



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
9 June 2020
Agenda Item 13

Key Decision Yes

Ward(s) Affected: Central Ward (Worthing)

Procurement Approach for Worthing Integrated Care Centre (WICC) Development

Report by the Director for the Economy

Executive Summary

The Council have been working to support the local health system in Worthing for a number of years. A key part of this partnership work has been the Council leading on a major project to invest in the development of a new integrated care facility. The care centre is to be located on the surface car park at Worthing Town Hall and comprises a 6,593 GIA square metre facility bringing together Coastal West Sussex CCG, Worthing Medical Group, Sussex Community Foundation Trust, and Sussex Partnership Foundation Trust.

Following the submission of an application for planning permission on 22nd May 2020, the next significant work stream is to procure a contractor to construct the new premises. This report summarises the work undertaken to date to procure a construction contractor, and recommends a preferred procurement approach for the project and the procurement of professional support required to construct the high quality development envisaged in the plans, and deliver value for money on the project.

1. Purpose

- To update members of the committee on progress to procure a construction firm for the Worthing Integrated Care Centre.
- To agree the preferred procurement route for the development stage

of the project as set out in the recommendations of the report.

- To delegate authority to the appropriate officers to make appointments for the necessary professional and consultancy support services required to support the procurement exercise and oversee the construction of the development.
- Subject to further due diligence and legal advice, to delegate authority to the Head of Major Projects & Investment, in consultation with the Executive Member for Resources, to enter in contract with West Sussex Estate Partnership as the preferred procurement route for the project.

2. Recommendations

The Joint Strategic Committee is recommended to:

- 3.1 Agree to the preferred procurement route as detailed in Section 4 of this report.
- 3.2 Agree to delegate authority to the Head of Major Projects and Investment in consultation with the Executive Members for Resources to:-
 - Agree the terms of a detailed Project Agreement with West Sussex Estates Partnership and;
 - To enter into a contract to deliver the project on the terms set out in the Project Agreement and the LIFTCO Strategic Partnership Agreement which creates a Framework Agreement for the delivery of the project;such authority to be granted subject to the requirements set out in paragraph 4.9 which includes compliance with all necessary due diligence.

3. Background

- 3.1 The Council have been working in partnership with the local health providers for over four years to help address key issues within the health system. A significant opportunity was identified for the Council to invest in new premises to bring together a number of existing health providers under a single roof. The key objectives of the intervention were to improve the level of care for Worthing residents by enabling more integrated working between different parts of the NHS by co-location, and to provide a significant

improvement on their existing accommodation which is dispersed throughout Worthing.

3.2 Following a number of preliminary studies and feasibility options, at Joint Strategic Committee of 7 November 2019 the Committee approved an Outline Business Case for the development of the Worthing Integrate Care Centre and Multi Storey Car Park development. The next phase of the scheme required the following main work streams to be undertaken:

- 1) Develop the partnership approach including a cost-share agreement.
- 2) Prepare a detailed design and schedule of accommodation agreed by health, partners and to receive planning permission for the scheme.
- 3) To identify a suitable property management approach.
- 4) To identify a Preferred Procurement Approach and commence the tender process to identify a fixed cost for the construction and provision of the professional services required to project manage delivery of the project.

3.3 These work streams are all well underway and their summation will be presented as a Full Business Case to the committee in Autumn 2020 with a view to commencing construction in early 2021.

4. Preferred Procurement Approach

4.1 With regards to work stream 4), the officer project board responsible for the project considered a paper prepared by a procurement specialist. The "Worthing Integrated Care Centre Procurement Options and Recommendations" report considered the nature of the project, and the capabilities within the Council to oversee its delivery given the specialist nature of health related development which is significantly different to residential or other commercial development due to the needs of various patient groups and providers. The report is provided in full at Appendix 1.

