

# Finance and Resources Committee

10.00am, Thursday, 4 March 2021

## Award of Contract for Domestic Repair and Maintenance works to Council Properties

Executive Wards Council Commitments	Executive All 2, 3 and 7
---	--------------------------------

### 1. Recommendations

---

- 1.1 It is recommended that Finance and Resources Committee:
- 1.1.1 approve the award of a Multi-Lot Framework Agreement for reactive and planned maintenance works to the Council's Domestic Estate to the suppliers set out in Appendix 1. The framework consists of seven Lots with an estimated value of between £20m and £24m over the maximum four-year term, as follows:
    - 1.1.2 Lot 1 Internal Multi-Trade Works at an estimated contract value of £3,637,000 per annum;
    - 1.1.3 Lot 2 External Multi-Trade Works at an estimated contract value of £420,000 per annum;
    - 1.1.4 Lot 3 Gas Engineering Services at an estimated contract value of £885,000 per annum;
    - 1.1.5 Lot 4 Preservation Works at an estimated contract value of £300,000 per annum;
    - 1.1.6 Lot 5 Mobile Access Equipment and Scaffolding at an estimated contract value of £150,000 per annum;
    - 1.1.7 Lot 6 Cosmetic Repair Works at an estimated contract value of £500,000 per annum; and
    - 1.1.8 Lot 7 Jetting and Drainage Works at an estimated contract value of £150,000 per annum;

- 1.2 Notes that an eighth Lot for Flooring works was also tendered, however is not considered for award at this time, as further feedback with the tenderers will be undertaken prior to deciding on the next steps for this requirement.
- 1.3 Notes the contract values above are reflective of estimated future pipeline of works and that the scope of works may fluctuate subject to demand, budget allocation and the availability of internal resources.

**Paul Lawrence**

Executive Director of Place

Contact: Willie Gilhooly, Acting Housing Property Manager

E-mail: [willie.gilhooly@edinburgh.gov.uk](mailto:willie.gilhooly@edinburgh.gov.uk) | Tel: 0131 529 7866

## Award of Contract for Domestic Repair and Maintenance works to Council Properties

### 2. Executive Summary

---

- 2.1 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 7 Lots for reactive and planned repair and maintenance works to Council domestic properties.
- 2.2 The estimated Framework value is between £20m and £24m over the four-year duration of the Framework.

### 3. Background

---

- 3.1 The Council has an operational estate of approximately 20,000 homes with a significant and diverse range of property types, usage and tenure. These include:
  - low rise and high-rise flats;
  - bungalows and houses;
  - sheltered accommodation;
  - homes of multiple occupancy; and
  - wholly owned tenanted blocks and blocks of mixed tenure.
- 3.2 Each of these are constructed in a variety of traditional and non-traditional methods presenting their own unique repair and maintenance challenges.
- 3.3 The Repairs and Maintenance (R&M) requirements are three-fold:
  - 3.3.1 Planned Preventative Maintenance (PPM)/Cyclical Maintenance – a programme to proactively inspect and maintain assets including clearing gutters and drainage systems, maintain windows, roofs, flooring, electrical and mechanical equipment etc. to prolong life-cycle, maintain best performance and mitigate risk.
  - 3.3.2 Reactive Repairs - the repair or replacement of items when defective. Predominantly health and safety, wind and watertight or service provision requirements including structural concerns, leaking roofs, broken windows, defective heating etc.

- 3.3.3 Statutory inspections and certifications – the mandatory inspections and maintenance of equipment to ensure legal compliance without which these cannot be used. For example, gas-safe tests for boilers/fires/ cookers etc.
- 3.4 Housing Property carry a range of tradespersons to meet the above R&M requirements, however, to meet critical targets, the internal service often requires support from external contractors to support the delivery of services.
- 3.5 The current Domestic Repair and Maintenance Framework expires on the 31 March 2021. To ensure compliance with the Council’s regulatory obligations, the procurement of a replacement framework was necessary, however in doing so the Council capitalised on the opportunity to further develop the specification of requirements to increase flexibility, increase capacity, maximise economies of scale through amalgamation of the Lots, embed savings where practicable and deliver contract management efficiencies.

