Construction Projects and Procurement Procedures

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Part 1 - Introduction

This deals with:
- defining the work covered by these procedures
- the consideration of ethical procurement and modern slavery

1.1 The scope of these procedures

Any significant change to the estate, or further capital investment in it, can have long-term strategic and financial effects which the University needs to take into account. It is for this reason that “capital” projects are authorised and monitored separately from regular maintenance work. In simple terms:

regular maintenance work - is met from a regular maintenance budget and aims to maintain or repair what was already there.

a capital project - aims to change the facilities or services provided or involves the expenditure of funds other than from a regular maintenance budget. (For example, it might involve a College or other Budget Centre’s recurrent or reserve funds, an external grant, or the University’s “central” capital funds).

By this definition, even a very small and simple project can be a “capital” project. The University’s central arrangements for planning and monitoring its capital expenditure, though, need not take individual account of very small projects and these - projects below £10 000 gross - are dealt with in a simpler way.

A guide showing how these procedures apply to different kinds of project is given in the table of contents. If it is unclear how these procedures should be applied in particular cases, advice should be sought from the relevant Head of Section or Director, within the Estates Office.

1.1.1 The procurement elements of these procedures apply only to the procurement of works, and items and services related to construction.

“Construction” here is as defined in the CDM Regulations, and includes construction, alteration, conversion, fitting out, commissioning, renovation, repair, upkeep, redecoration or other (eg regular) maintenance.

Services related to construction will include design and other consultancy related to particular construction work.

The procurement of items and services which are not related to particular construction works, but are required for general Estates Office administration and management – such as software, training, office consumables and regular stores items– are to be dealt with in accordance with the University’s normal procurement procedures.
1.2 Ethical Procurement and Modern Slavery

Construction and maintenance activity has been identified as both high risk and high impact in terms of the environmental, social and economic impacts. The university is committed to Ethical Procurement and addressing the issues associated with Modern Slavery and Human Trafficking within all procurement activity.

**Ethical Procurement**

- is the process by which we consider the environmental, social and economic implications of our purchasing decisions. The consideration of these impacts and opportunities are not considered separate from the procurement process but at the core of the university approach.

**Modern Slavery and Human Trafficking**

- requirements of the Modern Slavery Act, which received royal assent on 26 March 2015 are clear: organisations with a global turnover of at least £36 million have a disclosure obligation. Universities must produce a statement to include a report on the effectiveness of measures in place to tackle modern slavery and human trafficking. The statement will be expected to list the steps that the organisation has taken during the financial year to ensure that slavery and human trafficking are not taking place in its supply chain.

Both our commitment to Ethical Procurement which is detailed in our Procurement Strategy [https://intranet.birmingham.ac.uk/finance/procurement/I-need-help/Documents-and-Forms.aspx](https://intranet.birmingham.ac.uk/finance/procurement/I-need-help/Documents-and-Forms.aspx) and our Modern Slavery Policy (pending UEB approval) means all construction related activity must consider how it is responding to these challenges. We have produced further guidance on considering the environmental, social and economic impacts associated with our activities which can be obtained by procurement at; procurement@bham.ac.uk
Part 2 - The Management Structure

This deals with:
- defining the various people and roles involved

2.1 The Client for all building and engineering works carried out for the University on University property is the University itself.

Here the University acts as a single corporate body, even where some particular part(s) of the University will benefit from the works, or will fund the works.

2.2 The Director of Estates is responsible for the practical implementation of the University's role as client.

The Director is supported in this role by the Director of Engineering and Director of Delivery and Operations on regular maintenance works and capital projects under £10,000, and by the Director of Projects on larger capital projects.

2.3 The Project Manager is the person nominated to be responsible on a day-to-day basis for controlling and delivering the particular project.

At any one time, there will be only one project manager for a project, though the role may pass from one person to another as the project moves through different stages. Where, in these procedures, a responsibility rests with “the project manager”, it is expected that the project manager either carries it out personally, or ensures that others do so.

2.4 The User in each project is that unit which will occupy, use or benefit from the completed project.

The User Representative is a senior member of that unit nominated from within the unit to be responsible for liaison and authorised to state user requirements and to agree specifications and design proposals.

The user is typically a particular Budget Centre. In appropriate cases the User Representative may be supported by a User Group.

2.5 A Budget Holder is the Head of a budget centre which is funding all or part of a project.

A project may be funded from more than one budget, and may therefore involve more than one budget holder. In the case of funds managed centrally, the Director of Estates acts as budget holder.

2.6 A Head of Section within the Estates Office is the person heading the unit to which the project manager belongs.

The term includes the Head of Capital Programme, M&E Design Manager, Head of Operations, Head of Supply Chain Compliance, Head of Utilities and the Head of Grounds and Gardens.
Part 3 - Confirming the project
(Capital Projects below £10 000)

This deals with:
- identifying the specific needs to be met by the project
- the investigation, to establish options, feasibility, timing and cost
- the approval to proceed

3.1 General

3.1.1 Fragmentation of work to avoid the £10,000 threshold in these procedures is not permitted.

3.2 Initiation of Projects

3.2.2 The user’s requirements and the proposed funding arrangements are to be recorded at the outset and given a unique reference number.

Proposals will usually be received by a member of the Maintenance or Planning & Properties sections. In either case, the recipient will make an initial assessment of whether the proposed work is likely to cost at least £10,000 gross (and if so, then follow instead the separate procedure, Part 4, for confirming such projects).

The proposal will be referred to a nominated person in Maintenance, who will ensure that the appropriate details are recorded in the maintenance database.

3.3 Investigation of Projects

3.3.1 A nominated person, usually in Maintenance, will act as project manager and investigate the proposal.

The extent and content of the investigation will vary according to the nature of the project, but it will normally involve:
- the user’s functional requirements
- any financial, timing or access constraints
- any technical or statutory constraints (such as site conditions or Listed Building status)
- the cost

The project manager is responsible for all aspects of the investigation, including compliance with statutory requirements and University policy, and for obtaining advice from others as necessary. (The project manager will also be responsible later for ensuring proper completion of the project – see “Handover” elsewhere in these procedures).
3.3.2 In all cases, the investigation will include an assessment of whether the project needs to be notified to the Health and Safety Executive, under the Construction (Design and Management) Regulations.

The project manager provides this initial assessment. Further information is given in the "Guidance to the CDM 15 Regulations".

3.3.3 Whenever it becomes clear that the project should cost at least £10,000, this is to be recorded and the project referred to Director of Projects, who will determine further action, liaising as necessary with the Assistant Director (Maintenance).

The project manager records the cost (if known) in the database, together with comment on whether the project should continue as so far defined.

Note: A cost above £10,000 is not necessarily a bar to the work being done by Maintenance. The further action as determined by the Director of Projects may take various forms, including:
- authorisation of the project, to be carried out by Maintenance
- further investigation, either by Maintenance or others
- re-definition of the project, to take into account factors not so far considered.

3.3.4 In all cases, the results of the investigation will be made known to the user. A quotation for the work will be issued, including details of when the work can be done.

A standard form, generated from details in the database, is used for these quotations.

3.4 User’s Acceptance

3.4.1 In all cases where a quotation is given, the relevant budget holder will be asked to confirm whether the work should proceed.

To accept the quotation, the budget holder raises an internal order in Proactis, quoting the reference number.

The project manager records the budget holder’s response in the database and (where the quotation was accepted) proceeds with the project.

Unless otherwise specified in particular cases, projects falling correctly within this procedure do not require formal project authorisation.

3.5 Changes to Project Requirements

3.5.1 Any changes in the user’s requirements for a project are to be recorded.

The changes are recorded in the database. Significant changes are dealt with by entering a new request and cancelling the old one.

3.5.2 Whenever such a change requires additional works, these are to be recorded as part of the same project.

3.5.3 Any increase in costs is to be made known to and agreed by the budget holder, in advance of work taking place.

The user will need to make an amendment to the order, or raise a new order, in Proactis.
Part 4 - Confirming the project
(Capital Projects £10 000 and above)

This deals with:
- identifying the specific needs to be met by the project
- appraising these in the context of the current estate strategy and establishing that they have a high priority in relation to the resources available
- the initial investigation, to establish options, feasibility and estimated costs
- the approval to proceed further

4.1 Initiation of Projects

4.1.1 When proposals for a project arise, they are to be defined first as a need, rather than a solution.

Proposals may arise in various ways, including:
- user Budget Centres proposing alterations/additions to their allocated accommodation
- work arising from academic planning proposals, functional suitability surveys or maintenance surveys.