4.2 The report identified the following key considerations for the tender exercise against which each potential route was to be assessed:

- Time
- Certainty of time
- Certainty of cost
- Price competition
- Flexibility
- Complexity
- Quality

- Responsibility
- Risk
- Value for Money

4.3 The report reviewed all the available procurement delivery routes. A list of the pros and cons of each procurement delivery route was drawn up to form an initial assessment.

4.4 Following this initial assessment, it was narrowed to four potential options given the circumstances of the project where the Council will act as the main investor. These were:

- Use of the OJEU procurement route:

Option 1: Traditional and full OJEU Tender;

Option 2: Design & Build Contract awarded by the Council;

- Use of a pre-tendered procurement framework;

Option 3: Crown Commercial Services (CCS) ;

Option 4: Use of the West Sussex NHS LIFT Strategic Partnering Agreement.

4.4 Following consideration at an Officer Project Board, and some further research, the use of an OJEU procurement route was discounted due to the time required to complete these processes and the level of risk retained by the Council in the delivery of the project. Following an assessment of the viable frameworks available to the Council, it was resolved that (subject to further due diligence) using the West Sussex NHS Lift Strategic Partnering Agreement (SPA) was the preferred option for the delivery of the project. LIFT stands for Local Improvement Finance Partner and the LIFT Company under the SPA is the West Sussex Estates Partnership Ltd (also referred to as the LIFTCO).

4.5 The SPA in effect, set up a framework for local authorities to tap into for the delivery of major projects similar to the Health Hub enabling the Council to use the expertise, skill, and experience of professionals who have previously and successfully delivered projects of the same type now required by Worthing Borough Council. The West Sussex Estates Partnership Limited (the LIFTCO) was created by the NHS Local Improvement Finance Trust (LIFT) framework. WSEP through its subsidiaries and sub-contractors develops and manages primary health and social care property across West Sussex. Projects are procured under the umbrella of the Strategic Partnering Agreement. Worthing Borough Council has signed the Access Agreement to

the Strategic Partnering Agreement in March 2018, but has not yet invoked the procedures of the SPA, which require the negotiated and agreed Project Agreement.

- 4.6 To date, WBC has instructed West Sussex Estates Partnership to provide professional services under a consultancy agreement. When the Project Agreement is signed off and agreed, the procedures under the SPA can be invoked, WBC will stop paying for work carried out under the consultancy agreement, and shall appoint WSEP as Developer under the SPA.
- 4.7 As the Developer, WSEP will project manage the instruction of all professional services, to include the preparation of the tender documents and the procurement of the construction contractor, in consideration of a proposed development fee calculated at 3% percentage of the total value of the project, plus legal and quantity surveying costs. Provisional costs are set out below and are dependent on the final value of the contract that emerges from the procurement process:

- WSEP fee would be 3% of total project costs (currently estimated at £28,766,10) which is £862,983 (of which 15% has already been incurred in preparation of the FBC)
- Quantity Surveying and Employers Agent costs are estimated at £225,000 (circa 0.3% - 0.5% of the construction cost)
- Quality Control - £75,000
- Health & Safety control in line with CDM Regulations - £20,000

These fees will be incurred following individual tender exercises to procure the most cost effective service possible and are exclusive of VAT. The final costs will be confirmed in the Full Business Case report that will be considered following procurement when the construction project budget is set.

Other anticipated costs that will be incurred and will be incurred by the Council to ensure quality control and oversight:

- Appointment of an independent certifier - 0.3/0.5% of total project cost
£28,766,100 = £143,830
- Joint legal services with WSEP = £30,000, (or the council source their own legal appointments)
- Contractual/Lease Legal agreements - estimated £50,000 to £70,000

Total provisional cost for WBC = £243,830 (costs relate to the work WSEP will undertake on behalf of the council)

All figures exclude VAT

The Council's own procurement team shall be consulted during this process to ensure there are sufficient checks and balances in place.

