

Jersey Future Hospital Project

Outline Business Case

Appendix 20 – Detailed Procurement Strategy – Enabling Schemes

Document Control

Version	Date Issued	Summary of Changes	Author
V1	26.9.17	Document compilation	T Nicholls
V2	28.9.17	Appendices removed and Briefing Note added	T Nicholls
V3	24.10.17	Template updated	T Nicholls

Briefing note

The procurement strategies for the enabling schemes have been provided within this OBC appendix but for the purposes of brevity the appendices have been removed. If required the full appendices to the enabling scheme procurement strategies can be found on Gleedspace.



ID Procurement Strategy WB 20150205

**FUTURE HOSPITAL – RELOCATION WORKS
DESIGN CONSULTANTS**

Prepared by: David Ahier – Contracting Authority
Lead, Relocation Works

Contract Reference – CP16/11/472

Date: 01/11/16

Reviewed & Approved by:-

Accounting Officer

Signature: *JNR Rogers*

Print Name: *John Rogers*

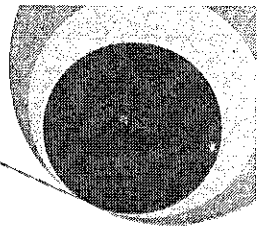
Date Approved: *10/11/2016*

Director of Strategic Procurement (if over £250k)

Signature: *Caroline Harding*

Print Name:

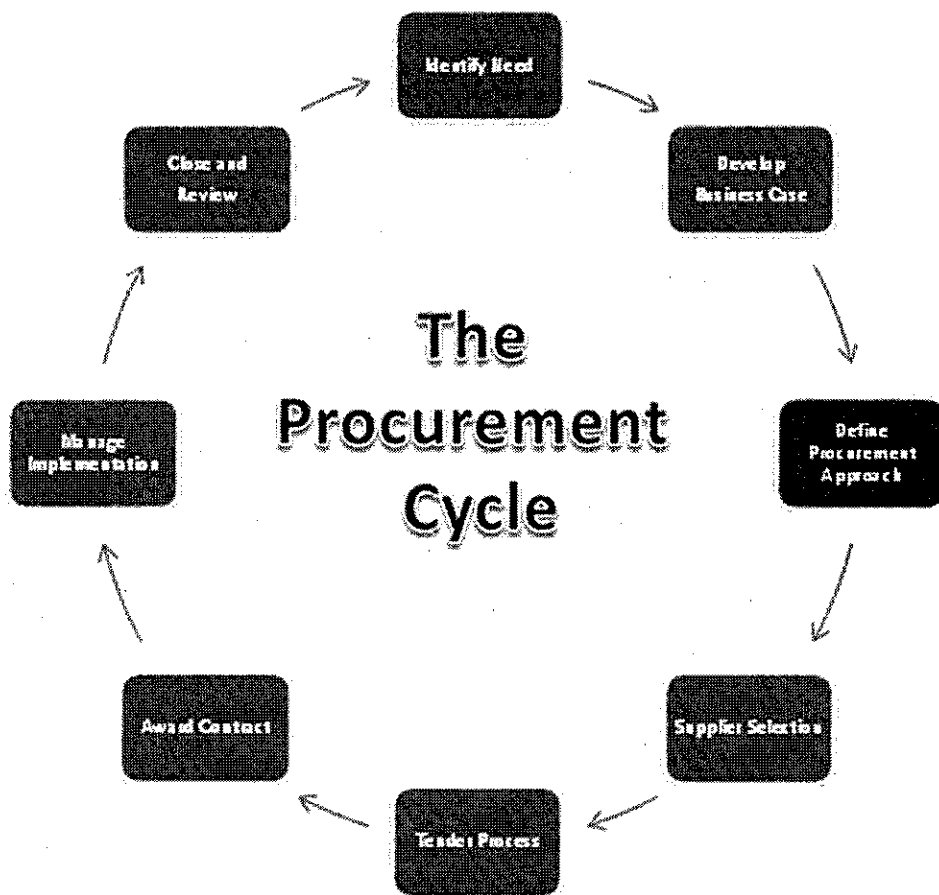
Date Approved: *7th November 2016*

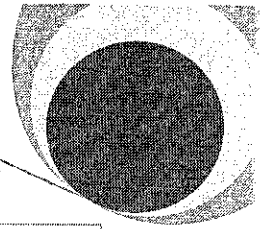


Foreword

A procurement strategy (PS) is your plan for how you intend to manage the expenditure of States of Jersey funds for a specific project or programme of work. It allows you time to consider the factors for spending public monies prior to liaising with suppliers, recording your approach and ensuring that approval is sought from your Accounting Officer / Director of Strategic Procurement prior to advertising the opportunity to the general public.

