

# Procurement strategy

V5 December 2014

Project title: River Medway Flood Storage Areas  
Project number: IMSE100377  
Project total value: £14M  
Project stage: Appraisal  
Appraisal value: £720K  
Gateway: 0

Version and issue date: Av5 - 30/09/2016

Project Executive: James Kennedy  
Project manager: Sam Box (CH2M)

PSO Representative: Neil Gunn  
One commercial lead: Chris Ward

## 1. Background of the project as a whole, including objectives:

The overall objective of this project is to address the unacceptably high level of flood risk in the Medway catchment around Tonbridge and Hildenbrough and in the communities of Yalding and Collier Street. Below is a history of the project:

- Flood Risk in the catchment of the River Medway is high, the communities of Yalding and Tonbridge have suffered from serious flooding in 1960, 1963, 1968, 1974, 1979, 2000 and most recently over Christmas 2013. There have been floods on other occasions. Many properties are considered to be at very significant risk. The catchment has a completed CFMP and the Middle Medway Strategy (MMS) was approved by Defra in 2007 and updated in 2010. Cost and benefit estimates are considered to be robust.
- The record flows experienced in the 2013 floods are causing us to revise our hydrological estimates and are likely to alter damages. Sensitivity testing carried out in the MMS indicated that the damages were sensitive to increases in flow but the costs of most interventions were less sensitive.
- Flood risk in Tonbridge town is managed by the Leigh FSA and low walls. Yalding doesn't have any defences. The need for flood management interventions is clear, Yalding is described before Tonbridge and the linkage between the projects is made clear through design and funding throughout. Owing to the condition of the existing structure at Leigh this project is urgent and requires moderation on health and safety and legal grounds.
- Flood Risk in the area around Collier Street and Yalding is very high, many homeowners experience difficulties obtaining insurance and flooding of property is expected to occur on average once every 5 to 10 years. In the area of the confluence of the Rivers Beult, Medway and Teise 1220 properties are considered to be at risk of flooding in a 1% or 1 in 100 year event and 729 properties are considered to be at very significant risk of flooding. Average annual damages arising from flooding are estimated at £2.5 million. The River Beult SSSI is in poor condition.
- In 2005 the MMS recommended investigations in to the feasibility of a flood storage reservoir on the lower reaches of the River Beult to benefit Yalding, Collier Street and Maidstone. However the economics of the scheme meant that the scheme was seen as unlikely to proceed. After discussions with the parishes we were asked to develop a property level protection scheme for the area. This was submitted for consideration but required substantial external contributions.
- Over Christmas 2013 and January 2014 the communities were very badly flooded, some properties were flooded five times with up to 9 feet of water inside. There was substantial risk to life with evacuations being carried out at night by boat and MCA helicopter. In response the county council have made a written offer offered to fund the amount required to ensure schemes are 100% funded under partnership funding rules.
- The Middle Medway Strategy (revised 2010) recommended improvement of the structure in 2035 to sustain the standard of defence in the face of climate change.
- A category A online flood storage reservoir, the Leigh FSA comprises a 1.3km long earth embankment with a 30m wide, 40m long reinforced concrete outlet control structure incorporating 3 radial gates. The two outer gates are 6.60m wide and 5.5m high, and the central gate is 9.1m wide and 4.5m high. It is

located about 2km upstream of Tonbridge. Currently 964 home and 236 businesses benefit from its presence principally in Tonbridge and Hildenborough.

