



# **Agenda Item 8**

## **Maddiston Primary School: Prior Consideration and Update Report**

Falkirk Council

**Title:** Maddiston Primary School: Prior Consideration and Update Report

**Meeting:** Executive

**Date:** 19 June 2025

**Submitted By:** Director of Place Services

**1. Purpose of Report**

- 1.1 This report outlines the proposed contract and procurement strategy for the reinstatement of Maddiston Primary School, following the identification of significant defects during investigations prompted by damage caused by Storm Eowyn. The report also provides an update on progress to date and sets out proposed actions.
- 1.2 The proposed contract and procurement strategy recommends a direct management contracting approach to deliver the new facilities. This report provides prior consideration to the Executive in line with Council Contract Standing Order 6.2(ii) relative to major contracts.
- 1.3 This report supports the Council Plan priority of promoting opportunities and educational attainment and reducing inequalities by providing a facility which is fit for purpose and a safe learning environment.

**2. Recommendation(s)**

**2.1 Council is asked to:-**

- (1) Agree the proposed procurement of works to reinstate Maddiston Primary School;**
- (2) Note the appointment of HUB East Central (HUBco) for strategic support services to undertake appraisals to identify works required and the Construction Quality Review;**
- (3) Agree the proposed procurement route of the main reinstatement will be through HUB East Central and their supply chain;**
- (4) Note the anticipated timescales for the full reinstatement and reopening of the school, currently projected for Summer 2026.**

**3. Climate Change Implications**

- 3.1 Whilst the procurement will have no impact on the Council Climate change and carbon reduction targets the delivery of the project will given the extensive construction activity proposed. There will be carbon emissions associated with the reinstatement works implementation and materials used. Whilst the extent of the final scope of works is not finalised this cannot be determined.

## **4. Background**

- 4.1 Following Storm Eowyn in January 2025 damage was initially identified to a gable wall at Maddiston Primary School. As a result, the Council engaged contractors and structural engineers to assess the extent of the damage.
- 4.2 Investigations established that the mortar used in the construction of the stonework was significantly deficient, providing inadequate bonding to the surrounding stone. Given the widespread use of this construction method across the building's external envelope, further investigative works were undertaken in all appropriate areas.
- 4.3 These investigations confirmed that the defects were present throughout the building to varying degrees. As the scale of the defects became clear, it became increasingly difficult to maintain safe access to the school without significant operational disruption. Extensive areas of the playground and external spaces required fencing off to allow for stabilisation works, which further compromised the effective running of the school.
- 4.4 Due to the growing safety risks and the extent of areas needing to be taken out of use, the decision was taken to close the school and decant all pupils to alternative sites as of 24<sup>th</sup> February 2025. This decision was made in the interests of safety and to minimise further disruption.
- 4.5 Since the decant, substantial works have been undertaken to expose sections of the external walls, remove defective materials, and allow further intrusive inspections of the building's structural elements. These investigations, undertaken by structural engineers and specialists, have sought to confirm the full extent of the defects and identify how these can be addressed within a future programme of reinstatement works.
- 4.6 In addition to the external envelope, intrusive investigations have also been undertaken internally to ensure that all construction defects and wider condition issues are identified while the building remains unoccupied. The intention is to address all such issues comprehensively within the reinstatement project, ensuring that the building is returned to a fully compliant and safe standard.
- 4.7 The works required are extensive and complex, involving the removal and replacement of substantial elements of the external fabric, internal structural supports, and remedial works to ensure the building meets current safety, compliance and educational standards. These works will form the basis of the full reinstatement and reconstruction programme, which will be progressed in accordance with the procurement strategy set out in this report.

## **5. Considerations**

### Reinstatement - Professional Advisor Appointments

- 5.1 To progress the identification and detailed specification of works required to reinstate the school HUB East Central (HUBco) were appointed to provide Strategic Support Services in the form of Project Managers, Architects and Structural Engineers. The appointment of HUBco and professional and technical advisors through their supply chain has enabled the Council to react expediently to commence the process of undertaking the necessary reinstatement works. All appointments have been verified by internal professional staff to ensure

demonstration of appropriate experience, professional competence (including qualifications) and the demonstration of best value.

- 5.2 The “project team” which includes both internal and external construction professional and advisors have identified further areas of “opening up” within the building for investigations to allow them to fully understand the buildings structure and thereafter develop detailed schedule of works which can be tendered and ensure that the building is returned in a fully compliant and satisfactory condition.

#### Reinstatement - Tier 1 Contractor Appointment

- 5.3 Once all remediation works are identified and quantified then the intention is to appoint a Tier 1 contractor through HUBco, this route will provide the quickest option to have a contractor mobilised and starting works on site to reduce the period of the school closure and decant. HUBco have a range of contractors available who all have experience to larger and lesser degrees in delivering new schools, school refurbishments and both minor and major works. A competitive assessment across the HUBco supply chain will be undertaken for those contractors with interest and capacity to undertake the works.
- 5.4 The procurement strategy outlining the considerations for the appointment of HUBco in terms of strategic support and construction works is provided in Appendix 1.

#### Reinstatement Works and Timescales

- 5.5 Due to the extensive works required the current projected delivery timescale for the school being fully reinstated is August 2026. The project team will continue to monitor timescales and agree these with the appointed contractor as part the procurement process.

#### Construction Quality Review

- 5.6 To undertake a Construction Quality Review, the Council has appointed specialists who are carrying out a forensic review of the building and historic construction information available. External legal advisors will also be appointed to consider the outcome of the Construction Quality Review. Those appointed and being considered for appointment have expertise in dealing with matters of a similar nature.

#### Root Cause Analysis

- 5.7 In parallel, to the Construction Quality Review, separate specialist external advisors have been appointed to undertake a “root cause” analysis to determine how the defects that have been identified occurred. This commission will in addition, consider current construction project management arrangements to ensure that similar circumstances could not occur. It is recognised that the school was delivered 17 years ago when construction management practices were different and construction quality frameworks were potentially less rigorous.
- 5.8 Whilst no other schools involved the same contractor or have been identified as potentially having similar issues to those identified, intrusive surveys have been instructed and are being carried out across the learning estate.

## **6. Consultation**

- 6.1 A project board has been established and includes representatives of Place Services and Education Services. The board provides the necessary governance and direction to the various elements of the project to reinstate the school, oversee decants and remobilisation, the construction quality review and the “root cause” analysis findings. The board will be directly advised by the externally appointed project team members and the appointed Tier 1 contractor as appropriate. This will ensure there is effective communication across all parties involved and ensure there is effective and efficient management of the project. This approach full operational availability of the school occurs as expediently as possible.
- 6.2 Engagement and consultation with the school community will continue to take place and elected members will be updated on progress as appropriate.

## **7. Implications**

### **Financial**

- 7.1 As part of the General Services Capital Programme an initial budget provision of £5m (five million pounds) has been allocated to facilitate the full reinstatement of the school. The estimated costs will continue to be determined and will be finalised as part of the finalisation of the detailed works schedule and the subsequent competitive tendering process (and appointment of a contractor).

## **8. Resources**

- 8.1 Substantial internal and external resources will be required to ensure the effective and efficient delivery of the project. Staff involved will be from a number of service areas within the Council including Building Design, Building Control, Planning and Education Services. These will be supported by external consultants. It should be noted that the majority of the construction focused professionals and those involved in the Construction Quality Review and Root Cause Analysis will be external specialists.

## **9. Legal**

- 9.1 As outlined in the report, the Council is undertaking a Construction Quality Review which will consider the legal implications of the current situation. It is essential that to ensure this process is not prejudiced information on the technical investigations, professional opinions, commercial considerations and legal views are treated confidentially and limited in terms of public reporting. Failure to do so could clearly prejudice the Councils position.

## **10. Risks**

- 10.1 The main risks associated with this report and the wider project are as follows:
- a) The expedient procurement of professional advisors and contractors has potentially limited those that could be engaged. This is mitigated through the use of HUB East Central Ltd who are the territory partnership of which the Council is a partner. HUB is a recognised national framework for the provision of professional services for construction projects and have an

established supply chain of Tier 1 contractors experienced in the delivery of school projects.

