

Report to the Cabinet

Report reference: C-001-2020/21

Date of meeting: 01 June 2020



**Epping Forest
District Council**

Portfolio: Housing and Property – Cllr Holly Whitbread

Subject: Acceptance of Tenders – Contract 590, External Maintenance Repairs and Redecoration Programme 2020-25, to Council owned properties within Epping Forest District.

Responsible Officer: Haydn Thorpe (01992 564162).

Democratic Services: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

(1) That, Gracelands Complete Maintenance Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the external maintenance repairs and redecorating to Council-owned properties with an overall weighted price and quality score of 83.7%; and

(2) That, Wilton Decorators Ltd be selected as the Council's Reserve Tenderer and that, should it not be possible to enter into contract with Gracelands Complete Maintenance Ltd for some reason, Wilton Decorators Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the renewal of the external maintenance repairs and redecorating to Council-owned properties, being the second most economically advantageous tender received, with an overall weighted price and quality score of 79.8%; and

(3) That, the overall value of the works be capped to the sums included in the Housing Revenue Account 2020-21 for the External Maintenance Repairs and Redecoration Programme 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 External Maintenance Repairs and Redecoration Programme to 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 Council's Procurement Rules.

Reasons for Proposed Decision:

The current contract for the Planned External Maintenance Repairs and Redecoration Programme expires in June 2020 and therefore requires to be re-tendered in accordance with the Council's Procurement Rules.

The Council undertake a rolling programme of external maintenance repairs and redecoration on all Council owned properties in order to maintain the condition and the fabric of the buildings. A 5-year contract is required for the Planned External Maintenance Repairs and Redecoration Programme 2020-25, to prevent Council-owned properties falling into disrepair and subsequently fail the Decent Homes Standard.

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 external maintenance repairs and redecorating 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 due to the benefits of economies of scale and programme certainty that long-term contracts provide.
- (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 maintenance repairs and redecorating project and issue property specific HRP Works Orders. However, this is very time consuming and is not cost effective and given the volume of planned external maintenance repairs and redecorating projects 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 External Maintenance Repairs and Redecoration Programme 2020-25 for works to Council-owned properties is due to expire and therefore in order to complete the programme it is necessary to re-tender the works.
2. The total budget for Planned External Maintenance Repairs and Redecoration Programme within the existing Housing Revenue Account 2020-21 is £500,000.
3. A tendering exercise has been undertaken for the Planned External Maintenance Repairs and Redecoration Programme to Council-properties. The Planned External Maintenance Repairs and Redecoration Programme 2020-25 tender has been based on 5-schedules of rates and the estimated repairs and redecorating works to around 59-blocks of flats included in the 2020-21 programme.
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 20% of the overall tender evaluation with cost representing 80%.
5. Tenderers were advised that the qualitative assessment would be based on a possible score of 20% which is split across a set of weighted quality questions shown in the table below;

Quality Method Statement Questions;	Reference;	Maximum Score;
Management and Resources;	1.1	10%
Staff Capability;	1.2	10%
	Total;	20%

6. Tenderers were also advised that the Cost Element Submission of the tender would be based on a total possible score of 80% which is split across the 5-Schedules of Rates which make up the price framework.

Schedule of Rate Description;	Reference;	Maximum Score;
Health and Safety, Surveys, Site and Office Overheads;	01	10%
Painting Schedule of Rates;	02	20%
Pre-Painting Repairs Schedule of Rates;	03	20%
Total HRP Works Order NHF v7 Variance;	04	10%
Total Estimated Pre-Painting Repairs and Redecorating 2020-21	05	20%
	Total;	80%

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 confirm that the tenderer has at least 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 Housing Revenue Account and the contractor's performance and quality of workmanship.
9. The Service Manager Property Maintenance authorised the Contractor Selection Record Sheet for Invitations to Tender to be sent to 9-Contractors who are registered on Constructionline on the 19th December 2019.
10. Invitations to tender were issued by the Service Manager Property Maintenance on the 23rd December 2019, to the following 9-Contractors who are registered on Constructionline and are experienced in undertaking this type of work.

