

Report to the Cabinet

Report reference: C-039-2018/19

Date of meeting: 11 April 2019



**Epping Forest
District Council**

Portfolio: Housing – Cllr S Stavrou,

Subject: Acceptance of Tenders - Planned Installation of PVCu Double-Glazed Windows and Doors to Council owned blocks of flats;

Responsible Officer: H Thorpe – Housing Assets Manager (01992 564162).

Democratic Services: A Hendry (01992 564246).

Recommendations/Decisions Required:

- (1) That, Exterior Plas Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the Planned Installation of PVCu Double-Glazed Windows and Doors to Council-owned blocks of flats in the sum of £2,017,444.20 with an overall weighted price and quality score of 87.8%;**
- (2) That, expenditure of the tendered sum £2,017,444.20, is programmed over a 5-year period commencing in the financial year 2019-20 and be capped to the sum included in the Capital Programme identified for Double Glazing 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.**

Executive Summary:

In order to undertake the Planned Installation of PVCu Double-Glazed Windows and Doors to Council-owned blocks of flats during the financial year 2019-20 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 Council's Procurement Rules.

Reasons for Proposed Decision:

The existing double-gazed windows and doors installed in Council-owned blocks of flats are in a poor condition and in need of replacement. Under the Decent Homes Standard windows and doors are listed as a "Key Building Component" and it is recognised that further deterioration could have an immediate impact on the integrity of the building plus adverse safety and security implications.

A 5-year contract is required for the Planned Installation of PVCu Double-Glazed Windows and Doors to Council-owned blocks of flats to ensure the properties remain in a decent condition. In order to undertake the procurement exercise all leaseholders were consulted in line with the

Commonhold and Leasehold Reform Act 2002.

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 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 adhoc basis for each block on the planned PVCu double-glazed windows and door installation programme. However, this is very time consuming and is not cost effective, and given the volume of works per annum, this would breach the Council's Procurement Rules C2 (9) with the works exceeding £25,000 in value during one financial year.

Report:

1. The existing contract for the Planned Installation of PVCu Double-Glazed Windows and Doors to Council-owned blocks of flats has reached the end of its term and therefore it is necessary to re-tender the works.
2. The total budget for Double-Glazing in the Capital Programme 2019-20 is £994,000, with expenditure split between Ad-hoc and Planned installation of double-gazed windows and doors.
3. A tender has been sought for the Planned Installation of PVCu Double-Glazed Windows and Doors to Council-owned blocks of flats and is based on a 5-year programme of work which includes 110-blocks of flats, with 102-individual flat designs set out in 792-schedule of rate items.
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 qualitative responses made up 30% of the overall tender evaluation with cost representing 70%.
5. 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%

6. 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 4-Schedules of Rates which make up the price framework.

Schedule of Rate Description;	Reference;	Maximum Score;
Administration Preliminary Costs;	01	10%
Individual Pricing Designs for Manufacture and Installation Costs;	02	50%
First Floor Access;	03	5%
Second and Third Floor Access;	04	5%
	Total;	70%

7. 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. 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 Capital Works Programme and the contractor's performance and quality of workmanship.
9. Invitations to tender were issued on 28th September 2018 to the following 6 contractors who are registered on Constructionline and are experienced in undertaking this type of work.

Contractor;	Constructionline Registration Number;	Tender List Criteria;
1. Asset Finline Ltd (A&B Glass);	70400	A
2. Ashford Commercial Ltd;	34149	A
3. Carmelcrest Ltd;	52144	A
4. Exterior Plas Ltd;	121766	D
5. Potton Windows Ltd;	6409	A
6. The Loughton Window Co Ltd;	00346756	*Nominated

10. It should be noted that following the Notice of Intention Under Regulation 5 (1) of Schedule 1 of The Service Charges (Consultation Requirements) (England) Regulations 2003 Section 20 Notice letter 1; where leaseholders have the right to nominate a person or company who they would like to be included in the tender process, the Council on the 19th February 2018 received a nomination for the Loughton Window Co Ltd.
11. 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.
12. The tenders were opened on the 8th November 2018 and present at the tender opening were four representatives of Epping Forest District Council, the Portfolio Holder

(Housing), the Director of Housing (Property), the Committee Officer and the Housing Officer.