- b) At present the extent of the works required are still to be finalised, tendered and programmed and therefore timescales cannot be confirmed and are therefore best estimates. The project team will continue to keep these under review.
- c) The project cost and budget allowance is currently estimated at £5m however this is based on initial construction estimates with a contingency allowance given this project will be a reinstatement which is more complicated than a standard new build. Projected costs will continue to be reviewed and will be confirmed as the investigations, proposed remedial works and contractor appointments are finalised. This will be reported to the project board and Strategic Asset Modernisation Board as well as through future updates to elected members as appropriate.
- d) There are reputational risks to the Council from parents disappointed that the school will not be fully reinstated until 2026. This will be mitigated by appropriate communications to provide updates.
- e) Whilst no other schools involved the same contractor or have been identified as potentially having similar issues to those identified, intrusive surveys have been instructed and will be carried out across the learning estate to mitigate the risk of the circumstances at Maddiston occurring elsewhere.
- f) To mitigate risks identified appropriately experienced professional and technical advisors together with contractors have and will be engaged who will report direct to the project board. This will ensure that there is the effective consideration of risks (through the project risk register) that will be regularly reviewed and reported upon.

## **11. Equalities**

- 11.1 An initial equality and poverty impact assessment screening was undertaken and noted that a full assessment was not required.

## **12. Sustainability/Environmental Impact**

- 12.1 A sustainability assessment will be carried out as the tender documentation is developed and any findings incorporated with the tender enquiry and subsequent contract as appropriate.

## **13. Conclusions**

- 13.1 As noted in this report significant investigations and actions have been undertaken to stabilise the property and to understand the extent of the defects that have been identified. The appointment of HUB East Central to provide Strategic Support Services has enabled the quick establishment of the project team and the undertaking of the investigations necessary to determine the defects and to progress the schedule of reinstatement works required.
- 13.2 In parallel, the Construction Quality Review and Root Cause investigations are underway and the findings of these will be considered in terms of any future

action and if there are any lessons to be learned for future projects recognising that the school was constructed 17-years ago.

- 13.3 Subject to Council approval of the procurement strategy, works will be procured and progressed to facilitate with full reopening of the school with expected completion in Summer 2026.

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Director of Place Services

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Date: 29 May 2025

## **Appendices**

Appendix 1 – Procurement Strategy

### **List of Background Papers:**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- None



## Falkirk Council

# Contract Strategy for Investigation and Rebuilding of Maddiston Primary School

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### Version Control of Master Style

Version	Date	Author	Change Description
1.0	12/03/25	Corporate	Corporate Procurement Strategy Uploaded for Amendment
1.1	19/05/25	Various	Finalisation of Strategy

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## SECTION ONE - CONTRACT SUMMARY

### 1.1 Contract Details

<b>Contract Title</b>	Investigation and Rebuilding of Maddiston Primary School
<b>Contracting Service</b>	Place Services
<b>Service Lead Officer</b>	Paul Kettrick (SRO); Jon Reid (Project Senior Advisor – Custodian Service)
<b>Contract Reference Number</b>	
<b>Contract Lead Officer</b>	Colin MacRobbie
<b>Date Created</b>	19 May 2025

### 1.2 Executive Summary

<b>1.2.1 – Background</b>
<p>Provide background as to why the contract is required and the desired objectives of the contract, along with what has been contracted before (if there are any previous contracts). Can the requirement be met in-house?</p> <p>Following Storm Eowyn in January 2025 damage was identified to a gable wall at Maddiston Primary School. As a result, the Council engaged contractors and structural engineers to assess the extent of the damage.</p> <p>Investigations established that the mortar used in the construction of the stonework was significantly deficient, providing inadequate bonding to the surrounding stone. Given the widespread use of this construction method across the building's external envelope, further investigative works were undertaken in all appropriate areas.</p> <p>These investigations confirmed that the defects were present throughout the building to varying degrees. As the scale of the defects became clear, it became increasingly difficult to maintain safe access to the school without significant operational disruption. Extensive areas of the playground and external spaces required fencing off to allow for stabilisation works, which further compromised the effective running of the school.</p> <p>Due to the growing safety risks and the extent of areas needing to be taken out of use, the decision was taken to close the school and decant all pupils to alternative sites as of 24<sup>th</sup> February 2025. This decision was made in the interests of safety and to minimise further disruption.</p> <p>Since the decant, substantial works have been undertaken to expose sections of the external walls, remove defective materials, and allow further intrusive inspections of the building's structural elements. These investigations, undertaken by structural engineers and specialists, have sought to confirm the full extent of the defects and identify how these can be addressed within a future programme of reinstatement works.</p> <p>In addition to the external envelope, intrusive investigations have also been undertaken internally to ensure that all construction defects and wider condition issues are identified while the building remains unoccupied. The intention is to address all such issues comprehensively within the reinstatement project, ensuring that the building is returned to a fully compliant and safe standard.</p>

The works required are extensive and complex, involving the removal and replacement of substantial elements of the external fabric, internal structural supports, and remedial works to ensure the building meets current safety, compliance and educational standards. These works will form the basis of the full reinstatement and reconstruction programme, which will be progressed in accordance with the procurement strategy set out in this report.

**1.2.2 – Service Strategy / Forward Plan**

The school is an operational property which is relatively new in the estate and is one of the larger schools in the estate, and as such the primary intention is to ascertain the extent of works required and instigate these as soon as possible to allow the school to be fully re-opened for use.

**1.2.4 – Procurement Route**

What are the available options for the procurement of the contract?

1. Traditional Procurement - Overview: The client appoints an architect to design the project thoroughly before selecting a contractor through competitive tendering.
2. Design and Build Procurement – Overview: The client appoints a single entity (contractor) that is responsible for both design and construction.
3. Construction Management - Overview: The client appoints a construction manager who manages multiple trade contracts and the construction process.
4. Management Contracting - Overview: Similar to construction management, but the client appoints a management contractor who takes on more responsibility for the construction process.

**1.2.5 – Affordability**

Can and should the Council afford it?

The Council has allocated £5m within the 2025/2026 General Services Capital Programme for this work. Whilst the children are currently being accommodated in other locations across the district this is not an ideal solution and needs to be resolved as soon as is practicable.

**1.2.6 – Planned Procurement Bulletin/Prior Consideration Process**

Record here when the planned procurement bulletin or prior consideration process takes place if the contract is above an estimated value of £500,000.

Prior Consideration report will be submitted to June 2025 Executive and thereafter updates and subsequent reports will be provided to Council Executive and Council respectively.

**1.2.7 – Recommendations (and options appraisal)**

The following outlines the option appraisal on each of the procurement routes and provides a recommendation on the way forward.

**1. Traditional Procurement (Design-Bid-Build)**

Overview: The client appoints an architect to design the project thoroughly before selecting a contractor through competitive tendering.

Advantages:

- Clear Roles: The roles of the architect, client, and contractor are well-defined, reducing confusion.
- Quality Design: Allows for detailed design development before construction, ensuring quality and compliance with regulations.
- Competitive Pricing: Open tendering can result in competitive pricing.

Disadvantages:

- Longer Timeline: The sequential nature can lead to longer project durations as design must be completed before construction starts.
- Cost Overruns: Changes during construction can lead to disputes and extra costs.
- Limited Collaboration: Less opportunity for contractor input during the design phase, potentially leading to issues during construction

## **2. Design and Build**

Overview: The client appoints a single entity (contractor) that is responsible for both design and construction.

Advantages:

- Single Point of Responsibility: Reduces the client's risk by having one entity accountable for both design and construction.
- Faster Delivery: Overlapping design and construction phases can lead to quicker project completion.
- Enhanced Collaboration: Greater collaboration between designers and builders can lead to innovative solutions.

Disadvantages:

- Less Control for Clients: Clients have less influence over the design process, which can result in a final product that doesn't align perfectly with their vision.
- Quality Concerns: There may be a focus on cost savings that could compromise design quality.
- Architect's Role: The architect may have a diminished role, potentially limiting their creative contributions

## **3. Construction Management**

Overview: The client appoints a construction manager who manages multiple trade contracts and the construction process.

Advantages:

- Flexibility: Allows for changes during construction without significant delays.
- Cost Control: The client can manage costs more effectively as they are directly involved in the appointment of subcontractors.
- Architect's Role: The architect can be more closely involved during construction, providing ongoing design input and problem-solving.

Disadvantages:

- Complexity: The process can be complex due to multiple contracts, which can lead to confusion and management challenges.
- Higher Risk for Clients: The client assumes more risk, including the responsibility for coordinating various contractors.
- Potential for Disputes: Increased potential for disputes between contractors and the management team.

#### 4. Management Contracting

Overview: Similar to construction management, but the client appoints a management contractor who takes on more responsibility for the construction process.

