

Integrated Consultancy Framework –ICF Supplier Day 11 July 2019

The Question and Answer dialogue following the power point presentation.

1. Q: Can you give an indication of pipeline mix for SE, London and the NW?

The pipeline mix for SE England, London and the NW is very similar to that shown for the SW. The sector mix does change over time. For further information, please go to <http://www.scfsolutions.org.uk> or <http://www.nwconstructionhub.org/>

2. Q: The consultant major projects design scope appears to overlap with the contractor design services. How does this work?

Design services will provided by either the contractor or the ICF consultant at any stage throughout RIBA stages. The client has complete choice; the main object is to facilitate early contractor involvement.

3. Q: How do clients select the scope of project design services disciplines and RIBA stages?.

Clients can choose some or all of the design disciplines and across some or all of the RIBA stages.

4. Q: How are major project consultant services defined?

The consultant services are defined as per the RIBA toolkit and are the same across the lots. If a service is required that is not defined within the RIBA toolkit then this can be procured as an extra over with open book tendering.

5. Q: Please explain how the pricing mechanisms work; there appears to be two methods of pricing?

There are two distinct pricing points; one for the Major Projects Consultancy (MPC) and one for Property Asset Consultancy (PAC). At ITT, the MPC is priced as a percentage fee for all design service incorporating all RIBA toolkit disciplines and all RIBA stages. The percentage "Not To Exceed" fee is applied to a construction cost value band of £10m to £50m. (Other value bands will self calculate from this single figure via a formula in the tender) The PAC is an hourly charge rate for various disciplines; the bidder enters a single figure for the discipline which is actually a total for all the staff grades. Bidders enter a single figure in the total figure; the individual grades then self

calculate via an adjustment/weighting formula. This formula adjustment is derived from the differentials in hourly rates at HCC for the various grades in each discipline. This price point will be replicated for the all the main PAC disciplines.

6. Q: There are a range of competing frameworks in the market; how will the use of the framework be mandated?

We cannot mandate the use of this framework. However we can iterate to clients that this framework is the only framework dedicated to early contractor involvement and Two Stage Open Book, with very solid working practices to support integrated team working. This differentiates ICF from other frameworks that are more a route to market.

7. Q: We note that the scoring criteria - quality / commercial is 70/30. On the basis that many bidders will submit very good responses, the scoring tends to end up highly price based. What will the evaluators do about this? Can the scoring be moderated to better reflect the 70/30 split?

The quality questions will be challenging, so we expect a range of quality scores. The pricing points have been configured to prevent bidders from gaming the evaluation. We want realistic pricing across the breadth

8. Q: Are Project Manager and Cost Manager included within the list of disciplines and fees?

Yes. The PM and CM roles are included – they are in the RIBA toolkit

9. Q: Is the 2.5% levy to be added on below the line OR is it included within the overall invoice to the client?

The 2.5% levy is included within the tendered fee and as such the invoice to the client. There is no extra cost to the client at point of delivery

10. Q: We note that the full 2.5% fee is collected at end of RIBA Stage 2, so there is an element of forward funding. What happens if the project is cancelled after RIBA 2?

If the project is cancelled then the levy relating to undelivered service is refunded

11. Q: The PAC Services are described as wide ranging - what disciplines come under this heading?

The PAC services will be very wide ranging including but not limited to: high level estate strategy, to development of the estate, to delivering programmes of construction work, to supporting operations (running and maintaining buildings as in hard and soft FM) and in building upgrades.

12. Q: How will direct award operate in Lots 1 and 3 where there are 3 suppliers per lot?

Direct call off will be from the top scoring MEAT tender at ITT. If the MEAT tenderer is unable to supply the resource then the direct call off cascades to the 2nd highest MEAT tenderer, and if needs be to the third highest MEAT tenderer.

13. Q: How does the MPC percentage fee table work with unusual / abnormal projects and with specialized disciplines outside of RIBA Toolkit? Also if a refurb project is very light on structures but very heavy on M and E is there any flex in the price mix?

