

## **Report to the Cabinet**

**Report reference:** C-012-2019/20  
**Date of meeting:** 31 October 2019



**Portfolio:** Housing & Property Services – Cllr Holly Whitbread  
**Subject:** Acceptance of Tenders – Contract 290, Renewal of the Tiled Roof Covering and Responsive Repair Works 2019-24 to Council owned properties within Epping Forest District.

**Responsible Officer:** Haydn Thorpe (01992 564162).

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

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

- (1) That, M & J Services Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the renewal of the tiled roof covering and responsive tiled roof repairs to Council-owned properties in the sum of £74,561.09 with an overall weighted price and quality score of 83.5%; and
- (2) That GC Roofing UK Ltd be selected as the Council's Reserve Tenderer and that, should it not be possible to enter into contract with M & J Services Ltd for some reason, GC Roofing UK Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the renewal of the tiled roof covering and responsive tiled roof repairs to Council-owned properties, being the second most economically advantageous tender received, with a Tender Sum of £77,210.53 with an overall weighted price and quality score of 74.7%; and
- (3) That, the overall value of the works be capped to the sums included in the Capital Programme identified for Tiled Roof replacements 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 Planned Renewal of the Tiled Roof Covering and Responsive Repair Works 2019-24 to Council-owned properties 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 tiled roof covering installed in some Council owned properties are in a poor condition and in need of replacement. Under the Decent Homes Standard roof structure and

covering is listed as a “Key Building Component” and it is recognised that further deterioration could have an immediate impact on the integrity of the building and cause further deterioration in other building components. If the tiled roof covering components deteriorate further they can cause adverse safety and security implications.

A 5-year contract is required for the Planned Renewal of the Tiled Roof Covering and Responsive Repair Works 2019-24, to Council-owned properties to ensure the Council’s housing stock remains in a decent condition.

The undertaking of a procurement exercise for works of this value is not only a requirement of the Council’s Procurement Rules, but is also a requirement of Section 20 of the Commonhold and Leasehold Reform Act 2002 when tiled roof covering renewal works are undertaken on Council owned and managed blocks of flats.

### **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 planned tiled roof covering replacement project and for every tiled roof covering repair HRP Works Order issued. However, this is very time consuming and is not cost effective, and given the volume of planned tiled roof covering replacement projects and tiled roof covering repair HRP Works Order issued 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.

### **Report:**

1. The existing contract for the Planned Renewal of the Tiled Roof Covering and Responsive Repair Works to Council-owned properties has reached the end of its term and therefore it is necessary to re-tender the works.
2. The total budget for Planned and Ad-hoc Tiled Roofing in the Capital Programme 2019-20 is £750,000.
3. A tendering exercise has been undertaken for the Planned Renewal of the Tiled Roof Covering and Responsive Repair Works to Council-properties and is based on a 5-year programme of work. The Planned Renewal of the Tiled Roof Covering 2019-20 programme includes 40-properties that have been tendered in 8-property styles.
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;
*Contractors Prelims added to every Planned HRP Works Order on each Property Type;	01	0%
Total Property Types 1-8 (*inclusive of Contractors Prelims);	02	50%
Total Planned HRP Works Order NHF v7 Variance;	03	10%
Total Ad-Hoc HRP Works Order NHF v7 Variance;	04	10%
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 by the Service Director Housing and Property Services on 20<sup>th</sup> June 2019, to the following 6 contractors who are registered on Constructionline and are experienced in undertaking this type of work.

Contractor;	Constructionline Registration Number;
1. M & J Services Ltd	98801
2. Flowline Builders Ltd	126527
3. GC Roofing UK Ltd	00303618
4. Every Project Counts Ltd	140150
5. New Tech Roofing Ltd	112662
6. Premier Roofing and Construction Ltd	185506

10. The tenderers were advised that their completed scanned Tender Submission for the Tiled Roof Covering and Responsive Repair Works 2019-24, must be uploaded into the Delta eSourcing Tender-box no later than 12 o'clock midday on Friday 26<sup>th</sup> July 2019.
11. The tenders were opened on the 2<sup>nd</sup> August 2019, 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 Service Manager Housing and Property and the Team Manager Operational Assets and Compliance.
12. Invitations to tender were sent to 6-Contractors and 3-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.	M & J Services Ltd	74,561.09	1 <sup>st</sup>
2.	Flowline Builders Ltd	Declined	
3.	GC Roofing UK Ltd	77,210.53	2 <sup>nd</sup>
4.	Every Project Counts Ltd	Did not return	
5.	New Tech Roofing Ltd	Did not return	
6.	Premier Roofing and Construction Ltd	105,075.12	3 <sup>rd</sup>