The preparation and sign off of a PS is a mandatory requirement in accordance with Financial Direction 5.1 and should be maintained for audit purposes.





Version Control

Date	Name	Version	Comments
16-08-16	D. De La Cour	First draft V0.1	Issued for development to SOJ PH & RS
16-10-05	S. Rowney	Draft V0.2	Working Draft for review by GMS
16-10-07	S Rowney	Draft V0.3	Working Draft for GMS for review
16-10-16	S Rowney	Draft V0.4	Final draft for review by GMS
19-10-16	M Penny	Draft V0.5	Final Draft for issue to JFH team
01.11.16	S Rowney	V1.0	Formal issue
02.11.16	M Penny	V1.1	Formal issue

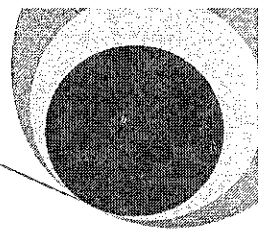
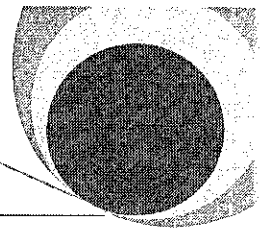


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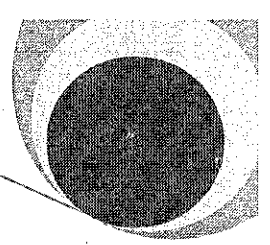
Project Introduction & Background

This is a project to procure design consultancy services of various technical disciplines in order to provide full design services for the construction of the various projects which constitute the Future Hospital Relocation Works programme.

The table below gives a general overview of the type & scope of projects contained within the Relocation Works programme

	<u>Projects</u>	<u>Description</u>
ES-1	Creation of Catering CPU	Creation of a new off-site Catering Production Facility
ES-2	Relocation of Administration Staff within JGH	Relocate to temporary on-site office accommodation
ES-3	Transfer of Clinics within the Ground floor of JGH	Relocate to temporary on-site accommodation
ES-4	Construction of a Temporary Clinic Block	Construct temporary on site Clinic Block facility
ES-5	Off Site Transfers of Medical Records	Temporary and permanent off-site relocation
ES-6	Relocation of Corporate Functions – Refurbishment	Relocate to temporary off-site office accommodation
ES-7	Transfer of Clinics to Westaway Court	Relocate permanently to refurbished Westaway Court
ES-8	Reorganisation & Refurbishment First Floor Parade, Granite and 1960s wings	Relocate to temporary on-site accommodation
ES-9	Re-siting of Critical Plant and Systems	Re-site key plant/systems from areas to be demolished

The development of the project briefs to RIBA Stage 2 2013 will be the responsibility of Gleeds Management Services (GMS) as the Client Advisor (CA) who have been appointed to this role under a separate procurement exercise (States of Jersey Contract Number CP14/01/282)



Design Team Consultants required at this time are:

- Architect
- Quantity Surveyor
- Mechanical & Electrical Engineer
- Structural Engineer
- Health and Safety Project Coordinator (HSPC) (off main hospital sites only)

These appointments relate to RIBA Stages 3 to 7 (RIBA 2013)

1. Accounting Officer(s) or Ministerial Involvement

The Senior Responsible Owner for the capital element of the Future Hospital Project is the Chief Officer of the Department for Infrastructure who has led the direction proposed for delivery of all elements of the Future Hospital procurement.

The Senior Responsible Owner for the Health Brief for the Future Hospital is the Chief Executive of the Health and Social Service Department. The Managing Director of the General Hospital holds the key client responsibility for the Client Department.