4.8 The Key benefits in using the SPA are that the construction will be overseen by a specialist health development organisation (the benefit of an "intelligent client"), and that value for money will be achieved by a competitive tender process for all contracts, both professional and constructions, with numerous contractors invited to bid. The project will be overseen by a Strategic Partnership Board appointed by the Council, who will provide the necessary checks and balances to ensure that value for money is achieved, and ensure the project remains on track. The SPA is considered a suitable and appropriate route given the specialist nature of the project.

4.9 Inevitably, the preferred approach of using WSEP under the SPA, will require:-

- continued due diligence;
- the preparation of a Project Agreement setting out the terms on which we intend to use the SPA and the terms of delivery of the Project by WSEP as our Developer;
- Authority to enter into and approve the various sub-contracts for professional services that will also be required.

It is noted that if Members agree to the recommendations set out above WSEP has proposed a preference to enter into contracts in its own name to enable it to fully manage the delivery of the Development services, subject to there being collateral warranties on each contract in place, to protect the Council. Officers will undertake detailed negotiation and clarification of contractual arrangements and will undertake all necessary due diligence, including if required the instruction of independent legal advice to ensure that the Council is achieving value for money and minimising risk of challenge to ensure that the project continues successfully to completion. The recommendations set out in section 2 requests the authorisation for the Council to enter into this agreement once an Officer (Executive) Decision is taken by the Head of Major Projects in consultation with the Cabinet Members for Resources, and, as part of the due diligence, the Officer Decision will also be subject to confirmation from the Head of Procurement, Chief Financial Officer, and Solicitor to the Council that it is appropriate to do so.

4.8 It is intended that the Council will retain independent cost consultancy and quantity surveying advice throughout to provide suitable assurance on build quality and agree compensation events.

5. Specialist Support and Development Consultancy Services

- 5.1 As set out above, the Major Projects & Investment Team have used consultancy and support services procured from WSEP through the Strategic Partnering Agreement to provide specialist project management, procurement and development consultancy services at all stages of the project to date.
- 5.2 WSEP have appointed a design team of architects, planning, engineering and consultancy services to develop the design scheme. Retaining the in-depth knowledge and continuity this partnership has developed will ensure the efficacy of the project, maintaining pace which is important to the scheme's success, and provides value for money for the Council, saving considerable time, resources, efficiency and cost.
- 5.3 Officers have been satisfied with the quality of the work, and impressed with their specialist knowledge health related development, and their ability to navigate the complexities of health estates systems, along with the requirements of the Council as developer and investor. Going forward to the next phases of the project, It is intended that services and consultancy will continue to be procured from the Strategic Partnering Agreement to support the Council throughout the Full Business Case, construction, and occupation period to maintain continuity and retain the pace within the project.

6. Financial Implications

- 6.1 The previous report to the Joint Strategic Committee indicated that the cost of the proposed new centre and associated car park would be:

	Medical Centre	Car Park	Total
	£	£	£
Design and construction costs including professional fees	22,246,100	6,432,000	28,678,100
Optimism bias @ 15%	3,336,920	964,800	4,301,720
Interest	840,000	250,000	1,090,000
Total cost	<u>26,423,020</u>	<u>7,646,800</u>	<u>34,069,820</u>

- 6.2 The budget contains sufficient provision to fund the all of professional fees that would be incurred during the project including those associated with using the LIFT framework.
- 6.3 In considering the proposal, members should be aware that similar frameworks such as Scape will also incur a 3% fee, and that this fee is used to fund the costs of managing the procurement process, the technical and project management costs of delivering the construction contract, alongside the appointment and administration of the associated professional services.
- 6.4 Contract Standing Orders allow that framework agreements or Dynamic Purchasing Systems can be used when it can be demonstrated that good value for money can be achieved through their use. To ensure that this can be demonstrated, the procurement of a construction partner by WSEP will be overseen by the Council's own procurement team who have been involved in the development of this strategy.