## **4. Main report**

---

- 4.1 Commercial and Procurement Services (CPS) has been working with key officers within Housing Property on a procurement process for the re-tendering of the current Domestic Repair and Maintenance Framework.
- 4.2 CPS placed a Contract Notice in the Official Journal of the European Union (OJEU), via Public Contract Scotland (PCS) on 9 November 2020 inviting interested suppliers to submit a Tender. Tenderers were required to submit an European Single Procurement Document (ESPD) to assess the bidders’ financial capacity and business probity, a response to the Qualitative Award Criteria (see Appendix 1) and a cost to deliver a basket of Schedule of Rates (SOR) alongside hourly rates and a percentage mark up on materials and plant.
- 4.3 The Project Team held a Project Launch Event on 16 November aimed at supporting the market in understanding more about the opportunity and a step by step guide on accessing the tender documentation and instructions on how to prepare a bid. The aim of this event was to support Small and Medium sized enterprises (SMEs) who may find it more challenging taking part in a Regulated procurement exercise. The event was very well attended and the feedback from potential bidders was positive.
- 4.4 The Lots advertised were:
- 4.4.1 Lot 1 Internal Multi-Trade Works;
  - 4.4.2 Lot 2 External Multi-Trade Works
  - 4.4.3 Lot 3 Gas Engineering Services;
  - 4.4.4 Lot 4 Preservation Works;
  - 4.4.5 Lot 5 Mobile Access Equipment and Scaffolding;
  - 4.4.6 Lot 6 Cosmetic Repair Works;

4.4.7 Lot 7 Jetting and Drainage Works; and

4.4.8 Lot 8 Flooring Works.

- 4.5 There were 33 tenders returned across all eight Lots. The submissions were initially evaluated to ensure that they met the minimum compliance checks in terms of business probity, criminal history and legal requirements such as Health and Safety Policy. All tenders were then evaluated by a technical evaluation panel.
- 4.6 The technical evaluation panel for each Lot consisted of different officers who were identified as the best placed through their experience and skills for each of the individual Lots. This part of the tender evaluation focuses on evaluating a number of qualitative award criteria which is contained within Appendix 1.
- 4.7 Following the evaluation panels individually scoring exercise, the panel participated in a moderation meeting chaired by CPS to reach a consensus score for each element.
- 4.8 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% of the available quality marks were then subject to cost analysis.
- 4.9 For the bidders who met the minimum threshold, their price bid was then considered, with the aim of selecting the most economically advantageous tenders for each of the 8 Lots based on organisations tendering on a quality/cost ratio of 60% quality and 40% price. The quality/cost ratio was determined due to a need for suppliers to provide quality service at the most economical price.
- 4.10 The 40% price was sub divided across the various disciplines within each Lot, to provide the Council with the most commercially competitive offer based on a range of Schedule of Rates and labour costs values.
- 4.11 As the 40% final price score is made up of several component parts (i.e. not a single price) it is unlikely that a single tenderer would achieve the lowest cost across all components , therefore as shown in the Appendix, there are limited tenderers obtaining the full 40% price score.
- 4.12 All evaluated elements were combined to provide the final tender offer. The tender results for each Lot are set out in Appendix 2.
- 4.13 Where organisations have a “0.0” score for price this is due to their quality bid failing to achieve the pre-set quality threshold of 50%. Organisations failing to achieve the 50% threshold were not considered further for appointment and their price proposal was not reviewed.
- 4.14 Lot 8 for Flooring Services is not being considered for award at this time as the tenders did not provide a best value outcome. A full review will include tenderer feedback to understand why tendered costs were higher than expected, prior to deciding next steps for this requirement. In the interim, the works will be delivered by internal resources and the Lot 1 successful contractors as flooring was also included in their Scope.

## **5. Next Steps**

---

- 5.1 Subject to the Committee's approval, and completion of the required standstill period, the award of the framework will be completed.
- 5.2 To ensure the Council is able to maximise the financial and non-financial benefits of the framework, including the delivery of community benefits. A contract management plan is being put in place which will robustly manage the Contract and ensure the desired outcomes are achieved.