Advantages:

- Fast-Tracking: Allows for early procurement of construction services, facilitating faster project delivery.
- Flexibility in Design: Changes can be made more easily throughout the process.
- Agreement of an affordability cap at an early stage of the procurement process
- Contractual agreement of construction cost in accordance with affordability cap at commercial/financial close prior to works commencing
- Architect's Role: Architects can remain involved throughout, maintaining design integrity.
- Direct Tendering to open Market V's Framework Tender Process - It is evident that Direct Tendering to the open market would fail to comply with section 5.1 of the 2024-2029 FC Procurement Strategy (Agenda Item 8) as delivery of the project via this route would increase the risk of exceeding anticipated project delivery timescales and risk budget overspend. The appointment of a strategic development partner via existing Framework agreements should be considered as this will deliver all of required statutory duties of the procurement strategy and mitigate where possible project risks associated with delivery timescales and project costs.

Disadvantages:

- Higher Costs: Can be more expensive due to management fees and less competitive pricing for trade contracts.
- Client Risk: The client retains significant risk as they are responsible for the management and coordination of multiple contractors.
- Complexity: Similar to construction management, it can be complex and require more oversight.

#### RECOMMENDATION

In summary, the recommended procurement route is to progress via a direct management contracting approach. In the Management Contracting approach, the architect can be novated to the contractor after the design phase is complete. This means that the contractor takes over the architect's contract and responsibilities, creating a direct relationship between the contractor and the architect.

Scottish Procurement Rules encourage efficiency and value for money in public projects. Management contracting is often used for public sector capital projects with a number of recognised routes. These also support the Scottish Government's goals around sustainability, whole-life value, and community benefits. A breakdown of the key advantages is listed as follows:

##### 1. Single Point of Responsibility:

- Advantage: The contractor is responsible for both design and construction, which simplifies communication and accountability. There is a clear chain of responsibility, reducing the risk of disputes over responsibilities between the architect and contractor.
- Architect's Benefit: The architect can focus on design without being concerned about construction-related responsibilities, knowing that the contractor will manage the execution.

##### 2. Enhanced Collaboration:

- Advantage: Novation encourages stronger collaboration between the architect and contractor from the design phase through to construction. Early contractor involvement can lead to more practical and constructible designs.

- Architect's Benefit: The architect has the opportunity to work closely with the contractor, which can lead to innovative solutions and a design that is better suited to construction methods.

### **3. Faster Project Delivery:**

- Advantage: Since the contractor can begin planning for construction during the design phase, the overall project timeline can be shortened, leading to faster completion.

Design and construction phases can overlap (known as "fast-tracking"), reducing the overall project timeline.

- Architect's Benefit: The architect may find it easier to manage their time and resources, as they are working within a defined timeline and framework set by the contractor.

Ideal for urgent projects or those with political or funding deadlines.

### **4. Cost Efficiency:**

- Advantage: The integrated approach can lead to cost savings due to reduced redesigns and fewer change orders, as the contractor's construction knowledge is integrated into the design process.

- Architect's Benefit: The architect can help ensure that the design meets budget constraints without compromising quality, enhancing their professional reputation.

### **5. Streamlined Communication and Coordination**

Advantage: With the architect novated to the contractor, communication becomes more streamlined, which can reduce misunderstandings and miscommunications that often occur in traditional procurement processes.

Reduces the need for multiple contracts (e.g. separate design and construction contracts).

- Architect's Benefit: The architect can maintain a more direct line of communication with the contractor, facilitating quicker decision-making and problem-solving.

Fewer intermediaries typically means fewer misunderstandings and faster decision-making.

### **6. Risk Management:**

- Advantage: The distribution of risk is clearer in a D&B contract, with the contractor taking on more risk related to the design and construction process, including compliance with building standards, planning consents, and technical specifications, providing reduced risk for the local authority.

- Architect's Benefit: The architect may be shielded from certain risks associated with construction performance, allowing them to focus on design integrity.

Limits the local authority's exposure to legal or contractual liabilities related to design issues.

### **7. Design Quality:**

- Advantage: The contractor's involvement in the design phase can lead to a more buildable and practical design, as construction considerations are taken into account early on.

- Architect's Benefit: The architect can produce high-quality designs that are feasible and practical for construction, which can enhance their portfolio and client satisfaction.

### **8. Client Engagement:**

- Advantage: The novation process often involves increased engagement and consultation with the client throughout the project, which can ensure that the final outcome aligns with the client's vision.

- Architect's Benefit: The architect can maintain a relationship with the client, providing design input and ensuring that client feedback is incorporated throughout the process.

**9. Cost Certainty:**

D&B contracts typically involve a fixed price, giving local authorities better budget control.

This reduces the risk of unexpected cost increases due to design changes

**10. Potential for Whole-Life Costing**

Contractors are more likely to consider lifecycle costs in their design choices, especially where maintenance responsibilities are also part of the contract (e.g. DBFM—Design, Build, Finance, Maintain models).

Aligns with local authorities' long-term asset management goals.

**11. Encourages Innovation:**

Contractors may propose more efficient or innovative solutions since they are responsible for both design and construction. This can lead to better value for money and improved long-term performance.

### 1.3 Agreed Budget

Estimated contract value over full life.	£5m
Budget source (i.e., capital, general fund, capital & general fund etc.)	General Services Capital Programme
Does the project involve external funding? If so, detail the sources.	No
Does this project contain European Funding? <i>If yes, then this project must be procured in compliance with all EU Regulations, including being advertised in the OJEU which will not be automatically completed by Public Contracts Scotland.</i>	N/A
Confirm Budget Available and Approved	Yes
Cost Code(s)	

## SECTION TWO - CURRENT CONTRACT INFORMATION

### 2.1 Current Contract Status

Please provide current contract information where applicable. If there is no current contract, please mark as "N/A"

Contract Title	N/A
Contract Reference	N/A
Lead Service Area	N/A
Contract Value	N/A
Duration	N/A
Expiry Date	N/A
Available Extensions	N/A
Original Start Date	N/A

## 2.2 Historical Spend Information\*

\*add additional rows where applicable to duration of contract

Contract Value	Supplier	Y1	Y2	Y3	Y4 AVG	Total Estimate
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Comments						
Benchmarking Information						
Add information on any benchmarking here (i.e., information from similar contracts or frameworks already in place)						
BCIS and experience of other learning estate and construction projects.						

## 2.3 Lessons Learned

Lessons Learned
Are there any lessons learned from previous contracting activity, from Services, CPU/BDU Team members or other Public Bodies e.g. specification, risk, legislative requirements, contract management etc.
N/A – general risks will be managed through risk registers

## SECTION THREE - PROPOSED CONTRACT STRATEGY

### 3.1 Contract Classification

Supplies		Standard Services		Health & Social Care and other specific services	
Works	X	Concession		Other	

### 3.2 Forecast Spend Information (add / delete as appropriate)

	Year 1 25/26	Year 2 26/27	Year 3 27/28	Year 4
Estimated Forecast (where reasonably available)	£ 2m	£3m		
Estimated Total Agreement Value	£5m			
What is the estimated aggregated contract value?				

<p><b>Summary of approach taken, and assumptions made to quantify the estimated total agreement value.</b></p> <p>For example, rationale for estimated spend, estimated volume, data sources consulted, cost calculations</p>	<p>BCIS, other similar projects and professional experience</p>
<p><b>What Influencing Factors have been considered when estimating forecast spend information?</b></p> <p>For example, market sector changes, volatility of market and service requirements</p>	<p>Outline programme and construction spend profiling</p>
<p><b>Any Additional Comments</b></p>	<p>None</p>

### 3.3 Collaborative Procurement Opportunities

Specify any available collaborative opportunities that could meet the needs of the requirement.

Where a Framework agreement which the council can legally access, please call this out within the options appraisal (4.1).