The Future Hospital Project Board has established and delegated authority to the FH Relocation Works Project Group for this procurement and delivery of the relocation works.

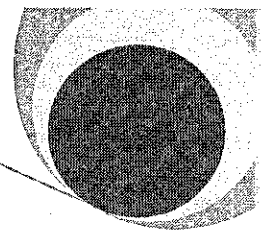
The Project Group meetings will be led by:

On behalf of the Health and Social Services Department Client:
The Managing Director, General Hospital

On behalf of the Jersey Property Holdings Delivery Agent:
The Director of Jersey Property Holdings

The composition of the Project group will normally, in addition to the Client Leader & Delivery Agent Leader, consist of:

- Director – Operations, HSSD
- Chief Nurse - HSSD
- Assistant Director – Finance HSSD
- Project Director – Delivery, Future Hospital
- Project Director – Health Brief, Future Hospital
- Client Lead – Engineering Services, Future Hospital
- Delivery Lead – Relocation Works, Future Hospital
- Director – Rowney Sharman (Jersey)
- Director – Gleeds Management Services



2. Existing agreements

Not applicable

3. Contract Duration

The consultant's contracts will generally run from Q1 2017 to Q3 2018 and for the following 12 months during a projects defects period.

It is important that ALL consultants are appointed as soon as possible to deliver the required works within the timescale specified within the overall Future Hospital development programme

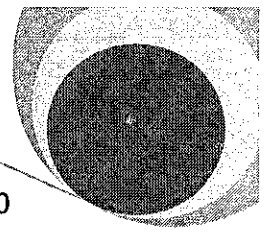
4. Expenditure Analysis

The anticipated overall construction value of the Relocation Works is as set out below:

ES-1	Creation of Catering CPU	£1,460,000
ES-2	Relocation of Administration Staff within JGH	£ 640,000
ES-3	Transfer of Clinics within the Ground floor of JGH	£2,772,000
ES-4	Construction of a Temporary Clinic Block	£4,908,000
ES-5	Off Site Transfers of Medical Records	£ 49,000
ES-6	Relocation of Corporate Functions – Refurbishment	£2,812,000
ES-7	Transfer of Clinics to Westaway Court	£7,978,000
ES-8	Reorganisation & Refurbishment First Floor Parade, Granite and 1960s wings	£3,698,000
ES-9	Re-siting of Critical Plant and Systems	<u>£1,085,000</u>
Total		£25,442,000

Each Design Consultant will assess the project and tender a Fee Proposal in accordance with their scope of services broken down into each of the "RIBA Stages". These recognised design stages can be seen in Appendix B. The Consultants Fee Proposal will be a percentage of the "anticipated" final building or fit out cost of each element.

Example:



A single Consultants Fee for ALL Stages might be, 0.9% of £7.5m = £ 67,500.00

The final cost of a project and the ultimate fee for each Consultant will not be fully known until the Final Certificate is issued at least 12 months after the Building Contract has reached Practical Completion. Therefore, the fees bills will vary both up and down over the duration of the Design and Construction phases. This variation is managed by contingency sums held within the overall budget allowance

The overall value of the fees allocated has been included in accordance with the guidance contained within the Healthcare Premises Cost Guides (HPCGs)

5. Anticipated value / budget

The anticipated fee values for each of the relocation programme projects are set out in appendix A and are based upon HPCGs indicative fees (excluding inflation) for design works. The final fees agreed will reflect the complexity and particular scope of each respective project.

6. Market Engagement / Research?

Consultation with the Jersey Construction Council (JeCC), Association of Jersey Architects and Channel Islands Group of Professional Engineers (CIGPE) has indicated that the market will generally be able to accommodate the required design works required to meet the project time scales. However there is some concern regarding the local MEP design consultancy capacity and clinical environment experience. The option for consultants to partner with off island practices will be available through the PQQ and ITT process which assist in alleviating this potential issue.

On-going consultation with the JeCC, AJA & CIGPE, through a specifically formed JeCC Future Hospital sub-committee, will be undertaken on a regular basis during the overall future hospital project period. This forum should assist in providing feedback on the impact of the relocation projects while considering both current and planned local capital project programmes.

