

## **TENDER REPORT**

**Scheme Comprising Site Preparation  
Followed by Construction of 1no.  
Dwelling with Amenity and Parking  
Spaces and Related Infrastructure at**

**Site Adjacent to 71 Centre Drive,  
Epping  
Essex  
CM16 4JF**

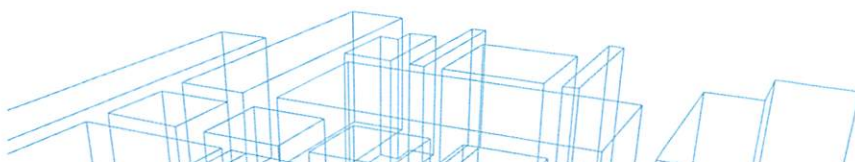
**For**

**East Regen Limited**

**and**

**Epping Forest District Council  
Phase 3, Contract F**

Our Ref: JK/sw/612.080  
7 November 2016  
Issue: Rev 01



**Pellings** 

Rev	Date	Status	Author	Check
01	07.11.16	Final issue	J King	IJC

**Appendix A – Tender Addendum Nr. 1, issued on 1<sup>st</sup> September 2016.**

**Appendix B – VSN Clarification email of 26/10/2016**

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## **1.0 EXECUTIVE SUMMARY**

- 1.1. The project comprises provision of the following:
  - 1no. 3-bed/5-person dwelling to include amenity and parking spaces and related infrastructure at land adjacent to 71 Centre Drive, Epping, Essex CM16 4JF.
- 1.2. Four tenderers, being local building contractors of small to medium size were selected by Epping Forest DC.
- 1.3. Of the four tenders sent out, two were returned.
- 1.4. Isolated clarifications were sought via email from the tendering contractors.
- 1.5. Pellings LLP have undertaken an arithmetical check of the tenders in accordance with the ETG/EFDC Invitation to Tender.
- 1.6. There may be an adjustment to the reported sums on the basis that the existing drainage infrastructure requires repairs. In addition, it may be feasible to utilise existing drainage connections within the site redline of 71 Centre Drive. This may in turn also entail an adjustment to costs.
- 1.7. The most economically advantageous tenderer has said they cannot achieve EFDC's intended programme. The Contractor subsequently stated by email on 26<sup>th</sup> October 2016 that a contract period of 9 (nine) months would be acceptable to them (see Appendix A).
- 1.8. Once costs and programme have been agreed, EFDC will need to enter into the Intermediate Form of Contract with Contractor's Design (IFC 2011) with the chosen contractor. The contract will include EFDC's bespoke contract amendments.
- 1.9. Contractor's insurances will need to be checked prior to an order being placed.
- 1.10. It is not known whether the Employer has set aside a contingency sum should matters arise during the course of construction work not covered elsewhere.
- 1.11. There are a number of potential risks that remain and these include:
  - Discharge of planning conditions
  - The potential for below ground contamination
  - Utilities
  - Financial checks
  - Programme
  - Provisional Sums
  - Tender price inflation
- 1.12. The CDM Regulations 2015 apply to this project. Pellings LLP have been appointed as Principal Designer under these Regulations.
- 1.13. At the present time VSN Enterprises have provided the most economically advantageous tender. A Date of Possession and the Date of Completion will need to be agreed.

## 2.0 INTRODUCTION

2.1 The parties involved in this project are as follows:

- **Employer:** Epping Forest District Council of Civic Offices, High Street, Epping, Essex CM16 4BZ.
- **Development Agency/Clerk of Works:** East Thames Group of 29-35 West Ham Lane, Stratford, London E15 4PH.
- **Employer's Agent:** Pellings LLP of 24 Widmore Road, Bromley, Kent BR1 1RY.
- **Contractor:** To be appointed.

2.2 The location of the site is land adjacent to 71 Centre Drive, Epping, Essex CM16 4JF.

2.3 The project comprises site preparation followed by construction of 1no. dwelling with associated amenity space, parking area and infrastructure.

2.4 It is believed the land to be utilised is currently owned by Epping Forest District Council.

## 3.0 BASIS OF TENDER / PROCUREMENT PROCESS

3.1 EFDC identified 4no. contractors they were desirous of seeking financial offers from in relation to this particular scheme. Tenders were issued on 17<sup>th</sup> August 2016 with a return date of 16<sup>th</sup> September 2016. The scheme is traditionally procured but with Contractors design for specific elements. Tender Addendum Number 1 was issued on the 1<sup>st</sup> September 2016, and a copy of the Addendum, and accompanying information, is included as an Appendix to this report

3.2 Interested parties were provided with paper copies of the tender documentation to include a draft IFD contract with client bespoke amendments.

3.3 The successful contractor would be responsible for the design of mechanical, electrical and public health aspects of the scheme and also trussed rafter roof, staircase and structural ground floor.

3.4 A full specification was provided in addition to preliminary site investigations and planning consent for the scheme. In addition to the pricing elements, tenders also requested information on the Contractor's understanding of the CDM Regulations.