- The flood storage reservoir has a storage capacity of 5.58Mm<sup>3</sup>, which is used to reduce flood risk to Tonbridge and Hildenborough immediately downstream. Flood risk is also reduced, but to a lesser extent, further downstream for the areas of Five Oak Green, East Peckham, Laddingford, Yalding and even as far downstream as Maidstone, although by this stage the impact is relatively small. The focus of the Barrier operating procedure is to reduce risk in Tonbridge. In preparing this mandate benefits as far downstream as East Peckham (but not including that community) have been assessed.
- The structure was safely exceeded in 2000 and 2013. Prior to the Christmas floods of 2013 the Environment Agency had been promoting a mid-life refit to the structure to extend its life to 2035. This was in line with the strategy as external contributions could not be found to promote replacement and an increase in the standard of defence.
- The Christmas 2013 flood altered the local political landscape. Paul Carter the head of Kent County Council (KCC) offered to 50% fund the construction of improved defences for Yalding and Tonbridge.
- Subsequent to this, the Environment Agency, Kent County Council, Tonbridge and Malling Borough Council and Maidstone Borough Council formed a partnership project team to develop options to reduce the flood risk to the communities at risk of flooding. Through legal agreement, all of the partner organisations have committed funding to develop the business case.
- The Area has therefore decided to cancel Leigh Barrier Mechanical Improvement phase 2 in favour of replacing the structure and improving the standard of service. KCC have made it clear that they will only support both projects.
- The River Medway Flood Storage Areas (FSA) Initial Assessment was concerned with addressing the high level of flood risk in the Medway catchment around Tonbridge and Hildenborough and in the communities of Yalding and Collier Street.

The first objective of the project is to assess the viability of an increase in the operational storage of the Leigh FSA to further reduce the risk of flooding to Tonbridge and downstream communities.

The second objective is to assess a solution to reduce flood risk in the community of Yalding and Collier Street utilising a flood storage area/cascade of flood storage areas or other solution on the lower reaches of the River Beult and / or the River Teise.

The Initial Assessment phase of work was direct awarded to the WEM Lot 4 consortium, VBA (Volker Stevin Ltd, Boskalis Westminster Ltd & Atkins Ltd). Atkins Ltd have considerable experience on the River Medway and have experienced staff who wrote and contributed to the Middle Medway Strategy. The advantage of this is that the Contractor were able to aid in the cost and programme forecasting, this has been important for liaison with the external stakeholders. Volker Stevin have also previously worked on the Leigh Barrier.

- Initially a separate project, the Hildenborough Flood Alleviation Scheme (FAS) project, was commissioned to identify options to provide a 1 in 100 year including allowance for climate change standard of protection to properties within Hildenborough that are at risk of flooding from the River Medway, Hawden Stream and Hilden Brook. The Initial Assessment for this project was awarded to Capita AECOM following competitive tender to WEM Lot 3.
- The Hildenborough FAS links to the wider Medway FSA project. The economic benefits between the two projects are shared and the flood risk at Hildenborough is directly influenced by the operation of the Leigh FSA. Consideration of the Hildenborough defence at the same time as the Leigh FSA gives the Environment Agency an opportunity to deliver a more efficient, optimum defence design.

Due to the clear linkages and dependencies between both projects, at OBC, the two projects will be assessed as one to ensure a strategic approach.

The Initial Assessment produced by VBA and the Hildenborough Option Appraisal by Capita will be used to produce the Strategic Outline Case (SOC), the Environment Agency Project Manager will lead on the production of this document.

The anticipated value of the main contracts are as follows:

- The options recommended to be taken forward to a combined detailed appraisal at the OBC stage are to improve the Leigh FSA (scheme PV cost for approval £10.5 million with £2.9 million contribution required) and improve the Leigh FSA combined with the Hildenborough FAS (Scheme PV cost for approval £13.5 million with £5.8 million contribution required).
- KCC have committed to contribute £2.5 million towards the final scheme, and Tonbridge and Malling £0.5million, with the remainder coming from Southeast LEP funding and FDGiA.
- The anticipated value of the main contracts are as follows:
  - Appraisal £640k (including £300k for ground investigation)
  - Design £720k (including £50k for ground investigation)
  - Construction base cost £8,000k
  - Cost management(to OBC only) £20k

## 2. Outputs required

The Initial Assessment has gone into great depth due to the significant local interest relating to the recent flood events. Full modelling of potential options has been carried out as have public engagement activities. With the recent history of flooding and input from local stakeholders, the appraisal needs to be well detailed however, with the Initial Assessment already going into a lot of detail, the final economic appraisal will not need considerable amounts of work. Further outputs required are:

- Production of the Economic and Financial Cases to build a robust Outline Business Case (OBC) through Large Projects Review Group (LPRG) and support, facts and figures to help the Environment Agency produce the Management, Strategic and Commercial Cases.
- Ground Investigation & Services Investigation
- Outline planning
- Environmental Impact Assessment (EIA)
- Gaining approval of statutory stakeholders & support non-statutory stakeholder engagement

The key output for this project is the production of the Economic and Financial Cases to build a robust Outline (OBC) through the Large Projects Review Group (LPRG).

Ground investigation and services investigation will also be a key part of this project and the selected Consultant will be required to specific, procure and manage these services.

There is also a need to do some outline planning, to provide a steer on what will be required in later design phases, the aim of this work is to enable the streamlining of the overall project programme.

There is also a requirement for an Environmental Impact Assessment (EIA) which will be a key deliverable as part of the appraisal and there is also a requirement to gain approval from statutory stakeholders and to support non-statutory stakeholder engagement activities.

## 3. Procurement approach:

The Procurement Strategy Meeting was held on 15/08/2016 and attended by the following;

- Chris Ward - Commercial Lead
- James Kennedy - Project Executive

- Sam Box - Project Manager
- Neil Gunn - Project Sponsor
- Andy Gray - KSL Programme Lead

It was agreed during this meeting that the Appraisal will be competitively tendered through the Water and Environmental Management (WEM) Framework. This was considered most appropriate as the framework exists to deliver this work type for the Environment Agency. Both Lot 3 and Lot 4 of the WEM Framework were considered during the procurement strategy meeting and the risks and benefits of both lots were discussed.

#### **WEM Lot Selection - Risks & Benefits**

The key outputs of the appraisal phase of this project are OBC approval and EIA as stated in section 2, Lot 3 have significantly more experience delivering this kind of work than Lot 4. This was considered to be of key importance to the project.

The Project Manager is currently brought in service through WEM Lot 3 consultant CH2M which could raise a potential conflict of interest. This was considered but this risk can easily be mitigated by excluding the PM from the evaluation of this tender. The experience and knowledge within the rest of the project team was considered to be excellent and therefore, though the PM's input would be valued, it is not considered a requirement. Should the contract be awarded to CH2M, the project can still be managed by the WEM Lot 3 consultant but there will need to be significant input from the Project Executive who will have to approve all decisions. Ncpms will consider project management options should this eventuality occur.

Early Supplier Engagement (ESE) will be required with a Lot 3 consultant whereas with employing a Lot 4 contractor to do the appraisal, this would not be required. There is budget available and allocated to ESE so this was not considered a major issue. Also, with such a complex and potentially politically important project, having experience from both lots on the framework, plus the independent review provided by a Lot 4 contractor in terms of buildability, development of the works and practical site investigation advice could be of significant benefit to this phase of work.

The Commercial Lead raised the potential issue of reduced competition for detailed design and construction phases if awarding this work to Lot 4. If one contractor were to win the appraisal work, other contractors may consider not bidding for future phases of work due to their competitors knowing the project in intimate detail. The Tendering Opportunities and Contracts Awards Database was also reviewed in line with the tender programme to investigate how much work was planned to be tendered through Lot 3 and Lot 4. This demonstrated that there was only very small schemes, with the exception of one or two larger appraisals in different areas of the country, planned to be tendered through Lot 3. Whereas Lot 4 have a reasonable number of opportunities for both construction and design and construction including Boston Barrier and the MEICA South Hub package of appraisals. This could reduce competition on Lot 4.

The agreed route was to tender this opportunity through WEM Lot 3 based on the above.

#### **Contract Selection**

The Contract for the Appraisal for this project will be delivered under an NEC Professional Services Contract, Option C incentivised contract.