7. Legal Implications

- 7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of its functions.
- 7.2 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 7.3 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 7.4 Section 1 of The Local Government (Contracts) Act 1997 provides that every statutory provision conferring or imposing a function on a local authority confers the powers on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both (whether or not together with goods) for the purposes of, or in connection with, the discharge of the function by the local authority.
- 7.5 Under the Public Contract Regulations 2015 where a Public Authority is to enter into a contract for the supply of goods & services, and the value of goods and services to be purchased exceeds a financial limit of £189,330 (or for works contracts £4,733,252 any procurement exercise to contract for

those goods and services must be conducted in accordance with the Public Contract Regulations and a failure to do so may be declared upon receipt of a procurement challenge, anti-competitive and in breach of the Regulations.

- 7.6 The Public Contract Regulations and the Council's Contract Standing Orders allow for lawful use of pre-procured Framework Agreements. Paragraph 8.10.2 of the Contract Standing Orders confirms that the rules regulating use of a framework requires a competitive process (known as a mini competition) but in some circumstances a direct award may be allowed in consultation with the Council's procurement team. By using the SPA and appointing WSEP to act as Developer the Council will be making a direct award without a mini competition as WSEP is the only provider under the SPA.
- 7.7 The Local Government Act 1972 s20, provides that principal Councils may acquire by agreement any land for the purpose of their functions or the improvement of their areas for money or money's worth as a purchaser or lessee. In considering what is money or monies worth arrangements relating to Overage Provisions on purchase should be taken into account.

Background Papers

- Background Papers
- Report to the Joint Strategic Committee 10th October 2017 - Health Related Development on Worthing Town Hall Car Park
- Report to Joint Strategic Committee Meeting 06/11/2018 - Investing in Worthing Town Centre - Approach to Car Parking Provision
- Worthing Town Centre Investment Prospectus 2016
- Integrated Care Centre cost plan - Report on construction costs, 7 November 2019

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Appendix 1

Version 1.0

Worthing Integrated Care Centre
Procurement Options & Recommendation

February 2020

Introduction

Worthing Borough Council (WBC) has instructed West Sussex Estates Partnership (WSEP, the local LIFT Co) to prepare a report into the main procurement options available to them for the proposed Capital Funded Worthing Integrated Care Centre project (WICC); to be located on the site currently occupied by the Worthing Civic Centre Car Park, Stoke Abbott Rd; Worthing Central Clinic (to be demolished); and, electrical Substation (to be relocated).

Accordingly, the following routes have been identified and considered as realistic options:

- National/Regional Frameworks
- Design and Build / Traditional Tender
- Private Finance Initiative (PFI)
- LIFT Framework
- 3rd Party Development (3PD)
- Open OJEU process

A further option, which is perhaps less realistic than the aforementioned, but nevertheless worth noting even if only to confirm it has been considered and discounted, is:

- Set up own framework

Procurement Options

This section explains potential procurement options available for use within the project.

The key issues relating to each of the procurement options are summarised below.

Frameworks - frameworks of contractors have been set up specifically for schemes procured with public capital. The contractors on these frameworks have been selected through the OJEU procedure and therefore are not required to go through this procedure again, thus saving time. The model follows the OGC's description of an integrated solution as the Principal Supply Chain Partner (PSCP) usually brings the design team and construction expertise to assist WBC in developing the business case and associated construction costs.

A shortlist of contractors can quickly be selected and interviewed and a preferred contractor selected. The contractor is selected on the basis of his methodology, proposed programme, team and interview. The PSCP then works with the LA to prepare the design and agree a guaranteed maximum price (GMP) before starting on site.

This procurement route requires the scheme to be funded through Treasury capital (or through internally generated funds in the case of Councils and Foundation Trusts).

All frameworks tend to have similar works delivery mechanisms, using open book accounting to demonstrate value for money, and all use or advocate the use of collaborative/partnering approaches and forms of contract, predominantly JCT or NEC, although some aren't prescriptive.

Most have defined routes for contractor selection, with some allowing direct appointments. All will need to be aligned with WBC's accountability and standing financial instructions.