In many cases, the Planning & Properties Section will already have carried out investigation and discussion with others, before specific proposals for a capital project emerge.

4.1.2 An outline of the user’s requirements, the background to the proposal and the proposed funding arrangements are to be recorded at the outset.

Proposals are investigated first by a member of the Planning & Properties Section, who will make an initial assessment of whether the proposed work is likely to cost less than £10,000 gross (and if so, then follow instead the separate procedure for confirming such projects).

The person investigating will ensure that the appropriate details are recorded in a Project Definition Form (PDF), and will invite the comments of the Provost / PVC Estates & Infrastructure and the relevant accountant within the Finance Office.

4.1.3 If at any time it appears that there may be some conflict between the proposal raised and the University’s wider planning intentions, then the proposal should be referred to the Provost / Pro-Vice-Chancellor (Estates and Infrastructure), for a decision on whether investigation should continue.

This would normally be raised by the Director of Projects, within regular meetings.

4.1.4 The current status of each proposal is to be recorded and the parties involved, including the relevant user(s) and budget holder(s), are to be kept informed of progress.

A register of proposals, the comments received and the action being taken on each is kept by the Planning and Properties Section, who must ensure that the relevant people are informed of any change in status.
4.2 Investigation of Projects

4.2.1 Initial action on the proposal will be determined by the Director of Projects. The proposal will usually be considered at the regular “projects meeting” within Estates (attended by the Director of Projects, the Director of Delivery and Operations, the Director of Engineering, the Head Capital programme, the Head of Operations, the Head of Supply Chain & Compliance, and the Head of Utilities.) That meeting will assess the practical aspects of the proposal, including its likely physical content and its potential links with, or effects on, other work.

It may also be that the need for a building project is not yet clear, and action may instead involve further negotiations with the initiator, functional suitability investigations and perhaps Committee action before a specific project can emerge.

4.2.2 A particular person will be nominated to act as project manager and investigate the proposal. A Project File will be opened and given a unique reference number. The “projects meeting” will usually nominate the project manager. If not already appointed as project manager, a member of the Maintenance Section and a member of the Projects Planning Section will also be nominated to act as advisors on the project. Where required a Mechanical and Electrical Engineer will also be nominated. The purpose of this investigation is to define the project in more detail in whatever terms are appropriate to it, to record the User’s stated requirements, to estimate the capital cost and any recurrent cost implications and to recommend a preferred option. The unique “PF” number will remain with the project for the duration of the investigation. The project file will contain the completed Project Definition Form and all other relevant details available.

4.2.3 Wherever practicable, the investigation will examine different options available to achieve the required result. It will involve the preparation of an outline brief, in consultation with the User. The extent and content of the outline brief will vary according to the nature of the project, but it will normally include, in broad outline:
- a listing of the User’s functional requirements (often a schedule of accommodation and/or a schedule of specialist equipment involved)
- a listing of any other requirements, such as those introduced by the University as client
- any financial, timing or access constraints
- any technical or statutory constraints (such as site conditions or Listed Building status)
- a statement of the levels of quality to be achieved.
4.2.4 If, at any stage, it becomes clear that the project should cost less than £10,000, this is to be recorded and the project referred to the Director of Projects, who will determine further action.

A cost below £10,000 is not necessarily a bar to the work being done by the Estate Projects Division. The further action as determined by the Director of Projects may take various forms, including:

- passing the project to be carried out by Maintenance under the procedure for such projects
- further investigation
- amalgamation with other similar work
- instruction that the project proceed under its current project manager.

4.2.5 In all cases, the investigation will include an assessment of whether the project needs to be notified to the Health and Safety Executive, under the Construction (Design and Management) Regulations.

The project manager must make this initial assessment. Further information is given in the "Guide to the CDM 15 Regulations".

4.2.6 For all projects of £5 million and above, and whenever appropriate in other cases, the investigation will include an Option/Investment Appraisal. The advice of the Director of Finance should be sought in all cases.

The Option/Investment Appraisal will follow the current format laid down by HEFCE where a submission to that council is required. Otherwise it can be in whatever format is appropriate to the type of project, but it must conclude with a clear and valid recommendation as to the preferred option.

The resulting document will form part of the Initial Investigation Summary.

4.2.7 The project manager will record details of consultations carried out so far with other interested parties (eg Fire Safety Advisor, Security, Procurement Division, etc)

The project manager will need to decide how much consultation with other parties is needed at this stage. Sufficient consultation is done to allow the production of a target programme and a cost estimate likely to be within ±20%. Details of the consultation are recorded on the Initial Investigation Summary.

4.2.8 In all cases, the investigation will result in the completion of an Initial Investigation Summary, setting out estimates for the project’s cost, content, programme and spend pattern.

4.2.9 In all cases, the relevant user(s) and budget holder(s) will be asked to confirm whether, on the basis of the Initial Investigation Summary, the project should proceed further.

All relevant users and budget holders record their confirmation, or otherwise, on the Initial Investigation Summary itself.
4.3 Approval and Authorisation of Projects

4.3.1 On completion of the Initial Investigation Summary, all new proposals will be referred to the next meeting of the Infrastructure Co-ordination Group for approval. For projects less than £500,000, this approval, if given, will authorise the Estates Office to proceed with the project.

Projects of £500,000 and more, but not over £2.5 million, will require the further approval of the University Executive Board. Projects of £2.5 million and more but not over £5 million will require the further approval of the Strategy, Planning and Resources Committee.

Projects over £5 million will require the further approval of Council.

4.3.2 Beyond the production of an Initial Investigation Summary, further investigation, planning or design work requires the specific authorisation of the Director of Estates. Project authorisation is given on the Authorisation to Proceed. The authorised budget cost is usually (but not necessarily) set to equal the estimated cost in the Initial Investigation Summary. It may consist of a single figure, or it may be set out to authorise the budget costs for individual elements of the project.

Following issue of the project authorisation, the Director of Estates will give instruction on the planning of the project and the appointment of the design parties.

4.3.3 Planning and design are to proceed such that the project’s expected total gross costs will fall within the authorised budget cost. The project manager is to report in the form of a revised Initial Investigation Summary, signed by the budget holder(s).

4.3.4 If it becomes clear that the costs of a whole project, or some element of it, should differ from the authorised budget cost (in either direction), this is to be reported to the Director of Projects. That person will decide whether to recommend to the Director of Estates revising the authorised cost, taking account of any guidance already given by, or now required from, the relevant committee(s).

4.3.5 Any change made to the authorised budget cost will be confirmed by the issue of a revised Project Authorisation.

4.3.6 The issue of all new or revised Project Authorisations will be reported to the next meeting of the Infrastructure Co-ordination Group. A standard report, listing the principal items of information, is prepared.
Part 5 - Appointment of consultants and procurement of services

This deals with:
- identifying which consultants may be used
- identifying the procedure appropriate to the scale of work intended
- ensuring probity throughout the tendering process
- the authorisation to accept a tender or quotation
- negotiating contracts

Note: The following procedures are to be followed by all concerned with the procurement of construction-related design consultancy services, including building, engineering, structural and cost consultancy. If it is in the operational interests of any division to do so, procedures which are more stringent may be adopted either as a matter of course or in particular circumstances, but the procedures may not be relaxed except with the specific prior consent of the Director of Estates.

The procedures are to be read in conjunction with the University Manual of Financial Rules, as updated from time to time, and with the HEFCE Financial Memorandum.

5.1 General

5.1.1 Fragmentation of orders to avoid any of the thresholds in these procedures is not permitted.

5.1.2 When consultants are appointed, it is the potential total value of their services which must be taken into account in selecting the appropriate method of procurement.

Consultants are sometimes appointed at the design stage of a project, when there is no firm commitment yet that the project will go ahead. If the project then does go ahead, and the same consultants are employed for the construction phase, it is the total value of the services which must be considered, in assessing compliance with the Public Contracts Regulations.

It is therefore the normal practice to recruit consultants for all the stages in which they may be involved, with appropriate break clauses to deal with cessation or deferment of the project.

