

## **Report to the Cabinet**

**Report reference:** C-020-2020/21  
**Date of meeting:** 14 September  
2020



**Portfolio:** Housing – Cllr Holly Whitbread

**Subject:** Acceptance of Tenders – Contract 101- Removal of Asbestos Containing Materials from Council owned properties.

**Responsible Officer:** Kurtis Lee (01992 562681).

**Democratic Services:** Adrian Hendry (01992 564246).

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### **Recommendations/Decisions Required:**

- (1) That, AA Woods Ltd be awarded a 1-year contract renewable annually for up to a maximum of 4-further years, for the removal of asbestos containing materials from Council-owned properties in the sum of £82,895.50 with an overall weighted price and quality score of 91.66% being the most economically advantageous tender received; and
- (2) That should it not be possible to enter into contract with AA Woods Ltd, DC (UK) Ltd be awarded the contract as the reserve contractor, being the second most economically advantageous tender received, with a Tender Sum of £116,902.26; and
- (3) That, the overall value of the works be limited to the sum included in the Capital Programme identified for asbestos removal 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 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 removal of asbestos containing material from Council-owned properties during the financial year 2020-21 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.

### **Reasons for Proposed Decision:**

The existing framework agreement for the removal of asbestos containing material from Council-owned properties with the current contractor is nearing the end of its term. Therefore, it is necessary to undertake a procurement exercise with contractors who are suitably licenced with the Health and Safety Executive for this type of specialist work.

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

Appointing licenced contractors ensures the requirements of the Health and Safety Executive are followed in the removal and disposal of asbestos containing material that is identified during planned Capital works programmes. Also, licenced contractors are required to provide an emergency response in the event of asbestos containing material being discovered or disturbed while carrying out ad-hoc property maintenance and repair works.

### **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 on an individual basis for every void property on an ad-hoc basis. However, this is very time consuming and is not a cost-effective exercise given the volume of ad-hoc void properties carried out per annum, this 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 removal of asbestos containing material from Council-owned properties is nearing the end of its term and therefore it is necessary to re-tender the works.
2. The annual budget for Asbestos Removal identified in the Capital programme is split between asbestos removal and asbestos surveys. Prior to undertaking any major Capital works programmes on Council owned properties, a specialist United Kingdom Accreditation Service (UKAS) accredited asbestos management contractor is commissioned to carry out the asbestos survey of the area to be worked on. Any asbestos containing material identified during the asbestos survey that needs to be removed before undertaking the major Capital work will be removed by the contractor appointed for asbestos removal. This separation of responsibilities ensures that any asbestos containing material removed is appropriate and necessary.
3. A tendering exercise has been undertaken for the Removal of Asbestos Containing Material 2020-25 from Council owned properties and due to the ad-hoc nature of the work the contract documents have incorporated a high degree of flexibility.
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 30% of the overall evaluation with cost representing a maximum of 70%.

5. Tenderers were advised that the qualitative assessment would be based on a possible maximum total score of 30% 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%
Call Centre and Response Times;	2.1 – 2.2	10%
Emergency Processes and Procedures;	3.1 – 3.2	15%
Total;		30%

6. Tenderers were also advised that the Cost Element Submission of the tender would be based on a possible total maximum score of 70% which is split across the 12-Schedules of Rates which make up the price framework shown in the table below;

Cost Element Submissions;	SOR Reference;	Maximum Score;
Call-Out Charges;	01	10%
<b>Asbestos Removal Occupied Property;</b>		
Non-Licensable asbestos containing material at double storey height;	02	5%
Non-Licensable asbestos containing material at single storey height;	03	7.5%
Non-Licensable asbestos containing material, no special access arrangements;	04	7.5%
Enclosures in occupied properties;	05	2.5%
Licensable asbestos containing material, no special access arrangements;	06	5%
<b>Asbestos Removal Un-Occupied Property;</b>		
Non-Licensable asbestos containing material at double storey height;	07	5%
Non-Licensable asbestos containing material at single storey height;	08	7.5%
Non-Licensable asbestos containing material no special access arrangements;	09	10%
Enclosures in un-occupied properties;	10	2.5%
Licensable asbestos containing material, no special access arrangements;	11	5%
<b>Emergency and Urgent Call-Out Uplift;</b>		
Uplift to Routine Schedule of Rate works costs carried out during an Emergency or Urgent call-outs;	12	2.5%
Total;		70%

