



*Oadby and Wigston
Borough Council*

OADBY AND WIGSTON BOROUGH COUNCIL

**REFURBISHMENT WORKS CONTRACT AT
BOULTER CRESCENT, WIGSTON**

**A SUMMARY OF THE EVALUATION BY RIDGE
& PARTNERS LLP
Property and Construction Consultants**

JANUARY 2014

CONTENTS

	Page
Section 1 – Introduction	1
Section 2 – Evaluation Process Overview	2
Section 3 – Summary Evaluation and Recommendations	6
Section 4 – Way Forward	10

SECTION 1 - INTRODUCTION

Introduction

- 1.1 In November 2013, Ridge & Partners LLP, Property and Construction Consultants on behalf of Oadby & Wigston Borough Council invited seven contractors to tender for refurbishment works at Boulter Crescent, Wigston. More detail on the extent of these works are set out in the covering report.

Those tendering were advised that tendering procedure would be in accordance with JCT practice note 6 (Series 2) Main Contract tendering (industry good practice) and that the Council would not necessarily accept the lowest, or any, of the tenders submitted. The contract was estimated to be in the region of £4,000,000. This figure was based on the average cost of the sample flats with an allowance for the communal areas. The estimated value was below the European procurement threshold for works therefore there was not a requirement to follow European tendering regulations.

- 1.2 Applicants were asked to return a Pre-Qualification Questionnaire (PQQ) and a fully priced Schedule of Works together with completed main summary, form of tender and detailed analysis of preliminary costs (these where applicable being the monthly cost of servicing on site works over and above the actual works)
- 1.3 Five tenders were returned by the deadline on 11 December 2013. All five passed the minimum requirement of the PQQ in order to be accepted including the environmental criteria. The tender prices submitted are as set out below.

Contractor 1 - £4,989,897.58
Contractor 2 - £3,473,995.00
Contractor 3 - £4,826,711.70
Contractor 4 - £4,096,107.06
Contractor 5 - £4,918,176.00
Contractor 6 - Declined
Contractor 7 - No Tender Returned

The differing levels of pricing received may reflect the unsettled but competitive nature of the current market.

The lowest tender is £526,005 (13%) less than the project estimate.

Contractors 2 and 4 went forward for full examination and evaluation of their tenders as the two highest scoring contractors.

The recommendation of Ridge following this tender exercise is Contractor 4 be appointed as the preferred bidder having scored the highest points.

The following provides a summary of the evaluation exercise carried out by Ridge for members information

SECTION 2 – EVALUATION PROCESS OVERVIEW

Introduction

- 2.1 The purpose of this stage is to evaluate the bids received against the evaluation criteria to test both the financial and technical proposal presented by each bidder. This will lead to the appointment of a preferred bidder
- 2.2 The evaluation team was led by the appointed consultants, Ridge and Partners LLP, Property & Construction Consultants in consultation with the Council's Property Manager (John Stemp) and Housing Maintenance Officer (Don Rudd).

Evaluation Criteria and Weightings

- 2.3 The evaluation matrix reflects industry best practice and is summarised in the table below.

Evaluation Matrix

Evaluation Area	Maximum score	Description
PPQ criteria	9%	Includes financial checks, insurances, professional memberships/accreditations etc.
Experience and approach to tendered scheme	31%	Includes previous experience, contract performance, locality and approach to the tendered scheme.
Commercial	60%	Tender price including overall delivery and risk of the project
Total Percentage Score	100%	

The Total Percentage Score reflects each contractors ability to deliver the overall scheme to demonstrate value for money.

SECTION 3 – SUMMARY EVALUATION

Introduction

3.1 This section sets out the outcomes of the evaluation with the scores and their overall percentage score.

Evaluation scores

3.2 No arithmetical or pricing errors were found in the submissions examined. All are fully compliant with the requirements of the tender invitation.

3.3 The table below summarises the scores for each bidder against the evaluation matrix based on experience and quality as well as cost to assess the overall suitability of the Contractors' for this scheme

Assessment	Contractor 2	Contractor 4
Pre Qualification	35	25
Experience and approach to scheme	79	117
Commercial (Scheme Quote)	174	158
Total	288 (74.8%)	300 (77.8%)

Tender analysis considerations in arriving at the above scores

3.4 A summary and comparison of the key issues following further clarification from each of the bidders is set out below:-

3.4.1. If an instruction to proceed was issued by 14 February 2014 the following commencement dates could be achieved

Contractor 2 - 6 Weeks (31-Mar-14)
Contractor 4 - 4 Weeks (17-Mar-14)

3.4.2 Tender interviews conducted by Ridge were carried out with both contractors and the outcome of these interviews are summarised below for each of the contractors.