7. Key Stakeholders and Communications Plan

The Future Hospital Project has a Communications Strategy, Policy and Staged Communication Plan. The Stages are as follows:

Phase 1	Site Selection	Aug 2017 - Nov 2017
Phase 2	Investment decision	Dec 2017 - Jul 2017

Phase 3	Detailed Design Phase	Aug 2017 - Jul 2019
Phase 4	Construction & Commissioning	Aug 2019 - Mid 2024
Phase 5	Operational Phase	Mid 2024 - Mid 2025

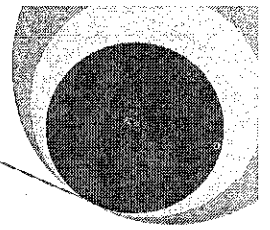
The key stakeholders in relation to this specific procurement ranked by their influence and interest are:

Key Stakeholder	Interest	Influence	Communication Approach
Health and Social Services	High	High	Through Project Group
Health and Social Services Estate Management	High	Medium	Represented in evaluation for Formal Procurement
Contracting Authority	High	High	Represented in evaluation for Formal Procurement
Jersey Property Holdings	High	Medium	Consulted in relation to procurement approach
States of Jersey Procurement	High	Medium	Made aware of implications and consulted through formal procurement planning process
Jersey Design Consultants	High	Medium	Made aware of implications of PQQ & ITT through industry presentations and dialogue
HSSD Staff Groups	Low	Low	Made aware of procurement strategy through engagement process
Hospital Users	Low	Low	Made aware through normal public communication

Internal communication with HSSD stakeholders are being conducted through a series of engagement scope definition workshops with department heads and user groups. External communications are being managed as part of the overall Future Hospital communications programme as set out above through the Project Group.

8. Interdependencies /Collaboration Opportunities

The key dependency is the delivery of the overall main hospital project to the required strategic programme. This will be dependent upon the timely delivery of the relocation projects and the provision of vacated existing buildings to meet the demolition programme.



Delays on critical relocation projects will have a direct impact on the overall project programme.

9. Risks, Issues and Mitigation

A high level risk and mitigation assessment is provided in appendix C.

10. Procurement Approach

Overview

The relocation works Project Group has identified a need to procure consultants of various disciplines to provide consultancy services associated with a series of planned construction works.

As the precursor to the main Future Hospital construction work the Project Group believe that it is important to involve the local supply-chain as much as possible when delivering the relocation programme of works. For this reason the opportunity will only be open to bids where local companies are the contracting entity. Local companies may form a partnership or sub-consultancy agreements with off-island companies in order to deliver the services. To ensure best value is achieved, the Project Group have the ability to compare percentage fees received against recent work of a similar nature for both on and off island work.

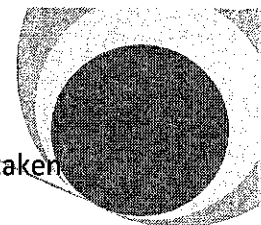
Should it be felt that value for money is not being achieved the Project Group reserve the right to seek an alternative procurement route including but not limited to appointing the Technical Advisor to undertake the services themselves.

As well as value for money to the States of Jersey, the procurement approach presented for approval is designed to achieve;

- Flexibility of approach
- Early market engagement
- Preference to local companies
- Visibility of market capability, capacity and appetite
- A manageable number of contracts
- Appointments within the timeframe available
- Ability to provide design information in a BIM format to a level that can be used for asset management for designated projects only

PQQ

As well as the market engagement mentioned within this document, a notice will be placed in the Gazette advising interested parties that the tender exercise has commenced and that the PQQ is available on the States of Jersey E-Portal.



A single exercise to pre-qualify consultancies of all relevant disciplines will be undertaken allowing companies the opportunity to pre-qualify for any discipline of interest.

Companies will be required to demonstrate within the PQQ their relevant experience and capability on a discipline by discipline basis. There may also be a requirement for demonstration of areas of additional specialism relating to some of the works described within Section 1 of this document.

The aim of the pre-qualification process is to establish a shortlist of potential tenderers eligible to be invited to tender for the Consultancy Services required to deliver the works described in Section 1 of this document.