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 Capital Programme. The contractors benchmarked performance in terms of service delivery and quality of workmanship is also taken into account.
9. The Interim Asset and Property Manager authorised the Contractor Selection Record Sheet for Invitations to Tender to be sent to 5-contractors who are registered on Constructionline and licensed with the Health and Safety Executive to work on asbestos containing material on the 17<sup>th</sup> June 2020.
10. Invitations to tender were issued by the Interim Assets and Property Manger on the 25<sup>th</sup> June 2020, to the following 5-contractors who are registered on Constructionline and capable of carrying out the work;

Contractor;		Constructionline Registration Number;
1.	AA Woods Ltd;	22194
2.	DC (UK) Ltd;	76297
3.	Asgen Ltd;	50685
4.	Asmatt Ltd;	71944
5.	ARG Europe Ltd;	1650

11. The tenderers were advised that their completed scanned Tender Submission for the Removal of Asbestos Containing Materials 2020-25, must be uploaded into the Delta eSourcing Tender-box no later than 12 o'clock midday on Friday 17<sup>th</sup> July 2020.
12. The tenders were opened on the 21<sup>st</sup> July 2020, through the Delta eSourcing platform, and present at the tender opening were the Housing Portfolio Holder and three representatives of Epping Forest District Council, a Committee Officer, the Interim Asset and Property Manager and the Team Manager Operational Assets and Compliance.
13. Invitations to tender were sent to 5-contractors and 4-contractors uploaded tender return documents into Delta eSourcing Tender-box before the return date and time. The results of the tender opening based only on the contractors Cost Element Submission is shown in the table below:

Contractor;		Tender Sum £;	Position;
1.	AA Woods Ltd;	82,895.50	1 <sup>st</sup>
2.	DC (UK) Ltd;	116,902.26	2 <sup>nd</sup>
3.	Asgen Ltd;	Did not return	
4.	Asmatt Ltd;	160,794.88	4 <sup>th</sup>
5.	ARG Europe Ltd;	142,675.37	3 <sup>rd</sup>

14. A full Tender Evaluation Report was undertaken on all 4-tenders submitted.
15. 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.
16. The tenderers' Quality Method Statement and Cost Element Submission have been evaluated strictly in accordance with the MEAT criteria referenced in the tender documents.
17. The tenderers' Quality Assessment Results which were based on a weighted assessment of the tenderers' Quality Method Statement Questions are shown in the table below;

Quality Assessment Method Statement Question Results				
Contractor;		Max % score available;	Tenderers weighted % score;	Quality Assessment Result;
1.	AA Woods Ltd;	30	25.2	1 <sup>st</sup>
2.	DC (UK) Ltd;	30	23.3	2 <sup>nd</sup>
3.	Asgen Ltd;	30	Did not return	
4.	Asmatt Ltd;	30	0	4 <sup>th</sup>
5.	ARG Europe Ltd;	30	21.4	3 <sup>rd</sup>

18. The tenderers' Cost Element submission included in the Tender Evaluation Report is based on the results of the tender opening and clarification on a number of Schedule of Rate items were required. The results of the Schedule of Rate clarifications will not alter the contractor's overall positions in the Tender Evaluation Report or the value of the submitted tender sums.
19. The tenderers' Cost Element Results were based on a weighted assessment of the tenderers' Cost Element Submission are shown in the table below;

Cost Element Results				
Contractor;		Max % score available;	Tenderers weighted % score;	Quality Assessment Result;
1.	AA Woods Ltd;	70	25.2	1 <sup>st</sup>
2.	DC (UK) Ltd;	70	23.3	2 <sup>nd</sup>
3.	Asgen Ltd;	70	Did not return	
4.	Asmatt Ltd;	70	0	4 <sup>th</sup>
5.	ARG Europe Ltd;	70	21.4	3 <sup>rd</sup>