## **6. Financial impact**

---

- 6.1 The estimated contract value of each of the seven Lots being taken forward is reflective of estimated spend through maximisation of internal resource and the scope of works may fluctuate subject to demand. Contract spend will be monitored on an ongoing basis.
- 6.2 The costs associated with procuring this framework are estimated to be between £20,000 and £35,000.

## **7. Stakeholder/Community Impact**

---

- 7.1 The Framework mandates that the suppliers will provide a community benefit from the community benefit menu for every service order commissioned.
- 7.2 The framework utilises the Council's menu of community benefits which currently lists 66 available benefits each with a point value associated. Every supplier is committed to this system. The value of the call off pre-determines the amount of points that the supplier is required to spend, this will occur for every call off. Each community benefit offer will be monitored on the Council's community benefits platform by the Council's contract manager.
- 7.3 This framework provides a strong commitment to SME development with over 90% of those successful being an SME.
- 7.4 The Council requires every contractor to identify if they pay the real Living Wage, 90% identified they are committed to paying the real Living Wage.
- 7.5 All contractors have committed to signing the Council's Construction Charter.

## **8. Background reading/external references**

---

- 8.1 N/A.

## **9. Appendices**

---

- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Processes.
- 9.2 Appendix 2 – Tender Evaluation Outcome.

## Appendix 1 – Summary of Tendering and Tender Evaluation Processes

<b>Contract</b>	Lot 1 Internal Multi-Trade Works	
Contract period (including any extensions)	4 years	
Estimated Contract Value (including extensions)	£3,637,000	
Procurement Route Chosen	Open Procedure	
Tenders Returned	6	
Name of Recommended Supplier(s)	Saltire Roofing and Building Ltd Response Building Maintenance Services (Scotland) Ltd	
Price / Quality Split	<b>Price 40%</b>	<b>Quality 60%</b>
Evaluation criteria and weightings and reasons for this approach	<b>Price</b>	<b>40%</b>
	Schedule of Rates	90%
	Hourly Rates and Mark Up on Materials and Plant	10%
Evaluation criteria and weightings and reasons for this approach	<b>Quality</b>	<b>60%</b>
	Understanding and Capability	20%
	Framework Delivery Team	15%
	Delivery Approach and Methodology	20%
	Health and Safety	10%
	The Environment	10%
	Business Continuity and Resilience	5%
	Fair Work Practices	10%
Community Benefits	10%	
Evaluation Team	Evaluated by Technical officers from Housing Property	



<b>Contract</b>	Lot 2 External Multi-Trade Works	
Contract period (including any extensions)	4 years	
Estimated Contract Value (including extensions)	£420,000	
Procurement Route Chosen	Open Procedure	
Tenders Returned	7	
Name of Recommended Supplier(s)	James Breck Ltd Saltire Roofing and Building Ltd	
Price / Quality Split	<b>Price 40%</b>	<b>Quality 60%</b>
Evaluation criteria and weightings and reasons for this approach	<b>Price</b>	<b>40%</b>
	Schedule of Rates	90%
	Hourly Rates and Mark Up on Materials and Plant	10%
Evaluation criteria and weightings and reasons for this approach	<b>Quality</b>	<b>60%</b>
	Understanding and Capability	20%
	Framework Delivery Team	15%
	Delivery Approach and Methodology	20%
	Health and Safety	10%
	The Environment	10%
	Business Continuity and Resilience	5%
	Fair Work Practices	10%
Community Benefits	10%	
Evaluation Team	Evaluated by Technical officers from Housing Property	

<b>Contract</b>	Lot 3 Gas Engineering Services	
Contract period (including any extensions)	4 years	
Estimated Contract Value (including extensions)	£885,000	
Procurement Route Chosen	Open Procedure	
Tenders Returned	4	
Name of Recommended Supplier(s)	Saltire FM Services Gas Call Trade Services	
Price / Quality Split	<b>Price 40%</b>	<b>Quality 60%</b>
Evaluation criteria and weightings and reasons for this approach	<b>Price</b>	<b>40%</b>
	Schedule of Rates	90%
	Hourly Rates and Mark Up on Materials and Plant	10%
	<b>Quality</b>	<b>60%</b>
	Understanding and Capability	20%
	Framework Delivery Team	15%
	Delivery Approach and Methodology	20%
	Health and Safety	10%
	The Environment	10%
	Business Continuity and Resilience	5%
	Fair Work Practices	10%
Community Benefits	10%	
Evaluation Team	Evaluated by Technical officers from Housing Property	