5.2 Approval and selection of Consultants

5.2.1 To assist in the selection of consultants for works, framework agreements are maintained for all key disciplines.

The approval of consultants for the framework is based on their known performance, competence and financial standing and they have been selected through a competitive tender process compliant with the Public Contracts Regulations.
5.2.2 Consultants are not to be employed unless they hold current relevant accreditation with CHAS (or meet an equivalent standard). This ensures that the consultant has demonstrated acceptable standards of control in Health & Safety. Where small specialist consultants need to be employed but do not have CHAS accreditation, the equivalent assessment can be carried out with the advice of the Estates Office’s Health & Safety Advisor and approval kept on file.

5.2.3 Consultants should be selected from the frameworks where they exist. Where a framework does not exist or the proposed consultant is not on the framework list this must be pointed out to the relevant Head of Section and the Procurement department, and his/her specific approval obtained. The following selection methods must be followed:

- Any consultant proposed, whether on the framework list or not, must be CHAS-accredited (or meet an equivalent standard).
- A standard University sub-consultant warranty is to be used were sub-consultant warranties are required.
- Project officer to agree the need for warranties and agree any amendments to the standard warranty with Procurement.

5.3 Estimated cost less than £25 000 (excl VAT)

5.3.1 If the estimated cost of the services covered by the proposed order is not more than £25,000 (excluding VAT) then consultants may be selected as follows:

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<th>Estimated Cost</th>
<th>Selection Method</th>
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<td>Not more than £2,500</td>
<td>At the discretion of the initiator of the work</td>
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<tr>
<td>More than £2,500 but not more than £10,000</td>
<td>At least one written quotation required</td>
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<tr>
<td>More than £10,000 but not more than £25,000</td>
<td>At least three written quotations required. Tenders may also be used.</td>
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Where tenders are used, the procedure in 5.5 below must be followed.

5.3.2 In all cases, the list of proposed consultants must be approved by the relevant Head of Section.

If, because of special knowledge or for any other reason, a single consultant is to be asked to quote, and the cost of the proposed order is more than £10,000 the reasons for proposing a single consultant must be presented in writing to, and approved by, the Head of Section.
### 5.4 Estimated cost £25,000 or above (excl VAT)

**5.4.1** If the estimated cost of the services covered by the proposed order is £25,000 or above (excluding VAT), the tendering procedures described below are to be followed.

Particular care must be taken where the potential total value of the services exceeds the threshold for the application of the Public Contracts Regulations – see 5.4.2.

**5.4.2** Consultant frameworks have been tendered via a process compliant with the Public Contracts Regulations. Where consultants proposed for a project are not on the framework and the appointment is over the threshold set within the Public Contracts Regulations, then those Regulations will require a particular form of procurement, and the advice of the Finance Office, Procurement Division must be sought.

The thresholds set at 1 January 2014 £164,176 excluding VAT for supplies and/or services (which includes consultancy services). Thresholds are reviewed every two years.

### 5.5 Consultant Tendering Procedures

**5.5.1** On projects where an external body is making a grant i.e. HEFCE / ERDF etc, specific conditions may be applied by the funding body. Where those require a variation to these procedures, authorisation is to be sought from the Procurement Department, prior to the invitations to tender being issued.

The project manager must prepare a **Readiness to Tender** form and present it for review.

**5.5.2** Where consultants are to be appointed the project manager will prepare a list of all capable consultants. Three options are available in selecting suitable consultants.

- a) appoint one of the Consultants from the Approved List of Consultants awarded a Framework Agreement without competition and using the percentage Fees included in the Framework Agreement as the basis for determining the Fees payable; or

Where, because of specialist knowledge or any other reason, only a single consultant is found to be capable of the particular work, the reasons for proposing a single consultant must be presented in writing to, and approved by, the Head of Section.

- b) administer a “mini-tender” inviting the Consultants awarded a Framework Agreement that the University determines (at its discretion) to be capable of providing the Services to bid for the appointment for the Project/Works; or

The need for competitive process remains - see 5.3 and 5.4.

- c) appoint a Consultant following the administration of a competitive process which is compliant with the University’s competitive procurement procedures as set out in the University’s Manual of Financial Rules and Procedures. In cases when specialist consultants are required for particular work and no such

The project manager will normally suggest consultants for approval and arrange for the Procurement Division to carry out the vetting.
specialists are on framework agreements, consultants may be given specific approval by the relevant Head of Section.

If the University elects to proceed with option c) above then this will be subject to a separate tender process that will be administered in accordance and compliance with the Public Contracts Regulations 2006 and/or the University’s own procurement procedures as set out above.

5.5.3 The University shall in any event have the right to enter into discussions with Consultants on the Approved List with Framework Agreements in order to clarify any aspects of the Framework Agreement (including, without limitation, the Schedule of Rates and Percentage Fees) applicable to specific Appointments for Projects/Works at the University’s sole discretion. In particular the University will seek to agree fixed price Appointments in respect of Projects/Works undertaken or to be undertaken under the provisions of the Framework Agreement.

5.5.4 When the list of tenderers has been approved, each consultant on it will be asked to confirm or otherwise their willingness to tender.

5.5.5 To ensure comparative tenders, the category of work and estimated net value will need to be provided. Consultants must provide a % fee bid based on the net works cost. This will be converted to a fixed fee at the end of detailed design, or stage agreed with the Head of Section.

5.5.6A Electronic tendering process

The invitations to tender will be prepared in standard form and accompanied by:

- Covering letter if appropriate. Apart from completing specific project details, the standard letter is not to be modified without the prior approval of the relevant Head of Section.
- Tender Documents as appropriate to the appointment being tendered
- Form of Tender
- a statement of the form of building contract which it is intended to use for the construction works.
- a statement of the amendments (if any) which are to be made to the consultants

Invitations to tender are prepared by the project manager.

It may be necessary, if several consultants decline to tender, to add further names to the list, in which case additional names will be requested and approved as in 5.5.1 to 5.5.3.

When making the enquiries referred to in 5.5.4, it will be necessary to indicate to prospective tenderers the size, scope and complexity of the contract.

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- a statement of the amendments (if any) which are to be made to the consultants

Invitations to tender are prepared by the project manager.

It may be necessary, if several consultants decline to tender, to add further names to the list, in which case additional names will be requested and approved as in 5.5.1 to 5.5.3.

When making the enquiries referred to in 5.5.4, it will be necessary to indicate to prospective tenderers the size, scope and complexity of the contract.
standard form of appointment.
- Tender form
- Full instructions for date, and time for delivery of the tender.

One Electronic version of the response must be loaded on to the In-Tend E-Tendering Portal no later than the date specified on In-Tend

5.5.7A The invitation to tender is to contain the following instructions to tendering consultants:
- Tenderers to acknowledge receipt of the tender document and any amendments in writing
- Tenders not received through the In-Tend Portal by the precise date and time specified are to be rejected.

5.5.8A In all cases (including where tender documents are prepared by external consultants or other third parties), a specific check is to be made of the assembled tender documents, to ensure that all sets are complete and identical. All sets are then to be published via the In-Tend Portal.

5.5.9A Any contact with tenderers during the tendering period MUST be via the In-Tend correspondence function

5.5.6B Hard copy tender process

The invitations to tender will be prepared in standard form and accompanied by:
- Covering letter if appropriate. Apart from completing specific project details, the standard letter is not to be modified without the prior approval of the relevant Head of Section.
- Tender Documents as appropriate to the appointment being tendered
- a statement of the form of building contract which it is intended to use for the construction works.
- a statement of the amendments (if any) which are to be made to the consultants standard form of appointment.
- Tender form
- Full instructions for date, time and place for delivery of the tender, including a plan
- Envelope for return of tender or, in exceptional circumstances, a self-adhesive label. In either case this is to be addressed and marked in standard form. No other form of identification is to appear on it.

Details set out on In-Tend. The normal time of receipt is 1500 hours. (https://intendhost.co.uk/universityofbirmingham aspx/Home) and follow the instructions on line

All these matters are covered by the standard covering letter for tender invitation.

Invitations to tender are prepared by the project manager.

Standard documents are available for the:
- letter to consultants
- tender form
- delivery plan

Where hard copy returns are made The time of receipt must be 1500 hours.

The standard address is:
Estates Office, Reception
Maintenance Building
The University of Birmingham
Edgbaston, Birmingham B15 2TT
5.5.7B In all but the most exceptional circumstances, tenders are to be returned to the standard address. No variation to the address will be permitted without the prior consent of the Director of Estates. The standard marking for the envelope or label is:
“Tender no. . . . . : for . . . . . (description of work and Project No.) to be delivered before 1500 hrs on . . . . . (date)”.