20. The weighted percentage scores of the Quality Assessment Results and the Cost Element Results achieved by each tenderer are then added together to determine the Overall Tender Evaluation Score.
21. The highest combined weighted percentage scores achieved by the tenderers' Quality Assessment Results and their Cost Element Results demonstrate the most economically advantageous tender was received from AA Woods Ltd and the second most economically advantageous tender was received from DC (UK) Ltd as shown in the table below:

Overall Tendered Evaluation Results					
	Contractor;	Quality Element Result;	Cost Element Result;	Overall Evaluation Result;	Overall Position;
1.	AA Woods Ltd;	25.20	66.46	91.66	1 <sup>st</sup>
2.	DC (UK) Ltd;	23.30	50.57	73.87	2 <sup>nd</sup>
3.	Asgen Ltd;	Did not return.			
4.	Asmatt Ltd;	0.00	45.11	45.11	4 <sup>th</sup>
5.	ARG Europe Ltd;	21.40	34.16	55.56	3 <sup>rd</sup>

22. The contractors Overall Positions are;
- AA Woods Ltd in overall position 1;
  - DC (UK) Ltd in overall position 2;
  - ARG Europe Ltd in overall position 3;
  - Asmatt Ltd in overall position 4;
23. It is therefore recommended that AA Woods Ltd, be awarded a contract for the Removal of Asbestos Containing Material 2020-25, from Council-owned properties within Epping Forest District with annual expenditure limited to the budget included in the Capital Programme, for up to a maximum of 5-years in the sum of £82,895.50 with an overall weighted price and quality percentage score of 91.66%.
24. A review of the Constructionline Supplier Report has been undertaken on AA Woods Ltd, which includes a financial credit check. The outcome revealed that in the latest set of financial accounts AA Woods Ltd had a turnover in 2018 of £11,130,003. A further Constructionline Supplier Report will be undertaken on AA Woods Ltd prior to the contract award.
25. In order to mitigate the risk of the Council not being able to enter into a contract with AA Woods Ltd for whatever reason or if in the future they cease trading or perform poorly, it is recommended that DC (UK) Ltd, be selected as the Council's Reserve Tenderer for the Removal of Asbestos Containing Material 2020-25 from Council owned properties. If necessary, DC (UK) 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 a Tender Sum of £116,902.26.
26. 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 combined budget for Asbestos Removal, Void Asbestos Removal and Asbestos Surveys currently allocated within the existing Capital Programme 2020-21 is £222,000. Expenditure will be limited to the existing Asbestos Removal budget within Capital Programme 2020-21.

Revenue Expenditure on asbestos testing is estimated at £4,000.00 per annum for next five years the sum identified within the Housing Revenue Account.

**Legal and Governance Implications:**

The estimated annual expenditure of £200,000 for the new Removal of Asbestos Containing Materials 2020-25 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 ensure the removal and disposal of asbestos containing material from Council owned properties is carried out in line with current Health and Safety Legislation.

**Consultation Undertaken:**

None

**Background Papers:**

A Tender Evaluation Report for Contract 101 - Removal of Asbestos Containing Materials 2020-25, from Council-owned properties.

**Risk Management:**

The new Removal of Asbestos Containing Materials 2020-25 framework contract is being let are based on a 1-year term, and renewable for up to a maximum of 5-years. It will be let with a high degree of flexibility incorporated in the contract conditions to enable 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 AA Woods Ltd, with a Profile Status listed as;

- Current Level GOLD
- Company Details – Verified
- Financial and Insurance Information - Verified
- Business and Professional Standing - Verified
- Health and Safety - Verified
- Equal Opportunity and Diversity - Verified
- Environmental Management - Verified
- Quality Management - Verified
- Building Information Modelling (BIM) - 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 relatively low value 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.

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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 removal of asbestos containing material work is based on the identification of asbestos in the building elements of the home rather than the individual characteristics of the occupants.

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 AA Woods 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.