The “Not To Exceed” percentage fee scales are intended to cover all eventualities. If a requirement is so unusual/out of scope, then this would be a discussion with the client. Discipline specialities not covered by the RIBA toolkit would be extra and tendered open book or even supported via a PAC arrangement.

14. Q: How are additional costs (eg out of scope requirements) around Social Value funded? Do clients pay for this?

The “in scope requirements” would include what is in the RIBA Toolkit and the framework commitments. If the SV requirement is a project specific extra over then this would be a discussion with the client. The extra over requirement should be set out separately at mini competition.

15. Q: It is good to see then 30% SME spend commitment – but how is this monitored and managed? Project by project basis? Per Lot per supplier/ What if the 30% SME spend is not achieved?

The 30% SME spend target applies to each lot and each framework partner in the lot. Partners will have to provide returns on MPC awards and PAC commissions showing the SME spend. If framework partners are falling short of the mandated 30% SME spend target then that will lead to serious performance management conversations with that partner at Director level.

16. Q: If the quality assessment is very high and stringent at ITT level, could consideration be given to mini-competitions being price only i.e. not replicating the 70/30 criteria?

Clients like to have quality and price evaluation at mini-competition. The process is designed to be quick; typical mini-competition returns take about a week and on the quality, side involve circa six sides of A4. If the client is in a hurry, then there is always the direct award route.

17. Q: Is the turnover threshold calculated as an aggregate of the lead bidder plus proposed sub consultant’s turnover – or calculated just on the lead bidder’s turnover?

The turnover threshold applies to the lead bidder as identified in the tender return. If the bidder is identified in the tender return as a JV or consortia, then the aggregate turnover of the companies within the JV venture or consortia may in certain circumstances be considered for turnover threshold purposes.

18. Q: How will large multi-disciplinary companies that commonly resource almost all requirement in house deliver on the 30% SME spend target?

The 30% SME spend target is a requirement of this framework; bidders will be required to commit to the SME spend target as a pass-fail question at ITT. Bidders will also be required to list their proposed sub consultant supply chain (this list may be amended through the currency of the 4-year framework)

19. Q: What is the MPC minimum project size across framework lots?

In the Lot 1 SW £2m. In the Lot 2 SE and London it is £4m. In the Lot 3 NW it is £0.5m. Projects below these values would be delivered by the PAC arrangement.

20. Q: What is the thinking behind single supplier in Lot 2 SE?

In Lot 2 we want to partner closely with a provider, so this is best done with a single supplier.

21. Q: Will the SME spend target be local to a particular Lot?

Yes. The SME spend target is local to the Lot to maximize the social value benefits.

22. Q: How are SMEs defined for this framework?

The same as the Government definition – i.e. SME companies have fewer than 250 employees.

23. Q: Is the Lead Supplier ultimately liable on insurances for SME's? - is there open cap liability?? How will SME - sub consultants to get insurances as required? Does the Lead supplier pick up any shortfall across the 30% SME spend? Is there a set level of liability for requirement for framework?

The lead company must commit to insurances of £10m PL; £10m EL; £5m PI. (This is each and every event not in aggregate). We would expect sub consultants to carry PI insurances commensurate with the risk involved in their work. In the first instance of a PI claim, the client would be dealing with the lead supplier. It may be the case on large projects (e.g. £100m) that a client requires additional insurances. Framework providers must agree at ITT to provide extra insurances if required on the basis only that the extra insurance can be procured AND will be paid for by the client.

24. Q: If 30% of the work is sub let to SME's, this could result in the SME profit being top sliced and or the Lead consultant cherry picking the best parts. Where is the social value here?

The social value is derived from the spend being split out from the larger Lead companies to local SME's as part of the overall collaborative ethos of the framework.

25. Q: The £15m annual turnover threshold is noted; how was this number calculated? Is this high compared to similar frameworks? Can this be reviewed?