5.5.8B The invitation to tender is to contain the following instructions to tendering consultants:
- Tenderers to acknowledge receipt of the tender document and any amendments in writing
- Tenders not received in the precise room specified by the precise date and time specified are to be rejected.
- Tenders returned other than in the envelope provided (or, in exceptional circumstances outlined above, in a plain envelope with the label provided) may not be considered.

All these matters are covered by the standard covering letter for tender invitation.

5.5.9B In all cases (including where tender documents are prepared by external consultants or other third parties), a specific check is to be made of the assembled tender documents, to ensure that all sets are complete and identical. All sets are then to be dispatched at the same time.

5.5.10B Any contact with tenderers during the tendering period should be in writing where possible; any telephone or other enquiries should be answered in writing only to all tenderers and recorded in the post-tender evaluation. Tenderers must be required to confirm receipt of any amendments issued.

5.6 Receipt of Consultant Tenders

5.6.A Electronic tenders/request for quotations

5.6.1A Tenders received after the stated return date and time are to be rejected.

5.6.2A The tenders will be opened as soon as possible after the return time and date set out on In-Tend.

5.6.3A At least two people must carry out the opening ceremony.

5.6.4A Tenders whose estimated value (excl VAT) is not more than the EU threshold set out in the Public Contracts Regulations (currently £164,176) will be opened by two senior members of Estates. (Where the Procurement Division is involved in tenders over the thresholds in the Public Contracts Regulations, and tenders are to be received electronically, the tender opening needs to take place in the Procurement Division’s offices.)
Tenders whose estimated value (excl VAT) is more than the EU threshold set out in the Public Contracts Regulations (currently £164,176) but less than £5 million, will be opened in the presence of Internal Audit and a member of Procurement.

Tenders whose estimated value (excl VAT) is more than £5 million will be opened in the presence of the Head of Internal Audit (or delegated signatory) and a member of Procurement.

An Electronic Returns Administration Form is used, printed off and signed by the opening ceremony Users

The form, together with the tenders and any accompanying documents are accessible electronically via the In-Tend E-Tendering Portal.

For comparison the fee will need to be converted to a lump sum based on the construction pre tender budget.

5.6B Hard copy tender

5.6.1B Tenders received prior to the stated return date and time are to be kept in a secure place under the control of the Director of Delivery & Operations until the time of opening. Tenders are to remain anonymous until they are officially opened.

On receipt at Reception, each tender envelope is to be marked with the time and date, initialled by the person receiving it and passed immediately to the Director of Delivery & Operations.

If requested by the person delivering the tender, a receipt may be given. The name of the consultant tendering should not be asked for or recorded.

5.6.2B The tenders will be opened at 1500 hours on the stated return date or as soon as possible afterwards.

5.6.3B Nobody assisting at a tender opening may have any direct connection with the work or goods being tendered for.

5.6.4B Tenders whose estimated value (excl VAT) is not more than the EU threshold set out in the Public Contracts Regulations (currently £164,176) will be opened by two senior members of Estates.

(Where the Procurement Division is involved in tenders over the thresholds in the Public Contracts Regulations, and tenders are to be received electronically, the tender opening needs to take place in the Procurement Division's offices.)

A Tender Return Form is used. Any covering letter or other document enclosed with the tender form is to be recorded in the “Remarks” column. The tender is to be checked to ensure that it is consistent within itself.

The form, together with the tenders and any accompanying documents, are then delivered by hand immediately to the project manager.

For comparison the fee will need to be converted to a lump sum based on the construction pre tender budget.
5.7 **Evaluation of Tenders**

5.7.1 The tenders received are to be evaluated and, where appropriate, a particular tender recommended for acceptance.

The project manager, in conjunction as necessary with consultants and other Estates/University staff, must carry out an evaluation of the tenders, including:
- an arithmetical check on the figures tendered
- a technical check on the content
- a comparison of content, to establish the extent to which the tenders can be compared "like for like".

When satisfied that a particular tender is acceptable, the project manager will prepare and sign a recommendation on the *Post-Tender Evaluation form* and submit it, together with the tender return form, to the person responsible for authorising acceptance of the tender.

Service contracts above the threshold set within the Public Contracts Regulations have to follow a specific evaluation process – advice on this must be sought from the Procurement Division.

5.7.2 Any post-tender consultation with consultants which may be required in evaluating the tenders should be confirmed in writing to the consultant concerned.

Above the threshold set within the Public Contracts Regulations, specific requirements apply to the monitoring and recording of post-tender consultation – advice on this must be sought from the Procurement Division. It may be necessary to share the outputs of post-tender consultation with other tenderers still in the competitive process.

5.7.3 A record is to be kept of the outcome of the evaluation of tenders.

The project manager must include this record in the project file.

5.8 **Authorisation to Accept a Tender or Quotation**

5.8.1 The acceptance of a tender or quotation is to be authorised as shown below. The level of authority required depends on the value of the work covered by the proposed order, excluding VAT and on-costs where applicable:

<table>
<thead>
<tr>
<th>Value of work</th>
<th>Authority Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than £5 000 but not more than £25 000</td>
<td>Head of Section</td>
</tr>
<tr>
<td>More than £25 000 but not more than £500 000</td>
<td>Director of Estates</td>
</tr>
<tr>
<td>More than £500 000</td>
<td>Chairperson of the Infrastructure Co-ordination Group, with a report seeking ratification presented to the next meeting of the Committee</td>
</tr>
</tbody>
</table>

In these cases the papers are to be passed to the Director of Projects who will consult with the Director of Estates on the appropriate action.
5.8.2 In any case where more than one tender or quotation has been received, the tender providing best value should be the one recommended and authorised for acceptance. In any case where some other tender is recommended, the reasons must be presented in writing as part of the request for acceptance of the tender.

5.8.3 A record is to be kept of returned tenders and authorised acceptance.

5.8.4 Consultant Appointment.

The University will issue a Form of Appointment with the applicable details completed both on the Form of Appointment itself and any Schedules;

The Consultant will be invited to execute the Form of Appointment (2 originals will be provided for each Appointment) and return it to the University;

The University will execute the Form of Appointment and return one (1) original to the Consultant and retain the other original;

At this point a legally binding contract between the parties is made.

A standard University sub-consultant warranty is to be used were sub-consultant warranties are required.

5.9 Negotiating Contracts

5.9.1 In exceptional circumstances it may be reasonably expected that a negotiated appointment would be more advantageous to the University in terms of quality, time or cost than the competitive tendering procedures set out above. In such circumstances the authorisation of the Director of Estates must be given to the principle and to the detail of the negotiation proposed. This applies to any capital development project, land purchase or disposal, including any Private Finance Initiative projects which might be proposed. Before giving this authorisation, the Director of Estates will consult the Registrar and Secretary and/or the Chairperson of the Infrastructure Co-ordination Group as he or she considers necessary.

Above the threshold set within the Public Contracts Regulations, it is important to select on the specific award criteria used in the tender process. If a framework agreement is involved, it is also important to select on the same criteria as used in awarding the original framework agreement (as selection may otherwise be in breach of the Regulations).

The Tender Return Forms and signed authorisations are returned to the project manager, who must include them in the project file as the official record of receipt of tenders and authorisation of acceptance.

Project officer to agree the need for warranties and agree any amendments to the standard warranty with Procurement.

The matters which will be taken into account in giving the authorisation will include:

- The consultant party with which the negotiation is to take place;
- The Officer or Officers of the University or external consultants who are to take part in the negotiation;
- The limits, financial or otherwise, within which the outcome is expected and which will set the limits within which the negotiation will take place;
- The benefits expected to accrue to the University by adopting this procedure compared with competitive tendering;
- Any other relevant factors

Particular care must be taken to consider the potential total value of the project supported by services from the consultant. Where that...
Where the services are captured within the scope of the Public Contracts Regulations, the Director of Estates will consult the Director of Finance, or Assistant Director (Procurement). Where that value exceeds the threshold for the application of the Public Contracts Regulations, negotiation of this type would place the University at risk of breaching those Regulations.

A report of the circumstances of the negotiation is to be presented to the Chairperson of the Infrastructure Co-ordination Group and ratification sought at the next available meeting of the Infrastructure Co-ordination Group meeting. Where an outcome has already ensued this is to be reported at the same time, otherwise it is to be reported to a subsequent meeting.

