

**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 Building & Fabric Planned & Reactive
Maintenance, and the Contractor Framework for Project Works**

1. Purpose

- 1.1 The purpose of this report is to advise Members of the procurement process undertaken during the recent tender exercise for building and fabric, planned and reactive maintenance, and the contractor framework for project works.
- 1.2 The current contract for building and fabric planned and reactive maintenance expires on the 30th September 2011.
- 1.3 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.
- 1.4 As well as the main contract for planned and reactive maintenance which will be delivered by one local contractor, a framework of four other specialist contractors will be put in place to ensure that any building and fabric project works between £50k and £250k is competitively priced in the form of a mini competition and provides full compliance with Cleveland Police Authority Standing orders.
- 1.5 This approach will not only provide best value and encourage competition between the framework suppliers; it will also deliver purchasing efficiencies by reducing the requirement for a full tender exercise for project works over £50k.

- 1.6 Electrical engineering and mechanical maintenance are covered under different agreements.

2. Recommendations

- 2.1 Members note the procurement method, analysis used and the recommendations put forward by the Evaluation Team.
- 2.2 That Member's agree to accept Bidder 15 as the best value solution to deliver the building and fabric planned and reactive maintenance contract.
- 2.3 That Member's also agree to accept Bidders 2, 4, 11, 15 and 18 to enter into a contractor framework to deliver project works between £50k and £250k.

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, 21 organisations submitted completed PQQ applications on 4th March 2011.
- 3.4 The Project Evaluation Team agreed the format and assessed the PQQ submissions on 10th & 11th March 2011.
- 3.5 13 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. Bidder 10 scored reasonably well, however they didn't provide a detailed method statement on how they would service the contract nor highlight relevant previous experience.
- 3.6 All of the seven remaining PQQ submissions showed a very good understanding of the contract requirements, provided detail on the local resource, equipment and plant available, and listed significant experience in delivering similar contracts. These seven Bidders were considered suitable by the Evaluation Team for short-listing and final invitation to tender. The ITT package was issued to seven Bidders on 14th March 2011.

- 3.7 During the ITT process, all 7 Bidders were invited to several of the Force's operational properties in order to gain an overview of the scope of works required.
- 3.8 On assessment of the returned ITT documents on 5th May 2011, 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.
- 3.9 During the analysis it was evident that although all of the contractors appeared to be competent in delivering the contract requirements, there was a significant variance between several Bidders regarding the pricing for annual planned and reactive maintenance. The pricing submitted by Bidder 9 was almost double when compared against the other contractors. Bidder 5 also appeared excessive with their pricing and also asked for a one-off contract mobilisation fee. The Evaluation Team therefore felt that Bidders 9 and 5 should be discounted from further short-listing to deliver the contracted planned maintenance and also entry onto the framework agreement.
- 3.10 Bidders 2, 4, 11 & 18 provided very competitive pricing schedules as well as a very detailed method statement regarding service delivery and response to emergency callouts, however it was Bidder 15 that provided the most economically advantageous tender (MEAT) with regard to providing the most efficient responsive and cost effective service to the Authority.
- 3.11 On completion of the evaluation exercise, a site visit was arranged to Bidder 15's business premises in order to discuss the following areas in more detail: contract delivery; contract response; dedicated resources; and equipment and plant available to service the contract.
- 3.12 Following the site visit, the evaluation team feels that Bidder 15 has a very comprehensive understanding of the contract requirements and clearly understands the importance of using local resources, supporting the local economy and delivering best value to Cleveland Police Authority.
- 3.13 The recommendation made by the Evaluation Team is that Bidder 15 be awarded the contract for planned and reactive maintenance, and that Bidders 2, 4, 11, 15, and 18 entered onto the contractor framework.
- 3.13 Subject to the Police Authority's final approval, the new contract and framework agreement will commence on 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 £12,622 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 £13,330 per annum. This equates to £53,320 over the four year contract period

4.4 Savings will also be realised with regard to reactive maintenance callouts as the hourly rate is more competitive when compared against the current contractor. E.g. 200 hours of emergency reactive maintenance callouts would produce a saving of £1,200 with the new contract.

4.5 Additional savings could also be achieved by consolidating building and fabric projects and running them as a mini competition exercise through the contractor framework. This method would not only reduce the frequency of going out to the marketplace in a full tender exercise, it would also encourage competition and best practice between the framework contractors.

4.6 Diversity and Equal Opportunities

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

4.7 Sustainability

The award of the contract and framework agreement 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.

4.8 Risk

There is no risk involved in the award of the contract and framework agreement. All of the recommended Bidders for the main contract and framework agreement have a very good understanding of the Force's requirements as well as significant experience and competence within the building and fabric industry; therefore there are no issues to bring to Members' 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 15 has fully met the specification required by Cleveland Police for the planned and reactive maintenance contract. Submissions from Bidders 2, 4, 11 and 18 have also met the specification requirements for entry onto the contractor framework.
- 5.4 The Evaluation Team are fully confident that the procurement process has achieved Best Value and the new contract and framework agreement 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 Lead Business Partner - Steria
Estates Principle Officer - Steria
Estates Technical Officer - Steria

ITT score – Planned & reactive maintenance main contractor

Scoring Criteria	Successful bidder's score (Bidder 15)
<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%
<u>Service Delivery</u> <ul style="list-style-type: none"> ▪ Quality, Cost, Logistics, Sustainability, Development & Management 	20.3%
<u>Response</u> <ul style="list-style-type: none"> ▪ Quality, Logistics, Project Management, Environmental Impact, Resource & Cost 	16.9%
Total Score	92.2%

ITT score – Contractor framework

Scoring Criteria	Successful bidder's scores			
	Bidder 2	Bidder 4	Bidder 11	Bidder 18
<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) 	46.4%	44.5%	42.6%	46.4%
<u>Service Delivery</u> <ul style="list-style-type: none"> ▪ Quality, Cost, Logistics, Sustainability, Development & Management 	20.3%	20.3%	11.3%	20.3%
<u>Response</u> <ul style="list-style-type: none"> ▪ Quality, Logistics, Project Management, Environmental Impact, Resource & Cost 	13.5%	20.3%	13.5%	16.9%
Total Score	80.2%	85%	67.4%	83.5%