<p><b>Category A Contract Available?</b> (e.g., National Collaborative contract / framework set by Scottish Government)</p>	<p>PARTNERING VIA A FRAMEWORK AGREEMENT</p> <p>There are currently 3 available partnering opportunities</p> <ol style="list-style-type: none"> <li>1. HUB EAST CENTRAL LTD Hub have a track record of delivering a wide and varied portfolio of projects for Falkirk Council and other Scottish local authorities. This includes commercial, cultural, leisure, education, housing, early years and Health &amp; social care sectors. This company has a well-documented history of delivering projects for local authorities via Ongoing Partnering services, Project Development Partnering Services and Strategic Partnering Services. Hub offers a large list of choice for tier 1 and tier 2 partnering consultants and contractors. This would provide the Council with some certainty that the</li> </ol>
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	<p>project can be adequately managed and resourced whilst providing assurance that the project can be delivered on time and on budget as there should be a greater number of contractors with both experience and capacity to carry out works within the specified timeframe. An affordability cap can also be provided by hub which would reinforce delivery on budget with cost certainty.</p> <p>There is an existing relationship between Falkirk Council and HUB as they have provided services to Falkirk Council in the past and within current live projects.</p> <p>There is a shared vision of what hub can deliver which has already been formed via a strategic partnership. Their strategic development programme enables vital early work to take place in order to produce high quality affordable solutions.</p> <p>2. <b>SCAPE</b>  SCAPE is a long-standing member of the National Association of Construction Frameworks (NACF) which is a collaborative partnership between public and private sector framework organizations. They offer a suite of consultancy, civil engineering, construction and utilities frameworks across the UK which aims to achieve compliant, collaborative and responsible procurement. FC have some partnering experience with SCAPE and currently have a live Civil Engineering project which is being managed by them. SCAPE only have a limited choice of partnering contractors available for construction projects. The limited choice of contractors reduces the ability to choose from a wide and varied group of Tier contractors that may be available for selection on a Framework with Hub  FC have no experience of partnering with SCAPE for construction type projects.</p> <p>3. <b>ALLIANCE LEISURE SERVICES</b></p>
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	<p>ALS have the capacity and experience to deliver leisure facilities. They have a portfolio of projects that spans the UK. Appointment would only be available via the UK Leisure Framework to which there have been 96 projects delivered to date around the UK totaling £135M.</p> <p>There is a previous working relationship between Falkirk Council and ALS.</p> <p>In the past we have partnered with Alliance Leisure and successfully delivered internal fitouts of sport and recreation facilities within existing sports centers.</p> <p>FC have no experience of partnering with ALS on construction type projects or any projects of a similar monetary value</p> <p>Working with a contract management company that Falkirk Council have previously collaborated with offers several advantages compared to partnering with a new or unfamiliar company.</p> <p><b>KEY BENEFITS</b></p> <p><b>1. Established Relationship and Trust</b></p> <ul style="list-style-type: none"> <li>- Familiarity: We already have a working relationship, which fosters trust and understanding. This foundation can lead to smoother interactions and more effective communication.</li> <li>- Reduced Risk: Knowing the company's track record helps mitigate risks associated with performance, reliability, and compliance. There is confidence in their ability to deliver.</li> </ul> <p><b>2. Understanding of Processes and Culture</b></p> <ul style="list-style-type: none"> <li>- Alignment of Expectations: We are familiar with the company's processes, methodologies, and culture, which can lead to better alignment of expectations and smoother project execution.</li> <li>- Reduced Learning Curve: The contract management company already understands our organization's goals, values, and operational preferences, minimizing the time needed for onboarding and adjustment.</li> </ul>
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	<p><b>3. Streamlined Communication</b></p> <ul style="list-style-type: none"><li>- Effective Communication: Established communication channels and protocols can enhance responsiveness and reduce the potential for misunderstandings.</li><li>- Quick Resolution of Issues: Familiarity with each other's workflows can facilitate quicker resolution of any issues that arise during the contract lifecycle.</li></ul> <p><b>4. Proven Performance</b></p> <ul style="list-style-type: none"><li>- Demonstrated Results: We have evidence of their previous success in managing contracts effectively. This history provides some confidence in their capabilities and performance.</li><li>- Feedback Integration: The contract management company can apply lessons learned from past projects, continuously improving their approach based on your feedback and experiences.</li></ul> <p><b>5. Customized Solutions</b></p> <ul style="list-style-type: none"><li>- Tailored Approaches: They are likely to understand your specific needs and preferences, allowing them to offer more customized solutions and strategies that fit your organization.</li><li>- Familiarity with Challenges: They are aware of past challenges you've faced, which enables them to proactively address similar issues in future contracts.</li></ul> <p><b>6. Efficiency and Speed</b></p> <ul style="list-style-type: none"><li>- Faster Onboarding: Since both parties are familiar with each other, the onboarding process is usually quicker, allowing for faster project initiation.</li><li>- Existing Templates and Frameworks: They may have developed or customized templates and frameworks based on your previous collaborations, leading to increased efficiency in contract management processes.</li></ul> <p><b>7. Enhanced Collaboration</b></p> <ul style="list-style-type: none"><li>- Team Cohesion: Previous collaborations can create a sense of teamwork and cohesion, making it easier to collaborate on complex projects.</li><li>- Shared Goals: Both parties are more likely to have a mutual understanding of project goals, priorities, and how to achieve them effectively.</li></ul>
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	<p><b>8. Better Risk Management</b></p> <ul style="list-style-type: none"> <li>- Risk Awareness: A company that we have worked with understands the specific risks associated with your projects and has strategies in place to mitigate those risks.</li> <li>- Proactive Approach: They are more likely to anticipate potential challenges based on past experiences, allowing for proactive management of risks.</li> </ul> <p><b>9. Flexibility and Adaptability</b></p> <ul style="list-style-type: none"> <li>- Responsive to Change: Familiarity allows them to be more adaptable to changes in project scope or direction since they already understand your organization’s operational context.</li> <li>- Collaborative Problem Solving: They may be more willing and able to collaborate on solutions to unforeseen challenges, having established a rapport with our team.</li> </ul> <p>In addition to the key benefits highlighted above it is evident that this route will also meet the 11 statutory duties of the Falkirk Council procurement strategy, including the five key areas within the recently published procurement strategy:</p> <ol style="list-style-type: none"> <li>1. <b>Compliance and skills development</b> Making sure Council staff are continuously improving their skills in procurement.</li> <li>2. <b>Local supplier engagement</b> Helping improve the ability of local businesses to compete for Council contracts.</li> <li>3. <b>Community wealth building</b> Ensuring that contracts help local communities by creating training and job opportunities and promoting fair working conditions.</li> <li>4. <b>Sustainable procurement delivery</b> Making sure purchases support the environment, economy, and social wellbeing.</li> <li>5. <b>Contract and supplier management</b> To use contract management to improve the services delivered by the Council and to increase the outcomes achieved.</li> </ol> <p><b>CONCLUSION</b></p>
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	<p>Choosing to work with a contract management company we have previously engaged with can lead to a more efficient, effective, and harmonious partnership. The established relationship, mutual understanding, and prior experiences allow for smoother project execution, better communication, and enhanced trust, all of which contribute to more successful outcomes.</p>
<p><b>Category B Contract Available?</b> (e.g., Sectoral collaborative contract / framework set by Scotland Excel)</p>	N/A
<p><b>Category C</b> (Local contract let on behalf of one buyer, or a collaborative contract with a buyer not using the Scottish Procurement Information Hub)</p>	N/A
<p><b>Category C1 Contract Available?</b> (Regional or local collaborative contract let on behalf of more than one buyer)</p>	N/A
<p><b>Reference Number of Existing Contract</b></p>	N/A
<p><b>Lead Organisation</b></p>	N/A
<p><b>Contract Start Date</b></p>	Upon appointment – estimated 1 August 2025
<p><b>Contract End Date</b></p>	TBC estimated 2026
<p><b>Where a Framework, other than Scotland Excel and Scottish Government, is used please confirm whether Falkirk Council can participate?</b></p>	Of the frameworks/delivery options, being proposed, Falkirk Council can participate.
<p><b>Frameworks are required to set out how contracts will be allocated, through them, to suppliers. Please confirm that there a compliant call off mechanism included within the framework documentation?</b></p>	Compliant processes exist within each option being reviewed.

### 3.4 Supply Market Analysis

#### 3.4.1 – Market Analysis (*useful tools; PCS, IBIS World, SDP, Business Gateway, FSB*)

Consideration should include:

- **What is the current status of the market?** BCIS Qrt Briefing Mar 2025; *'Economic growth is stagnating and inflation is starting to pick up again, stagflation is becoming a real possibility this year. As a result, BCIS predicts that 2025 will likely be another difficult year for construction with only minimal output growth evident before growth accelerates later in the forecast period. While the cost of borrowing is reducing, albeit slowly, we have yet to see increased levels of investment in built assets. Expect to see increases in both input costs and tender prices due to the National Insurance uplift, resulting in potential affordability issues.'*
- **How is the market performing currently?** BCIS Qrt Briefing Mar 2025; *' This year, uncertainty continues to prevail in the market, activity remains subdued, and the industry eagerly awaits the results of the Spending Review in June. The majority of the BCIS panel members agreed that price inflation is likely to increase its pace only in the second half of this year. In light of the above, BCIS forecasts tender prices to rise by 15% over the five years to 1Q2030.'*
- **Are there any specific risk / issues associated with the market that could be detrimental to the tender process e.g. government sanctions, supply side shortages/long delivery lead in times etc.?** BCIS Qrt Briefing Mar 2025; BCIS forecasts in terms of labour and materials costs forecasts remain on the upside as noted in current forecasts
  - *Annual growth of the BCIS Labour Cost Index is forecast to slow from its recent peak of 8.3% in 1Q2024, reaching 4.7% in 1Q2025. The trend, however, will change drastically due to the increases to employers National Insurance and National Living Wage from April 2025. This is expected to significantly impact labour costs, with the BCIS Labour Cost Index expected to increase by 2.5% in 2Q2025 in comparison with the previous quarter, resulting in 7.1% annual growth. BCIS forecasts labour costs to grow by 18% over the forecast period (1Q2025 to 1Q2030). Similarly to our last forecast, the risks to this forecast remain on the upside, as skill shortages are prevalent in the market and continue to impact projects.*
  - *Materials cost inflation has slowed significantly from its peak and the BCIS Materials Cost index is forecast to grow by 0.8% in the 12 months to 1Q2025. BCIS predicts the index will grow by 15% over the forecast period (1Q2025 to 1Q2030). Similarly to the labour costs forecast, risks to our materials costs forecast remain on the upside as the uptick in market activity is expected to put inflationary pressure on the cost of construction materials.*
- *'As a result of the predicted changes to input costs, the BCIS General Building Cost Index is forecast to grow by 2.4% in the 12 months to 1Q2025. Costs are predicted to rise by 17% over the forecast period, with wage awards remaining the main driver'*
- **Is there stability in the market, or are there any trends to note?** *'Inflation is likely to remain elevated throughout 2025 due to higher energy prices, the impact of weaker sterling on imported goods prices, and firms passing on some of the rise in labour costs caused by increases in employers' National Insurance*

contributions and the National Living Wage. The energy price cap is expected to increase by more than 6% in April 2025, and the energy category should contribute positively to headline inflation from spring.'

- Furthermore, 'BCIS is predicting subdued growth in new work output through 2025 as a whole, with more robust growth evident over the remaining years of the forecast period. Much of the growth will be fuelled by a recovery in housing output, which is expected to grow significantly during the period, although from a relatively low base.'
- **Are there any apparent or potential risks in the supply chain that could impact the delivery of the tender? If there are any risks, please state what these risks are and how they could potentially impact the tender process.** BCIS Qrt Briefing Mar 2025; *Insolvencies remain a significant concern, constantly voiced throughout the construction industry. Last year witnessed an 8.2% decrease on the number of insolvencies in England and Wales when compared with 2023, the first annual fall in insolvencies since 2019-2020. This decrease is on the back of a 61.4% increase in insolvencies recorded between 2021 and 2022 and 5.3% between 2022 and 2023.*
- *Following a 17% quarterly decrease in the total number of insolvencies in construction in 3Q2024, in 4Q2024 the total number of insolvencies decreased by 3%, with Construction of Buildings and Specialised Construction Activities registering decreases of 10% and 1% respectively while Civil Engineering registered an increase of 16%*
- Material costs risks remain high in terms of Aluminium Products, Precast Concrete and Timber. 'UK steel and aluminium may face a 25% import tax after President Trump ordered a new tax on all steel and aluminium entering the US. These tariffs primarily target US allies, such as the UK, as most other countries were already subject to 25% steel tariffs. Tariffs on steel imports are likely to lead to price increases due to the US's dependency on imports. At the same time, the UK has seen a significant increase in steel imports from countries like China, India and Vietnam, and this influx – with other countries affected by the tariffs too – may force domestic producers to lower prices to remain competitive. Reports from the BCIS TPI panel and pricing data collected by BCIS from steel manufacturers, contractors and stockholders indicate price falls. Changes in energy prices do not seem to have fed through into steel and concrete prices yet, but this is expected to happen eventually. BCIS does not expect the trend in steel prices to change during the course of 2025, due to sufficient stocks being available and a significant decline in demand. Similarly to the previous quarter, risks to the forecast remain on the upside, subject to the tariff quotas being agreed and the supply chain's ability to satisfy demand through imports.'
- **Are there any legal, or political issues that should be considered as a result of this contract?** BCIS Qrt Briefing Mar 2025; 'A 6.7% increase to the National Living Wage will be introduced from 1 April 2025 and will affect some of the lower paid staff covered by the nationally agreed wage awards. It is possible that the wage negotiating bodies will issue revised wage agreements to cover these changes.'
- *From 6 April 2025, the rate of employer National Insurance contributions will increase by 1.2 percentage points to 15%. The per-employee threshold at which employers start to pay National Insurance will be reduced from £9,100 per year to £5,000 per year.'*
- **Who are the key suppliers within the market?** Top 10 contractors based upon value of contracts awarded (April 2023 to March 2024) in Scotland;

Balfour Beatty, Galliford Try, Clark Contracts, CCG, Graham, Royal BAM, RJ McLeod, Morgan Sindall, Robertson Group and Renew Holdings

- **Are there any new market entrants to note?** Not aware of any significant new entrants into market place
- **Is there any pre-tender engagement required?** Not necessarily required, but can be beneficial if any specialist knowledge is required.
- **If re-tendering an existing contract, what is the size of the supply base locally and nationally and what interest was there at the time of the previous tender exercise?**
- Where Re-tendering an existing contract, PCS Supplier Market Research (companies on PCS who may provide the relevant services to the Falkirk area) PCS not particularly great at generic searches for suppliers. For example Construction Work category returns 4000+ results but these are for numerous services ie training, consultancies, trade suppliers, etc, etc
- Local Supplier Base (Research via PCS supplier finder function identifying suppliers in the Falkirk area who may provide the relevant goods / services) As above
- Supplier responses received for any current framework (notes of interest, number of tenders received, number of suppliers awarded).

### 3.5 Supply Chain and Prompt Payment

<b>Is there the potential for the main contractor to use a supply chain?</b>	Yes
<b>Are the prompt payment clauses required to be included in the SPD?</b>	No
<b>Are standard statements to be included in the contract notice, terms and conditions and contract award letter?</b>	No
<b>Is past performance, in relation to prompt payment required for inclusion in the selection stage of the tender process?</b>	No
<b>Is the prompt payment KPI, “Percentage of sub-contractors paid within 30 days of receipt of a valid invoice”, to be included in the contract?</b>	No
<b>Is it anticipated that use of the purchase card would be appropriate for the contract?</b>	No

### 3.6 External Data Sources

Source	Date Obtained	Website Address
[Example_PCS]		N/A
[Example_SDP]		N/A
[Example_IBIS world]		N/A

### 3.7 Considerations of going out to the market

<p><b>Do we need the requirement?</b></p> <p>Is this a key requirement to the service? What are the implications should we not do anything?</p>	<p>Yes - This is a key requirement to allow the Council to continue to provide a suitable education facility in this local area supporting local communities.</p>
<p><b>If yes, can we do it ourselves? If not, why not?</b></p>	<p>No - FC do not have the necessary in house ability to provide the construction of such a project.</p>
<p><b>If not, what are the considerations of going out to the market?</b></p>	<p>Obtaining suitable expertise and skill in the construction sector.</p>

### 3.8 Serious and Organised Crime

<p><b>Does the requirement fall within a type of procurement subject (service, works or goods) associated with Serious and Organised crime?</b></p>	<p>Yes</p>
<p><b>If so, please confirm how you will address serious and organised crime considerations in the tender process?</b></p>	<p>We will undertake a check of both the provider and intended build contractor using the new SOCG process</p>

	with Police Scotland
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### 3.9 Physical Security

<b>Are there any physical Security requirements associated to this contract?</b>	Yes
<p><b>Where security* is required, please ensure that tender Qualification criteria include SIA accreditation:</b></p> <p><u>SIA Accreditation - Gov.uk</u></p> <p><i>*relevant to manned security requirements that are apparent within the requirement. If there are security requirements that do not involve SIA accreditation, please call this out as part of your response.</i></p>	<p>Site security is likely to be required for the construction aspect and SIA accreditation will be required as part of the tender.</p>

### 3.10 Cyber Security – Non-IT Procurement

Are there any Cyber Security requirements associated to this contract?	No
If yes, how this will be addressed in the tender?	

