

**Report of the Chief Constable to the Chair and Members
of the Policy & Resources Panel
30th June 2011**

**Executive & Presenting Officer: Mrs Ann Hall, Assistant Chief Officer
(Finance & Commissioning)**

Status: For Decision

**Procurement Report for Electrical Engineering Planned and
Reactive Maintenance**

1. Purpose

- 1.1 The purpose of this report is to advise Members of the procurement process undertaken during the recent tender exercise for electrical engineering planned and reactive maintenance.
- 1.2 The current contract for electrical engineering planned and reactive maintenance expires on the 30th September 2011. As a result, the service was retendered and a new contract is to be put in place to ensure a seamless handover and continuity of service.
- 1.3 Building and fabric and mechanical maintenance are covered under different agreements.

2. Recommendations

- 2.1 Members note the procurement method, analysis used and the recommendation put forward by the Evaluation Team.
- 2.2 That Members agree to accept Bidder 3 as the best value solution to deliver the electrical engineering planned and reactive maintenance contract.

3. Reasons

- 3.1 A restricted two stage tender was the chosen procedure for this procurement. The restricted tender procedure involves advertising the contract opportunity and then sending the first stage Pre-Qualification Questionnaire (PQQ) document to all interested parties to complete. The PQQ document focused on organisational/legislative compliance questions as well as the organisations experience and technical competence to deliver the service.
- 3.2 The second stage of the tender Invitation to tender (ITT) focused on pricing, service delivery and service response.
- 3.3 Following an advertisement of the contract opportunity through the national e-tendering portal, Bluelight, on 19th January 2011, 18 organisations submitted completed PQQ applications on 4th March 2011.
- 3.4 The Evaluation Team agreed the format and assessed the PQQ submissions on 17th & 18th March 2011.
- 3.5 12 of the returned PQQ submissions scored very poorly with regards to the local resource, equipment and plant available, and also the technical ability to deliver the contract. The following Bidders (3, 5, 9, 11, 13 & 17) all achieved reasonable scores of between 52% and 87%, however the Evaluation Team felt that there were still minor reservations on whether there was sufficient technical competence and experience evidenced within the PQQ submission document to shortlist these six suppliers for ITT.
- 3.6 The Evaluation Team therefore agreed to seek further clarification from bidders 3, 5, 9, 11, 13 & 17 with an additional set of technical questions which covered the following areas:
 - Emergency response
 - Reactive callout procedures
 - Dedicated resources within the Teesside area.
- 3.7 These additional three questions were sent to each of the six Bidders who were requested to respond within 4 days.
- 3.8 Upon receipt of the additional question documentation from each of the six bidders, the Evaluation Team felt that Bidder 5's response was very light and unconvincing with regard to local resource available and serving the emergency/reactive element of the contract within the required timescale. It was therefore agreed by the Evaluation Team that Bidder 5 was to be withdrawn from the short-list and discounted from ITT selection.
- 3.9 All of the five remaining Bidders provided the required detail with regards to the dedicated resource available to service the contract and full details on the emergency/reactive callout procedure. These five Bidders were considered

suitable for short listing and final ITT. The ITT package was issued to five Bidders on 23rd March 2011.