Offering a project to all the contractors in any given framework lot, for them to confirm interest, is common to most if not all frameworks.

Advantages	Disadvantages
<p>Single point contact and responsibility</p> <p>Inherent buildability</p> <p>Early Guaranteed Maximum Price (GMP)</p> <p>Reduced total project time</p> <p>Partnering approach to problem solving</p> <p>Early stakeholder engagement</p> <p>Early design/cost certainty</p> <p>Existing relationships and project history</p> <p>Known up-front charges for project front-end development</p> <p>Sub-contractor work packages tendered competitively</p> <p>Open-book accounting</p> <p>Satisfactory public accountability</p> <p>Private Sector Competitiveness Project (PSCP) Incentivised</p> <p>Compliance with the "Common Minimum Standards" OGC, 2006</p>	<p>Sometimes difficult for clients to prepare adequate employer's requirements at an early stage</p> <p>Client driven changes can be expensive post GMP</p> <p>Not flexible in the event a GMP is not agreed</p> <p>Is time consuming in the event a GMP is not readily agreed</p> <p>Potential for design quality to suffer due to the PSCP contractor being cost-driven</p> <p>Possibility to over-price in order to increase contractor share of savings</p> <p>Contractor takes little risk</p>

Traditional Tender - As with Frameworks, these procurement routes are for schemes being funded by public capital.

Both traditional and D&B methods require PUBLIC organisations to procure a contractor through the OJEU procedure.

Under this procurement arrangement, the responsibility for construction is in a single contract, separate from the design, utilising either Bills of Quantities or Specifications and Drawings. Bills of Quantities should only be prepared once design has been fully completed. Such a document provides measured quantities that allow competing contractors to price all material, plant and labour used on the project to arrive at a “lump sum” tender for the project.

Advantages	Disadvantages
<p>Open, competitive tendering</p> <p>Procedures well known</p> <p>Client has potential cost certainty before start of construction</p> <p>Sub-contractors are under the main contractor’s control</p>	<p>Slow to start on site (no parallel working)</p> <p>Contractor not involved in design or planning (no buildability, unless a two stage process is used)</p> <p>Heavily reliant on the quality and completeness of tender documents</p> <p>Adversarial</p> <p>Can be subject to costly “claims” if design information is issued late or incomplete</p> <p>Variations can cause delay and claims</p> <p>Not supported by OGC “Common Minimum Standards” 2006</p> <p>Does not deliver the project front-end engagement process to deliver VFM</p>

	<p>Nationally, problems historically with programme, cost, quality and final accounts</p> <p>Required to procure a contractor through the OJEU procedure.</p> <p>Due to requirement to procure a contractor through OJEU, procurement could take 6-9 months</p>
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Design & Build - Both traditional and D&B methods require PUBLIC organisations to procure a contractor through the OJEU procedure.

The ‘Design & Build’ method involves working up the design to a certain stage and procuring a contractor on the basis of its proposals to complete the design and construct the building. The client can then either novate their own design team to the contractor or allow the contractor to bring their own design team.

Advantages	Disadvantages
Competitive tendering ensures VFM	Client needs to commit before design is complete
Satisfactory public accountability	No design overview unless client retains design team or appoints due diligence consultant – extra expense.
Procedures well known	Client driven changes can be expensive
Possible single point contact and responsibility	Potential for design quality to suffer due to the contractor being primarily cost-driven
Inherent buildability	Potentially adversarial
Early firm price possible	
Reduced total project time	
Significant risk transfer	

Sub-contractors and design team under the main contractor's control	Due to requirement to procure a contractor through OJEU, procurement could take 6-9 months
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Private Finance Initiative (PFI) - PFI is a form of Public Private Partnerships (PPP) that has successfully delivered public infrastructure buildings for over 10 years.

The contract is a concession contract typically of 25-30 years duration for the partner to design, build, finance and maintain the facility for the concession period. This form of procurement follows the OGC best practice of an integrated design and construction that considers the whole life cost of the asset.

