

Finance & Resources Committee

10.00 am, Thursday, 26 November 2015

Framework Agreement for Multi-Trade Contractor for Council Properties - Award of Contract

Item number	7.13
Report number	
Executive/routine	Executive
Wards	All

Executive summary

This report seeks the approval of the Finance & Resources Committee to award the Framework Agreement for Multi-Trade Contractors for Council Properties for the contract sum of £2.5million for the period 11 January 2016 to 10 January 2020 (including an optional 1 year extension), following a competitive tender process to identify the most economically advantageous tenderers.

Links

Coalition pledges	CP08
Council outcomes	CO16
Single Outcome Agreement	SO4

Framework Agreement for Multi-Trade Contractor for Council Properties - Award of Contract

Recommendations

The Finance and Resources Committee is requested to:

- 1.1 Approve the award of the Framework Agreement for Multi-Trade Contractors for Council Properties to Saltire Roofing & Building Ltd, Clark Contracts Ltd and Firstcall Trade Services Ltd for the period 11 January 2016 to 10 January 2020 (including an optional 1 year extension), for the contract sum of £2.5million.

Background

- 2.1 Within Services for Communities, Edinburgh Building Services (EBS) is responsible for all aspects of domestic maintenance repairs required to ensure an empty home is returned to the agreed standard for re-occupation. The target turnaround time is 12 calendar days. This contributes to meeting the overall re-letting time of 21 days. In 2014/15 the average re-letting time was 25 days. This placed the Council in the top quartile for empty home performance for Scottish Local Authorities.
- 2.2 Performance data indicates that approximately 1,800 properties were empty for a period of time during 2013/14, with a variety of trade work required within the properties.
- 2.3 The costs associated with returning empty homes to the required standards is approximately £3million per annum, based upon spend levels for 2013/14. EBS internal resource has the capacity to deliver approximately 80% of this spend, and it is intended that 20% of the annual spend will be through this multi-trade framework, £600,000 per annum.
- 2.4 EBS currently provides the required services via in-house staff and the use of the Domestic Repairs & Maintenance contract. This contract has proved difficult to manage due to the structure of the single trade subcontractors which has caused delays and meant that the required target turnaround times are sometimes not met.

Main report

- 3.1 This report seeks approval to appoint three suitably qualified and experienced contractors to carry out multiple trades within Council homes.

- 3.2 The tender and evaluation process was undertaken in accordance with Council Standing Orders, Public Procurement (Scotland) 2012 Regulations and EU Procurement Directives.
- 3.3 A contract notice was placed on the Public Contracts Scotland Portal on 3 March 2015 confirming it would be a two stage procurement procedure.
- 3.4 Fifty nine organisations noted interest in the contract and downloaded the Pre Qualification Questionnaire (PQQ) documentation which was attached to the notice. Of the 59 organisations, 23 submitted PQQs by the closing date of 9 April 2015.
- 3.5 The aim of the PQQ evaluation process was to allow the Council to identify suitably qualified and experienced bidders to be invited to tender by considering their financial stability, technical capability, capacity, experience and organisational processes and procedures evidenced by previous project examples. As a result of the PQQ process six bidders were selected to be invited to tender.
- 3.6 In the invitation to tender it was stated that the Framework would be awarded to the top three scoring suppliers on the basis of the most economically advantageous tender with 30% of the overall score being given to quality and 70% given to price. This ratio was determined as the repair and maintenance market is well established and stable. This ratio also ensured that the focus was on the value of the repairs being undertaken to ensure maximisation of the savings to support the Council's budget but also takes into account the quality of the processes and procedures of the organisations.
- 3.7 Of the six bidders selected at the PQQ stage to be invited to tender, one bidder did not submit a tender return.
- 3.8 The five tender submissions received were evaluated to determine a score for quality. The maximum score for quality was 30%. Six evaluation criteria areas were identified. Further details of the procurement process, including the members of the evaluation team and the six quality evaluation criteria and their respective weightings, are provided in Appendix 1.
- 3.9 On completion of the individual evaluation process a consensus meeting was held attended by the members of the evaluation team and the contract administrator from Commercial and Procurement Services. Individual evaluation criteria scores were reviewed and debated and a consensus score reached for each bidder. The appropriate weighting was then applied to each of the individual evaluation criteria to arrive at a final quality score.
- 3.10 A threshold of 50% of the total available marks for quality was set to ensure that any bidder failing to provide a satisfactory response to the published evaluation criteria requested within the tender documentation would not be considered further and would not have their pricing bid opened.

- 3.11 Following completion of the quality analysis, as all bidders had achieved the minimum threshold score of 50% for quality, their pricing bids were opened and subject to a cost analysis.
- 3.12 The lowest priced tender received was awarded the maximum score of 70% for price. All other bids were then scored on a pro-rata basis against this lowest bid.
- 3.13 The pricing element involved suppliers applying a Contractors Percentage Adjustment against the base rate for each specific trade. The bidders were provided with examples of work and notional occurrences from historical data.
- 3.14 The quality scores were then combined with the scores from the cost analysis to derive an overall score for each bidder out of a maximum of 100. The results are detailed in the table below.