It should be noted that 5-Contractors shown in bold text in the table below were Leaseholder Nominated contractors and are not known to the Council.

Contractor;		Constructionline Registration Number;
1.	Bell Group UK Ltd	4079
2.	Rose Construction Ltd	00442744
3.	Etec Group Ltd	78124
4.	MG Construction Ltd	95353
5.	Topcoat Construction Ltd (TCL)	23511
6.	Wilton Decorators Ltd	00421368
7.	Flowline Builders Ltd	126527
8.	Gracelands Complete Maintenance Ltd	51468
9.	WH Construction Ltd	192670

11. The tenderers were advised that their completed scanned Tender Submission for the Planned External Maintenance Repairs and Redecoration Programme 2020-25, must be uploaded into the Delta eSourcing Tender-box no later than 12 o'clock midday on Friday 24th January 2020.
12. It should be noted that a small extension of time was requested on the 23rd January 2020 by ETEC Group Ltd. All tenderers who hadn't submitted their tender documents were advised that their Tender Submission should be returned completed in full through Delta eSourcing Tender-box no later than 17:00 hours on Friday 24th January 2020.
13. The tenders were opened on the 5th February 2020, through the Delta eSourcing platform, and present at the tender opening were the Housing and Property - Portfolio Holder and three representatives of Epping Forest District Council, a Committee Officer, the Service Manager Property Maintenance and the Team Manager Operational Assets and Compliance.
14. Invitations to tender were sent to 9-Contractors and 8-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.	Bell Group UK Ltd	525,890.57	4th
2.	Rose Construction Ltd	1,145,143.48	8th
3.	Etec Group Ltd	770,513.85	7th
4.	MG Construction Ltd	Did not return	
5.	Topcoat Construction Ltd (TCL)	608,003.01	5th
6.	Wilton Decorators Ltd	415,550.48	1st
7.	Flowline Builders Ltd	509,609.80	3rd
8.	Gracelands Complete Maintenance Ltd	471,673.18	2nd
9.	WH Construction Ltd	687,651.02	6th

15. A full Tender Evaluation Report was undertaken on all 8-tenders submitted. The Tender Evaluation Report included a weighted assessment of the tenderers' Quality Method

Statement Questions and the table below shows the results of the Contractors Quality Method Statement Questions as the Contractors' Total Weighted Score %;

Quality Assessment Method Statement Question Results			
Contractor;	Max total % score available;	Tenderers total % score;	Quality Assessment Result;
Bell Group UK Ltd	20	14.3	4th
Rose Construction Ltd	20	6.0	7th
Etec Group Ltd	20	15.3	2nd
MG Construction Ltd	Did not return		
Topcoat Construction Ltd (TCL)	20	14.9	3rd
Wilton Decorators Ltd	20	6.9	6th
Flowline Builders Ltd	20	7.1	5th
Gracelands Complete Maintenance Ltd	20	16.0	1st
WH Construction Ltd	20	5.8	8th

16. The Tender Evaluation Report also included 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.
17. The Tender Evaluation Report identified 2-pricing inconsistencies within the tenderers submitted rates and clarification was sought on the following;
- Estimated and Actual Surveys, Site and Office Overheads Flats;
 - Estimated and Actual Surveys, Site and Office Overheads House;
 - Item 700 Supply and fit metal balustrading to staircase complete as clause 90;
18. The Variance column in the table below highlights the difference between the tendered sums and the corrected tender sums;

Contractor;	Tender Sum £;	Corrected Tender Sum £	Variance £
1. Bell Group UK Ltd	525,890.57	549,470.57	23,580
2. Rose Construction Ltd	1,145,143.48	1,176,959.59	31,816.11
3. Etec Group Ltd	770,513.85	770,513.85	0.00
4. MG Construction Ltd	Did not return		
5. Topcoat Construction Ltd (TCL)	608,003.01	661,996.26	53,993.25
6. Wilton Decorators Ltd	415,550.48	393,725.48	-21,825.00
7. Flowline Builders Ltd	509,609.80	509,609.80	0.00
8. Gracelands Complete Maintenance Ltd	471,673.18	453,973.18	-17,700.00
9. WH Construction Ltd	687,651.02	687,651.02	0.00