13. A total of 6 tenders were invited and 4 were received before the return date and time. The results of the tender opening based on the tenderers cost submission are shown in the table below:

	Tendered Sums £;	Position;
Exterior Plas Ltd	2,017,444.20	1 st
Supplier A	2,223,224.65	2 nd
Supplier B	3,633,521.00	3 rd
Supplier C	3,867,000.00	4 th
Did Not Return;		
Did Not Return;		

14. A full Tender Evaluation Report was undertaken on all 4-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.
15. 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:

Overall Tender Evaluation Score					
	Company	Quality Assessment Total Weighted Score Percentage	Cost Element Total Weighted Score Percentage	ITT Evaluation Result Cost and Quality Submissions	Contractors Overall Position
Contractor 1	A&B Glass Company Ltd	0.00	0.00	0.00	Did Not return
Contractor 2	Ashford Commercial Ltd	13.25	62.47	75.72	2 nd
Contractor 3	Camelcrest Ltd	22.67	38.97	61.64	3 rd
Contractor 4	Exterior Plas Ltd	17.83	70.00	87.83	1 st
Contractor 5	Potton Windows Ltd	0.00	0.00	0.00	Did Not return
Contractor 6	The Loughton Window Company Ltd	5.42	33.44	38.86	4 th

16. It is therefore recommended that Exterior Plas Ltd, be awarded the contract for the Planned Installation of PVCu Double-Glazed Windows and Doors to Council owned blocks of flats with annual expenditure limited to the budget included in the Capital Programme, for up to a maximum of 5-years in the sum of £2,017,444.20 being the most economically advantageous tender received with overall percentage figures for Cost and Quality totalling 87.83%;

17. A review of the Constructionline Supplier Report has been undertaken on the 26th November 2018, which includes a financial credit check on Exterior Plas Ltd. The outcome revealed that in the latest set of financial accounts Exterior Plas Ltd has a turnover of £8.1m and a further review will be undertaken prior to the contract award.
18. Exterior Plas Ltd is an experienced contractor, with a local site set up within the Epping Forest District.
19. Exterior Plas Ltd was the successful contractor in the tender exercise for the Ad-Hoc Installation and Repair of PVCu Double-Glazed Windows, PVCu and Composite Doors to Council owned properties and has demonstrated their experience in this competitive tender exercise through their price and quality submission. Exterior Plas Ltd has a good track record working with the Council and has provided both a quality service and value for money on a consistent basis.
20. 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:

£894,000 is currently allocated within the existing Capital Programme for planned and ad-hoc double-glazing, with £994,000 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

This tender also satisfies Section 20 of the Commonhold and Leasehold Act 2002.

Safer, Cleaner and Greener Implications:

This programme of work provides a safer environment for all Council tenants and leaseholders of Council owned and managed blocks of flats.

To maintain and improve the Council's properties and increase the property's energy efficiency.

To increase the average SAP rating of Council owned and managed property.

To achieve 'Secure by Design' standards on replacement PVCu double-glazed windows and doors.

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 on the leaseholders of the blocks of flats prior to issuing the Invitation To Tender.

Background Papers:

A Commercial in Confidence Tender Evaluation Report for Contract 689 - Planned Installation of PVCu Double-Glazed Windows and Doors to Council-owned blocks of flats 2019-24 is available to Members on request.

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 Exterior Plas Ltd; Registration Number; 121766 has been completed and a further review will be undertaken prior to the contract award.

As all of these works are issued under low value individual HRP Works Orders which are not invoiced and settled until the works have been inspected and completed these works are considered to be a low risk.