This is the most appropriate contract as it allows us to work with our selected consultant to share the risks and rewards of working together. This will therefore require a clear outcome focused scope to enable the two parties to effectively engage in the process. An Option E contract was considered to leave too much risk on the Environment Agency being a cost reimbursable contract and conversely an Option A contract was considered to put too much risk onto the suppliers and it is likely reduce the interest in tendering for the opportunity where risk appetite in our suppliers is low.

#### **Packaging**

The subject of packaging was also discussed. Should this project be packaged with other projects in the KSL programme, due to the size and complexity of the project, the commercial model that would be appropriate would be Model AD.1. as demonstrated below.

## Model AD.1 - Package includes NPP5 and /or High risk / value projects > £10m

Min 80% scoped	Up to 20% un-scoped	Up to 30% add.
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There are projects in the programme that might be suitable but it was considered that any unscoped or additional work could detract from what is a vitality important project. A clear and concise outcome focused scope is also of key importance for this project to mitigate some risks as mentioned in section 3.

In addition, a key funding source is Kent County Council who were very clear that they would only fund this project and were clear that nothing should prevent the progress of the project. It was considered that packaging this project with others would create an additional risk to both stakeholder relationships and funding. Therefore this project will be procured as a standalone project.

### Contracts required:

River Medway Flood Storage Areas Appraisal consultant (to be confirmed)  
Framework : WEM Lot 3  
Award date : 21st December 2016  
Contract type / option : PSC Option C  
Estimated value : £640k(including £300k for ground investigation)

There will be a 5 week tender period to ensure consultants have sufficient time to assess the tender information and develop robust proposals with a sensible approach to risk. It is envisaged that the tenders will be issued on 17th October /2016 with a return date of 21st November 2016. Contract award is expected to be 21st December 2016 with the contract start in the first week of 2017.

Other contracts required will be:

Cost consultant  
Framework : NCMF2  
Contract type / option : PSC Option E  
Estimated value : £20k

The cost management contract will require standard cost management duties which the NCMF2 framework designed to provide. A PPP question will be asked to gain understanding of how consultants will ensure options and risks are adequately costed and how they will ensure effective communications across the project team.

Early Supplier Engagement (ESE) contractor  
Framework : WEM Lot 4  
Contract type / option : PSC Option E  
Estimated value : £40k

The ESE contract will require a construction contractor to inform buildability, development of the works and practical site investigation advice, which is ideally suited to WEM Lot 4 for delivery. Though the project team plan to run a competitive tender exercise at this stage, there could be efficiencies gained by awarding this work as part of a package. Recently, to support the South Hub packaging initiative, a competitive tender exercise was run through WEM Lot 4, to find the most economically advantageous supplier to deliver ESE services for the Kent and South London(KSL) and Solent and South Downs(SSD) area. This may be a vehicle through which this work can be delivered. This will be reviewed at the next procurement strategy review.

BIM will be used on this package and therefore appropriate efficiencies can be recorded.

**4. Risk assessment and management plan, an assessment of key risks that need to be managed through this procurement process.**

**Risk 1 - Stakeholders**

There are a high number of both statutory and non-statutory stakeholders that have varying levels of involvement and input into this project. After the recent winter floods this project has a high political profile, with the head of Kent County Council agreeing to provide external contribution towards the scheme. A key outcome of this phase of the project will be the supplier gaining approval of statutory stakeholders. Gaining approval of non-statutory stakeholders will be managed by the Environment Agency with input required by the consultant. In order to manage this risk we need to identify and communicate this to suppliers in the scope. By doing this early on it will ensure that the consultant is on board with our approach, and fully understands the importance of achieving buy in from stakeholders during the next phase of the project.

It is vitally important to the schemes success that we manage the stakeholder's needs and expectations early on and manage this interaction right at the beginning of the project's lifecycle. Failure to do this will result in challenges and possible objections later on in the scheme.

Stakeholder management will be of vital importance to this scheme therefore there will be a Project Proposal Proforma question in the tender that will seek to clearly understand the consultant's abilities to support this key risk.

