

Report to the Cabinet

Report reference: C-074-2020/21
Date of meeting: 20 April 2021



Portfolio: Housing & Community Services – Cllr. H Whitbread

Subject: Acceptance of Tenders – Contract 102; Repair, Maintenance and Installation of Audio-Controlled Door Entry Systems to Council owned properties.

Responsible Officer: Dean Epton (01992 564166).

Democratic Services: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

- (1) That, Openview Security Systems Ltd be awarded a 1-year contract renewable annually for up to a maximum of 4-further years, for the repair, planned maintenance and installation of audio-controlled door entry systems to Council-owned properties in the sum of £1,022,194.64 with an overall weighted price and quality score of 90% being the most economically advantageous tender received; and**
- (2) That, should it not be possible to enter into contract with Openview Security Systems Ltd, that SCCI Alphatrack Ltd be awarded the contract as the reserve contractor, being the second most economically advantageous tender received, with a Tender Sum of £1,410,280.01; and**
- (3) That the overall value of the works be limited to the sum included in Housing Revenue Account for maintenance works and the sum within the Capital Programme for the installation and upgrades of audio-controlled door entry systems on an annual basis; and**
- (4) That, this contract be designated as a serial contract to facilitate the annual adjustment to the tendered rates in accordance with the BCIS ALLCOS Resource Cost Index of All Construction: Repair and Maintenance Work #7419.**

Executive Summary:

In order to undertake the repair, planned maintenance and installation of audio-controlled door entry systems to Council-owned properties during the financial year 2021-22 and over the following 4-year period, it was necessary to undertake a procurement exercise based on the Most Economically Advantageous Tender (MEAT) taking cost and quality into account to satisfy the requirements of the Council's Procurement Rules.

The tender sum includes the planned Capital Programme of installing new audio-controlled door entry installations to 26 blocks of flats and upgrading the existing audio-controlled door entry installations to 42 blocks of flats over the next 5-year period.

Reasons for Proposed Decision:

The existing framework agreement for the repair, planned maintenance and installation of audio-controlled door entry systems to Council-owned properties with the current contractor is nearing the end of its term. Therefore, this is a new contract and the results of the tender exercise needs to be approved in accordance with Councils Procurement Rules. Undertaking a competitive tender exercise is not only a requirement of the Councils Procurement Rules, but there is also a requirement under Section 20 of the Commonhold and Leasehold Reform Act 2002 where works are undertaken on communal areas of Council owned and managed blocks of flats.

To ensure the existing audio-controlled door entry systems installed at around 400-blocks are maintained and remain in full operation to ensure the safety and the security of the communal areas of the Councils sheltered housing schemes and general needs blocks of flats.

To ensure suitably accredited specialist contractors are available to provide an emergency response in the event of a failure of the audio-controlled door entry systems installed in the Councils sheltered housing and general needs blocks of flats.

To upgrade existing audio-controlled door entry systems that are installed with old technology such as key based access, obsolete control systems and with access doors that are beyond economic repair. Futureproofing the design and specification for upgrades and new audio-controlled door entry systems include a video ready design which allows the upgrade from audio-control to video with minimal costs, assisted door opening for physically challenged occupiers and a mobile Cloud based system for the management of access key tokens.

The new framework agreement will be let with a high degree of flexibility incorporated in the contract conditions, this will enable Housing and Property Services and Qualis Management to issue Works Orders based on operational requirements to a specialist contractor as and when required.

Other Options for Action:

The main alternative options considered are:

- (1) To re-tender the contract on an annual basis. However, this would be time consuming and inefficient. Re-tendering would not guarantee more competitive tenders.
- (2) To re-tender the works based on price alone. However, this would not necessarily return a more competitive tender and would not identify or quantify a quality commitment from the lowest tenderer.
- (3) To seek quotations for the repair, planned maintenance and installations of audio-controlled door entry systems on an ad-hoc basis by raising individual Works Orders for the work. However, this is very time consuming and is not cost effective as it would not generate the cost savings associated with economies of scale. Also, the volume of the repair and maintenance of existing audio-controlled door entry systems per annum would breach the Council's Procurement Rules C2 (9b) with the works exceeding £25,000 in value during one financial year.