<b>Contract</b>	Lot 4 Preservation Works	
Contract period (including any extensions)	4 years	
Estimated Contract Value (including extensions)	£300,000	
Procurement Route Chosen	Open Procedure	
Tenders Returned	4	
Name of Recommended Supplier(s)	First Call Trade Services Ltd Clark Contracts Ltd	
Price / Quality Split	<b>Price 40%</b>	<b>Quality 60%</b>
Evaluation criteria and weightings and reasons for this approach	<b>Price</b>	<b>40%</b>
	Schedule of Rates	90%
	Hourly Rates and Mark Up on Materials and Plant	10%
	<b>Quality</b>	<b>60%</b>
	Understanding and Capability	20%
	Framework Delivery Team	15%
	Delivery Approach and Methodology	20%
	Health and Safety	10%
	The Environment	10%
	Business Continuity and Resilience	5%
	Fair Work Practices	10%
Community Benefits	10%	
Evaluation Team	Evaluated by Technical officers from Housing Property	

<b>Contract</b>	Lot 5 – Mobile Access and Scaffolding	
Contract period (including any extensions)	4 years	
Estimated Contract Value (including extensions)	£150,000	
Procurement Route Chosen	Open Procedure	
Tenders Returned	3	
Name of Recommended Supplier(s)	Form Access Ltd Saltire Roofing and Building Ltd	
Price / Quality Split	<b>Price 40%</b>	<b>Quality 60%</b>
Evaluation criteria and weightings and reasons for this approach	<b>Price</b>	<b>40%</b>
	Schedule of Rates	90%
	Hourly Rates and Mark Up on Materials and Plant	10%
	<b>Quality</b>	<b>60%</b>
	Understanding and Capability	20%
	Framework Delivery Team	15%
	Delivery Approach and Methodology	20%
	Health and Safety	10%
	The Environment	10%
	Business Continuity and Resilience	5%
	Fair Work Practices	10%
Community Benefits	10%	
Evaluation Team	Evaluated by Technical officers from Housing Property	

<b>Contract</b>	Lot 6 – Cosmetic Repair and Maintenance Works	
Contract period (including any extensions)	4 years	
Estimated Contract Value (including extensions)	£500,000	
Procurement Route Chosen	Open Procedure	
Tenders Returned	2	
Name of Recommended Supplier(s)	First Call Trade Services Ltd	
Price / Quality Split	<b>Price 40%</b>	<b>Quality 60%</b>
Evaluation criteria and weightings and reasons for this approach	<b>Price</b>	<b>40%</b>
	Schedule of Rates	90%
	Hourly Rates and Mark Up on Materials and Plant	10%
	<b>Quality</b>	<b>60%</b>
	Understanding and Capability	20%
	Framework Delivery Team	15%
	Delivery Approach and Methodology	20%
	Health and Safety	10%
	The Environment	10%
	Business Continuity and Resilience	5%
	Fair Work Practices	10%
Community Benefits	10%	
Evaluation Team	Evaluated by Technical officers from Housing Property	

<b>Contract</b>	Lot 7 – Jetting and Drainage Works	
Contract period (including any extensions)	4 years	
Estimated Contract Value (including extensions)	£150,000	
Procurement Route Chosen	Open Procedure	
Tenders Returned	3	
Name of Recommended Supplier(s)	JB Bell and Co Lanes Group Plc	
Price / Quality Split	<b>Price 40%</b>	<b>Quality 60%</b>
Evaluation criteria and weightings and reasons for this approach	<b>Price</b>	<b>40%</b>
	Schedule of Rates	90%
	Hourly Rates and Mark Up on Materials and Plant	10%
	<b>Quality</b>	<b>60%</b>
	Understanding and Capability	20%
	Framework Delivery Team	15%
	Delivery Approach and Methodology	20%
	Health and Safety	10%
	The Environment	10%
	Business Continuity and Resilience	5%
	Fair Work Practices	10%
Community Benefits	10%	
Evaluation Team	Evaluated by Technical officers from Housing Property	