Additionally, there are likely to be negotiations with Southern Water in relation to the pumping station at Leigh, the Sewerage treatment works at Penshurst and diversion of the foul water rising main beneath the Tonbridge School playing field; Network Rail as there is a train line and associated embankments running through the existing Leigh flood storage area. Additionally there is Penshurst Estate, a large country estate of land and properties, owned by a local resident adjacent to and within the existing Leigh flood storage area.

At this stage, it is unknown whether a traditional approach to delivery or a design and build approach will be most appropriate. If this project is to follow the design and build approach, there will need to be much more detail in negotiations, planning and design in collaboration with statutory stakeholders to allow the design and build contractor to take on this risk, than would be necessary if following a traditional approach where the detailed designer would undertake this work.

To ensure this risk is managed appropriately, the project team will scope the work as if following a traditional approach and should the design and build approach become the most appropriate delivery method, there will be a compensation event added to this appraisal contract to enable the consultant to deliver the detail required.

**Risk 2 - Programme**

It is important that a clearly defined programme is agreed to by both parties from the start of the project. It is imperative that the project team and the consultant are all bought in to the programme and understand the importance of ensuring that key milestones are agreed and adhered to.

Failure to keep to the programme will result in delays which will cause consequential delays to the delivery of the project and result in extended costs to the Environment Agency in terms of extended project management, internal support time(from the likes of NEAS and Estates) and external support time and the potential for frustration from our commercial partners.

To avoid these risks coming to fruition, high quality programme management ability from our selected supplier will be required.

As a way of managing this risk we propose to use delay damages within the contract for delivery and approval of the OBC. By using this clause we are not intending to penalise the consultant instead we are focusing the project team on the programme and the task at hand and covering any extended cost the Environment Agency may suffer should this risk be realised.

Additionally, a WEM Lot 4 ESE contractor could present an ideal opportunity to produce a full project programme in collaboration with the project team, including the appraisal consultant. This would inform the



project not only through the appraisal, but keep the whole project team focused on key milestones to ensure continued efficient delivery the scheme. This also gives clear foresight of any additional or originally unforeseen elements to the programme and will enable full project lifecycle planning for all potential requirements.

### **Risk 3 - Approval**

Gaining approval from the LPRG for the OBC is the main requirement of this phase of the project. Failure to gain approval from LPRG will result in wasted resource, time and money on the agencies behalf. Another risk of not gaining approval from LPRG would be subsequent delays to the programme.

With this in mind a key component of the appraisal scope will be for the consultant to produce the Economic and Financial case for the OBC and input to the Strategic, Management and Commercial cases to build a completed OBC that is ready to be submitted for approval.

Quality of outputs will be of key importance. The project team consider key project proposal proforma(PPP) questions that will be assessed during the tender evaluation to gain a clear understanding of how suppliers intend to manage quality. Additionally, the project team will consider the use of key performance indicators, similar to progression criteria on packaging projects that will be used to measure and where necessary, improve supplier performance.

### **Risk 4 - Modelling**

Though modelling is regularly identified as a risk for the appraisal consultant, the modelling work has already been carried out. Jeremy Benn Associates Ltd(JBA) were awarded a multiyear modelling contract for the Kent South London area following a competitive tender process in 2013.

The risk in this case is around the selected WEM Lot 3 consultant working with the JBA as the lead on modelling. In most previous arrangements, the WEM Lot 3 consultant is responsible for the modelling work and this difference in approach could lead to unrest in the project team. To mitigate this risk, the Environment Agency Project Manager will liaise with both parties regularly and work with the Lot 3 consultant to gain a forecast of modelling requirements early in the appraisal programme. This forecast will allow JBA to plan and programme their model runs.

This follows a lesson learned from the Initial Assessment contract where the supplier, VBA, would produce and outcome focused scope for the modelling requirement that would allow JBA to accurately price and plan the modelling work.

