

Wards Affected:

Bletchley West

ITEM 11

PROCUREMENT AND COMMISSIONING

7 FEBRUARY 2017

AWARD OF CONTRACT - FURZE HOUSE AND RIVERS COMMUNITY LEARNING CENTRE ROOF PROJECTS (REF: CU2550)

Responsible Cabinet Member: Councillor Middleton, Cabinet Member for Resources and Innovation

Report Sponsor: Kamran Rashid – Capital Programme Director, Resources

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Executive Summary

This report is seeking approval to award the contract to replace the roof at Furze House, Furzton and Rivers Community Learning Centre (CLC), Bletchley. Procurement and Commissioning previously agreed that the tender could progress at its meeting on 20 September 2016 (Minute PC018 refers).

Tenders were invited from the open market using the Council's E-Tendering system as three lots, Lot 1 one Rivers Community Learning Centre, Lot 2 Furze House and Lot 3 both projects. The projects were tendered as three lots to ensure that the council achieves best value.

1. Recommendation(s)

- 1.1 That Lot 1, Contract for the Roof replacements at Rivers Community Learning Centre, be awarded to the tenderer who has scored the highest in accordance with the Most Economically Advantageous Tender evaluation.
- 1.2 That Lot 2, Contract for the Roof replacements at Furze House, be awarded to the tenderer who has scored the highest in accordance with the Most Economically Advantageous Tender evaluation.
- 1.3 That any recommendation to extend these contracts be brought back to this Committee for a decision in sufficient time, to allow a new procurement exercise to take place if the Committee consider it more appropriate.

2. Context-

- 2.1 The contracted works will address the priorities for roof works that were identified in the condition surveys undertaken in 2015. This was part of the SMART Project which proposed to bring all MKC facilities up to acceptable standards and carry out essential repairs and maintenance

3. Background

- 3.1 This procurement was approved to proceed to Tender by Procurement & Commissioning on 20 September 2016.

3.2 Consultation

- (a) The specification and evaluation criteria for this contract were developed following consultation with the Managers at both sites.
- (b) The consultation highlighted that the need for programming not to affect the work at both centres so that they can remain operational during the works. At Furze House the need for minimum disruption to the young residents is required and this was built into the evaluation criteria and phased programming.

3.3 Market Engagement and Lessons Learnt

Potential tenderers were advised of the forthcoming tender via Milton Keynes Council's e-tendering system Intend.

3.4 Tender Evaluation

- (a) The contract was advertised on the Council's E-Tendering system on 18 November 2016 and 5 tenders were returned on 15 December 2016
- (b) The Tenders were evaluated by a suitably qualified and experienced panel of officers including Capital Development's Project Leader and Project Support Co-ordinator and external Technical Advisor. A Procurement moderation meeting was held on 5th January 2017.
- (c) The Evaluation criteria, scores and prices for all tenders are attached as an **Annex** (exempt paper) to this report. A summary of the Risk Assessment is set out in section 4.2 of this report.
- (d) The MEAT evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a breakdown of the Quality will be detailed in the exempt **Annex** to this report).
- (e) The results of the evaluations showed best value to be achieved with two separate lots.

Lot 1 – Rivers CLC

	Total score	Position
Company A	95.1	1
Company B	81.7	3
Company C	85.0	2

Lot 2 – Furze House

	Total score	Position
Company A	81.9	3
Company B	96.4	1
Company C	88.2	2

- (f) The evaluation criteria were weighted to ensure that essential quality aspects of the tender were scored accordingly, and minimum scores set.

1	Tender Price	60%
2	<p>Quality (The quality criteria comprises of the questions listed below, their weighting totalling 100%)</p> <p>Functional and Technical Compliance 45%</p> <p>Programme and Supervision 45%</p> <p>Environmental 10%</p>	40%

- (g) References were asked for on both projects with a pass or fail criteria. All companies passed on this question.
- (h) A recent certificate of competence to install flat roofs was asked for on the Lot 1 (Rivers CLC) project. All companies passed on this question.
- (i) There was a minimum quality score to question 1 on Lot 2. One company did not meet with this criteria and was therefore excluded from the pricing evaluation.
- (j) Public Services (Social Value) Act 2012. This was considered prior to tender. The decision not to include SV in these projects was because it was not proportionate to the requirement. This was agreed within the P&C report in September 2016.
- (k) Contract Management

The Senior Client Officer for this contract is the Project Leader from the Capital Development Team based in the Resources and Commercial directorate. The contract adheres to the NEC Engineering and Construction terms and conditions which will be administered by a Project Manager partner from the Milton Keynes Council Professional Services Framework.

The key governance processes will be delivered using the methodology contained within the Capital Projects Manual, which aligns with the MK Approach.

4. Implications

4.1 Policy

The award of this contract will progress the following *priorities / outcomes* within the Corporate Plan 2012/16:

- (a) The award of this contract contributes to meeting the Corporate Plan theme of Living in MK: Ensuring people are satisfied with Milton Keynes as a place to live, and to support them effectively through the provision of high quality and efficient public services.
- (b) The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4.2 Resources and Risk

- (a) Resource Allocation of £330,000 for Rivers re-roofing and £160,000 for Furze House re-roofing was approved as part of the 16/17 capital programme. The budget cost includes the works, professional fees, surveys, a project contingency.
- (b) The Risk Assessment for these contracts is available if requested or directly via Members access to GRACE.
- (c) The key OPPORTUNITY secured by this contract is to address the failing roof at Furze House to ensure safe and secure lodgings for the resident young people.
- (d) The key OPPORTUNITY secured by this contract is to address the failing roof at the Rivers Centre to ensure this does not fail completely resulting in costly repairs and maintenance bills.
- (e) It is assessed that the delivery of these contracts provides a HIGH Likelihood that will secure the opportunity defined providing Milton Keynes Council with a HIGH positive Impact.
- (f) The key THREATS for this contract was assessed pre tender and updated below:

Risk	Likelihood	Mitigation	Impact after Mitigation
Cost or time overruns	Low	The project was tendered with sufficient time to enable the successful contractor to fully resource and programme both projects	Low
End User engagement	Low	Both Managers fully engaged in tender process.	Low

The governance measures set out above provide a basis to conclude that these threats, properly managed represent a LOW likelihood with a MEDIUM Impact.

4.3 Resources and Risk

Y	Capital	N	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	Y	Asset Management

4.4 Carbon and Energy Management

Tenderers were required in their MEAT evaluation responses to explain how they would deal with recycling and waste material, reduction in energy use and protection of the local environment. Both companies to be awarded had comprehensive responses to this question and good processes in place.

4.5 Legal

The procurement of the works is compliant with the Council's Contract Procedure Rules and United Kingdom and European legislation.

There is a low legal risk attached to this procurement. To ensure such risk is mitigated a formal contract will be executed as a deed between the Council and successful tenderer.

4.6 Other Implications

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder
Y	Carbon and Energy Policy				

Background Papers: Decision to Proceed to Tender 20 September 2016 (Minute PC018 refers)

[Link to P&C Invitation to Tender report - 20 September 2016](#)

Exempt Papers: Evaluation criteria (**Annex**)