The minimum annual turnover level of £15m is based upon the following;

Lot 1 SW turnover predicted maximum is £26m per annum (the lowest of the three Lots) Split over 3 suppliers this is circa £9m per annum. According to Public Contracts Regulations, it is recommended that a new contract requirement not exceed 50% of existing turnover. So £9m plus £9m is £18m. We have rounded down to £15m.

26. Q: How is the cost of marketing the Framework covered?

The NACF frameworks already have a very strong media presence. As part of the management of the framework, we spend a lot of time with clients. We expect framework partners to support this effort – it is a fundamental commitment.

27. Q: How does the work flow through to the new framework partners?

The framework is not exclusive. Projects pipeline will still include existing consultants who have a successful relationship with existing clients. The 30% work projection for the Major Projects Consultancy is based on assessment of where clients are currently lacking appropriate consultant resource plus Two Stage Open Book projects that ICF partners bring to the framework.

28. Q: Can the attendee list for this Supplier Day be circulated so that SME's can engage with larger companies?

We cannot circulate the attendee list as this would be a GDPR breach. Once the framework is awarded then SME's can engage with the successful framework partners.

29. Q: Are specific accreditations required to get on frameworks?

We would expect bidder organisations to have the relevant professional accreditations. Accreditation of individuals would also be a consideration at mini competition. Please check the Quidos AC/DC Gold accreditation requirement which is not a pre-requisite for bidding

30. Q: Will a draft of the Selection Questionnaire be available before the full tender is published?

No

31. Q: The use of Quidos AC/DC as continuous prequalification service is noted but is there flexibility to use Constructionline as an alternative?

No. We have procured Quidos AC/DC for this purpose.

32. Q: Will the Quidos AC/DC apply to whole supply chain?

No. just the Lead organisation that is bidding.

33. Q: Can the Lead consultant also participate in another framework partner supply chain?

Yes. The Lead organisation can be part of another framework partner supply chain.

34. Q: In mini competition, will the quality questions be led by the framework or by the client?

At framework level, we support the client to ask compelling questions with useful answers. The questions follow the themes in the tender documents

35. Q: Will this presentation be made available for review after the Supplier Day?

Yes. The presentation will be available on the NACF website, the NWCH website and the SCF solutions website. However the slides with the existing client logos on will be deleted. The Q and A record will also be posted on these websites. please go to <http://www.scfsolutions.org.uk> or <http://www.nwconstructionhub.org/>

36. Q: Will the price model be different for each Lot?

The commercial pricing is Lot specific. The quality question set (and the evaluation) are common across all Lots.

37. Q: Who can be the Lead consultant? Can this be an Engineer, Cost Manager, Architect etc?

The Lead Organization does not have to be a particular consultant discipline.

38. Q: Can bidders apply for all Lots?

Yes. Bidders can apply for any individual lot - or all 3 Lots and can be appointed to all 3 lots potentially. However, the bidder must be able to provide the service across the full geography of the Lots.

39. Q: Is there a reserve process available in the event of failure of a supplier or partner in a Joint Venture?

There is no reserve process allowed. If a supplier failed on Lot 1 or 3 then we would have to consider whether that Lot remains viable with the two remaining suppliers. If not, then that Lot would be re procured. If the single Lot 2 supplier failed, then this lot would be re procured. If a component part of a JV failed, then we would have to take legal advice.

40. Q: What is the duration of framework?

Duration is 4 years.

41. Q: How will the geographic coverage of the Lot area be assessed at ITT?

Bidders will be required to sign a declaration that they will be able to provide the service across the Lot(s) that they have applied for.

42. Q: What happens if a framework partner does not want to bid for a particular project?

The expectation is that framework partners take the rough with the smooth. However, we cannot force framework partners to bid in mini competition and we do not want cover bids. There are others routes to market outside the framework.

43. Q: How will tender queries be managed through tender process?

All clarification requests (with the relevant answers) will be published to all bidders through a clarification log. The only exception being a query that is unique/confidential to a particular bidder and therefore has no relevance to other bidders.