## Appendix 2 – Tender Evaluation Outcome

### Lot 1 Internal Multi Trade Works

Tenderer	Cost Score	Quality Score	Overall Tender Score	Overall Rank
<b>Saltire Roofing and Building Ltd</b>	<b>37.17</b>	<b>49.20</b>	<b>86.37</b>	<b>1</b>
<b>Response Building Maintenance Services (Scotland) Ltd</b>	<b>35.04</b>	<b>48.90</b>	<b>83.94</b>	<b>2</b>
Bidder 3	39.44	43.20	82.64	3
Bidder 4	34.55	41.40	75.95	4
Bidder 5	30.17	40.80	70.97	5
Bidder 6	30.16	38.40	68.56	6

### Lot 2 External Multi Trade Works

Tenderer	Cost Score	Quality Score	Overall Tender Score	Overall Rank
<b>Saltire Roofing and Building Ltd</b>	<b>39.78</b>	<b>49.20</b>	<b>88.98</b>	<b>1</b>
<b>James Breck Ltd</b>	<b>39.15</b>	<b>46.50</b>	<b>85.65</b>	<b>2</b>
Bidder 3	39.59	39.90	79.49	3
Bidder 4	27.23	45.00	72.23	4
Bidder 5	32.13	38.40	70.53	5
Bidder 6	34.66	33.00	67.66	6
Bidder 7	0.00	20.40	20.40	Fail

### Lot 3 Gas Engineering Services

Tenderer	Cost Score	Quality Score	Overall Tender Score	Overall Rank
<b>Gas Call Services</b>	<b>39.89</b>	<b>44.40</b>	<b>84.29</b>	<b>1</b>
<b>Saltire FM Services</b>	<b>35.84</b>	<b>42.60</b>	<b>78.44</b>	<b>2</b>
Bidder 3	38.99	36.60	75.59	3
Bidder 4	32.15	39.60	71.75	4

#### Lot 4 Preservation Works

Tenderer	Cost Score	Quality Score	Overall Tender Score	Overall Rank
<b>First Call Trade Services Ltd</b>	<b>39.50</b>	<b>41.70</b>	<b>81.20</b>	<b>1</b>
<b>Clark Contracts Ltd</b>	<b>35.26</b>	<b>41.70</b>	<b>76.96</b>	<b>2</b>
Bidder 3	36.36	33.90	70.26	3
Bidder 4	36.91	31.20	68.11	4

#### Lot 5 Mobile Access Equipment and Scaffolding

Tenderer	Cost Score	Quality Score	Overall Tender Score	Overall Rank
<b>Saltire Roofing and Building Ltd</b>	<b>39.55</b>	<b>50.70</b>	<b>90.25</b>	<b>1</b>
<b>Form Access Ltd</b>	<b>33.03</b>	<b>47.10</b>	<b>80.13</b>	<b>2</b>
Bidder 3	33.03	46.80	79.83	3

#### Lot 6 Cosmetic Repair and Maintenance Works

Tenderer	Cost Score	Quality Score	Overall Tender Score	Overall Rank
<b>First Call Trade Services Ltd</b>	<b>40.00</b>	<b>41.70</b>	<b>81.70</b>	<b>1</b>
Bidder 2	34.01	38.70	72.71	2

#### Lot 7 Jetting and Drainage

Tenderer	Cost Score	Quality Score	Overall Tender Score	Overall Rank
<b>Lanes Group Plc</b>	<b>40.00</b>	<b>52.20</b>	<b>92.20</b>	<b>1</b>
<b>JB Bell and Co</b>	<b>32.34</b>	<b>44.70</b>	<b>77.04</b>	<b>2</b>
Bidder 3	28.42	36.90	65.32	3