In addition to this, in the tender documentation for the appraisal work, a PPP question will be asked relating to the suppliers ability to work with third parties with the project team looking for evidence of previous work in this area and a demonstration of the tenderers ability to deliver in this kind of environment.

### **Risk 5 - Funding**

Though funding is regularly identified as a risk for the appraisal phase of work, The Environment Agency, Kent County Council, Tonbridge and Malling Borough Council and Maidstone Borough Council formed a partnership project team to develop options to reduce the flood risk to the communities at risk of flooding. Through legal agreement, all of the partner organisations have committed funding to develop the business case. The threat to this funding comes in the form of programme management and stakeholder engagement which are identified above.

### **Risk 6 – Ground & Services Investigation**

Archaeological survey, site and ground investigation will be awarded as a compensation event to the contract once the detail has been defined by the selected consultant. Their tendered price will include for the management and scoping of this element of work.

From this there is a risk that handing over management of ground and site investigations to the consultant meaning that the Environment Agency has little control over this process. There will be a PPP question to understand how potential suppliers are going to manage and specify these investigations and how they will engage the Environment Agency project team in the process.

#### **Risk 7 – Data**

The scope will be clear in identifying the archaeological constraints that exist at a project level and the amount of ground and site investigation data that is available. This will be detailed in the scope. The consultant will be responsible for identifying gaps in any data and ensuring they undertake sufficient survey to deliver the outcomes. They will be responsible for the quality and quantity of any new data.

Similarly to Risk 1, at this stage, it is unknown whether a traditional approach to delivery or a design and build approach will be most appropriate. If this project is to follow the design and build approach, there will need to be much more detail in the ground and site investigation data.

To ensure this risk is managed appropriately, the project team will scope the work as if following a traditional approach and should the design and build approach become the most appropriate delivery method, there will be a procurement strategy review and the project team will consider issuing a compensation event to this appraisal contract to enable the consultant to deliver the detail required.

### **5. Project specific evaluation criteria:**

#### **Tender Evaluation Model - Quality / Price Split**

Due to risks identified above and importance of quality of the key outputs for delivery, the project team have recommended a 50/50 Quality/Price split as the most appropriate evaluation model for the appraisal tender. Additionally there will be a minimum quality threshold of 3 marks out of a possible 10. If a score of 3 is not achieved, the response will be deemed non-compliant and the tendered bid will be disqualified for failing to meet minimum requirements.

It was felt that though the work required is considered high risk and a high quality supplier will be imperative, WEM Lot 3 have all the qualities required to deliver this work and that appropriate risk management strategies are in place to enable a balanced Quality/Price split. This also negates the risk of a supplier buying the project through providing a low price or a gold plated quality submission leaving this risk in competition.

A model of 40/60 Quality/Price split was considered but after reviewing the potential cost implications, it became clear that the 50/50 Quality/Price split was appropriate.

In the below worked examples, you can see the effect that changing the price quality Quality/Price split would have on the overall evaluation. It is worth noting this is an extreme example based on receiving the lowest possible quality score. In reality, we would expect our WEM Lot 3 suppliers to be producing tenders that score significantly higher than 3 out of 10 and be pricing their work appropriately.

In Figure 1 based on the 50/50 Quality/Price split the project team propose, should the lowest price score (in this example, £300,000) be of the lowest possible quality (3 out of 10), a tender with an estimated high score of 8 out of 10 would still win the overall evaluation if the price was up to £799,000. The highest quality tender would only lose in this situation if the price was over £801,000. This means, in an extreme case, that we are willing to potentially pay £501,000 to secure a higher quality bid.



### Evaluation Model - Price:Quality Considerations

This is designed to help establish both the price:quality ratio, and individual quality weightings in the evaluation model. It compares the two extreme cases: minimum compliant quality with lowest price, and maximum quality at the highest price.

It determines the tipping point - i.e. when the higher quality provides better value for money

- if the price of the high quality response is more than this figure, it is not considered to provide value for money.