### 3.11 Cyber Security – IT Procurement

Are there any Cyber Security requirements associated with this contract?	No
If yes, please confirm that the <u>Scottish Government Cyber Security Support Tool</u> has been reviewed with relevant service area lead?	N/A
Has the Supplier Assurance Questionnaire (SAQ) been incorporated into the Tender?	No
If the SAQ is not being included, and there are cyber security requirements, please advise how this will be addressed in the tender.	N/A

### 3.12 Data Security

Are there any Data Security requirements associated with this contract?	No
Please ensure all relevant data security requirements are addressed in the tender, including Data Sharing and Data Processing.  Please provide details of what will be included in the tender.	N/A
Has the service completed a Data protection Impact Assessment, if required?	No

### 3.13 Employee Considerations

<b>First Generation TUPE – Is the contract likely to involve transfer of Employees to another council service area or external organisation?</b>  The contract should include provision for the takeover of staff by the new supplier if required.	No
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<p><b>Second Generation TUPE – Is the contract likely to involve transfer of employees from current provider to new provider?</b></p> <p>Both the outgoing and incoming providers have a contractual relationship with the council. The contract should include provision for the takeover of staff, and future TUPE implications as part of the exit strategy.</p>	<p>No</p>
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**3.14 Sustainable Procurement**

The Scottish Government has a range of materials regarding Sustainable Procurement. Please complete the sustainability test for this contract and save the results.

Scottish Government - Sustainable Procurement Duty Tools

Where there is a requirement to complete one sustainability test for multiple procurement exercises of a similar nature, the following summary document should be completed and saved with the Contract Strategy document:

Category Sustainability Test Log

Additional guidance is available via the Procurement Journey on the types of elements that should be considered when creating tenders: [Procurement Journey - Sustainable Procurement](#)

Primary Impact Area Climate Change (PIACC) Guides have been created to act as a source of reference when developing the Contract Strategy:

- PIACC Guides
- IBIS World ESG Report

<p><b>Please confirm that the Environmental Management Question 4C.7 will be included in the SPD, and relevant standard statements included in the Contract Notice?</b></p>	<p>No</p>
<p><b>If you are not including the Environmental Management Question 4C.7, please state why?</b></p>	<p>An SPD is not to be issued, however the relevant factors will be considered with the framework provider.</p>
<p><b>Following completion of the <u>Sustainability Test</u>, add a link to it, add it as an appendix or confirm where it is located.</b></p>	<p>To be undertaken</p>
<p><b>Environmental consideration to incorporate include:</b></p> <ul style="list-style-type: none"> <li>• Reduction in Emissions</li> <li>• Reduction in Waste</li> <li>• Reduce consumption of raw Materials</li> <li>• Reduction in Energy Use</li> <li>• Impact on Habitat</li> </ul>	<p>This will be considered as part of the building design process. The building will be compliant with Scottish Technical Standards as a minimum.</p>

<ul style="list-style-type: none"> <li>• Availability of clean air, clean water and clean streets</li> <li>• The quality of the built environment</li> <li>• The removal of objects considered hazardous to health</li> <li>• Removal of disfiguring or offensive graffiti</li> <li>• Protecting communities against the threat of climate change</li> <li>• Freedom from high-risk flooding</li> <li>• Improving and promoting biodiversity and accessibility to nature</li> </ul>	
<p><b>Climate Change – Net Zero Emissions:</b></p> <p><b>What requirements are being included within the tender to contribute to the Net Zero emissions target?</b></p>	<p>The building will be reinstated to modern standards and technical requirements which include certain aspects which must be met via the Building Regulations.</p>
<p><b>If the climate change requirements are not applicable, please explain why.</b></p>	<p>Climate Change requirements are applicable.</p>
<p><b>What requirements are being included in the tender specification and contract to support the <u>Circular Economy</u>?</b></p>	<p>These aspects will be picked up with the successful provider to be included within the build contract.</p>
<p><b>If the circular economy requirements are not applicable, please explain why.</b></p>	<p>These aspects will be picked up with the successful provider to be included within the build contract.</p>
<p><b>Economic Factors to Incorporate include:</b></p> <ul style="list-style-type: none"> <li>• Supplier Diversity and Competitiveness</li> <li>• Availability of suitable and high-quality jobs</li> <li>• Measures to encourage local small businesses.</li> <li>• Addressing Fair Work Practices including paying the real Living Wage</li> <li>• Any relevant construction charter adopted by Falkirk Council</li> <li>• Efficient and effective transport links</li> <li>• Lifelong learning</li> <li>• Training and skills development</li> <li>• The provision of infrastructure, new information and communication technologies</li> <li>• Fair and Ethical Trade</li> </ul>	<p>These aspects will be picked up with the successful provider to be included within the build contract.</p>

<p><b>Social Factors to Incorporate:</b></p> <ul style="list-style-type: none"> <li>• <b>The promotion of good quality and affordable housing</b></li> <li>• <b>Safe communities</b></li> <li>• <b>The encouragement of the voluntary sector</b></li> <li>• <b>Looking after the needs of children and young people</b></li> <li>• <b>Looking after the most vulnerable</b></li> <li>• <b>Promotion of good physical, social and mental health</b></li> <li>• <b>Developing and promoting policies that have a positive impact on health outcomes</b></li> </ul>	<p>These aspects will be picked up with the successful provider to be included within the build contract.</p>
<p><b>Please confirm that the Fair Work First criteria will be included within the Technical Evaluation for this Procurement Exercise.</b></p>	<p>Yes</p>
<p><b>Please advise the Community Benefit Clauses anticipated to be included within this contract.</b></p> <p><b><i>Community Benefit Criteria include:</i></b></p> <ul style="list-style-type: none"> <li>- <i>Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)</i></li> <li>- <i>Number of Apprenticeships Filled by Priority Groups</i></li> <li>- <i>Number of Work Placements for Priority Groups</i></li> <li>- <i>Number of Qualifications Achieved Through Training by Priority Groups</i></li> <li>- <i>Total Value of contracts sub-contracted to SMEs</i></li> <li>- <i>Total Value of contracts sub-contracted to Social Enterprises</i></li> <li>- <i>Total Value of contracts sub-contracted to Supported Businesses</i></li> <li>- <i>Other community benefit(s) fulfilled</i></li> </ul>	<p>Community Benefits will be included within the build contract.</p>
<p><b>Out with Regulation 43 (Technical Specifications) of the Public Contracts (Scotland) Regulations 2015 please specify any legislation that could affect the specification of this procurement and detail any implications?</b></p>	<p>N/A</p>

<p><b>Confirm that regard has been had to Equality legislation and the need to:</b></p> <ul style="list-style-type: none"> <li>• eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct.</li> <li>• advance equality of opportunity between people who share a relevant protected characteristic and those who do not.</li> <li>• foster good relations between people who share a protected characteristic and those who do not.</li> </ul> <p>Please detail any requirements identified for inclusion in the procurement process.</p>	<p>These aspects will be picked up with the successful provider to be included within the build contract.</p>
<p><b>Are there any specific risks associated to this contract with regards to Modern Slavery / Human Trafficking / Exploitation of the workforce?</b></p>	<p>These aspects will be picked up with the successful provider to be included within the build contract.</p>
<p><b>Please specify which if any <u>Government Buying Standards'</u> Specifications apply.</b></p>	<p>These aspects will be picked up with the successful provider to be included within the build contract.</p>
<p><b>Does this contract meet the requirement for a "Reserved Contract" in accordance with Regulations 21 of the Public Contracts (Scotland) Regulations 2015. Also, please describe the proposed intent for this contract.</b></p>	<p>No</p>

### 3.15 Whole Life Cost / Life Cycle Costing

Whole Life Cost / Life Cycle Costing should be considered in the creation of all applicable Procurement exercises, further reading can be found on:

- Zero Waste Scotland
- Procurement Journey

<p><b>Whilst complying with Regulation 68 of the Public Contracts (Scotland) Regulations 2015, please describe any Whole Life Cost / Life Cycle Costing considerations which have been undertaken. Please also specify any data to be provided by the tenderers, and the method which will be used to determine the life-cycle costs based on that data.</b></p>	<p>These aspects will be picked up with the successful provider to be included within the build contract.</p>
<p><b><u>Whole Life Costing</u></b></p>	<p>N/A</p>

<p>Focuses solely on the cost of a product or service from cradle to grave, considering Purchase, Operation, Ownership, and disposal costs.</p> <p>Environmental &amp; Social costs are not included.</p> <p><b><u>Lifecycle Costing</u></b>                  Covers a wider view of costs associated to the purchase of a product or service. Direct Costs such as purchase, usage, maintenance and end of life costs are considered as well as indirect costs as detailed below;</p> <ul style="list-style-type: none"> <li>- Environmental costs</li> <li>- Maintenance costs</li> <li>- Energy costs</li> <li>- Recycling / disposal costs</li> </ul>	<p>The detailed design will be progressed with all sustainability and energy considerations. WLC will only become available once the detailed design has been concluded.</p> <p>N/A                  As above LC will only become available once the detailed design has been concluded</p>
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### 3.16 Whole Life Cost Breakdown

Cost Area	Estimated Value (One-Off or Annual)
Acquisition	TBC
Transport / Delivery	TBC
Ownership / Licensing / Support	TBC
Operation	TBC
Disposal	TBC

### 3.17 Insurance Requirements

Ensuring that correct insurance limits are in place and are adequate mitigates risk that the insurance fund can pay towards losses should they occur. The procuring Service must consult with the Insurance department to determine appropriate levels to mitigate risk and proportionate as to ensure sufficient competition levels are met.

