

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 12 May 2014

<b>Portfolio:</b>	Health and Housing
<b>Subject:</b>	<b>Award of Tender – Emergency Lighting Upgrading Works Contract at Frosthole Close &amp; Garden Court</b>
<b>Report of:</b>	Director of Environmental Services
<b>Strategy/Policy:</b>	
<b>Corporate Objective:</b>	A balanced housing market

**Purpose:**

To consider the tenders received and award of contract for the upgrade of the emergency lighting and associated removal of asbestos containing materials at two Council owned sheltered housing sites.

**Executive Summary:**

On the 2 December 2013 the Executive Member for Health and Housing considered a report and awarded the works. The successful contractor then withdrew their offer after failing to comply with the Terms and Conditions of Contract during the pre-contract stage. This report is provided for the Executive as the value of the award now exceeds that for an Executive Member individual decision and provides a recommendation based on the original tenders received. The project is to upgrade existing emergency and external lighting systems including removal of asbestos at two Council owned sheltered housing sites. The need for this work was identified by a recent fire risk assessment.

**Recommendation/Recommended Option:**

That the tender submitted by the contractor which achieved the subsequent highest overall score, as detailed in the appended evaluation matrix and complied fully with FBC Terms and Conditions of Contract, be accepted and a contract awarded to this company.

**Reason:**

To ensure that the communal lighting meets current standards, is serviceable and maintains the value of the Council's assets.

**Cost of proposals:**

The cost of this project is £160,565.43 and will be financed from the previously approved 2013/14 Housing Revenue Account capital budgets.

**Appendices:** A: Tender Prices and Evaluation Table

**Background papers:** Exempt by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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## BOROUGH COUNCIL

### Executive Briefing Paper

**Date:** 12 May 2014

**Subject:** Award of Tender – Emergency Lighting Upgrading Works at Frosthole Close and Garden Court

**Briefing by:** Director of Environmental Services

**Portfolio:** Health and Housing

#### INTRODUCTION

1. This project is for the upgrading of the existing communal emergency and external lighting systems to two Council owned Sheltered Housing sites at Frosthole Close and Garden Court.
2. Recent fire risk assessments have recommended that the lighting should be upgraded to meet the current British Standards. An assessment of the installation has confirmed the existing emergency and external lighting systems have reached the end of their economic life and full replacement is considered timely to preserve the value of these built assets, and maintain sufficient lighting levels in the event of an emergency or power failure. In order to carry out these works the asbestos containing cladding material present on-site will be removed and replaced with an alternative material.
3. The project was advertised on the South East Business Portal for organisations to submit their expressions of interest and complete a pre-qualification questionnaire. The subsequent applicants were evaluated and the tender list determined.
4. Invitations to tender for the project were issued on 5 September 2013 to seven contractors.

#### TENDERS RECEIVED

5. The Deputy Executive Leader opened the three returned tenders on the 27 September 2013. The tender price details are presented in the confidential Appendix A
6. The contract documents define a pre-determined scoring mechanism whereby tenders are assessed on price, service and quality.
7. The tender submissions were evaluated and the scores weighted as specified in the invitation to tender.

8. The works were awarded to the contractor with the best overall evaluation score by Executive Member for Health and Housing on the 2<sup>nd</sup> December 2013.
9. The successful contractor financial standing required the provision of a performance bond. On requesting the bond the contractor found itself unable to comply with Council's Terms and Conditions of Contract. After discussion on alternative options the contractor withdrew their offer.
10. The second placed contractor was then approached and confirmed that their offer would remain open for acceptance until the 30<sup>th</sup> June 2014.
11. The scores and ranking for the remaining two tenders received are represented in the confidential Appendix A.

## **RISK ASSESSMENT**

12. Many of the usual and identifiable risks initially present in this type of project have been negated through the Council's rigorous and structured procurement process. The selection of contractors has been based on the information provided in the Pre-Qualification Questionnaire (PQQ) which includes checking various company policies, requisite insurances, initial financial checks and seeking technical references. All contractors who were invited to tender were provided with sufficient opportunity to inspect and measure the required services.
13. The works will be procured using a formal JCT Agreement for Minor Works Building Contract 2011, which has been approved as suitable for these works by the Council's procurement solicitor.
14. Regular site monitoring will be carried out by an electrical engineer consultant and a series of project progress meetings will be held during the course of the contract to reduce potential risks.

## **FINANCIAL IMPLICATIONS**

15. The contract value is within the initial estimate of £185,000. The works will be financed from the Housing Revenue Account capital programme previously approved by the Executive on 11<sup>th</sup> February 2013.

## **CONSULTATIONS**

16. There are no requirements for consultations on this project.

## **CONCLUSION**

17. That the tender submitted by the contractor which subsequently achieved the highest overall score, as detailed in the appended evaluation matrix, be accepted and a contract awarded to this company.

## **Reference Papers:**

Housing Revenue Account Spending Plans, including the Capital Programme for 2013/14.