Report:

1. The existing contract for the repair, planned maintenance, new installations and upgrades of audio-controlled door entry systems to Council-owned properties is nearing the end of its term and therefore it is necessary to re-tender the works.

2. An annual budget for Door Entry has been identified within the Capital Programme with £340,000 allocated for 2021-22 and £150,000 allocated in future years for undertaking the planned installation and upgrades of audio-controlled door entry systems. An estimated sum of £40,000.00 is currently allocated within the existing HRA Revenue Account for the repair and maintenance of existing audio-controlled door entry systems and annual expenditure will be managed within existing budgets.
3. A tendering exercise has been undertaken for the Repair, Maintenance and Installation of Audio-Controlled Door Entry Systems 2021-26 to Council owned properties. Due to the specialist nature of the work the schedules within the Price Framework incorporated the ad-hoc repairs, the planned maintenance programme and the planned Capital Programme for installations and upgrades of audio-controlled door entry systems.
4. Incorporating the lessons learnt from previous contracts, the Council has undertaken a tender exercise in accordance with the Council's Procurement Rules, based on and assessed in terms of the MEAT with the criteria based on quality and cost. The tenderers' qualitative responses make up a maximum of 40% of the overall evaluation with the tenderers' cost submission representing a maximum of 60%.
5. Tenderers were advised that the qualitative assessment would be based on a possible maximum total score of 40% which is split across a set of weighted quality assessment questions shown in the table below;

Quality Method Statement Questions;	Reference;	Maximum Score;
Management and Resources;	1.1 – 1.3	5%
Installation and Improvements;	2.1 – 2.2	15%
Technology Cost Benefit Assessment;	3.1 – 3.2	20%
Total;.		40%

6. Tenderers were also advised that the Cost Element Submission of the tender would be based on a possible total maximum score of 60% which is split across the 6-Schedules of Rates which make up the Price Framework shown in the table below;

Cost Element Submissions;	Reference;	Maximum Score;
Attendance and Call Out Rates;	01	5%
Routine Repair and Maintenance Rates;	02	10%
Urgent Repair and Maintenance Rates;	03	5%
All-Inclusive Repair and Maintenance Rates;	04	10%
Existing Door Entry System Capital Works Upgrade;	05	15%
Door Entry System Capital Work Installation Programme;	06	15%
Total		60%

7. Tenderers were required to provide individual costs for every schedule of rate item contained in the schedules even if the value of the item is a £0.00 cost. This will ensure a level and transparent tender exercise and that the tenderer has considered and competitively priced every item.
8. The contract, initially for a period of one-year is renewable annually up to a maximum of five-years, subject to the budget allocation within the HRA Revenue Account and the Capital Programme. The contractors benchmarked performance in terms of service delivery and quality of workmanship is also taken into account before the contract renewal.
9. The Interim Assets and Facilities Manager authorised the Contractor Selection Record Sheet for Invitations to Tender to be sent to 5-contractors who are registered on Constructionline in the Access Control Installations and Maintenance category on the 5th January 2021.

It should be noted that only two local contractors Ace Security & Electrical Ltd and ESS Essex Security Services Ltd as defined by Section 5.5(b) Procurement Rules 2021, are registered on Constructionline in workstreams for Access Control Installations and Maintenance. Both contractors were contacted by Operational Assets and Compliance and advised of the tender opportunity, however due to operational reasons Ace Security & Electrical Ltd declined.

10. Invitations to tender were issued by the Interim Assets and Property Manger on the 20th January 2021, to the following 5-contractors who are suitably qualified, registered on Constructionline and capable of carrying out the work;

Contractor;		Constructionline Registration Number;
1.	SCCI Alphatrack Ltd	62614
2.	Classic Security Ltd	31601
3.	Openview Security Systems Ltd	32077
4.	*ESS Essex Security Services Ltd	42246
5.	Clearview Communications Ltd	19772

*Local Contractor.

