

<p>Introduction</p>	<p>The traditional construction procurement route has been for the employer to appoint designers to complete a design and to then use that design to procure the works using a (normally lump-sum) tender process. This is a single-stage tender process.</p> <p>Often it will be beneficial to involve a contractor at an early stage in the design process, to provide specialist construction expertise input to the design team. An example would be where there are specific risks associated with the site access and the contractor’s expertise is required to develop the most efficient construction methodology and associated design.</p> <p>A common way to achieve this is to procure the works using a “two-stage” process:</p> <ul style="list-style-type: none"> • tendering the works on the basis of limited early information and associated limited level of competition, and then developing the design and an agreed price for the works as a first stage; and • appointing the contractor to construct the works for the agreed price as the second stage. <p>This example looks at considerations when using a two-stage tender process, to assist in the development of an appropriate project procurement strategy.</p> <p>Specific Two-Stage Tendering guidance in the following sections is <i>highlighted in italics</i>.</p>
<p>Register for use of the Framework</p>	<p>If not already registered as an Additional Client for the relevant Lot Alliance, complete and submit a Registration Document. Once approved by CCS Alliance Manager and notified to other Alliance Members, you will be able to access the Framework Suppliers.</p> <p>Complete and submit a User Access Agreement for the particular project or programme of works. This will generate your UAA project reference. The UAA reference must be quoted on all documentation to allow CCS to centrally manage Framework suppliers and contracts.</p> <p>(Registration Documents and User Access Agreements are available on the Framework website – https://www.crowncommercial.gov.uk/agreements/RM6088)</p>
<p>Works Contract Packaging Considerations</p>	<p>Consider whether cost efficiencies can be made by packaging multiple projects with similar characteristics into a single contract. This may be e.g. similar scope of work; technology or location.</p>

<p>Selecting the Appropriate Lot and Procurement Strategy</p>	<p>Consider using the Lot Selection Guided Match tool (available on the Framework website – https://www.crowncommercial.gov.uk/agreements/RM6088) to confirm the appropriate lot and link to appropriate supplier details.</p> <p><i>It is assumed in this instance that a review of project criteria has already resulted in a decision to adopt a two-stage tender method.</i></p> <p>Consider using the Procurement Strategy Guided Match tool (available on the Framework website – https://www.crowncommercial.gov.uk/agreements/RM6088) to support you in reaching a decision on the most appropriate procurement strategy for the remaining aspects i.e. optimal combination of:</p> <ul style="list-style-type: none"> • Procurement Route: e.g. "Traditional" Lump Sum; Design & Build; Fee Based routes • Tendering Method: <i>already determined - two-stage</i> • Pricing Mechanism: e.g. lump sum or target cost • Most appropriate industry standard forms of contract, relative to the potential procurement strategy identified. <p>Selection of the procurement strategy should always take account of advice from appropriate specialists in the project design and delivery team.</p>
<p>Further Competition Process</p>	<p><i>The two-stage process can be described as:</i></p> <ul style="list-style-type: none"> • <i>Stage One: tender in competition using only partial information; appoint supplier on limited basis for Stage One only; work with the supplier to fully develop the design and price for the full contract works; agree contract terms. At the end of Stage One, appoint supplier for full contract works.</i> • <i>Stage Two: implement the construction works on the basis of the design, price and terms agreed during Stage One.</i> <p><i>Note:</i></p> <ol style="list-style-type: none"> 1. <i>The Stage One agreement should normally include a break clause, limiting the Additional Client's liability in the event that an agreement cannot be reached at the end of Stage One.</i> 2. <i>The procurement methodologies for a two-stage tender can include Client Designed & Design & Build;</i> 3. <i>The pricing methodologies for a two-stage tender can include lump sum and target cost contracts.</i>

	<p>All suppliers in the Lot must be given the opportunity to submit a tender or to decline. If they decline, they must give a valid reason. Multiple failures to bid without valid reasons may lead to suspension from the Framework for a period (this can only be done by CCS).</p> <p>You should not request pre-qualification information that has already been assessed as part of the Framework evaluation process. This would include things such as:</p> <ul style="list-style-type: none">• Quality Management• H&S Competence• Others *** <p>You may carry out a further selection process, based on quality. This could include e.g.:</p> <ul style="list-style-type: none">• Evidence of enhanced security capability• Evidence of successful delivery of similar previous projects• Responses to Method Statements addressing project specific risks or issues <p><i>You should carry out a first - stage selection process based on price, utilising as much information as is currently available and building in as much competition as is possible with that information.</i></p> <p><i>An example would be: if the site location, project duration and site establishment and management requirements are known, but the design is still at a very early concept stage, then the further competition might be on the basis of the suppliers providing prices in competition for site management charges; site preliminaries; overhead %, profit %. Prices could also be sought in competition on a schedule of rates basis for construction works items and for the cost of staff, design staff and site labour. These prices could then be used as the design is developed during the first stage to derive and agree a fixed contract sum.</i></p> <p><i>At the end of Stage One, appoint the supplier for full contract works.</i></p> <p>The framework percentages and prices are maximums; suppliers may reduce prices at further competition stage but may not increase them.</p> <p>The Quality/Price ratio adopted at Framework level was 75/25. This may be varied by up to 25% at further competition stage i.e. the Quality/Price ratio may be anywhere between 50/50 and 100/0.</p>
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<p>Primary Documentation Requirements</p>	<p><i>Stage One:</i></p> <ul style="list-style-type: none"> • Project Brief • Form of Contract chosen for call-off (<i>probably a limited NEC scope form or a JCT Early Contractor Involvement agreement. PPC2000 recognises two-stage process as a core functionality</i>) • Boiler plate clauses • Project/Client Specific contract amendments/requirements – <i>insofar as they are known at Stage One</i> • Specification / Scope / Works Information / Employer’s Requirements – <i>insofar as they are known at Stage One</i> • Drawings – <i>insofar as they are known at Stage One</i> • Pricing Document – <i>including e.g. schedules of rates to facilitate agreement of Stage Two contract sum</i> • Form of Tender • Other <p><i>Stage Two:</i></p> <ul style="list-style-type: none"> • Project Brief • Form of Contract chosen for call-off (<i>most appropriate industry standard contract</i>) • Boiler plate clauses • Project/Client Specific contract amendments/requirements – <i>as developed during Stage One</i> • Specification / Scope / Works Information / Employer’s Requirements – <i>as developed during Stage One</i> • Drawings – <i>as developed during Stage One</i> • Pricing Document – <i>as developed during Stage One</i> • Other

<p>Co-ordination with Others</p>	<p>An appropriate Design and Project Management team should be used to implement and manage the design / further competition / award and construction phases.</p> <p>This may be an in-house team or sourced externally, e.g. by using the CCS Project Management and Full Design Team framework.</p> <p>CCS should be advised of the outcome of the tender and award process to ensure appropriate framework level reporting and management of the supplier.</p>
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