3.5 Interested parties were provided with a deadline firstly for submitting any relevant queries and secondly for providing bona fide tenders.

3.6 The tenders were returned to Epping Forest District Council on 16<sup>th</sup> September 2016 and then subsequently forwarded by post to Pellings LLP.

3.7 The Pre-Tender Estimate issued by Pellings LLP in July 2016 was in the sum of £289,000.00, exclusive of any VAT.

#### 4.0 RETURN OF TENDERS

4.1 The following is a summary statement of the costs for the two submitted tenders (the other two tenderers did not submit a tender):

	VSN		Mitre	
Page 1 of 14	£	-	inc. e/w	£
Page 2 of 14	£	31,750.00		£
Page 3 of 14	£	60,025.00		£
Page 4 of 14	£	14,425.00		£
Page 5 of 14	£	23,775.00		£
Page 6 of 14	£	4,195.00		£
Page 7 of 14	£	17,550.00		£
Page 8 of 14	£	8,215.00		£
Page 9 of 14	£	470.00		£
Page 10 of 14	£	3,750.00		£
Page 11 of 14	£	25,135.00		£
Page 12 of 14	£	16,185.00		£
Page 13 of 14		G,W,E (pc)		£
Page 14 of 14		BT & other prov sums		£
Prelims	£	3,500.00		£
4A) mechanical design services	£	14,600.00		£
Electrical Services	£	11,025.00		£
General MEP items	£	-	<u>inc. e/w</u>	<u>£</u>
Trussed rafter roof	£	15,750.00		£
Structural Ground floor	£	6,150.00		£
Staircase	£	4,750.00		£
		Unforeseen works		
		mechanical		£
		Provisional sum for T.P.I.		£
	£	<b>300,285.00</b>		£
				<b>374,934.79</b>

## **5.0 EXAMINATION OF TENDER RETURNS**

- 5.1 Pellings LLP carried out an arithmetical check on both tenders received. The Mitre Construction tender is arithmetically correct.
- 5.2 It appeared that VSN Enterprises have not allowed for a £5,0000 Provisional Sum for unforeseen mechanical related items. The sum of £5,000 has been added to their overall tender sum and clarity has been sought from the contractor by email about whether they included the sum or whether it is included elsewhere.
- 5.3 It is noted that the VSN Enterprises tender is very low on the matter of preliminaries. They have allowed a fixed sum of £3,500 for the duration of the project. This is compared to the other tender where preliminaries of £88,380 has been allowed for.
- 5.4 Clarity was sought from VSN Enterprises, who have confirmed that all preliminaries requirements have been allowed for. They have confirmed that they have allowed for welfare facilities in the form of an 'oasis' unit.
- 5.5 Mitre Construction also stated they would expect to have electricity and water provided to them free of charge on site. Clarity has already been sought about this, having regard to the fact they would need to allow for items such as temporary building supplies or petrol driven generators, until such time as the new electricity main to the site has been connected.

Whilst not scored, as part of the Instructions to Tenderers, Contractors were asked to provide a response to questions relating to Health and Safety and the CDM Regulations.

Both VSN and Mitre provided a response to the Quality Questions. The submission from Mitre has not been reviewed, on the basis that their tender was higher in quantum than the one provided by VSN.

VSN's quality response is worded in such a way that it may have been 'cut and pasted' from other publications. In addition, out of date terminology is referred to, such as CDM Co – Ordinator. No other comment is offered by Pellings LLP on the basis that the CDM / Health and Safety information is not scored.

Further to receipt of tenders, further information has become available on the underground drainage, and this has enabled costs for this element to be confirmed. Firm costs were only sought from VSN for this item, on the basis that their financial offer was the most economically advantageous.

## **6.0 PROVISIONAL SUMS**

- 6.1 The contract documents allowed for Prime Cost Sums for mechanical connections for gas, water, electricity and BT/telecommunications infrastructure.
- 6.2 Provisional Sums were also included for the new porch canopy and unforeseen mechanical items in the sum of £5,000.

6.3 These Provisional Sums may be spent in whole or in part or may increase, depending on the actual costs of the work.

6.4 As previously outlined, VSN Enterprises did not include the £5,000 Provisional Sum for unforeseen works and mechanical services. This sum has been added to the overall tender sum.

## 7.0 CONTINGENCY / DAYWORKS

7.1 Dayworks are not applicable to this contract, having regard to the client bespoke amendments also.

7.2 PLLP recommend that ETG/EFDC set aside a contingency to deal with matters that are either unforeseen or may entail further expenditure. An example of this is the quotations from utility companies to connect the new dwelling.

## 8.0 RISKS

### 8.1 Discharging of Planning Conditions

8.1.1 The Clients Design Team is responsible for discharging all outstanding planning conditions relating to the scheme. They will need to obtain written sign-off prior to the scheme being completed and handing over to EFDC.

8.1.2 Some planning conditions are pre-start and will need to be discharged prior to works commencing on site. The designer will need to submit applications to discharge pre-start planning conditions in a timely fashion, so as not to delay an agreed start on site.