A key aspect of PFI is that the PUBLIC organisation would only pay for the building or elements of the building if they are 'available' for use. Should the building fall below minimum standards or areas of the building be 'unavailable' for use, the PUBLIC organisation would be entitled to deduct money from the Unitary Payment.

Variations to requirements during the construction phase can be costly and therefore it is imperative that the building be designed to be flexible and easily adaptable. Procurement times can be lengthy if not managed correctly or if poor quality or insufficient information is provided at the tender stage.

HMG indicates that PFI is unlikely to be a cost effective and politically acceptable procurement route for the time being. As a consequence this procurement method **has not been considered for further assessment.**

Local Improvement Finance Trust (LIFT) - LIFT was developed as an alternative form of PPP with a number of advantages over PFI. However, LIFT has recently fallen foul of the PFI debate and in the current climate is unlikely to be approved as

an acceptable procurement route. As a consequence this procurement method **has not been considered for further assessment**

Advantages	Disadvantages
<p>No capital cost risk for WBC</p> <p>No need for WBC to employ FM or maintenance staff</p> <p>LIFT partner pre-procured therefore no need to OJEU</p> <p>Provides continuity and design cost savings on a portfolio of projects</p> <p>Partnership arrangement omits duplication of client/developer effort</p> <p>Product quality is enhanced due to the developer being responsible for the maintenance of the property over a prolonged period</p>	<p>Asset not owned by WBC</p> <p>Possible higher long-term revenue costs</p> <p>Need for good quality brief</p> <p>Emphasis on needs of consortium, not clinical needs</p> <p>Variations may be costly to incorporate</p> <p>Lengthy procurement time due to complicated legal and contractual requirements</p> <p>Legal representation is costly</p>

LIFT Framework (a): Developer - As WBC is able to fund the project independently, all elements of a traditional LIFT are therefore not required. This route utilises all the benefits of using a pre-procured LIFT partner, but without the need to dip into the controversial finance and facilities management elements.

By adopting this procurement route WBC can utilise the advantages of a pre-procured LIFT partner, avoid the OJEU process and maintain maximum flexibility in choice of design and construction partners.

Ownership of the property passes to WBC at Practical Completion.

Advantages	Disadvantages
<p>Asset owned by the client</p> <p>Good understanding of health and LA related developments</p> <p>Partnership ethos from the outset</p> <p>Existing relationship with WSEP, with single point contact and responsibility</p> <p>Established appointment already in place with WBC having recently completed an extensive design team selection process??</p> <p>Existing relationship with Design team</p> <p>Reduced time/meeting burden on WBC and CCG Clinical and Estates teams</p> <p>Immediate availability of resources</p> <p>Continuity of key design team members</p> <p>Design Team have knowledge of the site</p> <p>Partnering approach to problem solving</p>	<p>Need for good quality design brief</p> <p>Post-contract client driven changes can be expensive</p>

Early stakeholder engagement	
Early design/cost certainty	
Existing relationships and project history	
Main contractor competitively selected from agreed shortlist	

LIFT Framework (b): Partnering Services, Manager of Design and Construction Elements on behalf of WBC.

As a signatory to the SPA WBC has access to the full range of management services provided by the LIFT company under the Partnering Services Agreement.

The manager role can be applied equally to the management of a non-LIFT framework or to a LIFT procured contract.

Third Party Development (3PD) - A 'Third Party Developer' is a developer who funds and builds a new facility in return for a lease payment from the client and, potentially, other tenants. Under the 3PD approach, the development company forward funds the project and receives a share of development profits. The client organisation would normally enter into a 15 year FRI or TIR lease with the developer with agreed rental levels and rent reviews every 3 years, these can be based upon open market rent, set increases or a cap/collar.

