

Finance and Resources Committee

10.00am, Thursday, 19 January 2017

Edinburgh Shared Repairs Service (ESRS) Award of Framework Agreement.

Item number	7.15
Report number	
Executive/routine	
Wards	All

Executive Summary

This report seeks Committee approval to award a multi lot framework agreement to the most economically advantageous organisations identified, following a competitive tendering process. The framework consists of 4 lots for micro and minor works for Roofing and Stonework, to enable Edinburgh Shared Repairs Service (ESRS) to carry out statutory repairs on private property in Edinburgh.

The term of the framework will be two years with the option to extend annually for a further two years.

The value between the 4 lots will be approximately £5m per annum although it is anticipated this will not be realised until well into 2018/19 due to the newness of the service

Links

Coalition Pledges	P28
Council Priorities	CP12
Single Outcome Agreement	SO4

Edinburgh Shared Repairs Service (ESRS) – Award of Framework Agreement

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
 - 1.1.1. Approves the award of Lot 1 Roofing – Micro Works up to £10k as part of the Framework to James Breck Ltd, Saltire Roofing & Building and Apex Developments Ltd at an estimated contract value of up to £500k per annum.
 - 1.1.2. Approves the award of Lot 2 Stonework – Micro Works up to £10k as part of the Framework to James Breck Ltd, Apex Development Ltd and Forth Stone Ltd at an estimated contract value of up to £500k per annum.
 - 1.1.3. Approves the award of Lot 3 Roofing & Stonework – Minor Works up to £50k as part of the Framework to Watson and Lyall Ltd, James Breck Ltd, Go-Wright Ltd, Apex Development Ltd, G Grigg and Sons and Forth Stone Ltd at an estimated contract value of £2m per annum.
 - 1.1.4. Approves the award of Lot 4 Roofing & Stonework – Minor Works up to £250k as part of the Framework to Watson and Lyall Ltd, James Breck Ltd, Go-Wright Ltd, Apex Development Ltd, G Grigg and Sons and Campbell & Smith Construction Group at an estimated contract value of £2m per annum.

2. Background

- 2.1 ESRS is a new service the Council has developed since September 2015. The service will be fully operational in April 2017. ESRS objectives are as follows:
 - 2.1.1 To help maintain the fabric of the city, the conservation of the built heritage and protection of health and safety;
 - 2.1.2 To support, encourage and enable owners to proactively take responsibility for planning and organising repairs and maintenance;
 - 2.1.3 To intervene when owners have exhausted all other reasonable means of agreeing and undertaking a repair; and
 - 2.1.4 To effectively manage the Council's financial and reputational risk as it carries out its statutory duties and powers.
- 2.2 In order to enable the Council to meet statutory duties and provide property owners with an expected level of service, it is necessary to have Framework Contractors in place to undertake common repair work. The Framework will be in place for two years, with an option to extend annually for a further two years subject to annual review.

- 2.3 It is anticipated that the Framework will be operational from April 2017.

3. Main report

- 3.1 The City of Edinburgh Council wishes to appoint a number of suitably qualified and experienced contractors to carry out the common repair works upon enforcement of statutory notices on private property.
- 3.2 The tender and evaluation process was conducted in accordance with Council Contract Standing Orders, Public Contracts (Scotland) Regulations 2012 and EU Procurement Directives.
- 3.3 On 30 November 2015, the Council undertook a full tender exercise by placing a contract notice on the Public Contracts Scotland Portal as a two stage process.
- 3.4 The lots advertised were:
- 3.4.1 City of Edinburgh Council Edinburgh Shared Repairs Service Framework:
- Lot 1 Roofing works up to £10k;
 - Lot 2 Stonework up to £10k;
 - Lot 3 Roofing & Stonework up to £50k; and
 - Lot 4 Roofing & Stonework up to £250k.
- 3.5 The aim of the Pre-Qualification Questionnaire (PQQ) evaluation process was to allow the Council to identify suitably qualified and experienced bidders to be invited to tender. The organisations selected at the PQQ stage were then invited to bid on 31 August 2016 and tenders were returned on 17 October 2016.
- 3.6 Tender submissions were evaluated by a technical evaluation panel. The evaluation placed an emphasis on quality, as well as price, with the aim of selecting the most economically advantageous tenders for each of the four lots. A cost quality ratio of 60% cost and 40% quality was applied to all lots.
- 3.7 As the Council's ESRS workload is predominantly repairs on historic buildings, most predating 1920, it was important that there was an emphasis on quality whilst still providing a competitive cost for the works to owners. The cost incurred by the Council of all statutory repairs is recoverable from owners upon completion of the works. The legislation used to recover costs is the City of Edinburgh District Council Order Confirmation Act 1991.
- 3.8 The quality analysis was based on weighted award criteria questions, which were scored using a 0 to 10 matrix. Following completion of the quality analysis, tenders that passed the minimum threshold of 50 marks for quality were subject to cost analysis.
- 3.9 All the bids submitted were based on a schedule of rates with the bidders providing a Contractors Percentage Adjustment (CPA), notional provisional sums and a notional sum for dayworks. The tender results for each lot are set out in Appendix 1.

4. 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:
- Commercial Management;
 - Schedule;
 - Health and Safety;
 - Works Quality;
 - Customer Care; and
 - Community Benefit Delivery.