Contractor 2

Site Personnel and Setup

The attendees were the main management team with overall responsibility for the project, based at various offices rather than anyone who would be working on the site such as the site manager/ foreman and the proposed Tenant Liaison Officer (TLO) who were unavailable for various reasons. Contractor 2 attendees had visited site but not viewed any sample flats, although the site had previously been visited by the estimators

The attendees confirmed the project would be resourced with a full time Site Manager with Quantity Surveyor (QS) support and a Foreman as required. It was confirmed that the work would be carried out by a mix of directly employed and subcontract labour. Their own labour would include multi skilled and skilled trades as necessary. They could not confirm that the TLO would be available full time on this project it would be an available as required basis This is a concern however they do issue contact details/numbers and having carried out this type of work before gave assurances they understood the importance of building a relationship with Tenants. It was requested that to provide costs for a full-time TLO and these costs have been included in the revised tender price set out below.

Programme of works

A formal programme wasn't available and only a general overview of how the decant process would work was given. The team were unable to give detailed project specific answers to these questions although they should have the in-house expertise to provide this should they be successful.

Previous Experience of Refurbishment Schemes

- Decent Homes generally - approximately 8 years
- Sheltered Schemes – for one LA within Leicestershire*

* The consultant's request to visit the local Sheltered Scheme was declined, an alternative out of county scheme was offered as an alternative

Contractor 4

Site Personnel and set up

Contractor 4 attendees were the Director, Contracts Manager and TLO. They had a very in depth understanding of the proposed works and gave a very good explanation of how they would set up on site.

The attendees confirmed the scheme would have a full time Site Manager, supported by the Contracts Manager and QS as required. They confirmed that they had priced for a TLO to be available whether this is on a full-time basis or as and when required at no additional cost to the client.

They also discussed the importance of building a relationship with the tenants and talked about holding Resident Workshops in the evenings to discuss the proposals and answer any queries. They also brought a sample Resident Guide Booklet used on a previous project of a similar nature in order to demonstrate their commitment to building relationships with the tenants. The booklet contained a 24hr emergency telephone number which is manned by their 24hr maintenance response team should the tenants have any problems.

Programme of Works

They discussed their decant procedure and confirmed which company they would use to relocate the tenants to the decant flats and their return.

A formal programme for the scheme wasn't available at the meeting; however, the team were able to give very site specific answers. With regard to their mobilisation period, although four weeks were stated within their tender return, they confirmed

that they should be able to commence much quicker than this if they were successful.

Previous Experience of Refurbishment Schemes

- Decent Homes (Kitchens & Bathrooms)
- Site Personnel and Setup
- Demonstrable specific experience of doing the proposed scheme

3.5 Further clarification from the contractors

Both contractors were asked to revisit their tenders on a number of items which has resulted in revised tender pricing as set out below. In particular to give added certainty on price, particularly with the potential for delay due to issues arising with the decanting of tenants, the two contractors were asked to price the work on a 24 month programme. Contractor 2's price increased by £170,450.30 for preliminary costs(as defined at para 1.2) during this period and full costs for preliminaries should the project overrun beyond 24 months. Contractor 4 confirmed they would hold their prices during the 24 month period and preliminaries would be charged on a pro-rata basis if the scheme was to run after that period.

- 3.6 Following the further clarification exercise Ridge considered that both contractors had priced all required items and comply with the scheme specification

3.7 The Revised tender prices are as follows:

<u>Cost for 24 month contract</u>	Contractor 2	Contractor 4
	3,963,698.46	4,224,840.94

The difference between the Contractors tender prices is that Contractor 2 is priced less than Contractor 4 by **£261,142.48** . As previously explained the overall suitability for this scheme is scored on experience and quality as well as cost. On this basis the recommendation is as initially set out in Section 1 above in that Contractor 4 is appointed as they offer the best overall value for money to the Council.

3.8 Contract Terms & Conditions

The preferred contract wording was issued with the Tender Documentation the current situation is as follows.

- Contractor 2 - No Comments
Contractor 4 - No Comments

SECTION 4 – WAY FORWARD

Next Steps

- 4.1 The table below sets out the indicative milestones and timescales for the next stage of the project.

Key Milestones

Task	Date
PFD Decision	4 February 2014
Contract awarded after 10 day stand still	14 February 2014
Contract Signed	By end of February
Start on site and first decants	March 2014
Manage and deliver project to complete	March 2016