Guidance can be found within Table 6 of the Insurance Matrix on Page 29 (10.3 Insurance Requirements) of the Procurement Procedures.

A guide to Insurances which may be required are listed below (they may be tailored to meet the specific contract requirements):

<b>Employers Liability (Compulsory)</b>	£10M
<b>Public &amp; Products Liability</b>	£10M
<b>Professional Indemnity (6 year “run-off cover” should also be stipulated)</b>	Minimum £2m
<b>Motor Insurance</b>	N/A
<b>Contract Works</b>	This will be a mix of FC insurance and contractors own insurance depending upon the works / project. This will be developed before the build contract is tendered.

## SECTION FOUR - PROJECT OPTIONS APPRAISAL

<b>Route to Market</b>	Not applicable	Do nothing	Use existing framework	Develop bespoke contract
<b>Procurement Route</b>	Open	Restricted	Competitive Dialogue	Other
<b>Lots</b>	Not applicable	1 Lot	Geographical	Product/ Service
<b>Suppliers per Lot</b>	Not applicable	1-2 Suppliers	3-5 Suppliers	5 + Suppliers

The table above gives examples of approaches and allows understanding of the variables available.

### 4.1 Options Appraisal

Please detail each possible option as a route to market giving the advantages and	This has been detailed in section 1.2.4 and section 3.3
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disadvantages of each including the approach to Lotting.	
<b>Recommendation:</b> Please provide a justification for recommendation including proposed benefits.	As previously noted above.

**4.2 Agreement Duration**

<b>Please advise how the length of contract including any extension period(s) were determined.</b>	
TBC for the build contract – estimated completion August 2026.	
<b>Recommendation:</b> Provide a justification for your decision	N/A

**4.3 Form of Contract (Terms and Conditions)**

<b>Please advise of choice of contractual Terms and Conditions for this procurement.</b>	
TBC for the build contract which are likely to be industry recognised JCT or NEC forms of contract	
<b>Recommendation:</b> Provide a justification for your decision	N/A

**4.3 Tender Award Criteria**

**Please advise of rationale for proposed selection (focused on the bidder) and award (focused on the bid) criteria, including your rationale for proposed sub-criteria and the pricing methodology that will be employed for evaluating pricing.**

Selection Criteria	Selection criteria will be developed
Award Criteria (Quality)	To be developed

Award Criteria (Price)		To be developed			
<b>Weighting:</b>		<b>Quality:</b>	60	<b>Price:</b>	40

**4.2 Purchase to Pay Requirements**

<p><b>Is Integra the only system used for processing orders, receipts, and invoice transactions?</b></p> <p>If Integra is not the only system that will be used, please conform which system will be used.</p>	Integra
<p><b>Catalogues in use?</b></p> <p>Is the contract suitable for the use of an electronic catalogue? Catalogues can be loaded into Integra to ensure control over the types of products available from a specific supplier.</p> <p>Punchout through the Integra system may also be an option. Is this contract suitable for a punchout solution?</p>	N/A
<p><b>Invoicing Structure</b></p> <p>What will the contract invoicing structure be? Single order per transaction, or consolidated invoicing?</p> <p>Does the supplier take purchase card payments?</p> <p>Can the supplier provide electronic invoices?</p> <p>For Services &amp; Works contracts, will payment be made upon completion of the contract, or will payments be made in stages.</p>	Construction contract. – agreed staged payments during the design, construction and completions phases in accordance with recognised industry practices

**SECTION FIVE - PROPOSED CONTRACT BENEFITS**

**5.1 Planned Contract Benefits (i.e., savings, rebate)**

Description	Comment
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<p>Refer to section 1.2.4 re advantages</p>	<p><b>1. Single Point of Responsibility:</b>          Advantage: The contractor is responsible for both design and construction, which simplifies communication and accountability. There is a clear chain of responsibility, reducing the risk of disputes over responsibilities between the architect and contractor.          Architect's Benefit: The architect can focus on design without being concerned about construction-related responsibilities, knowing that the contractor will manage all building construction issues.</p> <p><b>2. Enhanced Collaboration:</b>          Advantage: Novation encourages stronger collaboration between the architect and contractor from the design phase through to construction. Early contractor involvement can lead to more practical and constructible designs.          Architect's Benefit: The architect has the opportunity to work closely with the contractor, which can lead to innovative solutions and a design that is better suited to construction methods.</p> <p><b>3. Faster Project Delivery:</b>          Advantage: Since the contractor can begin planning for construction during the design phase, the overall project timeline can be shortened, leading to faster completion.          Design and construction phases can overlap (known as "fast-tracking"), reducing the overall project timeline. It is generally in the contractors best interests to complete works on time or ahead of time in order to reduce costs.          Architect's Benefit: The architect may find it easier to manage their time and resources, as they are working within a defined timeline and framework set by the contractor.          Ideal for urgent projects or those with political or funding deadlines.</p> <p><b>4. Cost Efficiency:</b>          Advantage: The integrated approach can lead to cost savings due to reduced redesigns and fewer change orders, as the contractor's construction knowledge is integrated into the design process.          Architect's Benefit: The architect can help ensure that the design meets budget constraints without compromising quality, enhancing their professional reputation.</p> <p><b>5. Streamlined Communication and Coordination</b></p>
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	<p>Advantage: With the architect novated to the contractor, communication becomes more streamlined, which can reduce misunderstandings and miscommunications that often occur in traditional procurement processes.          Reduces the need for multiple contracts (e.g. separate design and construction contracts).          Architect's Benefit: The architect can maintain a more direct line of communication with the contractor, facilitating quicker decision-making and problem-solving.          Fewer intermediaries typically means fewer misunderstandings and faster decision-making.</p> <p><b>6. Risk Management:</b>          Advantage: The distribution of risk is clearer in a D&amp;B contract, with the contractor taking on more risk related to the design and construction process, including compliance with building standards, planning consents, and technical specifications, providing reduced risk for the local authority.          Architect's Benefit: The architect may be shielded from certain risks associated with construction performance, allowing them to focus on design integrity.          Limits the local authority's exposure to legal or contractual liabilities related to design issues.</p> <p><b>7. Design Quality:</b>          - Advantage: The contractor's involvement in the design phase can lead to a more buildable and practical design, as construction considerations are taken into account early on.          Architect's Benefit: The architect can produce high-quality designs that are feasible and practical for construction, which can enhance their portfolio and client satisfaction.</p> <p><b>8. Client Engagement:</b>          - Advantage: The novation process often involves increased engagement and consultation with the client throughout the project, which can ensure that the final outcome aligns with the client's vision.          Architect's Benefit: The architect can maintain a relationship with the client, providing design input and ensuring that client feedback is incorporated throughout the process.</p> <p><b>9. Cost Certainty:</b>          D&amp;B contracts typically involve a fixed price, giving local authorities better budget control.          This reduces the risk of unexpected cost increases due to design changes</p>
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	<p><b>10. Potential for Whole-Life Costing</b>  Contractors are more likely to consider lifecycle costs in their design choices, especially where maintenance responsibilities are also part of the contract (e.g. DBFM—Design, Build, Finance, Maintain models).  Aligns with local authorities’ long-term asset management goals.</p> <p><b>11. Encourages Innovation:</b>  Contractors may propose more efficient or innovative solutions since they are responsible for both design and construction. This can lead to better value for money and improved long-term performance</p>
<b>Recommendation:</b>	
<b>Justification /Benefits:</b>	

## 5.2 Planned Sustainable Benefit

<b>Community Benefits</b>	To be confirmed
<b>Fair Work Practices</b>	To be confirmed
<b>Environmental</b>	To be confirmed
<b>Social Factors</b>	To be confirmed
<b>Economic Factors</b>	To be confirmed
<b>Other</b>	

## SECTION SIX - PROJECT TEAM AND KEY ACTIVITIES

### 6.1 User Intelligence Group

<b>Role</b>	<b>Name</b>	<b>Service / Organisation</b>	<b>Level or Period of involvement</b>
<b>CPU/BDU Lead</b>	Alison Morrison	Place Services	
<b>Service Lead</b>	Deborah Davidson	Children's Services	
<b>Service Representative</b>	Kenny McNeil	Children's Services	
<b>Service Representative</b>	Colin MacRobbie	Place Services	
<b>Service Representative</b>			
<b>Service Representative</b>			
<b>Any External Representative</b>	Ged Gowans	Thomson Gray	

