock will increase energy efficiency and reduce fuel poverty.
- 7.3 Investing in Council facilities will improve the quality of life of Edinburgh residents.

Sustainability impact

Community Benefits

- 8.1 The Council runs a Community Benefits in Public Procurement Programme. As part of the admission to the framework, successful contractors will provide a community benefit for each £50,000 of services commissioned to their organisation. For a full list of community benefits which organisations can choose from, please see Appendix 2.
- 8.2 Due to the value of the Framework, the contract succeeds in securing over 600 community benefits.

Consultation and engagement

- 9.1 Engagement was carried out with Corporate Property, Housing Asset Management and Corporate Procurement.
- 9.2 Consultation regarding cost savings with Finance.

Background reading/external references

Not applicable

John Bury

Acting Director for Services for Communities

Contact:

Patrick Brown, Building Programme Team Manager, Corporate Property

E-mail: patrick.brown@edinburgh.gov.uk | Tel: 0131 529 5902

Links

Coalition pledges	<p>P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.</p> <p>P29 - Ensure the Council continues to take on apprentices and steps up efforts to prepare young people for work.</p> <p>P30 - Continue to maintain a sound financial position including long-term financial planning.</p> <p>P31 - Maintain our City’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure.</p>
Council outcomes	<p>CO16 - Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood.</p> <p>CO19 - Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm.</p> <p>CO25 - The Council has efficient and effective services that deliver on objectives.</p>
Single Outcome Agreement	<p>SO4 - Edinburgh's communities are safer and have improved physical and social fabric.</p>
Appendices	<p>Appendix 1 – Tendering.</p> <p>Appendix 2 – Community Benefits List.</p>

Appendix1 – Summary of Tendering and Tender Evaluation Processes.

Contract	Lot 1 Project Management Services
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£4,000,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	Restricted
Invitations to tender issued	6
Tenders returned	6
Tenders fully compliant	6
Recommended suppliers	Doig & Smith Ltd, Gardiner & Theobald, Sweet (UK) Group
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 25% Service Delivery Methodology – 30% Framework Challenges – 20% Quality Assurance, Reviews & Complaints Procedures – 20% Community Benefits & Added Value – 5%
Evaluation Team	Project Team Manager, Building Programme Team Project Manager, Building Programme Team Building Surveyor, Housing Asset Management

Contract	Lot 2 Building Surveying Services
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£4,000,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	Restricted
Invitations to tender issued	6
Tenders returned	6
Tenders fully compliant	6
Recommended suppliers	Faithful and Gould, Hardies and Summers Inman
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 25% Service Delivery Methodology – 30% Framework Challenges – 20% Quality Assurance, Reviews & Complaints Procedures – 20% Community Benefits & Added Value – 5%
Evaluation Team	Building Surveying Manager, Building Programme Team Building Surveying Group Leader, Building Programme Team Senior Surveyor, Housing Asset Management

Contract	Lot 3 Quantity Surveying Services
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£4,000,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	Restricted
Invitations to tender issued	8
Tenders returned	8
Tenders fully compliant	8
Recommended suppliers	Doig & Smith, Gardiner & Theobald, Sweet (UK) Group
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 25% Service Delivery Methodology – 30% Framework Challenges – 20% Quality Assurance, Reviews & Complaints Procedures – 20% Community Benefits & Added Value – 5%
Evaluation Team	Project Team Manager, Building Programme Team Project Manager Major Works, Building Programme Team Quantity Surveyor, Housing Asset Management

Contract	Lot 4 Architectural Services
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£4,000,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	Restricted
Invitations to tender issued	6
Tenders returned	5
Tenders fully compliant	5
Recommended suppliers	Anderson Bell Christie, Collective Architecture, Holmes Miller
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 20% Service Delivery Methodology – 30% Building Information Modelling Systems – 5% Framework Challenges – 20% Quality Assurance, Reviews & Complaints Procedures – 20% Community Benefits & Added Value – 5%
Evaluation Team	Building Programme Team Manager, Major Works Senior Project Manager, Housing & Regeneration Architectural Manager, Building Programme Team

Contract	Lot 5 Structural Engineering Services
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£4,500,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	Restricted
Invitations to tender issued	6
Tenders returned	6
Tenders fully compliant	6
Recommended suppliers	Aecom Ltd, David Narro Associates, Will Rudd Davidson
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 25% Service Delivery Methodology – 30% Framework Challenges – 20% Quality Assurance, Reviews & Complaints Procedures – 20% Community Benefits & Added Value – 5%
Evaluation Team	Architectural Manager, Building Programme Team Project Manager, Building Programme Team Surveyor, Housing Asset Management

