

**Wards Affected:**

Woughton and Fishermead

**ITEM 9****PROCUREMENT AND COMMISSIONING****7 FEBRUARY 2017****AWARD OF CONTRACT - SYNERGY PARK REFURBISHMENT OF HEATING AND DOMESTIC HOT WATER SYSTEMS (REF: CU2547)**

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Innovation)

Report Sponsor: Sean Rooney (Head of Highways)  
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**Executive Summary:**

This report is seeking approval to award the contract for the enhancement of the buildings boilers, calorifiers (hot water vessel) and introducing heating management systems. In addition enhancement to the heating distribution systems and radiators complete with independent thermostatic valve controls. The enhancement works will ensure that there is capacity to provide heating for any proposed accommodation expansion projects in the future. This is as a result of the existing heating systems being condemned and decommissioned. The project will support the delivery of an energy efficient system.

The contract term is for the installation period. The value of this contract is £180785.69.

Procurement and Commissioning previously agreed that the tender could progress at its meeting on 5 July 2016 (Minute PC005 refers).

**1. Recommendation(s)**

- 1.1 That the contract for the Heating and Domestic Hot Water System be awarded to the bidder who has scored the highest in accordance with the Most Economically Advantageous Tender evaluation.

**2. Context**

- 2.1 The contracted works / services / supplies will affect the staff at Synergy Park when the installation of the systems are carried out. All works will fully comply with CDM 2015 to ensure the wellbeing of the staff.

**3. Background**

- 3.1 Decision to Proceed to Tender

This procurement was considered at officer level by the Capital and Programme Review Panel on 25 May 2016. This procurement was approved

to proceed to Tender by Procurement & Commissioning on 5 July 2016 and is consistent with Council's policy for Imagine MK2050 Strategy (Low Carbon Living Strategy) approved by Cabinet on 21 October 2014.

### 3.2 Consultation

- (a) The specification and evaluation criteria for this contract were developed following consultation with the following key stakeholders:

The Cabinet Member of Resources and Innovation has been consulted, along with the Council's Head of Highways and the Council's Facilities Management team.

### 3.3 Tender Evaluation

- (a) The contract was advertised on the Council's E-Tendering system on 26 September 2016 and 12 tenders were returned on 24 October 2016.
- (b) The Tenders were evaluated by a suitably qualified and experienced panel of officers including FM Building Services Engineer and Mechanical Consultant. The Moderation element was carried out by a member of the Procurement Team.
- (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. The full risk assessment is available to Members on request or via direct access into GRACE (the Council's Risk Management System).

Area*	Evaluation Area	Weighting (%)
1	<b>Price</b>	70%
2	<b>Quality</b> Health and Safety Programming	30%

- (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).

	Total Score	Position
Company A	77.5	7
Company B	79.5	6
Company C	76.3	8
Company D	73.4	10

	<b>Total Score</b>	<b>Position</b>
Company E	88.7	4
Company F	90.0	3
Company G	71.2	11
Company H	57.4	12
Company I	91.9	1
Company J	90.4	2
Company K	87.2	5
Company L	75.0	9

- (e) Company I scored the highest and their quality evaluation met the requirements to a high standard.
- (f) Public Services (Social Value) Act 2012 was not considered as part of this tender due to the nature and duration of the works.

### 3.4 Contract Management

- (a) The Council's Project Manager is the Facilities Technical Officer.
- (b) The contract will adhere to JCT Minor Works Building Contract with Contractor's Design, 2011 Edition.
- (c) The key governance processes include:
  - (i) Performance and review meetings will occur once the contract has been awarded in line with the project delivery timetable.
  - (ii) The contract includes a 5% retention, half of which is released to the Contractor on practical completion, with the other half being released at the end of the defects liability period.

## 4. Implications

### 4.1 Policy

The procurement seeks to implement the council's policy for Imagine MK2050 Strategy (Low Carbon Living Strategy) approved by Cabinet on 21 October 2014.

The award of this contract will progress the following priorities/outcomes within the Corporate Plan 2012/16 - Cleaner, greener, safer and healthier MK.

- (a) Clean and high quality buildings.
- (b) MKC is committed to the implementation of a low carbon agenda.

4.2 Resources and Risk

- (a) Resource Allocation and spend approval of £300k for these works were approved as part of the 16/17 capital programme.
- (b) The Risk Assessment for this contract is available if requested or directly via Members access to GRACE.
- (c) The key OPPORTUNITY secured by this contract is to renew the complete heating and cold water boiler systems, pipe work, radiators and controls whilst giving MKC lower utility expenses and reducing the Councils carbon footprint. It is assessed that the delivery of this contract provides a HIGH likelihood that will secure the opportunity defined providing MKC with a MEDIUM Impact will secure the opportunity defined.
- (d) The key THREATS for this contract going forward have been assessed as:

<b>Risk</b>	<b>Likelihood/Impact</b>	<b>Mitigation</b>	<b>Likelihood/Impact after mitigation</b>
Delivery of service being interrupted.	Medium/High	Ensure that the existing air conditioning cassettes are fully maintained.	Medium

The governance measures set out in 3.4 above provide a basis to conclude that these threats, properly managed represent a MEDIUM / HIGH likelihood or a MEDIUM impact.

4.3 Resources and Risk Implications

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

4.4 Carbon and Energy Management

The completion of this project will contribute to the reduction in carbon emissions and reduce costs for MKC through the greater efficiency of the new heating systems.

4.5 Legal

- (a) The contract and its procurement are compliant with the council's contract and finance procedure rules, and UK and European legislation.

- (b) The Council's Constitution requires that Procurement and Commissioning approved commencement of tenders for all contracts with estimated value of over £100k and also that such contracts are advertised via the Council's Intend system. This report seeks approval to commence tender in line with the Councils constitutional requirements.

#### 4.6 Other Implications

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

Sustainability:

The nature of the contract provides a sustainable solution.

Background Papers: Decision to Proceed to Tender 5 July 2016

[Link to P&C Report - Invitation to Tender on 5 July 2016](#)

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