As WBC has the necessary funds available this procurement method **has not been considered for further assessment.**

Procurement Strategy

It was identified by the client that the chosen procurement route will need to address the following key factors:

- Time
- Certainty of time
- Certainty of cost

- Price competition
- Flexibility
- Complexity
- Quality
- Responsibility
- Risk
- Value for Money

These were further reviewed to provide a weighting system to reflect the client's perspective and priorities.

The table below has been used to score the above key factors, using a scoring matrix of 1-5, with 1 below low and 5 being extremely high.

Procurement Assessment Criteria	Weighting (W)
Time: Is early completion required?	2
Certainty of time: Is project completion of time important?	4
Certainty of cost: Is a firm price needed before any commitment to construction given?	5
Price Competition: Is the selection of the construction team by price competition important?	4
Flexibility: Are variations necessary after work has begun on-site?	2
Complexity:	3

Does the building need to be highly specialised, technologically advanced or highly serviced?	
Quality: Is a high quality product, in terms of material and workmanship and design concept important?	5
Responsibility: Is single point of responsibility the clients after the briefing stage or is direct responsibility to the client from the designers and cost consultants desired?	4
Risk: Is the transfer of the risk of cost and time slippage from the client important?	4
Value for money: Is the project demonstrating vfm?	5
Sustainability: Does the project contribute to the council's stated objective of being carbon neutral by 2030?	5
Social Benefit Will the project bring social benefit to the local community?	5
TOTAL	48

The perceived advantages and disadvantages of the available procurement routes for this particular project have been reviewed and rated against each of the procurement assessment criteria.

This has been completed using a scoring matrix of 1-5, with 1 below low and 5 being extremely high. The results are summarised in the table below.

Frameworks available to WBC

Orbis has advised the following frameworks available to WBC;

- Southern Construction Framework (SCF) – Lot 2
- Scape Procure
- Gen2
- CCS

In addition, Procure 22 should be added to the list of frameworks for consideration.

SCF - The Southern construction framework includes many of the contractors that WBC would like to see given the opportunity to bid. The framework adopts a two-stage open-book procurement approach, which it is believed does not offer best value for money, given the client requirements are well known and design is at an advanced stage.

Scape – Includes a limited number of contractors. Its use would preclude many contractors from the list that WBC would like to see given the opportunity to bid. It leans heavily towards the education sector. The value of the ICC contract at £30m falls outside the typical range of construction values that the framework has been set up to cover i.e. £2-20m.

Gen2 – has been set up to cover projects typically between £1 - 6.5m in the education sector and therefore falls outside the range required for this project.

Procure 22 – administered by DoH, it has been announced recently that this framework is to be superseded by a new government initiative, Procure 2020. It is not clear at this stage how this will operate. P22 has a limited number of contractors (6No), Its use would preclude a number of contractors from the list that WBC would like to see given the opportunity to bid. The framework adopts a two-stage open-book procurement approach, which it is believed does not offer best value for money, given the client requirements are well known and design is at an advanced stage.

CCS - The framework is arranged in 11 lots of varying levels of complexity and value of work from £0 – £3m up to £80m+. It includes many of the contractors that WBC would like to see given the opportunity to bid; but excludes some. The framework is relatively new. It is not clear where the cost of using the framework sits, but it has to be paid for somehow. The framework supports the use of standard forms of contract. The framework supports the use of D&B single stage tendering with consultant transfer. All suppliers (17No) in the appropriate lot have

to be given the opportunity to bid. The Quality/Price ratio adopted at Framework level was 75/25, with 25% leeway; ie the maximum % on price is 50%. In our opinion this % on price is low, given the client requirements are well known and design is at an advanced stage. However, this negative should be offset by a well run single stage tender process.

LIFT Partner as Developer – this procurement route offers maximum flexibility to WBC in terms of contractor selection. In terms of value for money, there is probably little to choose between this option and the CCS framework route; although the limitation on cost % in the CCS selection process may make the LIFT Developer route marginally more attractive. Under this option a Quality/Price ratio of 25/75 would typically be adopted, given the client requirements being well known and the design at an advanced stage. The legal process to be adopted under this option is slightly more complicated.