11. The tenderers were advised that their completed scanned Tender Submission for the Repair, Maintenance and Installation of Audio-Controlled Door Entry Systems 2021-26, must be uploaded into the Delta eSourcing Tender-box no later than 12 o'clock noon on Friday 19th February 2021.

During the Invitation to Tender period one contractor due to the challenges of Covid-19 and lockdown which delayed supply chain information requested a short extension of time through Delta eSourcing message centre.

The Interim Assets and Facilities Manager considered the request, and, on the 11th February 2021, an extension of time confirmation was issued to all tenderers through Delta eSourcing message centre confirming the tender box closing date has been extended until 12:00 noon on Friday 26th February 2021.

12. Late during the invitation to tender period on the 12th and the 16th February 2021 Operational Assets and Compliance received emails from ESS Essex Security Services Ltd and Clearview Communications Ltd withdrawing from the tender process.

The emailed withdrawal notifications were received by Operational Assets and Compliance to late in the invitation to tender period to invite substitute contractors and allow sufficient time to produce and submit a competitive and compliant tender return.

13. The tenders were opened by the Procurement and Contract Development Team on the 1st March 2021, through the Delta eSourcing electronic procurement platform with a unique Tender-box opening Access Code; 4F7C8367AF.
14. Invitations to tender were sent to 5-contractors and 2-contractors uploaded the tender return documents into Delta eSourcing Tender-box before the extended return date and time.
15. The results of the tender opening based only on the contractors tendered submission is shown in the table below;

Contractor;		Tender Sum £;	Position;
1.	SCCI Alphatrack Ltd	1,410,280.01	2 nd
2.	Classic Security Ltd	Did not return	
3.	Openview Security Systems Ltd	1,022,194.64	1 st
4.	ESS Essex Security Services Ltd	Withdrawn on the 12 th February	
5.	Clearview Communications Ltd	Withdrawn on the 16 th February	

16. A full Tender Evaluation Report was undertaken by Operational Assets and Compliance on the tenders submitted.
17. The Tender Evaluation Report included a full evaluation and weighted assessment of the tenderers' Quality Assessment Method Statement Questions and a full evaluation and weighted assessment of the tenderers' Cost Element Submission.
18. The tenderers' Quality Assessment Method Statement and Cost Element Submission have been evaluated strictly in accordance with the MEAT criteria referenced in the tender documents.
19. The Tender Evaluation confirms both contractors submitted fully compliant tender returns which included;
- The Price Framework schedule totals copied from the Excel Pricing Template;
 - The Collection Page and the Form of Tender including the information requested on the Settlement of Disputes Adjudication;
 - The Formal Declaration of Offer;
 - The Certificate that the Tender is a Bona Fide Tender;
 - A full Quality Method Statement Submission;
 - System Warranties;
20. The tenderers' Quality Assessment Method Statement Results which were based on a weighted assessment of the tenderers' responses to the Quality Assessment Method

Statement Questions were evaluated by Housing and Property Services - Officers between the 10th – 16th March 2021, the results are shown in the table below;

Quality Assessment Method Statement Question Results;				
Contractor;		Max % Score Available;	Total Weighted Score %;	Cost Element Result;
1	SCCI Alphatrack Ltd	40%	23%	2 nd
2	Classic Security Ltd	Did not return		
3	Openview Security Systems Ltd	40%	31%	1 st
4	ESS Essex Security Services Ltd	Withdrawn on the 12 th February		
5	Clearview Communications Ltd	Withdrawn on the 16 th February		

21. The tenderers' Cost Element Submission evaluated in the Tender Evaluation Report is based on the contractors submitted tender sums of the schedules that make up the Price Framework. The Cost Element Submissions have been priced consistently, in accordance with the tender return instructions and in completed full, no alterations, additions or omissions to the submitted tender sums were required.
22. The tenderers' Cost Element Results were based on a weighted assessment of the tenderers' Cost Element Submission and are shown in the table below;