After an initial approach to Planners to discharge conditions relating to contamination, it has become apparent that some additional works may be required of introducing a gas membrane. We would recommend that the Employer allocate a contingency in respect of this item of £5,000.

### 8.2 Utilities

8.2.1 As previously detailed, the tender documents only allow Prime Cost Sums for the utility connections. As such, these costs will be subject to adjustment once firm costs are known.

### 8.3 Financial Checks

8.3.1 It is assumed that EFDC/ETG will carry out any financial checks they deem necessary prior to placing an order with the contractor.



## 8.4 Programme

- 8.4.1 The scheme was tendered on a proposed programme duration. VSN have indicated that this period is unlikely to be achievable primarily due to risks around ordering and securing utility connections, and have proposed an alternative programme duration. It should also be noted that to achieve the Employers procurement requirements, it is possible that a start on site will be delayed by a number of months. Accordingly, a further provisional sum has been included for inflation.

The overall programme requires agreement with the Contractor prior to entering in to Contract. This is currently proposed as 9 months. The Employer will need to determine the start date.

## 9.0 LEGISLATION

### 9.1 CDM Regulations 2015

- 9.1.1 The work will be subject to compliance with the CDM Regulations 2015 (CDM).
- 9.1.2 PLLP will carry out the role of Principal Designer. The build contractor will undertake the role of Principal Contractor.
- 9.1.3 Commencement of the works on site once a formal appointment has been made will be subject to the following:
- The submission of a suitably developed Construction Phase Plan.
  - The Employer's authorisation (subject to the above).
  - Submission of an F10 form.
  - Discharge of Pre – Start Planning Conditions
- 9.1.4 The appointed contractor will be the Principal Contractor and will also be responsible for the production of the Health & Safety File, in conjunction with the Principal Designer at the end of the project.

### 9.2 Building Regulations

- 9.2.1 The contractor will be responsible in tandem with the designer for obtaining all necessary consents in relation to Building Regulations via the Local Authority Building Control Department.

### 9.3 Planning Permission

- 9.3.1 The scheme has planning consent.
- 9.3.2 All outstanding planning conditions will need to be discharged prior to the Employer taking possession.

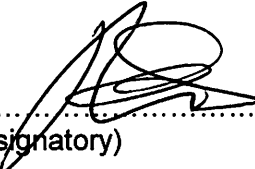
**10.0 CONCLUSIONS & RECOMMENDATIONS**

- 10.1 VSN Enterprises have provided the lowest tender at a figure that aligns with the Pre – Tender estimate and is considered Value for Money.
- 10.2 At the present time, a Provisional Sum of £5,000 has been allowed for, for the tender price inflation, should the Date of Possession be delayed.
- 10.3 Depending on the actual Date of Possession, the TPI figure could be ascertained from BCIS or another source and an adjustment to VSN's tender, prior to contracts being entered into.
- 10.4 Subject to any necessary financial checks and EFDC following up references, Pellings LLP recommend an order be placed with VSN Enterprises for the carrying out of the works to the contract sum of £300,285.00, with a contract period of 9 months on site.

Signed.....

Date 8<sup>th</sup> November 2016

On behalf of: PELLINGS LLP

Countersigned .....  
(Pellings authorised signatory)

Date 8<sup>th</sup> November 2016

**Appendix A**

**EPPING FOREST DISTRICT COUNCIL - Centre Drive**

**TENDER ADDENDUM No 1**

**Issued by:** Pellings LLP

**Issue date:** 01.09.2016

Item No.	Description
1	<u>Drawings</u>
	Omit: tender drawings 612.080/16B and 17. Add: tender drawings 612080/16C and 17A - hard copies attached.
2	<u>French Drain to Rear Garden</u>
	Add: directly adjacent to circular enclosing kerb to rear patio area, as shown on drawing 612.080/17A, supply and install French drain formed as follows:  Excavate trench 450mm wide x 600mm deep. Line with Geotextile membrane and fill with 10mm maximum washed pea shingle to finished level adjacent soft ground levels.  Cart away all excess materials arising.
3	<u>PV Panels to Roof</u>
	Add: allow the Provisional Sum of £5,000 to install PV array to roof.
4	<u>Kitchen Layouts</u>
	In amplification of the Schedule of Works in respect of the supply and installation of the kitchen, supply and install in accordance with the attached kitchen design and schedule from Premier.

**Appendix B**

71 Centre Drive :

1. **Item 9.4 - £4450.00.** Surface Water Drainage. This is a firm costing to the above property. This has been costed and programmed to the supported documents and drawings supplied, the method and depth are indicated on the design proposals, anything over and above would be subject to a variation. No provisions have been costed or programmed for any alternative methods if required by building control.
2. **Item 14.8 - £14135.00.** Below Ground Drainage. This includes for the Remedial works required based on quotation (ref: Q1344) for the Sum of £5,235.00 by Quality Drainage Company Ltd. This is a firm costing to the above property. This has been costed and programmed to the supported documents and drawings supplied, the method and depth are indicated on the design proposals, anything over and above would be subject to a variation. No provisions have been costed or programmed for any alternative methods if required by building control.