19. The percentage scores for both the Quality Method Statement Question Results and the Corrected Cost Element Results submitted by each tenderer is added together to determine the Overall Corrected Tender Evaluation Score.
20. The combined scores of the tenderers Quality Method Statement Questions and the tenderers corrected Cost Element Submissions, have been evaluated strictly in accordance with the MEAT criteria referenced. The results are set out in the table below:

Overall Corrected Tendered Evaluation Results				
Contractor;	Quality Assessment Total Weighted Score Percentage	Cost Element Total Weighted Score Percentage	ITT Evaluation Result Corrected Cost and Quality Submissions	Contractors Overall Position
Bell Group UK Ltd	14.3	55.4	69.6	3rd
Rose Construction Ltd	6.0	24.0	30.0	8th
Etec Group Ltd	15.3	37.6	52.9	6th
MG Construction Ltd	Did not return			
Topcoat Construction Ltd (TCL)	14.9	43.3	58.2	5th
Wilton Decorators Ltd	6.9	72.9	79.8	2nd
Flowline Builders Ltd	7.1	57.4	64.5	4th
Gracelands Complete Maintenance Ltd	16.0	67.7	83.7	1st
WH Construction Ltd	5.8	38.4	44.2	7th

21. The Contractors Overall Position are;
- Gracelands Complete Maintenance Ltd in overall position 1;
 - Wilton Decorators Ltd in overall position 2;
 - Bell Group UK Ltd in overall position 3;
22. It is therefore recommended that Gracelands Complete Maintenance Ltd, be awarded the contract for the Planned External Maintenance Repairs and Redecoration Programme 2020-25, for work to Council owned properties within Epping Forest District with annual expenditure limited to the budget included in the Housing Revenue Account, for up to a maximum of 5-years in the sum of £471,673.18 being the most economically advantageous tender received with overall percentage figures for Cost and Quality totalling 83.7%.

Contractor;	Overall Percentage;	Position;
1. Gracelands Complete Maintenance Ltd	83.7%	1 st
2. Wilton Decorators Ltd	79.8%	2 nd

23. A review of the Constructionline Supplier Report has been undertaken on the 3rd March 2020, which includes a financial check on Gracelands Complete Maintenance Ltd. The outcome revealed that in the latest set of financial accounts Gracelands Complete Maintenance Ltd has

a turnover of £8,160,194 for 2019-20, a further review will be undertaken prior to the contract award.

24. Gracelands Complete Maintenance Ltd, is an experienced contractor with a good track record of working with the Council and have in the past provided both a quality service and value for money on a consistent basis.
25. In order to mitigate the risk to the Council not being able to carry out the external maintenance repairs and redecorating programme 2020-21 due to not being able to enter into a contract with Gracelands Complete Maintenance Ltd for whatever reason or if in the future they cease trading or perform poorly, it is recommended that Wilton Decorators Ltd be selected as the Council's Reserve Tenderer for planned external maintenance repairs and redecoration to Council-owned properties, and awarded an annual contract for up to 5-years, being the second most economically advantageous tender received, with overall percentage figures for Cost and Quality totalling 79.8%.
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:

£500,000 is currently allocated within the existing Housing Revenue Account 2020-21 for the Planned External Maintenance Repairs and Redecoration Programme, and contract expenditure will be contained within the existing budget.

Legal and Governance Implications:

The financial expenditure over a 5-year period is below the sum requiring an OJEU tendering exercise. Therefore, this tender complies with OJEU Legislation and the requirements as set out in the Council's Procurement Rules.

This tender, along with the prior consultation undertaken with leaseholders, also satisfies the requirements of Section 20 of the Commonhold and Leasehold Act 2002.

Safer, Cleaner and Greener Implications:

To maintain the Council's properties and prevent properties falling into disrepair.

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 with the leaseholders of the blocks of flats.

Background Papers:

Tender Evaluation Report.

Risk Management:

A Risk Assessment has been undertaken which includes financial, quality, and health and safety risks. A reserve Contractor is included in the recommendations to mitigate the risk of the lead Contractor either failing to enter into a contract or failing to fulfil the terms of the contract.