13. 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.
14. The arithmetical check identified a formula error in calculating the total sum of the 8-property types listed in the Schedule of Rates for Total Property Types 1-8 (\*inclusive of Contractors Prelims). The formula error omitted the total cost of the complete renewal of the main roof tiles and any identified secondary roof areas described in the schedule as Property Type 1 and 2. The corrected tender sums are shown in the table below;

Contractor;		Corrected Tender Sum £;	Position;
1.	*M & J Services Ltd	101,469.82	1 <sup>st</sup>
2.	Flowline Builders Ltd	Declined	
3.	*GC Roofing UK Ltd	109,630.69	2 <sup>nd</sup>
4.	Every Project Counts Ltd	Did not return	
5.	New Tech Roofing Ltd	Did not return	
6.	*Premier Roofing and Construction Ltd	151,695.04	3 <sup>rd</sup>

\*Corrected Tender Sum;

15. The corrected tender sums do not alter the tenderers overall position shown at the tender opening. It should also be noted that, all 3-tenderers submitted consistently priced Property Types therefore corrected tender sums do not affect or alter the results of the tenderers Cost Element Submission.
16. The combined scores of the tenderers Quality Method Statement Questions and the tenderers Cost Element Submissions, have been evaluated strictly in accordance with the MEAT criteria referenced. The results are set out in the table below:

Contractor;	Quality Element % Score;	Cost Element % Score;	Overall % Score;	Position;
*M & J Services Ltd	18.3	65.2	83.5	1 <sup>st</sup>
Flowline Builders Ltd				
*GC Roofing UK Ltd	12.0	62.7	74.4	2 <sup>nd</sup>
Every Project Counts Ltd				
New Tech Roofing Ltd				
*Premier Roofing and Construction Ltd	12.5	49.4	61.9	3 <sup>rd</sup>

17. It is therefore recommended that M & J Services Ltd, be awarded the contract for the Planned Renewal of the Tiled Roof Covering and Responsive Repair Works to 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 £74,561.09 being the most economically advantageous tender received with overall percentage figures for Cost and Quality totalling 83.5%.
18. A review of the Constructionline Supplier Report has been undertaken on the 13<sup>th</sup> August 2019, which includes a financial credit check on M & J Services Ltd. The outcome revealed that in the latest set of financial accounts M & J Services Ltd has a turnover of £4,036,184 with a verified Notional Contract Value in excess of £1,089,730, a further review will be undertaken prior to the contract award.
19. M & J Services Ltd, is an experienced contractor with a good track record of working with the Council. M & J Services Ltd, have in the past provided both a quality service and value for money on a consistent basis.
20. In order to mitigate the risk of the Council not being able to enter into a contract with M & J Services Ltd for whatever reason or if in the future they cease trading or performing poorly, it is recommended that GC Roofing UK Ltd be selected as the Council's Reserve Tenderer for planned replacement and responsive repairs of pitched roofing to Council-owned properties, and awarded an annual contract for up to 5-years, being the second most economically advantageous tender received, with a Tender Sum of £77,210.53 and overall percentage figures for Cost and Quality totalling 74.7%.
21. 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:**

£502,000 is currently allocated within the existing Capital Programme for planned and ad-hoc tiled roof covering for 2019-20;

A budget allocation within the Capital Programme for planned and ad-hoc tiled roof covering in future financial years 2020-21 to 2023-24 has been estimated at £500,000 annually.

**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 properties.

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.

**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 290 - Renewal of the Tiled Roof Covering and Responsive Repair Works 2019-24, to Council-owned and managed properties 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 M & J Services Ltd; Registration Number; 98801 has been completed and a further review will be undertaken prior to the contract award.

A Financial Health Check Report was run on M & J Services Ltd, who achieves a 4-star Commercial Delphi Rating and their Credit Values and Financial Stability Assessments show that they are a low risk. As these works are issued under relatively low value individual HRP Works Orders and the contractors invoices are not settled until the works have been inspected and completed these works are therefore considered to represent a low financial risk to the Council.