- 3.10 During the ITT process, all 5 Bidders were invited to several of the Force's operational properties in order to gain an overview of the scope of works required. Following the site visits and further technical clarifications, Bidder 11 advised the Evaluation Team that they would be withdrawing their proposal from the ITT process.
- 3.11 On assessment of the four returned ITT documents, the returned submissions were evaluated under three main categories:
 - Price and affordability
 - Method statement focusing on contract management methodology: quality, cost, logistics, sustainability, development, management
 - Service response.
- 3.12 During the analysis it was evident that three of the four ITT submissions provided very competitive pricing schedules for both planned and reactive maintenance. The three Bidders (3, 11 & 17) also scored reasonably well on their method statement regarding service delivery and response to emergency callouts. Bidder 9 achieved the highest score on both the service delivery and response sections; however their annual pricing was the highest and included a one off contract mobilisation fee.
- 3.13 On completion of the evaluation exercise, the Evaluation Team felt that because of the close proximity of the pricing schedules and final ITT proposals, it would be prudent to run a Best and Final Offer (BAFO) exercise with all four Bidders. A BAFO invitation was sent to all bidders on 12th May 2011.
- 3.14 Following the return of the BAFO on 16th May 2011, it was clear that Bidder 3 had provided the most movement within their pricing schedules and submitted the Most Economically Advantageous Tender (MEAT) proposal.
- 3.15 A site visit was arranged to Bidder 3's business premises in order to seek clarification on the following areas: contract delivery; contract response; dedicated resources; and equipment and plant available to service the contract.
- 3.16 Following the site visit, the Evaluation Team felt that Bidder 3 has a very comprehensive understanding of the contract requirements and clearly understands the importance of using local resource, supporting the local economy and delivering best value to Cleveland Police Authority.
- 3.17 The recommendation made by the Evaluation Team is Bidder 3 to be awarded the contract for electrical engineering planned and reactive maintenance.

- 3.18 Subject to the Police Authority's final approval, the new contract will commence on the 1st October 2011 to ensure that the Force can continue with a fully maintained and efficient property portfolio.

4. Implications

4.1 Finance

The cost of the contract will be £35,151 per annum for planned maintenance.

- 4.2 The contract also provides for reactive maintenance, however the costs can fluctuate each year depending on the number and nature of the callouts.

- 4.3 The planned and reactive maintenance callout rates are more cost effective than the current contracts and are also well within budget. This will deliver a direct recurring cashable saving on planned maintenance of £3,930 per annum. This equates to £19,650 over the five year contract period

4.4 Diversity and Equal Opportunities

There are no diversity or equal opportunities implications arising from this report.

4.5 Human Rights Act

There are no Human Rights Act implications arising from this report.

4.6 Sustainability

The award of the contract will not only comply with national procurement initiatives regarding Small Medium Enterprise (SME) development, it will also have a positive impact on the stimulation of the local economy. Achieving Public Sector Excellence (APSE) figures suggest that for every £1 spent in the local economy, £1.64 is generated through stronger supply chains and local employment.

4.7 Risk

There is no risk involved in the award of the contract. The recommended Bidder for the contract has a very good understanding of the Force's requirements as well as significant experience and competence within the electrical engineering industry; therefore there are no issues to bring to Member's attention.

5. Conclusions

- 5.1 The procurement process has been completed in line with European Legislation. The use of the restricted procedure gave an opportunity for all interested parties to participate at the initial PQQ stage.

- 5.2 The evaluation has been conducted in a fair, comprehensive, thorough and transparent process.
- 5.3 The ITT submission from Bidder 3 has fully met the specification required by Cleveland Police for the planned and reactive maintenance contract.
- 5.4 The Evaluation Team are fully confident that the procurement process has achieved Best Value and the new contract will provide an efficient, responsive and cost effective service to the Authority by using local suppliers as well as supporting the local economy.

Sean Price
Chief Constable

Evaluation Team:

Senior Buyer - Steria
Estates Principal Officer - Steria
Estates Technical Officer - Steria

ITT score

Scoring Criteria	Successful bidder's scores			
	Bidder 3	Bidder 9	Bidder 11	Bidder 17
<u>Pricing Schedule</u> <ul style="list-style-type: none"> ▪ Price PPM visits ▪ Price – Emergency & Urgent response ▪ Calculation of rates for each trade (1000 hours) 	55%	30.8%	33.2%	42.9%
<u>Service Delivery</u> <ul style="list-style-type: none"> ▪ Quality, Cost, Logistics, Sustainability, Development & Management 	20.3%	20.3%	16.8%	20.3%
<u>Response</u> <ul style="list-style-type: none"> ▪ Quality, Logistics, Project Management, Environmental Impact, Resource & Cost 	11.3%	20.3%	13.5%	13.5%
Total Score	86.6%	71.4%	63.5%	76.7%