5.9.2 In the particular circumstances where it is proposed that capital projects be carried out by extensions of existing on-going appointment which have already been competitively tendered, the following guidelines are to be followed:

- the approval of the Director of Estates is to be obtained for each project
- the possibility of such extensions to the appointment is to be built into the documentation of the main agreement.
- the works are to be of a very similar nature
- the works should not jeopardise successful completion of the main project

Particular care must be taken to consider the potential total value of the project supported by services from the consultant. Where that value exceeds the threshold for the application of the Public Contracts Regulations, negotiation of this type would place the University at risk of breaching those Regulations.
Part 6 - Design

This deals with:
- ensuring that the design meets the brief and all stakeholders’ requirements
- using the appropriate form of contract
- obtaining the necessary statutory approvals

6.1 Checks before proceeding

6.1.1 Before a project proceeds to detailed design, the project manager will ensure that:
- the project brief has been prepared and agreed by the users and budget holder(s)
- the members of the project team have been identified and any necessary external consultants have been appointed
- the project has clear authorisation
- the latest cost estimate is within the authorised sum, and the programme is within the constraints which have been agreed by the users and relevant committees.

6.2 During the design stage

6.2.1 The project manager will develop the brief and the design in consultation with the relevant user(s). The project manager will also ensure that appropriate liaison takes place with all stakeholders in the project, that their requirements are incorporated, and that all significant developments are confirmed with them.

Liaison will usually involve:
- the users
and those who will provide such services as:
- security
- cleaning
- maintenance
- fire prevention
- insurance
- network and telecomms

6.2.2 Wherever a stakeholder’s requirements cannot be met, that must be made clear, and agreed with the stakeholder.

6.2.3 The project manager will ensure that the design team develops the brief sufficiently to enable proper design.

6.2.4 Unless specifically instructed otherwise, 1:50 loaded plans, Room Data Sheets and/or equipment schedules will be produced. All such information will be agreed with the relevant users.

A Room Data Sheet and an Equipment Schedule are available within the standard documents. The project manager should ensure that copies are signed by the user, and retained within the project records. Copies of the 1:50 room loaded design drawings must be provided to the relevant user(s), who should indicate their agreement by returning one set, signed and dated. That set is then
6.2.5  The necessary statutory approvals should be obtained before proceeding to tender, including (where appropriate):
- Planning Consent
- Listed Building Consent
- Buildings Regulations Approval
- Where the programme requires a dispensation, approval is required from the Director of Estates

6.2.6  The required production drawings and specifications will be produced.

6.3  As design is completed

6.3.1  The project manager will ensure that:
- the design conforms to the brief
- the detailed design drawings and critical elevations are agreed with the relevant user(s)
- the most appropriate form of contract for the works is identified
- the tender documents fully comply with statutory and University requirements
- a pre-tender estimate of costs is produced.
Part 7 - Procuring the construction (works) contract

This deals with:
- identifying which contractors may be used
- identifying the procedure appropriate to the scale of work intended
- ensuring probity throughout the tendering process
- the authorisation to accept a tender or quotation
- negotiating contracts

Note: The following procedures are to be followed by all concerned with the procurement of building or engineering work. If it is in the operational interests of any division to do so, procedures which are more stringent may be adopted either as a matter of course or in particular circumstances, but the procedures may not be relaxed except with the specific prior consent of the Director of Estates.

The procedures are to be read in conjunction with the University Manual of Financial Rules, as updated from time to time, and with the HEFCE Financial Memorandum.

7.1 General

7.1.1 Fragmentation of orders to avoid any of the thresholds in these procedures is not permitted.

7.2 Approval of Contractors

7.2.1 To assist in the selection of contractors for works, a list of approved contractors is to be maintained, indicating the type(s) and scope of work for which each has been approved.

The nationally-available “Constructionline” list is normally used. The approval of contractors for inclusion on this list is based on their known performance, competence and financial standing.

Where the University has entered into a relevant framework agreement or partnering/strategic alliance with a single contractor, that contractor may be used. If a framework agreement is in place with more than one contractor, the competitive procedures in 7.3 to 7.5 must be used.

Where the contract exceeds the threshold within the Public Contracts Regulations, contractors must be selected from those who apply, following advertisement (see 7.4.2).

7.2.2 Contractors are not to be employed unless they hold current relevant accreditation with CHAS (or meet an equivalent standard).

This ensures that the contractor has demonstrated acceptable standards of control in Health & Safety. Where small specialist contractors need to be employed but do not have CHAS accreditation, the equivalent assessment can be carried out with the advice of the Estates Office’s Health & Safety Advisor.
7.3 Estimated cost less than £25 000 (excl VAT)

7.3.1 If the estimated cost of the works covered by the proposed order is not more than £25 000 (excluding VAT) then contractors may be selected as follows:

<table>
<thead>
<tr>
<th>Estimated Cost</th>
<th>Selection Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not more than £2500</td>
<td>At the discretion of the initiator of the work</td>
</tr>
<tr>
<td>More than £2500 but not more than £10,000</td>
<td>At least one written quotation required</td>
</tr>
<tr>
<td>More than £10,000 but not more than £25,000</td>
<td>At least three written quotations required. Tenders may also be used.</td>
</tr>
</tbody>
</table>

Where tenders are used, the procedure in 7.5 below must be followed.

7.3.2 In all cases, the list of proposed contractors must be approved by the relevant Head of Section.

If, because of special knowledge or for any other reason, a single contractor is to be asked to quote, and the cost of the proposed order is more than £5,000, the reasons for proposing a single contractor must be presented in writing to, and approved by, the Head of Section.

7.3.3 Contractors should normally be on the approved list. Where a contractor not on the approved list is proposed, this must be pointed out to the relevant Head of Section, and his/her specific approval obtained.

7.4 Estimated cost £25 000 or above (excl VAT)

7.4.1 If the estimated cost of the works covered by the proposed order is £25 000 or above (excluding VAT), the tendering procedures described below are to be followed.

Particular care must be taken where the potential value of the services exceeds the threshold for the application of the Public Contract Regulations – see 7.4.2.

7.4.2 If the contract is over the threshold set within the Public Contracts Regulations, then those Regulations will require a particular form of procurement, and the advice of the Procurement Division must be sought. Contractors must be selected from any applications resulting from the advertisement. If any of the latter are not already on the Approved List, they must be vetted in the usual way.

The thresholds set at 1 January 2014 were £4,104,394 excluding VAT for capital works. Thresholds are reviewed every two years.
7.5  Tendering Procedures

7.5.1  Tendering for all works is to be organised in conformity with the NJCC Codes of Procedure for tendering. Where a Code of Procedure for Single Stage Selective Tendering is used, alternative 2 (confirm or amend) is to be adopted.

7.5.2  On projects where an external body is making a grant, i.e. HEFCE, ERDF etc, specific conditions may be applied by the funding body. Where those require a variation to these procedures, authorisation is to be sought from the Procurement Department, prior to the invitations to tender being issued.

7.5.3  When the project is ready to go to tender, the project manager will prepare a pre-tender estimate and a list of suitable tenderers. This list must be approved by the relevant Head of Section, who can make any necessary recommendations on particular tenderers to be added or excluded before signing.

If, because of special knowledge or for any other reason, a single contractor is to be asked to tender, the reasons for proposing a single contractor must be presented in writing to, and approved by, the Head of Section.

The project manager must prepare a Readiness to Tender form and present it for review.

The relevant Head of Section signs confirmation/amendment of the Tender List. The form must be placed on the project file, and copied to Maintenance, to advise when tenders are expected.

Where the contract is over the threshold set within the Public Contract Regulations, specific action must be taken – see 7.4.2.

7.5.4  In cases when specialist contractors for particular work are not on the Approved List, contractors may be given specific approval by the relevant Head of Section. In such instances, the selected contractors should be required to submit accounts and details of insurance, which will be vetted before the tenders are sought, or, in exceptional cases, while the tendering process is under way.

The project manager will normally suggest contractors for approval and arrange for the Procurement Division to carry out the vetting.

Where the contract is over the threshold set within the Public Contract Regulations, specific action must be taken – see 7.4.2.

7.5.5  When the list of tenderers has been approved, each contractor on it will be asked to confirm or otherwise their willingness to tender.

It may be necessary, if several contractors decline to tender, to add further names to the list, in which case additional names will be requested and approved as in 7.5.3 to 7.5.4.

