

Finance and Resources Committee

10.00am, Thursday, 3 March 2022

Award of Edinburgh Shared Repairs Service Framework Agreement

Executive/Routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
 - 1.1.1 Approves the appointment of a two-lot multiple contractor Framework Agreement for the Edinburgh Shared Repairs Service (ESRS), the recommended contractors being those identified in Appendix 2 of the report; and
 - 1.1.2 Approves the commencement of the Framework Agreement on 1 April 2022 for a period of two years with two optional 12-month extensions at a total estimated value of £4 million.

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Executive Director of Place

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Report

Award of Edinburgh Shared Repairs Service Framework Agreement

2. Executive Summary

- 2.1 This report outlines the result of a competitive tender process for the provision of the Edinburgh Shared Repairs Service (ESRS) Framework Agreement and recommends the appointment of multiple contractors. It is proposed that the new Framework Agreement will commence on 1 April 2022 for a period of two years with two optional 12-month extensions at a total estimated value of £4 million. The purpose of this report is to confirm the outcome of the procurement process and seek approval to award the Framework Agreement to the recommended contractors.

3. Background

- 3.1 For the past five years the City of Edinburgh Council has been operating an ESRS to help maintain and conserve the city's built heritage, particularly in respect of tenement buildings.
- 3.2 The ESRS acts as an enforcement service which, upon issue of a statutory notice, provides essential repairs, mainly roofing and stonework, to the shared or common areas of private and mixed tenure properties on behalf of private homeowners who have exhausted all other reasonable means of agreeing to undertake a shared repair. The costs of repair are recovered from homeowners under the City of Edinburgh District Council Order Confirmation Act 1991.
- 3.3 The ESRS key strategic objectives are to:
- 3.3.1 Help maintain the fabric of the city, the conservation of the built heritage and protection of building related public health and safety issues;
 - 3.3.2 Support, encourage and enable owners to proactively take responsibility for planning and organising repairs and maintenance;
 - 3.3.3 Intervene when owners have exhausted all other reasonable means of agreeing and undertaking a repair; and
 - 3.3.4 Manage the Council's financial and reputational risk as it carries out its statutory duties and powers.

- 3.4 The new Framework Agreement has two Lots to meet the requirements of the service:
- 3.4.1 Lot 1 – Fabric Repair Works (Contract Value up to £50,000) – shall provide for individual work packages up to the value of £50,000; and
- 3.4.2 Lot 2 – Fabric Repair Works (Contract Value up to £250,000) – shall provide for individual work packages up to the value of £250,000.
- 3.5 Approval for individual call offs up to the maximum value of £250,000 shall be sought under delegated authority, in line with the Council’s Contract Standing Orders.
- 3.6 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 continue these Council critical services.

4. Main report

- 4.1 Commercial and Procurement Services (CPS) published a Prior Information Notice (PIN) on Public Contracts Scotland (PCS) in December 2020 to determine interest from potential contractors and inform the market of the Edinburgh Shared Repairs Service tender opportunity. The PIN indicated that 30 organisations expressed interest in this Framework.
- 4.2 On 22 November 2021 CPS published a Contract Notice, under Open Procedure, on PCS as set out in the Public Contracts (Scotland) Regulations 2015, with a tender submission deadline of 22 December 2021.
- 4.3 CPS, in conjunction with key officers within the Place Directorate, held a virtual Supply Market Awareness Event on 1 December 2021 to provide potential contractors with an overview of the ESRS and procurement process. In total nine representatives attended the event from seven separate organisations.
- 4.4 Eight organisations submitted returns by the closing date of 22 December 2021 and submissions were evaluated by a technical evaluation panel. This placed an emphasis on quality, as well as price, with the aim of selecting the most economically advantageous tenders for each of the two Lots based on organisations tendering on a quality/price ratio of 40% quality and 60% price. The quality/price ratio was determined due to a need for contractors to provide a quality service at the most economical price.
- 4.5 One of the submissions failed the mandatory checks and was deemed a non-compliant tender.
- 4.6 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 quality threshold of 50% were subject to price analysis with the scores combined to provide the final commercial offer.

- 4.7 Subject to Committee approval the Council intends to award a multi contractor Framework Agreement with a maximum of six Contractors per Lot to the highest scoring Contractors per Lot. The tenderer positioned in 7th place will not be recommended for award.
- 4.8 A summary of tendering and the tender evaluation process is attached at Appendix 1 and the recommendation for award based on the completed tender evaluation scores for each Lot is summarised at Appendix 2.
- 4.9 This is a ranked Framework and the Council will allocate business mainly through mini competition amongst all six contractors on the relevant Lot. On occasion the Council may, at their sole discretion, choose to allocate business by direct call off if it is in the Council's best interests or in circumstances of extreme urgency to the highest-ranking contractor, if the contractor does not have capacity the next highest-ranking contractor will be offered the business and so on.

5. Next Steps

- 5.1 Subject to Committee approval, the Framework Agreement will be awarded, implemented and mobilised.
- 5.2 The Contract and Grants Management team (CAGM) will engage with the Framework manager to ensure that effective contract management is delivered throughout the Framework Agreement lifecycle. All efficiencies identified in the procurement process should be delivered by the service area through proactive contractor engagement and monitoring of management information.