ITT

Once the shortlist has been established it is the intention of the Project Group to approach the ITT based upon approved briefs as a single opportunity divided into Tender Lots where there is clear similarity of service required.

Risk Analysis

The ability of any company to deliver more than one Lot will be considered by conducting a risk analysis which takes into account all key risks to the successful delivery of the work before awarding a contract to deliver additional Lots.

Interview

Interviews will be held with the highest scoring Tenderers following ITT Evaluation (including Risk Analysis / Decision Making Process). The interviews will be used to challenge and explore the contents of the ITT submission in order to ensure that the Evaluation Team has confidence in the Tenderer's ability to perform the services to the standard required. The Interviews will not be scored but will be evaluated on a Pass / Fail basis.

11. Contract Type

The following industry standard forms of agreement are proposed. These will be amended to reflect Jersey Law, States of Jersey standard terms and conditions for professional services and the JCT 2011 form of building contract to be used for the relocation projects and intervention in case of non-performance:

- **Architect:** The Conditions of appointment shall be the RIBA Agreement 2010 Standard Form of Consultant's Appointment
- **Quantity Surveyor:** The Conditions of appointment shall be the RICS Standard Form of Consultant's Appointment.
- **Structural and Services Engineer:** The Conditions of appointment shall be the ACE Agreement 1: Design 2009, Second Edition.

For other consultants not encompassed within the professional bodies listed above the States of Jersey standard terms and conditions for professional services will be utilised. The

engagement of a Health & Safety Planning Coordinator (HSPC) will only be required for relocation projects off the JGH site.

12. Project Timescales

Activity	Date
Complete Production of procurement strategy	02 November 2016
Procurement strategy approval / sign off	7 November 2016
Issue PQQ / tender documents for Approval	21 November 2016
Approve PQQ / tender documents	28 November 2016
Issue Expression of Interest & JEP Advert	28 November 2016
PQQ Issue Date	2 December 2016
PQQ Closing Date	16 December 2016
PQQ Evaluation Issued for Approval	13 January 2017
Complete ITT Briefs	16 January 2017
ITT Period	23 January – 20 February 2017
Tender evaluation period	20 February – 27 February 2017
Tender-interviews	27 February -3 March 2017
Evaluation process complete	10 March 2017
Preferred supplier notified	17 March 2017
Contract documentation finalised	24 March 2017
Contracts start date	31 March 2017
Contract end date (expected construction end)	October 2018

13. Scope of Work / Specification

A description of the relocations project works is provided in appendix D

14. Evaluation Criteria / Method

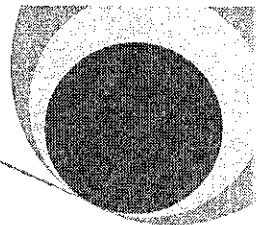
Uniformity of evaluation approach of each tender lot is of utmost importance to the success of the Project. This approach will ensure that there is no disparity in approach between packages of work which could lead to confusion among Tenderers and a tender outcome for one Lot which could not have occurred in another for same service.

PQQ

PQQ Evaluation Criteria will be designed to establish whether the company has the experience and / or capability to perform the services in the way we defined in the Specification as well as gather other relevant information required for due diligence.

PQQ Evaluation Criteria themes will likely centre on;

- Company Information



- Declarations and Conflicts of Interest
- Insurances
- Financial Status and Legitimacy
- Health and Safety
- Quality Management & CDMc Competency / HSi Compliance
- Experience and Capability including references
- Local Knowledge and Understanding

Evaluation Criteria for the PQQ will be established and documented prior to the opportunity being published and will be included within the specification information.