7.5.6  The specific pre-tender estimate must not be given to the prospective tenderers.

When making the enquiries referred to in 7.5.5, it will frequently be necessary to indicate to prospective tenderers the size and scope of the contract. Where this is defined in financial terms, it is essential that only an order of estimated cost is given.

7.5.7  The invitations to tender will be prepared in standard form and accompanied by:

Invitations to tender are prepared by the project manager.
7.5.7.1 Electronic tendering

- Covering letter if appropriate. Apart from completing specific project details, the standard letter is not to be modified without the prior approval of the relevant Head of Section.

- Form of Tender

- Tender Documents as appropriate to the appointment being tendered.
- a statement of the form of contract which it is intended to use for the construction works. Collateral Warranties considered on a project by project basis and decision recorded and filed.
- a statement of the amendments (if any) which are to be made to the standard form of contract.
- Tender form.
- Full instructions for date and time for delivery of the tender.

7.5.7.2 One Electronic version of the response must be loaded on to the In-Tend E-Tendering Portal no later than the date specified on In-Tend Portal.

7.5.7.3 The invitation to tender is to contain the following instructions to tendering consultants:
1 Tenderers to acknowledge receipt of the tender document and any amendments in writing
2 Tenders not received through the In-Tend Portal by the precise date and time specified are to be rejected.

7.5.7.4 In all cases (including where tender documents are prepared by external consultants or other third parties), a specific check is to be made of the assembled tender documents, to ensure that all sets are complete and identical. All sets are then to be published via the In-Tend Portal.

7.5.7.5 Any contact with tenderers during the tendering period MUST be via the In-Tend correspondence function.

7.5.8.1 Hard copy tendering

- Covering letter if appropriate. Apart from completing specific project details, the standard documents are available for the:

  letter to contractors
  letter to sub-contractors
  tender form

All Documents to be uploaded on to the In-Tend E-Tendering Portal. Maybe required to seek advice from Procurement.

Details set on In-Tend. The normal time of receipt is 1500 hours.

7.5.7.3 All these matters are covered by the standard covering letter for tender invitation.

((https://intendhost.co.uk/universityofbirmingham/ham/aspx/Home) and follow the instructions on line)
standard letter is not to be modified without the prior approval of the relevant Head of Section

- Form of Tender
- Tender Documents as appropriate to the contract being tendered
- A statement of the form of contract which will apply
- A statement of the amendments (if any) which are to be made to the standard contract.
- Tender form
- Full instructions for date, time and place for delivery of the tender, including a plan

The standard address is:

Estates Office, Reception
Maintenance Building
The University of Birmingham
Edgbaston
Birmingham
B15 2TT

- Envelope for return of tender or, in exceptional circumstances, a self-adhesive label. In either case this is to be addressed and marked in standard form. No other form of identification is to appear on it.

7.5.8.2 In all but the most exceptional circumstances, tenders are to be returned to the standard address. No variation to the address will be permitted without the prior consent of the Director of Estates.

7.5.8.3 The invitation to tender is to contain the following instructions to tendering contractors:
1. Tenderers to acknowledge receipt of the tender document and any amendments in writing
2. Tenders not received in the precise room specified by the precise date and time specified may not be considered.
3. Tenders returned other than in the envelope provided (or, in exceptional circumstances, in a plain envelope with the label provided) are to be rejected.

7.5.8.4 In all cases (including where tender documents are prepared by external consultants or other third parties), a specific check is to be made of the assembled tender documents, to ensure that all sets are complete and identical. All sets are then to be dispatched at the same time.

7.5.8.5 Any contact with tenderers during the tendering period should be in writing where possible; any telephone or other enquiries should be answered in writing only to all
tenderers and recorded in the post-tender evaluation. Tenderers must be required to confirm receipt of any amendments issued.

7.6 Receipt of Tenders

7.6.1 Electronic tenders
7.6.1.1 Tenders received after the stated return date and time are to be rejected.

7.6.1.2 The tenders will be opened as soon as possible after the return time and date set out on In-Tend.

7.6.1.3 At least two people must carry out the opening ceremony.

7.6.1.3.1 Tenders whose estimated value (excl VAT) is not more than £500 000 will be opened by two senior members of Estates or a member of Procurement.

Tenders whose estimated value (excl VAT) is more than £500 000, but less than the EU threshold set out in the Public Contracts Regulations (currently £4,104,394), will be opened in the presence of Internal Audit and Estates.

Tenders whose estimated value (excl VAT) is more than the EU threshold set out in the Public Contracts Regulations (currently £4,104,394) will be opened in the presence of Internal Audit and a member of Procurement. Where tenders exceed £5 million (excl VAT) they will be opened in the presence of the Head of Internal Audit (or delegated signatory) and a member of Procurement.

Where the Procurement Division is involved in tenders over the thresholds in the Public Contracts Regulations, and tenders are to be received electronically, the tender opening needs to take place in the Procurement Division’s offices. An Electronic Returns Administration Form is used, printed off and signed by the opening ceremony Users.

The form, together with the tenders and any accompanying documents are accessible electronically via the In-Tend E-Tendering Portal.

7.6.2 Hard copy tender

7.6.2.1 Tenders received prior to the stated return date and time are to be kept in a secure place under the control of the Director of Delivery & Operations, until the time of opening. Tenders are to remain anonymous until they are officially opened.

On receipt at Reception, each tender envelope is to be marked with the time and date, initialled by the person receiving it and passed immediately to the Director of Operations.

If requested by the person delivering the tender, a receipt may be given. The name of the contractor tendering should not be asked for or recorded.

7.6.2.2 The tenders will be opened at 1500 hours on the stated return date or as soon as possible afterwards.

7.6.3 Nobody assisting at a tender opening may have any direct connection with the work or goods being tendered for.
7.6.4 Tenders whose estimated value (excl VAT) is not more than £500,000 will be opened by two senior members of Estates or a member of Procurement.

Tenders whose estimated value (excl VAT) is more than £500,000, but less than the EU threshold set out in the Public Contracts Regulations (currently £4,104,394), will be opened in the presence of Internal Audit and Estates.

Tenders whose estimated value (excl VAT) is more than the EU threshold set out in the Public Contracts Regulations (currently £4,104,394) will be opened in the presence of a senior member of Internal Audit and a member of Procurement. Where tenders exceed £5 million (excl VAT) they will be opened in the presence of the Head of Internal Audit (or delegated signatory) and a member of Procurement.

Where the Procurement Division is involved in tenders over the thresholds in the Public Contracts Regulations, the tender opening needs to take place in the Procurement Division’s offices.)

A Tender Return Form is used. Any covering letter or other document enclosed with the tender form is to be recorded in the “Remarks” column. The tender is to be checked to ensure that it is consistent within itself.

The form, together with the tenders and any accompanying documents, are then delivered by hand immediately to the project manager.

7.7 Evaluation of Tenders

7.7.1 The tenders received are to be evaluated and, where appropriate, a particular tender recommended for acceptance.

The project manager, in conjunction as necessary with consultants and other Estates/University staff, must carry out an evaluation of the tenders, including:
- an arithmetical check on the figures tendered
- a technical check on the content
- a comparison of content, to establish the extent to which the tenders can be compared "like for like".

When satisfied that a particular tender is acceptable, the project manager will prepare and sign a recommendation on the Post-Tender Evaluation form and submit it, together with the tender return form, to the person responsible for authorising acceptance of the tender.

The project manager will also obtain, from the winning/leading tenderers, the further details to complete a Tender Analysis form. This is passed to the Estates Office’s Quantity Surveyor (who uses the data to compile a data base of cost trends, to assist cost estimation in other projects).

Works contracts above the threshold set within the Public Contracts Regulations have to follow a specific evaluation process – advice on this must be sought from the Procurement Division.
7.7.2 Any post-tender consultation with contractors which may be required in evaluating the tenders should be confirmed in writing to the contractor concerned.

Above the threshold set within the Public Contracts Regulations, specific requirements apply to the monitoring and recording of post-tender consultation – advice on this must be sought from the Procurement Division. It may be necessary to share the outputs of post-tender consultation with other tenderers still in the competitive process.

7.7.3 A record is to be kept of the outcome of the evaluation of tenders.

The project manager must include this record in the project file.

7.7.4 Value Engineering

The project manager will review and agree with the Head of Section the need for a Value Engineering exercise.

