



City and County of Swansea
Dinas a Sir Abertawe

TENDER EVALUATION REPORT
for
THE ESTABLISHMENT OF A CONTRACTOR FRAMEWORK
FOR THE REFURBISHMENT OF KITCHENS AND
BATHROOMS.
31ST JULY 2018

Tender Evaluation Panel

Jayne James	Finance
Caritas Adere	Legal, Democratic Services & Business Intelligence
James Beynon	Commercial Services
Jeff Pope	Corporate Building & Property Services

1.0 Introduction

- 1.1 In order to assist the Authority's current and future HRA Capital Programme in support of the achievement of the Welsh Housing Quality Standards, it is necessary to establish a new Framework Agreement for the Refurbishment of approximately 7,000 Kitchens and Bathrooms.
- 1.2 The Framework will consist of four contractors. The arrangement is for a term of two and a half years, with an option to extend for up to a further one year.
- 1.3 The priced tender was based upon a specimen project of 500 kitchen and bathroom refurbishments. The highest scoring contractor will be awarded 40% of the properties in the refurbishment programme, the second highest scoring contractor being awarded 20%, the third highest scoring contractor being awarded 20% and the fourth highest scoring contractor being awarded 20%, subject to those contractors having the necessary capacity to undertake the works.
- 1.4 It is proposed that, subject to Cabinet approval, all projects falling under this Framework can be awarded by the Responsible Officer via delegated powers.
- 1.5 Within the tender documents it is made clear that the Authority does not guarantee work to any firms.
- 1.6 The responsible Officer is Nigel Williams, Head of Corporate Building Services.

2.0 Procurement Process

- 2.1 The contract was placed on the eTenderWales website on 28th March 2018.
- 2.2 Proposed tenderers were informed that tender submissions were to be scored upon a technical expertise (quality) of 30% of the available marks and a cost basis of 70% of the available marks.

3.0 Scoring Criteria

- 3.1 To accurately assess each submission a weighted scoring matrix for the process was required as shown within **Appendix A**.
- 3.2 Submissions were to be initially assessed in conjunction with an SSQ which was included with the contract documents & a financial appraisal.
- 3.3 All submissions passing the SSQ & meeting the financial criteria were scored based upon a technical expertise (quality) and cost basis weighted on a 30:70 index in accordance with the tender documents.

4.0 Tender Process and Analysis

- 4.1 The tender process was carried out via the etenderWales portal, and all completed Tender Documents were to be submitted by 27th April 2018.
- 4.2 During the tender process 51 contractors expressed interest in tendering via the etenderWales portal site.
- 4.3 As a result of requests from contractors tendering for the contract for extensions to the tender period & a prolonged investigation of whether a TUPE arrangement would be relevant for contractors who are currently engaged on the Kitchens & Bathrooms Framework and being unsuccessful in this new contract, the completion date was extended on numerous occasions up until the 22nd June 2018.
- 4.4 At the extended closing date of 22nd June 2018 tender submissions were received from the following twelve contractors:

Contractor A	£7,310,199.95
Contractor B	£7,949,084.23
Contractor C	£7,979,161.30
Contractor D	£8,294,782.08
Contractor E	£8,326,141.30
Contractor F	£8,327,240.14
Contractor G	£9,323,721.12
Contractor H	£10,220,538.24
Contractor I.	£10,354,553.99
Contractor J	£10,583,988.50
Contractor K	Disqualified
Contractor L	Disqualified

- 4.5 The tenders were opened via the eTenderWales portal by the Commercial Services Department in compliance with Contract Procedure Rules.
- 4.6 The tenders received from both Contractors K and L were disqualified as they only included the priced schedule of rates & failed to include the priced package quotations.
- 4.7 During the SSQ process which contained a financial appraisal it was identified that both Contractors B & J failed to meet the specified financial criteria specified in the tender documents of having a turnover of at least twice the determined value of the allocation of works. Both of these tenders were then removed from further consideration.
- 4.8 The remaining submissions were evaluated by Officers from Corporate Building & Property Services, and the Beyond Bricks and Mortar Team. In addition the four highest point scoring contractors were also checked by the Finance department to ensure that the financial information submitted with their tenders was accurate.
- 4.9 Marks were awarded against each response received in the Quality Assessment based against a set of questions contained within the Tender Document (see the Tender Evaluation Criteria in Appendix A).
- 4.10 In the Financial Assessment full marks were awarded for the lowest priced submission. For other submissions, marks would be lost in proportion to the deviation from the lowest priced submission as per the example shown in the Tender Documents. Tender prices for a specimen project of 500 kitchens and bathrooms were received.
- 4.11 During the process of arithmetically checking the financial tender submissions, errors were discovered in submissions from Contractors A, C, D and F. As agreed with Procurement the errors were communicated to the relevant contractors by e-mail who were asked to re-submit the affected documents (if applicable). Following correction of the arithmetic errors contained within the submissions, the amended tender sums are as follows:

Contractor A	£7,300,087.95
Contractor C	£7,976,680.90
Contractor D	£8,294,719.45
Contractor E	£8,326,141.30
Contractor F	£8,327,175.46
Contractor G	£9,323,721.12
Contractor H	£10,220,538.24
Contractor I	£10,354,553.99

- 4.12 As previously stated in this report, the tenders were assessed on a 70%:30% cost and quality basis. The Contractors' scoring for the Quality element of the tender submission is as follows:

Contractor I	902 points
Contractor A	868 points
Contractor C	866 points
Contractor D	859 points
Contractor F	780 points
Contractor H	771 points
Contractor E	724 points
Contractor G	703 points

- 4.13 Following the application of the formula for the financial submission and the score added to the quality score, the final outcome of the tender submissions is as follows:

Contractor A	3668 points
Contractor C	3406 points
Contractor D	3278 points
Contractor F	3186 points
Contractor E	3130 points
Contractor G	2727 points
Contractor I	2530 points
Contractor H	2451 points

- 4.14 The initial financial appraisal was conducted using the 40% allocation for all contractors to ensure they were financially secure if they were awarded 40% of the works. The financial appraisal identified a possible issue with Contractor C's ability to deliver 40% of the contract. However, further due diligence checks have been carried out by finance and finance are satisfied that they meet the threshold of financial viability and can be considered to deliver 20% of this contract.

This is a framework arrangement. If Contractor C became financially unstable and could not undertake the work then the work would be offered to the other framework contractors.

The Responsible Officer is satisfied that Contractor C are financially secure at present to carry out the 20% allocation of works that they have been appointed for.

5.0 Financial Implications

- 5.1 There is an approved budget for HRA Kitchen and Bathroom renewal for 2018-19 of £26,801,000 and ongoing budgets for the following two years of £26,052.00 in 2019-20, £17,434.000 in 2020-21

6.0 Legal and Procurement Implications

- 6.1 The Responsible Officer is satisfied that the tender process has been undertaken in accordance with prevailing Contract Procedure Rules and Public Contracts Regulations and recommends approval in accordance with those Rules.
- 6.2 The contract will be awarded applying the Terms and Conditions of the NEC3 Engineering and Construction Short Contract (June 2005) as Amended including amendments to the Contract resulting from the Local Democracy, Economic Development and Construction Act 2009.

7.0 Recommendation

- 7.1 The Tender Evaluation Panel recommends that the following contractors will be appointed on to the Authority's Contractor Framework for the Refurbishment of Kitchens and Bathrooms:

Contractor A	Allocation of 40% of properties
Contractor C	Allocation of 20% of properties
Contractor D	Allocation of 20% of properties
Contractor F	Allocation of 20% of properties