ITT

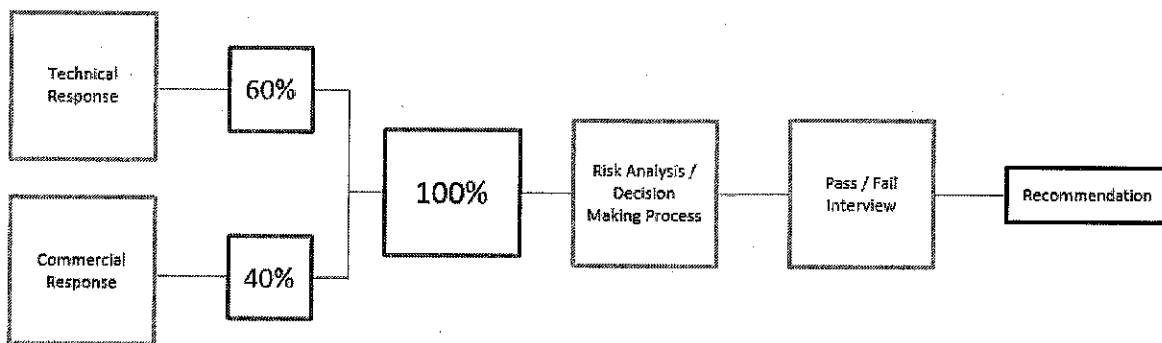
ITT Evaluation Criteria will incorporate Technical and Commercial elements.

Technical Criteria will be designed to establish how the Tenderer intends to carry out the service in the way we define in the Specification and if there is a cultural fit between the States of Jersey and the Tenderer. Commercial Criteria will be used to evaluate the price for the service delivery.

It is anticipated that Technical criteria will carry a weighting of 60% and Commercial criteria 40%.

Overview

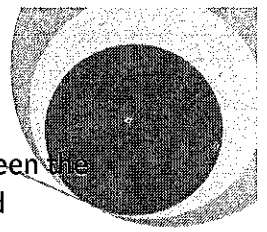
The ITT evaluation process will follow the sequence set out below;



Technical Evaluation Criteria themes will likely centre on;

- **Method Statement** – How the Tenderer intends to meet the requirement;
- **Personnel** - Calibre of the management and operatives available;
- **Health and Safety** – Demonstration of competence and understanding
- **Capacity / Resource** – Demonstration of available resource
- **Acceptance of Terms and Conditions.**

Corporate Procurement will assist Key Internal Stakeholders to establish all PQQ and ITT evaluation criteria.



The Evaluation Criteria specified within this Procurement Strategy may change between the date of approval and the publication of tender documents. All Evaluation Criteria and weightings will be agreed before the commencement of the procurement exercise.

In respect of the Technical submissions, the responses will be awarded a score of either '0', '1', '2', '3' or '4' and evaluated as shown in Table 1:

Table 1

Score	Value
0	0%
1	25%
2	50%
3	75%
4	100%

The Evaluation Team reserve the right to disqualify any bidder that scores 2 or less against any technical criterion.

Evaluation of Commercial Criteria

Prices will be gathered at tender stage using a pro-forma document.

The lowest total price will be awarded a score of 4.0 and the highest total tender price will be awarded a score of 1.0. The remaining prices submitted will then be awarded a score between 4.0 and 1.0 in proportion to the difference in price to lowest and highest totals. This score will then be converted to a percentage similar to the Technical Evaluation where 4.0 is 100% and 1.0 is 25%.

This percentage will be applied to the Commercial weighting of 40%.

Tender Lot Award Decision Making Process

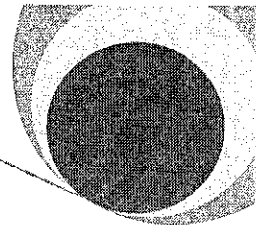
The scores awarded for Technical and Commercial Criteria will be combined to establish the Tender Outcome and the highest combined score will determine the Preferred Bidder.

Preferred Bidders will be assessed in terms of risk before making the decision whether to award a contract or not.

As the Tender process has been designed to solicit bids for Tender Lots as a stand-alone bid, at this point it is important to consider the risks of placing multiple Tender Lots with one company.