7.8 Authorisation to Accept a Tender or Quotation

7.8.1 The acceptance of a tender or quotation is to be authorised as shown below. The level of authority required depends on the value of the work covered by the proposed order, excluding VAT and on-costs where applicable:

<table>
<thead>
<tr>
<th>Value of work</th>
<th>Authority Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than £5,000 but not more than</td>
<td>Head of Section</td>
</tr>
<tr>
<td>£25,000</td>
<td></td>
</tr>
<tr>
<td>More than £25,000 but not more than</td>
<td>Director of Estates</td>
</tr>
<tr>
<td>£500,000</td>
<td></td>
</tr>
<tr>
<td>More than £500,000</td>
<td>Chairperson of the</td>
</tr>
<tr>
<td></td>
<td>Infrastructure Co-</td>
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<tr>
<td></td>
<td>ordination Group, with a</td>
</tr>
<tr>
<td></td>
<td>report seeking ratification</td>
</tr>
<tr>
<td></td>
<td>presented to the</td>
</tr>
<tr>
<td></td>
<td>next meeting of the</td>
</tr>
<tr>
<td></td>
<td>Committee.</td>
</tr>
</tbody>
</table>

In this case the papers are to be passed to the Director of Projects who will consult with the Director of Estates on the appropriate action.

7.8.2 In any case where more than one tender or quotation has been received, the tender providing the best value should be the one recommended and authorised for acceptance. The reasons must be presented in writing as part of the request for acceptance of the tender.

Above the threshold set within the Public Contract Regulations, it is important to select on the specific award criteria used in the tender process (as selection may otherwise be in breach of the Regulations).

7.8.3 A record is to be kept of returned tenders and authorised acceptance.

The Tender Return Forms and signed authorisations are returned to the project manager, who must include them in the project file as the official record of receipt of tenders and authorisation of acceptance.
### 7.9 Negotiating Contracts

#### 7.9.1
In exceptional circumstances it may be reasonably expected that a negotiated contract would be more advantageous to the University in terms of quality, time or cost than the competitive tendering procedures set out above. In such circumstances the authorisation of the Director of Estates must be given to the principle and to the detail of the negotiation proposed. This applies to any capital development project, land purchase or disposal, including any Private Finance Initiative projects which might be proposed. Before giving this authorisation, the Director of Estates will consult the Registrar and Secretary and/or the Chairperson of the Infrastructure Co-ordination Group as he or she considers necessary (and in all cases when the estimated contract sum is more than £500,000).

Where the services are captured within the scope of the Public Contracts Regulations, the Director of Estates will consult the Director of Finance, or Assistant Director (Procurement).

The matters which will be taken into account in giving the authorisation will include:
- The contractor/supplier/other party with which the negotiation is to take place;
- The Officer or Officers of the University or external consultants who are to take part in the negotiation;
- The limits, financial or otherwise, within which the outcome is expected and which will set the limits within which the negotiation will take place;
- The benefits expected to accrue to the University by adopting this procedure compared with competitive tendering;
- The form of contract which will apply
- Any other relevant factors

Particular care must be taken to consider the value of the works contract. Where that value exceeds the threshold for the application of the Public Contracts Regulations, negotiation of this type would place the University at risk of breaching those Regulations.

A report of the circumstances of the negotiation is to be presented to the Chairperson of the Infrastructure Co-ordination Group and ratification sought at the next available meeting of the Group. Where an outcome has already ensued, this is to be reported at the same time; otherwise it is to be reported to a subsequent meeting.

#### 7.9.2
In the particular circumstances where it is proposed that capital projects be carried out by extensions of existing on-going contracts which have already been competitively tendered, the following guidelines are to be followed:
- the approval of the Director of Estates is to be obtained for each project
- the possibility of such extensions to the contract is to be built into the documentation of the main contract
- a full schedule of rates is to be incorporated into the main tendering process and the contract
- a schedule of general (preliminary) costs is to be provided
- the works are to be of a very similar nature
- the works should not jeopardise successful completion of the main project

Particular care must be taken to consider the potential total value of the extended works contract. Where that value exceeds the threshold for the application of the Public Contracts Regulations, negotiation of this type would place the University at risk of breaching those Regulations.
Part 8 - Construction

This deals with:
- awarding the contract
- preparation for construction
- action during the construction period
- dealing with variations

8.1 Before work starts on site

8.1.1 In all cases, the project manager will confirm the readiness of the project and gain approval to accept tender before proceeding to contract.

A standard set of University Contract amendments are to be used on all contracts. Where a variation to this is required approval by Legal Services must be sought.

The Readiness to Award Contract form captures the project manager’s confirmation and the approval to proceed.

8.1.2 Wherever practicable, the full contract is to be in place prior to start on site. Where this is not practicable, an Instruction to Proceed is to be given to the contractor.

Where the contract sum is up to £500,000, the contract will normally be completed ‘under hand’; contracts above £500,000 will be completed ‘under seal’.

Where a formal works contract is to be completed ‘under hand’ the contract is signed on behalf of the University by the Director of Estates.

Where a formal works contract is to be completed ‘as a deed’ the contract is signed and sealed on behalf of the University by the Registrar and Secretary.

The project manager must arrange for the contractor to sign first, check that all the contractor’s signatures/initials are in place, and pass both copies to the Legal Office, who arranges for the Registrar and Secretary to sign/seal.

On completion one copy is to be returned to the contractor, the second copy is to be registered into the Estates archive.

Where an Instruction to Proceed is to be used, the project manager must first obtain advice from the Procurement Division.

8.1.3 A standard University sub-contractor warranty is to be used where sub-contractor warranties are required.

Project officer to agree the need for warranties and agree any amendments to the standard warranty with Procurement.
8.1.4 In all cases, no work is to begin on site until the following actions have been completed:

- a contract or instruction to proceed has been signed by both parties
- an official University order for the works has been issued to the contractor
- the University’s insurers have been notified of the intended work
- the contractor has provided a method statement for the work.

An Insurance Notification form lists the details required. This may be e-mailed to the Finance Office.

8.1.5 The project manager will arrange a pre-start meeting between appropriate representatives of the University and the Contractor, to confirm project details, University procedures, and working restrictions.

A Pre-Start Meeting Agenda gives a check-list of items to consider, and the Attendance Sheet records those present.

8.1.6 The project manager will give notice to relevant members of the University, that the project is about to start, and when.

Notification Form gives similar for key people within the University.

8.2 During Construction

8.2.1 The project manager will provide regular progress reports as required, and will ensure that the recorded data on funding, cost, cash-flow and programme are regularly updated.

The timing and detail of reports will vary according to the size and type of project, but in all cases must cover time, costs, quality and Health & Safety aspects. A standard report is available from the projects database.

Cash Flow forecasts are to be updated monthly and reported to the Finance department.

8.2.2 Any proposed variations to the works (or the costs) will be recorded, and considered in the light of their effects on cost and time.

The project manager will implement the Change Control Process to record all variations of time cost and quality. Where the total cost will remain within the authorised sum, a variation of up to £5,000 (net) may be authorised by the project manager; a variation above £5,000 (net) requires authorisation from the Head of Section.

8.2.3 Where a variation would mean the authorised sum being exceeded, the project manager must obtain authority before allowing the variation. (See “4.3 Approval and Authorisation of Projects”)

The project manager must submit a Revised Investigation Summary to the relevant Head of Section in the first instance.

If the variation is supported, the project will need to be re-authorised, following the guidance in Part 4, and this may require the approval of relevant committee(s).
8.2.4 Throughout the works, the project manager is to ensure that controlled access permits or permits to work are correctly sought and issued, whenever relevant.

Permits must be issued, and recorded, at the issuing station in the Maintenance Building, under the Estates Office’s Health and Safety procedures.

8.2.5 Throughout the works, and until the final account is agreed, the project manager is to ensure that all required payments are made on time, and in the correct amounts.

The project manager must act promptly on each certificate of payment or other invoice, and specific checks must include:

- the amount requested
- the VAT applied
- the VAT number of the payee
- confirmation that there is an invoice relating to each payment
Part 9 - Completion and Review

This deals with:
- testing and commissioning the work
  handover of completed work to the various users
- the updating of records
- final account and defects liability
  post-project evaluation

9.1 Testing and Commissioning

9.1.1 The project manager will ensure that the work is brought to a state of readiness for use, including bringing all services and systems into running order and demonstrating that their performance meets the specification. Where there are statutory requirements, the project manager will ensure the necessary witnessing and certification.