5. Financial impact

- 5.1 The contractor costs will be accommodated in the existing ESRS Revenue Budget. These costs are recoverable under the City of Edinburgh District Council Order Confirmation Act 1991.
- 5.2 The estimated contract value of each of the four lots is reflective of historical spend for these services when the previous statutory repairs service was operational. Contract spend across the four lots will be monitored on a quarterly basis.
- 5.3 The costs associated with procuring this contract are estimated to be between £20,000 and £35,000.

6. Risk, policy, compliance and governance impact

- 6.1 Whilst previous contractor frameworks were procured by the former Property Conservation Service, this framework succeeds in bringing together service requirements to allow for economies of scale, improved contract management opportunities and the ability to build a long term working relationship with each contractor. This framework includes a schedule of works however it also allows for a competitive pricing element when each project is procured using mini competition. This approach allows project prices to reflect market demands.
- 6.2 Awarding this framework will ensure compliance with the Councils contract standing orders, European procurement rules, coalition pledges, our statutory duties and continued delivery of the service.

7. Equalities impact

- 7.1 An equalities impact assessment has been carried out and submitted to ERIA team, December 2016.

8. Sustainability impact

Environmental Benefits

- 8.1 The contractors must procure timber from legal and well managed forests, which are certified under third party schemes and comply with the criteria set in the UK Government Timber Procurement Policy. Evidence on compliance will be required at the quarterly review meetings. Contractors must also supply waste management proposals for each work package.

Community Benefits

- 8.2 The Council aims to maximise the social, economic and environmental benefits from its procurements (known as 'Community Benefits') by incorporating Community Benefit Clauses within its contracts. These benefits are delivered by suppliers in addition to meeting the core requirements of the contract or agreement.
- 8.3 In the procurement of Frameworks, Community Benefits are not requested 'up front' as there is no guarantee to any contractor of any works being commissioned to their organisation. Instead, the focus is on encouraging Community Benefits through individual contracts subsequently awarded through Mini Competition or Direct Award.
- 8.4 For this reason Commercial and Procurement Services (CPS) has developed a community benefit points system to be utilised as work is awarded. The Community Benefits schedule for this Framework outlines a number of suggestions for contractors, however, organisations will be encouraged to innovate and tailor benefits as appropriate.
- 8.5 In developing a points system, CPS has also encouraged fairness particularly for those smaller contractors which normally have to compete with larger organisations in the delivery of these Community Benefits.
- 8.6 The Council will operate a Community Benefits Points system (CBP) for all awarded works for this framework.
- 8.7 The points system will apply when works are awarded to a contractor for the duration of the framework, and 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.
- 8.8 This procurement also includes placements for the St Marys Cathedral Apprenticeship Scheme, where and when appropriate we will ask contractors to facilitate work placements for apprentices of the scheme.

9. Consultation and engagement

- 9.1 A review of the current arrangements took place in August 2015. Engagement was carried out with ESRS Manager and Commercial and Procurement Services with lessons learned from the current arrangement taken into account along with spend analysis.

- 9.2 Commercial and Procurement Services and the ESRS conducted a bidders day in the City Chambers on 14 October 2015 to encourage contractors to tender for the framework.
- 9.3 Commercial and Procurement Services along with the Supplier Development Programme conducted training on how to complete procurement documents in the Lothian Chamber on 9th October 2015.

10. Background reading/external references

- 10.1 Not applicable.

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11. Links

Coalition Pledges	P28 – Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city.
Council Priorities	CP12 - A built environment to match our ambition.
Single Outcome Agreement	SO4 - Edinburgh's communities are safer and have improved physical and social fabric.
Appendices	Appendix 1 – Summary of Tendering Outcomes

Appendix 1 – Tender Outcomes

Lot 1 Roofing Works up to £10k

Tenderer	Price Score	Quality Score	Overall Tender	Overall Rank
James Breck Ltd	56.74	29.40	86.14	1
Saltire Roofing & Building	48.98	32.60	81.58	2
Apex Developments Ltd	55.20	25.80	81.00	3

Lot 2 Stonework's up to £10k

Tenderer	Price Score	Quality Score	Overall Tender	Overall Rank
James Breck Ltd	56.79	29.40	86.19	1
Apex Developments Ltd	52.56	25.80	78.36	2
Forth Stone Ltd	51.71	25.40	77.11	3

Lot 3 Roofing & Stonework's up to £50k

Tenderer	Price Score	Quality Score	Overall Tender	Overall Rank
Watson and Lyall Ltd	59.18	25.40	84.58	1
James Breck Ltd	53.73	29.40	83.13	2
Go-Wright Ltd	51.33	28.40	79.73	3
Apex Developments Ltd	52.51	25.80	78.31	4
G. Grigg & Sons	51.97	26.20	78.17	5
Forth Stone Ltd	48.60	25.40	74.00	6
Bidder 7	45.78	27.20	72.98	7

Lot 4 Roofing & Stonework's up to £250k

Tenderer	Price Score	Quality Score	Overall Tender	Overall Rank
Watson and Lyall Ltd	59.18	25.40	84.58	1
James Breck Ltd	52.37	29.40	81.77	2
Go-Wright Ltd	50.45	28.40	78.85	3
Apex Developments Ltd	51.31	25.80	77.11	4
G. Grigg & Sons	50.64	26.20	76.84	5
Campbell & Smith Construction	47.99	27.20	75.19	6
Bidder 7	48.22	25.40	73.62	7
Bidder 8	41.42	25.00	66.42	8