6. Financial impact

- 6.1 The Framework Agreement value is estimated at £4 million over the contract period and extensions.
- 6.2 Funding will be from the Council's ESRS revenue budget, subject to each call off requirement. These costs are recoverable under the City of Edinburgh District Council Order Confirmation Act 1991.
- 6.3 The total of the Pricing Schedules from the first recommended contractor is 20% below the average of all seven Pricing Schedule Submissions that passed the quality threshold.
- 6.4 Based on the total anticipated Framework Agreement value of £4 million, savings of approximately £129,444 annually could be achieved over the Framework and extension periods, subject to call offs.
- 6.5 Tenderers Contractors Percentage Adjustment (CPA) rates will be capped for the duration of the Framework and extension periods. Rates may be reduced in subsequent works packages tendered under the Framework Agreement.

- 6.6 Financial assessments have been carried out for the successful contractors and it has been deemed that there is no financial risk to the Council.
- 6.7 The costs associated with procuring this Framework Agreement are estimated to be from £10,001 to £20,000.

7. Stakeholder/Community Impact

- 7.1 The Council's Construction Charter was included within the tender package, setting out the standards that the Council expects from its contractors, including around employment status, health and safety and standards of work. The Charter will also form part of the tender package for Framework call offs.
- 7.2 The Sustainable Procurement Strategy was considered and applied through the request of community benefits. The contractors will be required to deliver community benefits in line with the value of work awarded by the Council; benefits to be delivered from, education and outreach, employability and skills and sponsorship and funding categories, will be agreed at the contract commencement and monitored on the Council's community benefits platform by the Council's contract manager and reported annually.
- 7.3 This Framework Agreement will contribute to the achievement of the Council's environmental and sustainability objectives, contractors are committed to improving and adapting their Environmental and Sustainability Management Plans to support improved sustainable methods and better reuse of materials. Some examples evidenced are the ongoing commitment to replace existing fleet with electric vehicles, utilising Zero Waste Scotland's Construction Material Exchange programme and supporting carbon offset through the Edinburgh Million Tree City Project.
- 7.4 This Framework Agreement provides a strong commitment to Small and Medium-sized Enterprises (SMEs) development, all six recommended contractors identify as SME.
- 7.5 The Council requires every contractor to identify if they pay the real Living Wage, all six contractors have identified they are committed to paying the real Living Wage with two having achieved full Living Wage Accreditation, the four remaining contractors have indicated their intention to achieving Living Wage Accreditation during the Framework operation. In addition, all six contractors do not operate any Zero Hours contracts.
- 7.6 The Framework Agreement recommended for award is compliant with procurement regulations and the Contract Standing Orders. The risk of legal challenge relating to contractual arrangements for the provisions of this service is thereby reduced.

8. Background reading/external references

- 8.1 None.

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

Contract	Edinburgh Shared Repairs Service Framework Agreement	
Contract period (including any extensions)	The contract period is for two years with two optional extensions of twelve months (2+1+1) and will commence on 1 April 2022.	
Estimated contract value (including extensions)	£4 million	
Procurement Route chosen	Open Procedure	
Tenders returned	Eight contractors submitted tenders across 2 lots – one tender failed the mandatory checks	
Name of Recommended Contractors	LOT 1	LOT 2
	James Breck Ltd Go-Wright Ltd Apex Contracts Ltd Watson & Lyall Ltd B & D Roofing & Building Ltd Saltire Roofing & Building Ltd	James Breck Ltd Go-Wright Ltd Apex Contracts Ltd Watson & Lyall Ltd B & D Roofing & Building Ltd Saltire Roofing & Building Ltd
Price / Quality ratio	Price 60%	Quality 40%
Evaluation criteria and weightings same for each Lot	<u>Quality</u> Service Delivery Methodology Delivery Team Contract Management & KPIs Health & Safety Environment & Sustainability Community Benefits Business Continuity Fair Work Practices Fair Work Management Information	<u>40%</u> 25% 20% 15% 10% 10% 5% 5% 10% For Information Only
Evaluation Team	Evaluated by technical officers from the Edinburgh Shared Repairs Service	

Appendix 2 – Tender Evaluation Outcome

Lot 1 Fabric Repair Works (Contract Value up to £50k)

Contractor	Quality (Max 40)	Price (Max 60)	Total (100)	Overall Rank
James Breck Ltd	33.00	57.83	90.83	1
Apex Contracts Ltd	33.20	52.80	86.00	2
Go-Wright Ltd	30.40	53.54	83.94	3
Watson & Lyall Ltd	33.80	45.10	78.90	4
Saltire Roofing & Building Ltd	30.60	42.90	73.50	5
B & D Roofing & Building Ltd	29.80	42.88	72.68	6
Tenderer 7	23.00	44.30	67.30	7
Tenderer 8	Non-compliant tender			

Lot 2 Fabric Repair Works (Contract Value up to £250k)

Contractor	Quality (Max 40)	Price (Max 60)	Total (100)	Overall Rank
James Breck Ltd	33.00	57.83	90.83	1
Apex Contracts Ltd	33.20	52.80	86.00	2
Go-Wright Ltd	30.40	54.01	84.41	3
Watson & Lyall Ltd	33.80	45.10	78.90	4
B & D Roofing & Building Ltd	29.80	42.98	72.78	5
Saltire Roofing & Building Ltd	30.60	41.73	72.33	6
Tenderer 7	23.00	44.30	67.30	7
Tenderer 8	Non-compliant tender			