### 6.2 Evaluation Team

(please add / remove where applicable)

Activity	Evaluator Name	Service Area	Evaluation Start Date
Evaluation Lead	Paul Kettrick	Place Services	Aug 2025
Qualification Evaluation	Alison Morrison	Place Services	Aug 2025
Qualification Evaluation	Deborah Davidson	Children's Services	Aug 2025
Technical Evaluation	Ged Gowans	Thomson Gray	Aug 2025
Technical Evaluation	Colin Macrobbie	Building Design Unit	
Technical Evaluation			
Commercial Evaluation	Hubco/Thomson Gray		Aug 2025

### 6.3 Confidentiality and Conflict of Interest

Confirm that conflict of interest statements have been completed by all UIG members and evaluators	BDU staff have a rolling conflict of interest statement. Other staff involved will be asked to complete similar statement.
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### 6.4 Key Activities - RACI

A RACI is an acronym formed from the four roles that it describes:

- Responsible** Those who undertake the activity
- Accountable** Those who take credit for success or responsibility for failure, the 'Activity Manager' - There must be at least one Specific 'A' for each Activity
- Consulted** Those whose opinions are sought
- Informed** Those who are kept up to date on progress

Users should complete the key activities table by placing an 'R', 'A', 'C' or 'I' depending on the level of involvement by each individual involved in the Project, in the area provided.

#### Key Activities

Please provide a summary below

Major Milestone	Estimated Start Date	Estimated Completion Date	Relevant Officer(s)	R, A, C, or I
Contract Expiry / New Contract Identified	May 2025	Aug 2026	Paul Kettrick	A
Procurement process initiation approved (PPB/Prior Consideration)	June 2025	June 2025	Elected Members	R
Establish and Brief Contract User Intelligence Group (UIG)	August 2025	Aug 2025	Appointed contractor	R
Procurement Timeline created	TBC			
Prepare Contract Strategy & Detailed Procurement Plan	May 2025	May 2025	Colin MacRobbie	R
Contract Strategy Approved	May 2025	May 2025	Paul Kettrick	R
Preparation and Approval of ITT Contract Documents	June 2025	August 2025	Project Team	R
Approval of ITT Documents	As above			
Contract Notice Publication	June 2025 (after Executive approval)		TBC	R
SPD Published (Dual Stage only)	N/A			
SPD Outcome (Dual Stage only)	N/A			
Invitation to Tender (Dual Stage only)	N/A			
Tender Clarification End Date	N/A			
Tender Response Deadline	N/A			
Tender Responses Opened	N/A			
Tender Evaluation - Commercial (Procurement)	N/A			
Tender Evaluation - Qualitative (UIG)	N/A			
Overall Tender outcome review / further clarification (UIG)	N/A			

Major Milestone	Estimated Start Date	Estimated Completion Date	Relevant Officer(s)	R, A, C, or I
Tender Outcome Report - Approved (Chief Officer / CGO Consultation)	N/A			
Standstill Letters Created, Approved & Issued	N/A			
Debriefs arising from Standstill notification	N/A			
Contract Award Letters Created, Approved and Issued	N/A			
Entry into contract	N/A			
Contract Register Updated with Award Information	N/A			
Service Handover for Mobilisation / Implementation	August 2025			
Contract Award Notice Published	N/A			
Contract Start Date	1 August 2025	August 2026		
Ongoing Service monitoring and management from contract start date.	1 September 2025	August 2026		

## SECTION SEVEN – RISKS

### RISK MATRIX

<b>PROBABILITY</b>	<b>Very Likely 4</b>	<b>4 Medium</b>	<b>8 High</b>	<b>12 Very High</b>	<b>16 Very High</b>
	<b>Likely 3</b>	<b>3 Medium</b>	<b>6 Medium</b>	<b>9 High</b>	<b>12 Very High</b>
	<b>Possible 2</b>	<b>2 Low</b>	<b>4 Medium</b>	<b>6 Medium</b>	<b>8 High</b>
	<b>Unlikely 1</b>	<b>1 Low</b>	<b>2 Low</b>	<b>3 Medium</b>	<b>4 Medium</b>

<b>Minor 1</b>	<b>Significant 2</b>	<b>Major 3</b>	<b>Very Major 4</b>
<b>IMPACT</b>			

### 7.1 Council Risk

In the event of a failure, what would the impact be on each of the 5 Risks detailed below?

Please see Risk Matrix above for further guidance.

Risk	Impact on Organisation (4-Very High, 3-High, 2-Medium, 1-Low)	Probability of Occurrence (4-Very High, 3-High, 2-Medium, 1-Low)	Risk Score (Impact x Probability)	Mitigation Measures
<b>Service Objectives</b> <i>Risks associated to the delivery of council service.</i>	<b>Risk registers will be completed as part of the project delivery</b>			
<b>Financial</b> <i>Overall financial risk to council.</i>	<b>4</b>	<b>1</b>	<b>2.5</b>	Contractor appointed via a framework agreement
<b>People</b> <i>Risks associated to project team.</i>	<b>1</b>	<b>1</b>	<b>1</b>	
<b>Contingency Implementation</b> <i>Risks associated to implementing contingency plans, if required.</i>	<b>1</b>	<b>1</b>	<b>1</b>	
<b>Reputation</b> <i>Reputational Risk associated to council.</i>	<b>4</b>	<b>1</b>	<b>2.5</b>	Use of only accredited contractors. Financial background checks to be carried out in advance of any award
<b>Additional Comments</b>	Risks within construction projects vary but are generally specific to time and cost. Complete failures are uncommon, but an SBCC contract would be in place to provide financial protection to Falkirk Council. In the worst-case scenario, it would still be possible to complete the project work by using another contractor or partnering consultant.			

## 7.2 Project Specific Risk

In the event of a failure, what would the impact be on each of the Risks detailed below?

*(add / remove risks where applicable)*

Please see Risk Matrix above for further guidance.

Risk	Impact on Organisation 4 - Very High 3 - High 2 - Medium 1 - Low	Probability of Occurrence 4 - Very High 3 - High 2 - Medium 1 - Low	Risk Score (Impact x Probability)	Mitigation Measures
Project delivery is late	2	1	1.5	Use of De&B contract via procurement framework
Project is over budget	4	1	2.5	Use of De&B contract via procurement framework
Project is under budget	3	1	2	Early cost forecasting and regular valuations.
Risk 4				
Risk 5				
Additional Comments				

## SECTION EIGHT - CONTRACT MOBILISATION AND EXIT STRATEGY

### 8.1 Contract Mobilisation

Please confirm the contract mobilisation process aligned with this contract:

Contract Award	Contract award estimated July – August 2025
Communication to Users and Organisations	Providers will be informed via letter following initial evaluation.
Post Award Supplier Meeting	N/A
Information Pack	An information pack will be provided.

<b>Supplier / Buyer Events</b>	N/A

**8.2 Contract Management**

**Contract Managers should be identified. Please use the Council's Contract Management Tool and Contract Management Procedures**

<b>Contract Manager</b>	TBC
<b>Contract Implementation Plan</b>  Please specify contract implementation arrangements following the contract award.	tbc
<b>KPI's managed</b>  Are there any KPIs associated to the performance of this contract?	tbc
<b>Risk Management</b>	
<b>Cost / Budget Management</b>	

**8.3 Contract Exit Strategy**

<p><b>Please describe the proposed exit strategy for this contract and include any Data Security Implications.</b></p> <p><b>Exit Strategy considerations include:</b></p> <ul style="list-style-type: none"> <li>• Continuing Service Requirements (obligation by the supplier to continue performing the services at the same level of quality for the transition period and to continue to comply with all the obligations in the contract);</li> <li>• Confidentiality;</li> <li>• Data Security and Privacy including Data Protection;</li> <li>• Knowledge and Documentation Transfer;</li> <li>• Costs;</li> <li>• Personnel including TUPE</li> </ul>
tbc

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**8.4 Workplan Requirements**

<b>Requirement to be added onto future workplan?</b>	Yes / No
<b>If added to the workplan, please confirm the year</b>	

**SECTION NINE - CONTRACT STRATEGY APPROVAL**

**9.1 Signed by Procurement Lead**

This section of the strategy requires sign off from the person that led the completion of the contract strategy

<b>Signed by Procurement Lead</b>	
<b>Print Name</b>	
<b>Date</b>	

**9.2 Signed by Service Lead**

This section of the strategy requires sign off from the person that is designated as the Service Lead

<b>Signed by Service Lead</b>	
<b>Print Name</b>	
<b>Date</b>	