

Decision by Portfolio Holder



Report reference: HSG-020-2018/19
Date of report: 22-November-2018

**Epping Forest
District Council**

Portfolio: Housing and Property Services

Author: H Thorpe – Housing Assets Manager (Ext) 4162
Democratic Services: J Leither

Subject: Acceptance of Tenders – Kitchen and Bathroom Installations and Associated Electrical Work 2018-23 to Council owned properties.

Decision:

- (1) That Gracelands CMS Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the planned and ad-hoc replacement of kitchens and bathroom installations and associated electrical works to Council owned properties in the sum of £38,329.58 with an overall weighted price and quality score of 90.4%;
- (2) That the overall value of the works be capped to the sum included in the Capital Programme identified for Kitchen and Bathroom installations on an annual basis; and
- (3) That this contract be designated as a serial contract to facilitate the annual adjustment to the tendered rates in accordance with the Royal Institution of Chartered Surveyors (RICS) BCIS ALLCOS Resource Cost Index of All Construction: All Repair and Maintenance Work #7419.

ADVISORY NOTICE: <i>A Portfolio Holder may not take a decision on a matter on which he/she has declared a Pecuniary interest. A Portfolio Holder with a non-pecuniary interest must declare that interest when exercising delegated powers.</i>	
I have read and approve/do not approve (delete as appropriate) the above decision:	
Comments/further action required:	
Signed: Councillor S-A Stavrou	Date: 10 th December 2018
<i>Non-pecuniary interest declared by Portfolio Holder/ conflict of non-pecuniary interest declared by any other consulted Cabinet Member:</i>	<i>Dispensation granted by Standards Committee: Yes/No or n/a</i>
Office use only: Call-in period begins: 11 th December 2018	Expiry of Call-in period: 17 th December 2018

**After completion, one copy of this pro forma should be returned to
Democratic Services IMMEDIATELY**

Initialed as original copy by Portfolio Holder:
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Reason for decision:

Kitchen and bathroom installations are major programmes of works within the Housing Capital Works Programme and both kitchen and bathroom installations are carried out on a planned programme of work and on an ad-hoc basis.

The existing framework agreement for kitchen and bathroom installations and associated electrical works with the current contractor has reached the end of its term. Therefore it is necessary to undertake a procurement exercise based on the Most Economically Advantageous Tender (MEAT) taking cost and quality into account to satisfy the Council's Procurement Rules.

Options considered and rejected:

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 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 on an individual basis for each kitchen and bathroom installation and associated electrical works. However, this is very time consuming and is not cost effective, and given the volume of kitchen and bathroom installation and associated electrical works carried out per annum, this would breach the Council's Procurement Rules C2 (9) with the works exceeding £25,000 in value during one financial year.

Background Report:

- 1. The existing framework agreement with the current contractor for undertaking kitchen and bathroom installations and associated electrical works has reached the end of its term and as such it is necessary to re-tender the works.
- 2. Incorporating the lessons learnt from previous contracts, tenders have been sought 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 qualitative responses made up 30% of the overall tender evaluation with cost representing the remaining 70%.
- 3. Tenderers were advised that the qualitative assessment would be based on a total possible score of 30% which is split across a set of weighted quality questions.

Quality Method Statement Questions;	Reference;	Maximum Score;
Management and Resources	1.1	10%
Service Delivery	1.2	10%
Staff Capability	1.3	10%
Total;		30%

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Portfolio Holder:**

4. Tenderers were also advised that the Cost Element Submission of the tender would be based on a total possible score of 70% which is split across the 8 Schedules of Rates which make up the price framework.

Schedule of Rate Description;	Reference;	Maximum Score;
Kitchen Installation Prelims and Provisional Works Total;	01	5%
Kitchen Installation 1m ² Basket Rate Total All Bands;	02	20%
Kitchen Installation Additional or Continuation Works Total;	03	5%
Contractors Kitchen, Bathroom and Shower Room Installation Total Profit All Examples;	04	5%
Electrical Testing and Upgrade Works;	05	5%
Bathroom or Shower Room Installation Prelims and Provisional Works Total;	06	5%
Bathroom and Shower Room Installation Total All Basket Rates;	07	20%
NHF v7 Schedule of Rates Items;	08	5%
Total;		70%

5. Tenderers were required to provide individual costs for every schedule of rate item contained in the schedules of rates even if the value of the item is a £0.00 cost. For the 8th schedule the tenderer was required to insert the % variance from the NHF v7 Schedule of Rates for any unscheduled works items. This will ensure a level and transparent tender exercise and that the tenderer has considered and competitively priced every item.
6. 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 Capital Works Programme and the contractor's performance and quality of workmanship.
7. Invitations to tender were issued on 1st October 2018 to the following 5 contractors who are registered on Constructionline and are experienced in undertaking this type of work.