Cost Element Results;				
Contractor;		Max % Score Available;	Total Weighted Score %;	Cost Element Result;
1	SCCI Alphatrack Ltd	60%	46%	2 nd
2	Classic Security Ltd	Did not return		
3	Openview Security Systems Ltd	60%	59%	1 st
4	ESS Essex Security Services Ltd	Withdrawn on the 12 th February		
5	Clearview Communications Ltd	Withdrawn on the 16 th February		

23. The evaluation shows that Openview Security Systems Ltd submitted the most competitive rates in 5 out of the 6-schedules that make up the Price Framework. In a direct comparison of the percentage difference between the submitted rates of Openview Security Systems Ltd and SCCI Alphatrack Ltd generally on a fully specified tender a maximum percentage difference of up to 20% is what you would expect though competitive tendering.

The evaluation highlighted three schedules contained in the Price Framework where the percentage difference was in excess of 20% and therefore the Tender Evaluation Report sought clarification that Openview Security Systems Ltd were prepared to stand by their submitted rates on the;

- Routine Repair and Maintenance Rates;

- Door Entry System Capital Works Upgrade Rates; and
- Door Entry System Capital Work Installation Programme Rates.

Openview Security Systems Ltd were given the opportunity to review their submitted tender rates and have confirmed that they are prepared to stand by their tendered sum.

24. The weighted percentage scores of the Quality Assessment Method Statement Results and the Cost Element Results achieved by each tenderer are then added together to determine the Overall Tender Evaluation Score.
25. The highest combined weighted percentage scores achieved by the tenderers' Quality Method Statement Assessment Results and their Cost Element Results demonstrate the most economically advantageous tender was received from Openview Security Systems Ltd as shown in the table below,

Overall Tender Results;					
Contractor;		Quality Assessment Total Weighted Score;	Cost Element Total Weighted Score;	Cost and Quality Total Score;	Overall Position;
1	SCCI Alphatrack Ltd	23%	46%	69%	2 nd
2	Classic Security Ltd	Did not return			
3	Openview Security Systems Ltd	31%	59%	90%	1 st
4	ESS Essex Security Services Ltd	Withdrawn on the 12 th February			
5	Clearview Communications Ltd	Withdrawn on the 16 th February			

26. The contractors Overall Positions are;
- Openview Security Systems Ltd in overall position 1;
 - SCCI Alphatrack Ltd in overall position 2;
27. It is therefore recommended that Openview Security Systems Ltd, be awarded the contract for the Repair, Maintenance and Installation of Audio-Controlled Door Entry Systems 2021-26, to Council-owned properties within Epping Forest District with annual expenditure limited to the budget included in the Capital Programme for Door Entry and the HRA Revenue Account for ad-hoc repairs and maintenance, for up to a maximum of 5-years in the sum of £1,022,194.64 with an overall weighted price and quality percentage score of 90%.
28. A review of the Constructionline Supplier Report has been undertaken on Openview Security Systems Ltd, which includes a financial credit check. The outcome revealed that in the latest set of financial accounts Openview Security Systems Ltd had a turnover of £54,566.386. A further Constructionline Supplier Report will be undertaken on Openview Security Systems Ltd prior to the contract award.
29. In order to mitigate the risk of the Council not being able to enter into a contract with Openview Security Systems Ltd for whatever reason or if in the future they cease trading or perform poorly, it is recommended that SCCI Alphatrack Ltd, be selected as the Council's Reserve Tenderer for the Repair, Maintenance and Installation of Audio-Controlled Door Entry Systems 2021-26 to Council owned properties. If necessary, and

subject to tender and financial qualification checks SCCI Alphatrack Ltd, the Council's Reserve Tenderer be awarded an annual contract for up to five-years, being the second most economically advantageous tender received, with Overall Tender Results of 69%.