This risk analysis will take into account information gathered during the Tender process including but not limited to;

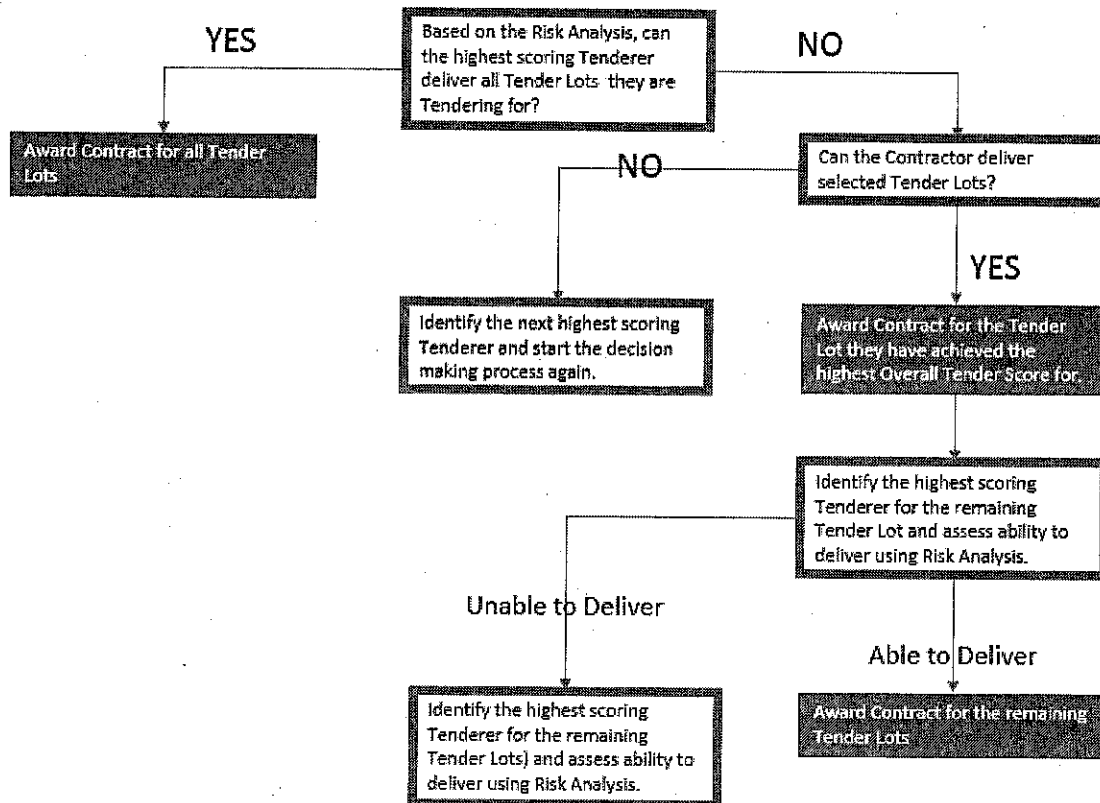
- Capacity of the Tenderer to deliver (Availability of staff, equipment and other resource)
- Local entity



- Delivery model (Sub-Consultancy reliance)
- Financial status and legitimacy
- Number of Tender Lots the Tenderer is under consideration for (Monopoly situation)
- Appetite to award multiple Tender Lots to a single company

The Evaluation Team reserves the right to consider any other risk that may be highlighted during the Tender Evaluation process in order to inform the decision making process.

Risk analysis decision making process proposed as follows;



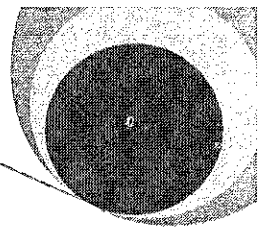
Interview

An interview will be held with the highest scoring Tenderer following ITT Evaluation and risk analysis. The interview may be used to influence the Tender Lot Award Decision Making Process if required. The interview will be used as continued due diligence and will challenge and explore the contents of the ITT submission in order to ensure that the Evaluation Team has continued confidence in the Tenderer’s ability to perform the services to the standard required. The Interview will be used as a pass / fail gateway before deciding to award a contract.

The Interview will allow the Evaluation Team to focus on the ‘softer’ attributes of the Tenderer. The Interviewee will receive a rating according to their performance against the interview criteria which will be set in advance.

15. Evaluation Panel & Conflicts of Interest

The evaluation panel will comprise of the following representatives:



Name	Role
David Ahier	Evaluation Panel Lead
Graeme Le Sueur	Technical Lead
Stewart Rowney	Project Lead FH Relocation Programme
Dan De La Cour	Procurement Lead
Richard Cheal	Technical Advisor (JPH)
Barry Freeman	Architectural Lead (JPH)
Mike Penny	Project Manager Main Hospital

All members of the evaluation panel will be required to declare any conflicts of interest.