Contractor;	Constructionline Registration Number;
1. Gracelands CMS Ltd	51468
2. BSG Property Services	2626
3. MCP Property Services	53366
4. Pavilion Property Services	70744
5. Rund Partnership	10703

8. The tenderers were advised that their tender submissions were to be returned to the Civic Offices not later than 12 noon on Friday 2nd November 2018.

9. The tenders were opened by the Housing Portfolio Holder, Director of Housing (Property) a Committee Officer and a Housing Officer of Epping Forest District Council, on the 8th November 2018. The results of the tender opening were as follows:

Contractor;		Tender Sum £;	Position;
1.	Gracelands CMS Ltd	38,329.58	1 st
2.	BSG Property Services Ltd	84,789.34	2 nd
3.	MCP Property Services Ltd	104,423.23	3 rd
4.	Pavilion Property Services Ltd	Did Not Return	
5.	Rund Partnership Ltd	Did Not Return	

10. A full Tender Evaluation Report was undertaken on all 3-tenders submitted. The Tender Evaluation Report included a weighted assessment of the tenderers' Quality Method Statement Questions and a weighted assessment of the tenderers' Cost Element Submission which included a full arithmetical check, a comparison of the tenderers' submitted schedule of rate items and the identification of any pricing inconsistencies or omissions.
11. As with all planned and ad-hoc Kitchen and Bathroom Installations and Associated Electrical Works contracts, it is not possible to identify the quantity or type of work that is likely to be carried out. In order to identify, quantify and value the work undertaken, the contractors Cost Element Submission is built up from items contained in the price framework of the 8-Schedule of Rates that contain the specific items of work to be undertaken.
12. The combined scores of the tenderers Quality Method Statement Questions and the tenderers Cost Element Submissions, which have been evaluated strictly in accordance with the MEAT criteria and the results are set out in the table below:

Contractor;		Quality % Score;	Cost % Score;	Total % Score	Position;
1.	Gracelands CMS Ltd	23.5	66.9	90.4	1 st
2.	BSG Property Services Ltd	21.7	45.6	67.2	2 nd
3.	MCP Property Services Ltd	7.5	27.5	35.0	3 rd
4.	Pavilion Property Services Ltd	Did Not Return			
5.	Rund Partnership Ltd	Did Not Return			

13. The most economically advantageous tender received was from Gracelands CMS Ltd, with a combined quality and price weighted evaluation score of 90.4%.
14. The budget for Kitchens and Bathrooms currently allocated in the Capital Programme 2018-19 is £1,550,000 and expenditure on the budget is split between the Planned Capital Programme for kitchen and bathroom installations, void kitchen and bathroom installations and ad-hoc kitchen and bathroom installations and associated electrical works.
15. Due to the ad-hoc nature of some of the works, the combined maximum value of the work undertaken by Gracelands CMS Ltd will be capped at the budget allocated within the existing Capital Programme 2018-19.

16. Gracelands CMS Ltd has a good track record of working with the Council and providing both a quality service and value for money on a consistent basis.
17. It is therefore recommended that Gracelands CMS Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the Kitchen and Bathroom Installations and Associated Electrical Work 2018-23, in sum of £38,329.58 with expenditure capped at the budget allocated within the Capital Programme and an overall weighted price and quality score of 90.4%.
18. A review of the Constructionline Supplier Report has been undertaken on the current membership of Gracelands CMS Ltd with Constructionline Registration Number; 51468 and a further review will be undertaken prior to the contract award.
19. 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:

£750,000 is currently allocated within the existing Capital Programme for Planned and Ad-hoc Kitchen and Bathroom Installations and Associated Electrical Upgrade Works 2018-19, with £1,350,000 allocated in 2019-20.

Legal and Governance Implications:

The financial expenditure is below that requiring 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:

This programme of work provides a safer environment for all Council tenants to safely remain in their homes.

Consultation Undertaken:

None

Background Papers:

A Tender Evaluation Report for Contract 1089 - Kitchen and Bathroom Installations and Associated Electrical Upgrade Works 2018-23.

Impact Assessments:

Risk Management:

A risk assessment has been undertaken which includes performance, quality, and health and safety risks.

A review of the Constructionline Supplier Report has been undertaken on the current membership of Gracelands CMS Ltd Constructionline Registration Number; 51468 has been completed and a further review will be undertaken prior to the contract award.

An additional financial check was undertaken by Accountancy on Gracelands CMS Ltd. The results for Gracelands CMS Ltd show the company have a strong financial standing and are capable of undertaking works up to significant values. As these works are issued under low value individual HRP Works Order and are not settled until the works have been inspected and completed these work are considered to be a low risk.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix 1 to the report.

Key Decision Reference (Y/N): N