Procurement Recommendation

The most appropriate procurement strategy for the WICC project offering best VFM is a single stage D&B contract with consultant novation.

Having reviewed the procurement strategy and the advantages and disadvantages of the available procurement routes; the procurement objectives of the Worthing ICC project are most suited to adopting either the **CCS or LIFT Framework route**. The table below gives a slight advantage to the CCS framework option, but the final decision rests with WBC.

The remaining framework options all make use of a two-stage procurement process which in our opinion does not offer VFM in the given situation; and some fall outside the value range required for this major project.

The Traditional and D&B routes are discounted due to the time required to go through the OJEU process and the level of risk retained by WBC.

PFI/PPP or 3PD type developments are also discounted as WBC has access to the necessary funding.

Both procurement routes identified need to be managed. WSEP stands ready to project manage whichever option WBC prefers.

Michael Webb

Bsc CEng MICE FStructE MCIWEM MAPM

Criteria	Weight	Framework		Design & Build		Traditional		LIFT Partner	
		Score	Total	Score	Total	Score	Total	Score	Total
Time	2	3	6	3	6	2	4	3	6
Certainty of Time	4	3	12	3	12	2	8	3	12
Certainty of Cost	5	4	20	3	15	1	5	4	20
Price Competition	4	4	16	4	16	3	12	4	16
Flexibility	2	3	6	3	6	3	6	4	8
Complexity	3	4	12	3	9	3	9	4	12
Quality	5	5	25	3	15	4	20	5	25
Responsibility	4	4	16	4	16	2	8	4	16
Risk	4	4	16	4	16	2	8	4	16
Value for Money	5	4	20	4	20	3	15	4	20
Sustainability	5	5	25	4	20	3	15	4	20
Social Benefit	5	4	20	4	20	4	20	4	20
Weighted Total	48	47	194	42	171	32	130	47	191
Ranking		1 st		3 rd		4 th		2 nd	

Sustainability and Risk Assessment

1. Economic

- The project is strategically interlinked with a planned wider investment programme connected with future developments at other key sites in Worthing.
- Redevelopment of the town hall car park for health care building will contribute to the creation of an enhanced civic quarter providing a suitable location for public service consolidation, improved usage of council amenities, an economic boost to existing businesses, and encouraging an increase in investment.

2. Social

2.1 Social Value

- Development on the existing surface car park would send a positive message to the community, visitors, commuters and business, that change is taking place in Worthing and improvements to Health Care within the built environment will be realised in the near future.
- The existing car park does little to enhance this part of Worthing from road or rail, and its demolition will help to bring forward the redevelopment of this important gateway site to enhance the street scene and act as a catalyst for the regeneration of the wider area.

2.2 Equality Issues

- Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

- Matter considered and no issues identified.
- Works will be managed under the Construction Design & Management (CDM) Regulations 2015.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- It is intended that redevelopment will bring forward a health centre in a sustainable town centre location and will enable released

sites to come forward for suitable redevelopment. Noise, dust and highway obstructions will be kept to a minimum using industry standard techniques, and monitored by the Council throughout the works

- The project aligned to the council's strategic approach to Climate Emergency.

4. Governance

- A dedicated project board oversee the governance of the project ensuring:
 - 1) Due diligence
 - 2) Alignment with Council policies and priorities
 - 3) Legal issues and compliance with legislation
 - 4) Risk management including health and safety
 - 5) Statutory approvals
 - 6) Stakeholder management and engagement
 - 7) Change control

5. Sustainability & Risk Assessment

- All implications associated with any impacts on sustainability are considered through the councils BREEAM assessment which is required to be of an excellent standard to fulfill the requirements of a NHS occupied facility.
- A Risk Register is assessed through the Project Board. Any associated risks are delegated to the Project Team in the form of a risk assessment. This organic document is assessed on a monthly basis.