Bidder	Quality Score	Price Score	Total Score
Rank 1 - Saltire Roofing & Building Ltd	23.55	69.92	93.47
Rank 2 - Clark Contracts Ltd	19.80	70.00	89.80
Rank 3 - Firstcall Trade Services Ltd	20.10	66.23	86.33
Bidder 4	17.85	63.98	81.83
Bidder 5	17.40	63.21	80.61

- 3.15 The bidder with the highest overall score which represents the Most Economically Advantageous Tender is Saltire Roofing & Building Ltd which provided satisfactory responses to all elements of the award criteria and met all mandatory criteria for insurance levels, trade qualifications, financial stability and business probity.
- 3.16 As per the Tender documentation, all work up to a value of £3,000 will be directly awarded to the first ranked contractor and any work in excess of £3,000 will be subject to mini-competition.
- 3.17 It is therefore recommended that Committee approve the award of the Framework Agreement for Multi-Trade Contractors for Council Properties to Saltire Roofing & Building Ltd, Clark Contracts Ltd, Firstcall Trade Services Ltd for the period - 1 November 2015 to 31 October 2019 (including an optional 1 year extension) for the contract sum of £2.5million.

Measures of success

- 4.1 The success of the framework will be measured by Key Performance Indicators (KPIs).

4.2 KPIs will ensure that strict contract management and performance monitoring is maintained for all maintenance and improvement works carried out on behalf of the Council. KPIs will measure:

- Mini Competition Tenders
- Cost Compliance
- Community Benefits
- Meeting reporting requirements
- Variations
- Schedule performance
- HSE standards/certification compliance
- HSE record
- Quality/Technical Performance
- Customer Complaints
- Contractor Personnel Conduct.

Financial impact

- 5.1 The estimated cost of the Contract is £2.5million from 11 January 2016 to 10 January 2020 and is accommodated within EBS budget.
- 5.2 The trades spend on the homes has been demonstrated as approximately £3m per annum based upon spend 2013/14. However, it is noted that much of this spend will not be procured through the proposed Multi-trade framework. It is estimated that approximately 20% of the annual spend will be procured through the multi-trade framework, £600,000 per annum.
- 5.3 It is anticipated that savings of up to 10.8%, which equates to £270,000, will be delivered from this Framework based upon comparison between a Schedule of Rates and notional occurrences with the suppliers' submitted Contractors Percentage Adjustment applied. The delivery of savings against budget spend will be monitored.
- 5.4 The Salary costs to procure this contract are estimated to be between £20,001-£35,000.

Risk, policy, compliance and governance impact

- 6.1 There are no negative risk, policy, compliance and governance impacts arising from this report.

Equalities impact

- 7.1 There are no negative equality or human rights impacts arising from this report.

Sustainability impact

- 8.1 The Council will operate a Community Benefits Points system (CBP) for all direct awards and mini competitions for this framework.

8.2 The points system will apply throughout the duration of the framework and points will be accrued based upon overall spend rather than on a per job basis. Contractors will be required to deliver Community Benefits such as carrying out a workshop in a School or Community Centre in Edinburgh, linked to curriculum for excellence or sponsorship of a local organisation on the basis of points accrued annually or by mutual consent. Delivery may be expected up to two years after the expiry of the framework.

Consultation and engagement

9.1 Prior to commencing the procurement process for a multi-trade contractor, consultation was carried out with the Local Neighbourhood teams and Edinburgh Building Services to establish the standard of let required. This standard has been approved and all works carried out by the successful contractors within an empty home are expected to meet this specification.

Background reading/external references

N/A

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Links

Coalition pledges	CP08 – Make sure the City’s people are well housed, including encouraging developers to build residential communities, starting with Brownfield sites.
Council outcomes	CO16 – Well housed. People live in a good quality home that is affordable and meets their needs in a well managed neighbourhood.
Single Outcome Agreement	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
Appendices	Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Framework Agreement for Multi-Trade Contractor for Council Properties
Contract period	1 st November 2015 – 31 st October 2019 (including a 1 year optional extension)
Contract value	£2,500,000
Standing Orders observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	www.publiccontractsscotland.co.uk
EU Procedure chosen	Restricted
Invitations to tender issued	Six
Tenders returned	Five
Tenders fully compliant	Five
Recommended supplier/s	Saltire Roofing & Building Ltd Clark Contracts Ltd Firstcall Trade Services Ltd
Primary criterion	Most economically advantageous tender to have met the qualitative and technical specification of the client department
Evaluation criteria and weightings	Written responses were provided for the following award criteria areas: 1. Delivery Of The Contract – 30% 2. Project Management – 30% 3. Quality Assurance - 25% 4. Risk Management – 5% 5. Sustainability – 5% 6. Community Benefits – 5%
Evaluation Team	Carol Reid, Services for Communities Willie Crawford, Services for Communities Willie Gilhooly, Services for Communities