

HIGHWOOD COPSE PRIMARY SCHOOL – RE-START PROCUREMENT

08 APRIL 2019

Points Under Consideration	Single Source – Contractor A.	Single Source – Contractor B.	Twin Source – Contractor A & B.	Re-tender to 2018 Tenderers (originally 5 others excluding Dawnus, one of whom has now gone into liquidation)	Open Tender	Comments
TIMESCALE	Quickest – circa 8 weeks to restart	Quickest – circa 8 weeks to restart	Quickest – circa 12 weeks to restart	Slowest – circa 16 weeks to restart	Slowest – circa 16 weeks to restart	Longer the delay, higher risk of deterioration of works in place and loss of original sub-contractors
COMPETITION	None, except between sub-contractors.	None, except between sub-contractors	Profit & Overheads; Preliminary Costs & Premium between Principal Contractors; Price between sub-contractors	Fully competitive between knowledgeable tender list	Fully competitive	Higher level of competition likely to preclude Contractor A & B. With the exception of one, original tenderers were over £500k above Dawnus (lowest)
CONTRACT	JCT Design/ Build	Scape preferred	JCT Design/ Build	JCT Design/ Build	JCT Design/ Build	Contractor B preference is to use Scape contract which is likely to be the most expensive option.
COST	Potentially high, but availability of staff may sharpen interest	Higher than others	Likely to be cheaper than single source, probably higher than open	Potentially cheapest, but if Contractor A drop out then could be very high	Potentially cheapest, but if both Contractor A & B drop out then could be lowest re-start premium wins	Contractor A were 2nd lowest tenderer

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RE-START PREMIUM	Negotiable	Negotiable	Negotiable	Tendered	Tendered	Competitive tenderers more likely to drop original sub-contractors because of potential premium additions
FINANCIAL RISK	Contractor A has appropriate resource available now – why?	Contractor B has appropriate resource available now – why?		Unknown	Unknown	WBC to undertake financial check on proposed tenderers
KEY SUB-CONTRACTORS	Could be re-appointed by agreement	Could be re-appointed by agreement	Could be re-appointed by agreement	No guarantee, due to competitive element	No guarantee, due to competitive element	Crucial to ensure smooth re-start, particularly M&E and Roofing. Cannot be assumed due to unknown programme & cost implications
STAFFING AVAILABILITY	Known to have staff available now.	Known to have staff available July / August – to be checked		Unknown	Unknown	
TENDERERS ORGANISATIONAL SKILLS	Unknown	High	Unknown	Unknown	Unknown	Needs to be explored by interviews & written submissions
GUARANTEE BOND	Necessary	Necessary	Necessary	Necessary	Necessary	Only an ABI Bond

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						will be offered, 10% of Contract Value in lieu would be rejected. Financial checks recommended upon all parties.
COLLATERAL WARRANTIES	Most likely to be provided across whole project	Most likely to be provided across whole project	Most likely to be provided across whole project	Unlikely to be offered across whole project if original sub-contractors dropped, except at high cost of investigation works	Unlikely to be offered across whole project if original sub-contractors dropped, except at high cost of investigation works	If original sub contractors re-employed, should reduce need for extensive conditions surveys and increase chance of securing warranties, but cannot be guaranteed
BREEAM EXCELLENT	Most likely to be achieved	Second most likely to be achieved	Second most likely to be achieved	Unlikely to be achieved	Unlikely to be achieved	Contractor A originally claimed to be able to achieve BREEAM Excellent. BREEAM Consultant confident we may yet achieve Excellent Rating. Competition most likely to result in failure to achieve Excellent rating due to cost cutting

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FOCUS ON A MESSY PROJECT	Likely to be highest if a reasonable premium is agreed	Likely to be highest if a reasonable premium is agreed	Likely to be highest if a reasonable premium is agreed	Likely to be lower dependent upon premium achieved	Likely to be lower dependent upon premium achieved	

NOTES:

1. Assumes that the limited number of students affected does not qualify the situation as an 'emergency'.
2. Original tenderers all familiar with the scheme.

RECOMMENDATION:

1. Both MTPC and Ridge & Partners would recommend an approach be made to both Contractor A & B, to establish levels of Profit & Overheads, anticipated preliminaries costs, programme an indication of any Re-start Premium (including that from key sub-contractors if available) and their approach to the procurement. Further outline information could be requested such as an indication of their assessment of the likelihood of achieving BREEAM Excellent at Construction Stage, provision of warranties, proposed design team and staffing. After consideration and an interview, proceed with only one of those Contractors to ensure they fully engage with their commitment to this difficult project.