Contract	Lot 6 Mechanical & Electrical Engineering Services
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£3,000,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	Restricted
Invitations to tender issued	7 (two scored joint 6 th place in PQQ evaluation)
Tenders returned	7
Tenders fully compliant	7
Recommended suppliers	Blackwood Partnership, Cundall Johnston, RSP Consulting
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 25% Service Delivery Methodology – 30% Framework Challenges – 20% Quality Assurance, Reviews & Complaints Procedures – 20% Community Benefits & Added Value – 5%
Evaluation Team	Design Team Manager, Building Programme Team Engineering Services Manager, Building Programme Team Senior Electrical Engineer, Housing Asset Management

Contract	Lot 7 Fire Engineering Services
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£1,200,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	Restricted
Invitations to tender issued	3
Tenders returned	2
Tenders fully compliant	2
Recommended suppliers	Aecom Ltd and Ramboll Ltd
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 25% Service Delivery Methodology – 30% Framework Challenges – 20% Quality Assurance, Reviews & Complaints Procedures – 20% Community Benefits & Added Value – 5%
Evaluation Team	Design Team Manager, Building Programme Team Engineering Services Manager, Building Programme Team Surveyor, Housing Asset Management

Contract	Lot 8 Interior Design, Space Planning and Move Management Services
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£1,200,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	Restricted
Invitations to tender issued	5
Tenders returned	3
Tenders fully compliant	3
Recommended suppliers	Holmes Miller, Smith Scott Mullan, Space Solutions
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 20% Service Delivery Methodology – 30% Building Information Modelling Systems – 5% Framework Challenges – 20% Quality Assurance, Reviews & Complaints Procedures – 20% Community Benefits & Added Value – 5%
Evaluation Team	Design Team Manager, Building Programme Team Acting Manager, Accommodation Planning Team

Contract	Lot 9 Multi-Discipline Design Team
Contract Period (including any extensions)	2+1+1
Estimated Lot Value	£6,000,000
Standing Orders Observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	Public Contracts Scotland & www.edin-tend.co.uk
EU Procedure Chosen	Restricted
Invitations to tender issued	7
Tenders returned	7
Tenders fully compliant	7
Recommended suppliers	AHR Architects Ltd, Capita, Gardiner & Theobald
Primary criterion	Most economically advantageous tender (MEAT)
Evaluation criteria and weightings and reasons for this approach	60% Quality, 40% Price Framework Delivery Team – 20% Service Delivery Methodology – 30% Building Information Modelling Systems – 5% Framework Challenges – 20% Quality Assurance, Reviews & Complaints Procedures – 20% Community Benefits & Added Value – 5%
Evaluation Team	Design Team Manager, Building Programme Team Senior Project Manager, Housing & Regeneration

Appendix 2 – Community Benefits List

- A School Visit to undertake career development / mock interviews (half day)
- Carry out a workshop in a School or Community Centre in Edinburgh linked to Curriculum for Excellence
- Work placement for a minimum of 5 days for an S3 or S4 pupil in an Edinburgh School either in Construction or Office based
- Work experience of a minimum of 5 days for unemployed person (not necessarily young person)
- Training or support for local unemployed person who is having difficulty returning to employment
- Support the delivery of works related community benefits by providing consultancy services (e.g. small refurbishment project for local woman's refuge)
- Local college students site visits to Council Construction Projects facilitated by the Consultant
- Participation in the Council's Meet the Buyer Event (e.g. having a stand at the event to support SMEs, speaking about your experience of working with the Council)
- Providing construction safety education to school children on its own or as part of a wider safety education session
- Extended work placement for a minimum of 15 days for a school pupil at an Edinburgh School.
- Provide one-to-one mentoring to a young person from Edinburgh – one hour per month for 12 months
- Undertake a local area tidy-up campaign
- Sponsorship of local community group e.g. local football club, brownies etc.
- Undertake feasibility study or research work to support the Council in restoring monuments, spaces or structures to support the local community enjoyment
- Provide talks/training to Council staff on new legislation, terms and conditions, value engineering etc to enhance knowledge transfer
- Community enhancement – resources provided for community facilities (e.g. playgrounds, habitat enhancements, environmental improvements) and initiatives (e.g. energy efficiency)
- Any other community benefits accepted as appropriate/applicable by the Council's Commercial and Procurement Services department.