16. Due Diligence Process

Due diligence will be carried out during the PQQ and ITT stages to confirm competence and experience of each design team member in relation to:

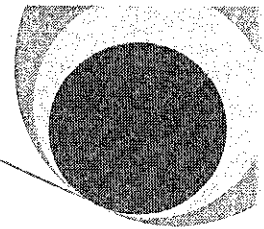
- health and acute hospital project design where relevant
- working within an operational hospital environment where relevant
- construction projects on Island
- scale of project under consideration
- nature of project under consideration

17. Terms and Conditions

Industry standard forms of agreement are proposed. These will be amended to reflect Jersey Law, States of Jersey standard terms and conditions for professional services and the JCT 2011 form of building contract to be used for the relocation projects. See Section 11 for further details.

18. KPIs

The performance of consultants will be measured against that normally expected under their appointment and a consultant's governing body. In addition the ability to achieve the timely delivery of design to meet key gateway deadlines within the approved budgets, to the required quality and to the Client Authority satisfaction will be a key performance measure both during and at the end of the project.



19. Contract Management / Performance Review Plan

The Project Manager for a specific project or projects will be responsible for managing the consultants as part of the overall project consultant team and will undertake monthly reviews of consultant's performance as part of the monthly project review process utilising Concerto project management software.

The timely delivery of the relocation works projects is essential to the overall programme for the Future Hospital development. The Client authority will, within the appointment terms for the consultants, establish the right to intervene should the Consultants performance not be to the required standard to ensure the timely delivery of the specified work package

20. Roles / Responsibilities

Please refer to section 2 and the following table.

	Agreement on division of Primary Responsibility		
	Project Group	Procurement	Notes / Comments
Project Board -establishment & management	CA		
Market research	GMS/RS		
Spend Analysis	GMS/RS		
Advise on Procurement Route options/Requirements	GMS & JPH	x	
Provide Template for Procurement Strategy		x	
Complete Procurement Strategy	GMS/RS	x	
Advise/Recommendation re Procurement Strategy	JPH/GMS/RS	x	
Sign off of PS		x	
Advise existing suppliers		x	
Advise on Terms & Conditions	JPH	x	
Sign off on Terms and Conditions	JPH	x	
Develop Specification	GMS/RS		
Advise/Recommendation re Specification	GMS/RS	x	
Complete Specification	GMS/RS	x	
Sign off Specification	CA		
Provide Template for Pre-Qualification (PQQ)		x	

Advise/Recommendation re PQQ	GMS/RS	x	
Complete PQQ		x	
Sign off of PQQ	CA	x	
PQQ Upload to e-portal		x	
Management of PQQ Q&A on e-portal		x	
PQQ Verification and Distribution from e-portal		x	
Provide Template for Pre-Qualification Evaluation		x	
Complete PQQ Evaluation Matrix	GMS/RS	x	
Sign off of PQQ Evaluation	CA	x	
Management of PQQ Evaluators	GMS/RS		
Provide Template for ITT		x	
Advise/Recommendation re ITT	GMS/RS	x	
Complete ITT		x	
Sign off of ITT	CA		
ITT Upload to e-portal		x	
Management of ITT Q&A on e-portal		x	
ITT Verification and Distribution of responses from portal to evaluators		x	
Provide Template for ITT evaluation		x	
Advise/Recommendation re ITT matrix	GMS/RS	x	
Complete ITT Evaluation Matrix	GMS/RS	x	
Sign off of ITT Evaluation	CA	x	
Management of ITT Evaluators	GMS/RS		
Organisation of Evaluation Panels / Supplier Presentations	GMS/RS	x	
Provide Template for Contract	JPH		
Advise/Recommendation re Contract	JPH		
Complete Contract Preparation	JPH		
Sign off of Contract Content	JPH		
Lead on Finalisation on Contract with Supplier	GMS/RS		
Lead on Admin of Contract Preparation/Distribution to Supplier	GMS/RS		
Contract Management of Supplier / Project	GMS/RS		
Deployment of Solution / Mobilisation	GMS/RS		