Overall Compliance Threshold 30 %  
A top quality submission averages 80 %

#### Worked Example

Model 50 : 50

Example 1	Price	Quality	Price Score	Quality Score	Total Score	Rank
Supplier A	£ 300,000	30%	50.0	18.8	68.8	2
Supplier B	£ 799,000	80%	18.8	50.0	68.8	1

Example 2	Price	Quality	Price Score	Quality Score	Total Score	Rank
Supplier A	£ 300,000	30%	50.0	18.8	68.8	1
Supplier B	£ 801,000	80%	18.7	50.0	68.7	2

Figure 1: Medway FSAs Worked Example using estimated lowest price from supplier of £300k, a quality threshold of 3 out of 10 (30%) and an estimated top quality submission score of 8 out of 10

In Figure 2 below you can see the effect on this example if we were to amend the Quality/Price split to 60/40. This is clearly not the most appropriate route for tender evaluation.

### Evaluation Model - Price:Quality Considerations

This is designed to help establish both the price:quality ratio, and individual quality weightings in the evaluation model.

It compares the two extreme cases: minimum compliant quality with lowest price, and maximum quality at the highest price.

It determines the tipping point - i.e. when the higher quality provides better value for money

- if the price of the high quality response is more than this figure, it is not considered to provide value for money.

Overall Compliance Threshold 30 %  
A top quality submission averages 80 %

#### Worked Example

Model 40 : 60

Example 1	Price	Quality	Price Score	Quality Score	Total Score	Rank
Supplier A	£ 300,000	30%	40.0	22.5	62.5	1
Supplier B	£ 4,799,000	80%	2.5	60.0	62.5	2

Example 2	Price	Quality	Price Score	Quality Score	Total Score	Rank
Supplier A	£ 300,000	30%	40.0	22.5	62.5	2
Supplier B	£ 4,801,000	80%	2.5	60.0	62.5	1

Figure 2: Medway FSAs Worked Example using estimated lowest price from supplier of £300k, a quality threshold of 3 out of 10 (30%) and an estimated top quality submission score of 8 out of 10

## Quality Proposal

The quality of each proposal will be scored against the following criteria:

- Methodology including programme - 40%
- Key Staff and availability - 60%

Though methodology including programme will be of great importance to the quality and delivery of the appraisal phase work, the staff delivering this work will be of greater importance as the project will require staff that are highly experienced in stakeholder engagement, managing political pressure, being party to high profile government projects as well as business case and EIA production. Therefore the key staff criterion has a higher weighting.

Efficiency is a condition of the Government Grant in Aid settlement equating to 10% of the programme value. We will expect a minimum of 10% efficiency demonstrated in all contracts. We will invite tendering suppliers to demonstrate efficiency in their tender response submissions. When reviewing the returned tenders the reviewers will consider our efficiency target and consider the presentation and quality of the efficiency statement within the 50% quality score.

Commented [BS1]: LPRG question 1: addition of efficiency text

## 6. Names of suppliers proposed, including a detailed justification.

All suppliers on WEM Lot 3 will be invited to express their interest in the opportunity.

- Capita
- CH2M Hill
- JacksonHyder
- Jacobs
- Mott MacDonald

For future packages, decisions will be made based on which Lot represents the most suitable Lot to deliver the work. Please see full detail of this approach in Section 4.

## 7. Future procurement strategy review dates (outline):

The next procurement strategy meeting will be held in whilst the appraisal tender is out to competition. At this meeting the procurement strategy for gaining the ESE services and cost management services will be discussed. Following this, and after award of these contracts the programme beyond the OBC will be discussed and reviewed with an outline programme identified

## 8. Consultees:

Project Manager: Sam Box (CH2M)  
Project Executive: James Kennedy  
Senior User Representative - Neil Gunn

Commercial Lead - Chris Ward  
Procurement Manager - Scott Lawrance  
NEAS Rep - Carol Peirce

## 9. Agreed and signed:

Project executive.....  ..... Date .....22/08/2016.....

Commercial lead.....  ..... Date.....22/08/2016.....