The requirements for testing and commissioning should be explicit in the tender and contract documents for construction. The project manager must ensure that the programme allows adequate, and specific, periods of time for this testing and commissioning, which will usually involve maintenance staff, and often staff from Security, Cleaning, IT Services (for data network) and Telecomms.

9.2 Preparation for Handover

9.2.1 As a project (or part) nears completion, the project manager will ensure that the planned date of handover is known to those involved.

People involved will usually include:
- the users
- neighbouring units who may be affected and those who will provide such services as:
  - security
  - cleaning
  - maintenance
  - fire prevention
  - insurance
  - data network and telecomms

9.2.2 The project manager will ensure that all parties take the necessary action in advance of handover.

Preparation for a large project will normally include several stages. In smaller projects, the stages may be simplified, provided that proper control is still kept over the standard of work, the documentation, the demonstration of equipment and the involvement of others.

A Handover Checklist is available, which covers items such as snagging, certificates, manuals, drawings, insurance and keys.
9.3  Practical Completion and Handover

9.3.1  At handover, the project manager will ensure that a final inspection is carried out and that all the relevant records are provided (or updated).

The formal Handover will be attended by the following, as relevant:
- contractor
- contract administrator
- lead consultant
- project manager
- users
- maintenance representative
- fire safety advisor
and by representatives of the following as required:
- Security
- IT Services
- Health and Safety
- Cleaning
- Portering
- Grounds and Gardens

At this stage, there should be only a minimal number of items left to complete, followed by the final stage of floor cleaning. If so, the inspection itself can be reduced to a rapid walk over the building(s) concerned and the hand-over of labelled keys.

The project manager must ensure that all relevant certificates and documents are received, and that they are then passed to the relevant section or person within the Estates Office. The Handover Checklist shows the main documents, and the people within the University who are responsible for receiving them.

9.3.2  Practical Completion and Handover will be formally recorded, and the appropriate certificates issued.

The Contract Administrator will only issue the Certificate of Practical Completion when the works are at a stage which enables the University to safely and effectively occupy and use the building(s) as intended.

The project manager must ensure that Practical Completion and Handover are formally minuted, and that record, including the certificates, is placed in the project file.

The defects liability period covering the building and engineering services commences at Handover and is identified on the Handover Certificate.

9.3.3  The works will be handed over to the University in a secure state.

The contractor is to leave the works secure, with all accesses locked. The contractor is also to label all keys and hand them over to the project manager with an itemised schedule (retaining a duplicate schedule signed by the project manager on receipt). The project
manager must ensure that relevant keys are handed to each user unit (including IT Services), masters to Security and Cleaning, and service spares to Maintenance.

9.4 Partial Possession

9.4.1 Where any part of the works will be the subject of partial possession, the project manager will ensure that the programme takes this fully into account.

The area being taken into possession will need to be properly usable. It may therefore be necessary for some works outside the area of partial possession also to be complete.

During execution of the remainder of the works, the Contractor must ensure that the completed part(s) of the works have continuous and adequate provision of services, fire precautions, means of escape and safe access.

9.5 Final Account

9.5.1 The final account, and payment of any retention, will be completed promptly.

At Handover, the Main Contractor and any Sub-Contractors are entitled to the release of contract retentions up to 97.5%, unless agreed otherwise, of the agreed final account. Agreement of the final account is normally carried out by the project’s Quantity Surveyor. The project manager is to ensure that a draft final cost statement is completed within 12 weeks of handover and an interim certificate issued to enable retentions to be released. Were complex negotiations are required to agree the final account the agreement is to be documented and agreed by the Director of Estates.

9.5.2 Any final account agreement is to take account of any ‘extension of time’ awards and or any ‘damages due for non completion’. Needs to set out when and how liquidated damages are to be claimed including approval.

9.6 Defects

9.6.1 A record is to be made of any defects known at the time of handover. A copy of the record is to be given to the user(s), together with a statement of:
- how and when the defects are to be rectified
- how further defects may be reported, and
- the date on which any defects liability period will end.

In many cases, defects may exist that need not hold up the handover of the project. The schedule of defects ensures that the defects can be followed up and that the user(s) have the appropriate confidence in their new facilities.

9.6.2 The project manager will ensure that defects arising within the liability period are properly dealt with by the contractor.

At a reasonable time before the end of the defects liability period, the lead consultant and project manager must carry out a detailed inspection of the building(s), with the users, to determine the extent of the works requiring attention under the terms of the contract.
Following this inspection, the Contractor, lead consultant and project manager meet to finalise the Schedule of Defects.

The contractor is required to rectify the defects within a reasonable period from receipt of the Schedule. When they are reported complete, the lead consultant and project manager will inspect the works and if, in the opinion of the project manager, they have been satisfactorily completed, then a Defects Completion Certificate will be issued. At that point, the project’s QS will issue a valuation to release retentions, enabling the contract administrator to issue the Final Certificate.

9.7 Post-Occupancy Review

9.7.1 A post-project review will be carried out, within twelve months of the project’s completion on site, for all projects above £5M and on others as requested by the Director of Estates or appropriate University Committee.

The evaluation is a tool to aid learning, not to allocate blame. It reviews the whole project process and outcome, so that improvements can be made for the future.

It is in standard form, unless the Director of Projects gives special instruction on the type and level of evaluation to be carried out.

It is normally led by a member of the Planning and Properties Section, nominated by the Director of Projects, with assistance from others as necessary.

The Projects Section monitors how long each project has been completed and recommends to the Estates Senior Management Team which projects might best be reviewed.

9.7.2 In its standard form, the evaluation is to include:
- an assessment of the project’s effectiveness in its procedures and in meeting its original objectives
- an analysis of the contractor’s and consultants’ performance
- overall user satisfaction.

Guided by a standard questionnaire, the reviewer captures an account of the views and experience of those involved, including the user representative(s), other relevant stakeholders, and the people involved within the Estates Office. Those within Estates would normally include:
- the project manager (or other representative of the Projects Division)
and representatives of:
- Planning & Properties Section
- Maintenance Section
- Utilities Section
- Grounds and Gardens
The standard questionnaire is designed to help capture a full and objective account easily and its design is amended from time to time.

9.7.3 When the evaluation is complete, any significant concerns or recommendations This is normally done by passing the completed evaluation to the SMT, with
expressed within it are to be reported to the Estates Senior Management Team, who will decide on further action. Significant items separately identified.

The findings are reported to the relevant committee and the evaluation itself is placed on the project file.

Where the outcome of the evaluation includes recommendations or further action, these are to be recorded and followed up (including any necessary feedback to the Procurement Division on the contractor’s performance and contract compliance).
# Appendix 1

## Glossary of Terms and Abbreviations

*This explains some of the terms used in these procedures*

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCIS</td>
<td>Building Cost Information Service</td>
</tr>
<tr>
<td>CAD</td>
<td>Computer-Aided Design</td>
</tr>
<tr>
<td>CDM</td>
<td>Construction (Design &amp; Management) [Regulations]</td>
</tr>
<tr>
<td>CHAS</td>
<td>Contractor Health and Safety Assessment Scheme</td>
</tr>
<tr>
<td>Council</td>
<td></td>
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<tr>
<td>EDF</td>
<td>Enquiry Definition Form</td>
</tr>
<tr>
<td>gfa</td>
<td>Gross Floor Area</td>
</tr>
<tr>
<td>Gross cost</td>
<td></td>
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<tr>
<td>ICG</td>
<td>Infrastructure Co-ordination Group</td>
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<tr>
<td>Net cost of works</td>
<td></td>
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<tr>
<td>Net cost of consultancy services</td>
<td></td>
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<tr>
<td>NJCC</td>
<td>National Joint Consultative Committee for Building</td>
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<tr>
<td>PDF</td>
<td>Project Definition Form</td>
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<tr>
<td>PF</td>
<td>Project File</td>
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<tr>
<td>Prime Cost</td>
<td></td>
</tr>
<tr>
<td>Room-loaded drawings</td>
<td>Drawings showing each room and the furniture and equipment to be placed within it</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>SPRC Strategy Planning and Resources Committee</td>
<td>The University Committee to which the University Executive Board reports.</td>
</tr>
<tr>
<td>SMT Senior Management Team</td>
<td>Estates Senior Management Team</td>
</tr>
<tr>
<td>UEB University Executive Board</td>
<td>The Board to which Infrastructure Co-ordination Group (Infrastructure Co-ordination Group) reports.</td>
</tr>
</tbody>
</table>