30. It should be noted that when the contract is extended beyond the first year, all tendered schedule of rate items are to be increased annually in accordance with the Royal Institution of Chartered Surveyors (RICS) BCIS ALLCOS Resource Cost Index of All Construction: All Repair and Maintenance Work #7419.

Resource Implications:

The budget for Door Entry Installations and Upgrades currently allocated within the existing Capital Programme 2021-22 is £340,000. Expenditure will be limited to the existing Door Entry budget within Capital Programme 2021-22 and the following 4-year period.

Revenue Expenditure on the repair and maintenance of door entry systems is estimated at £40,000.00 per annum for next five years the sum identified within the Housing Revenue Account.

Legal and Governance Implications:

The estimated annual expenditure of £3500,000 for the new Repair, Maintenance and Installation of Audio Controlled Door Entry Systems 2021-26 framework contract is below that require an OJEU Procurement Exercise. Therefore, this tender complies with the requirements as set out in the Council's Procurement Rules

Safer, Cleaner and Greener Implications:

To maintain and improve the safety and security of the communal areas at the Councils sheltered housing units and general needs blocks of flats within the Epping Forest District.

Consultation Undertaken:

Notice of Intention under Regulation 5 (1) of Schedule 1 of The Service Charges (Consultation Requirements) (England) Regulations 2003.

Notice of intention to enter into a long-term agreement. Pre-tender consultation (Section 20 notice no.1) was undertaken with the leaseholders of the blocks of flats.

Background Papers:

A Tender Evaluation Report for Contract 102 - Repair, Maintenance and Installation of Audio Controlled Door Entry Systems 2021-26 to Council-owned properties.

Risk Management:

The new Repair, Maintenance and Installation of Audio Controlled Door Entry Systems 2021-26 framework contract is being let based on a 1-year term, and renewable for up to a maximum of 5-years.

The contract will be let with a high degree of flexibility incorporated in the contract conditions to enable Property and Housing Services and Qualis Management to issue Works Orders based on Operational requirements as and when required.

A review of the Constructionline Supplier Report has been undertaken on the current Gold Constructionline Membership of Openview Security Systems Ltd with a Profile Status listed as;

- Current Level GOLD – Verified
- Company Details – Verified
- Financial and Insurance Information - Verified
- Corporate and Professional Standing - Verified
- Enhanced Health and Safety - Verified
- Health and Safety – Verified
- Equal Opportunity and Diversity - Verified
- Environmental Management - Verified
- Quality Management - Verified
- Building Information Modelling (BIM) - Verified
- Corporate and Social Responsibility - Verified
- Supplementary Questions - Verified

A further review of the Supplier Report will be undertaken prior to the contract award.

Annual contract extensions are subject to a performance and quality review.

As these works are issued under individual Works Orders and the contractors' invoices are not settled until the works have been completed and inspected by Council Officers, these works are therefore considered to represent a low financial risk to the Council.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

A Housing Repairs Service and Asset Management Customer Impact Assessment has been carried out for all responsive repairs and planned maintenance works, which includes works to Council properties. This includes identifying housing need, identifying equality related evidence and monitoring customer satisfaction.

The priority for the planned Capital Programme of new installations of audio-controlled door entry systems to 26 blocks of flats and upgrading existing installations to 42 blocks of flats over the next 5-year period is based on the age and condition of the system rather than the individual characteristics of the occupants.

The Council must undertake repairs, planned maintenance and audio-controlled door entry system installations and upgrades to maintain and improve the safety and security of the communal areas to the Councils' sheltered housing and general needs blocks of flats. Repairs and planned maintenance works are required to meet the legislative requirements that are imposed on all landlords and to maintain the safety of existing audio-controlled door entry systems.

All contractors are required to produce an Equality and Diversity Policy, which is assessed independently as part of the vetting process for the Gold Constructionline Membership of Openview Security Systems Ltd as part of the tender evaluation.

The Equality Impact Assessment produced by Operational Assets and Compliance have been reviewed by the Council as part of this tender exercise and have been found to be acceptable.

The Equality Impact Assessment is available as a background document.