

Appendix 1

Award of Works Contract for South Kilburn Enterprise and Community Hub (Phase 1b)

Summary:

This document sets out the procurement process followed leading to a recommendation to approve the award of a high value works contract to the preferred bidder at a contract sum of £638,000.00

This contract is for the refurbishment of the Granville Centre for an Enterprise & Community Hub. The Enterprise Hub is set to be completed within the first eight weeks, with works to the Community Centre lasting through until March. The project includes a wide variety of works, including major refurbishments to windows, doors, electrical systems, alarms and demolitions.

Detail:

The refurbishment of the Granville Centre is part of the wider South Kilburn regeneration programme. The new refurbished centre will contain an enterprise hub and new community spaces. The project will help the South Kilburn Trust to thrive, ensure the continuity of services provided by South Kilburn Studio's and to enhance the level of community activity within the Granville centre.

The budget allocation for this project derived from the £749,000 funding received by the London Regeneration Fund (via the Greater London Authority) in 2016. Planning approval for this works was obtained on 23/08/2017.

In March 2017, a cabinet report was approved to invite tender for a works contract as required by contract Standing Orders 88 and 89.

The procurement exercise that followed was appropriate for a high value works contract. The tender was advertised on the London Tenders Portal on 14th September 2017 as an open tender and attracted ten on time bids by the closing date 11th October 2017. Contractors were invited to visit the site prior to submitting their bid.

Bids were invited and the tender assessment was as follows:

Section 1: Quality/Technical. Weight = 55%.

Section 2: Social value. Weight = 5%.

Section 3. Cost. Weight = 40%.

The tender estimated a cost of around £650,000. The average cost of the project from the tenders received was considerably higher at £726,135. Technical and cost evaluation was undertaken by Measur. Details of this can be found in Appendix 3.

Ten tenders were received for this project. The identity of the tenders is contained in Appendix 2. Tenders needed to obtain 50 marks out of 100 for the Quality/Technical section in order to avoid elimination and progress to the commercial review. Four tenders were eliminated at the quality/technical section after failing to reach the required 50 marks out of 100. The remaining 6 tenders were evaluated according to the weightings outlined above.

The preferred bidder was the second lowest in the commercial section, at a cost of £637,963.00. The preferred bidder ranked highest on quality, and ranked highest overall.

Construction for this project is expected to begin in November. The preferred bidder's programme of works stated that it expect to have this project completed within the 15 week period, with an option of an 8 week completion on the Enterprise element.

Measur was appointed by the Council as a cost consultant. Measur completed a full commercial analysis of the bids and recommends the acceptance of the quotation submitted by the preferred bidder under the JCT Intermediate Building Contract with Contractors Design (ICD) 2016.

Technical Evaluation

		Supplier 1		Supplier 2		Supplier 3		Supplier 4		Supplier 5	
Quality/Technical Evaluation	Weighting	Score	Result	Score	Result	Score	Result	Score	Result	Score	Result
Work Management	35%	0	0.00%	3	21.00%	3	21.00%	3	21.00%	3	21.00%
Project Examples	15%	0	0.00%	3	9.00%	4	12.00%	4	12.00%	1	3.00%
Programme	30%	2	12.00%	2	12.00%	3	18.00%	2	12.00%	2	12.00%
Quality	20%	0	0.00%	4	16.00%	3	12.00%	3	12.00%	3	12.00%
Sub total (out of 100)	100%		12.00%		58.00%		63.00%		57.00%		48.00%
Total out of 55%	55%		6.60%		31.90%		34.65%		31.35%		26.40%

		Supplier 6		Supplier 7		Supplier 8		Supplier 9		Supplier 10	
Quality/Technical Evaluation	Weighting	Score	Result	Score	Result	Score	Result	Score	Result	Score	Result
Work Management	35%	4	28.00%	3	21.00%	1	7.00%	2	14.00%	4	28.00%
Project Examples	15%	4	12.00%	2	6.00%	1	3.00%	1	3.00%	4	12.00%
Programme	30%	5	30.00%	3	18.00%	3	18.00%	4	24.00%	5	30.00%
Quality	20%	3	12.00%	2	8.00%	1	4.00%	1	4.00%	4	16.00%
Sub total (out of 100)	100%		82.00%		53.00%		32.00%		45.00%		86.00%
Total out of 55%	55%		45.10%		29.15%		17.60%		24.75%		47.30%

4 out of the 10 bidders failed to meet the quality threshold which was set at 50% out of the 100% and therefore as detailed within the ITT document these bidders were eliminated

from the process at this stage and their social value and commercial bids were not evaluated.

Social Value Evaluation

		Supplier 1		Supplier 2		Supplier 3		Supplier 4		Supplier 5	
Social Value	Weighting	Score	Result	Score	Result	Score	Result	Score	Result	Score	Result
Commitments	5%	N/A		2		3		4		N/A	
Total Social Value	5%				2.00%			3.00%		4.00%	

		Supplier 6		Supplier 7		Supplier 8		Supplier 9		Supplier 10	
Social Value	Weighting	Score	Result	Score	Result	Score	Result	Score	Result	Score	Result
Commitments	5%	4		2		N/A		N/A		2	
Total Social Value	5%		4.00%		2.00%						2.00%

Bidders that passed the quality threshold were evaluated on their commitments to social value. The responses to this question were mixed. Suppliers 4 & 5 demonstrated a very good understanding of social value, offering a range of social value targets.

Commercial Evaluation

Commercial	Weighting	Supplier 1	Supplier 2	Supplier 3	Supplier 4	Supplier 5
Costs submission			£ 578,877.00	£ 817,947.00	£ 807,817.00	
Total Commercial	40%		0.00%	40.00%	28.31%	28.66%

Commercial	Weighting	Supplier 6	Supplier 7	Supplier 8	Supplier 9	Supplier 10
Costs submission		£ 739,568.00	£ 775,637.00			£ 637,963.00
Total Commercial	40%		31.31%	29.85%	0.00%	0.00%

The final stage of the evaluations was commercial, prices were evaluated as follows:

The lowest commercial bid received the highest available score all remaining bids received a pro rata score to the lowest price.

Summary

Overall Summary	Weighting	Supplier 1	Supplier 2	Supplier 3	Supplier 4	Supplier 5
Quality/Technical	55%	6.60%	31.90%	34.65%	31.35%	26.40%
Social Value	5%	N/A	2.00%	3.00%	4.00%	N/A
Commercial	40%	N/A	40.00%	28.31%	28.66%	N/A
Total	100%	6.60%	73.90%	65.96%	64.01%	26.40%

Overall Summary	Weighting	Supplier 6	Supplier 7	Supplier 8	Supplier 9	Supplier 10
Quality/Technical	55%	45.10%	29.15%	17.60%	24.75%	47.30%
Social Value	5%	4.00%	2.00%	N/A	N/A	2.00%
Commercial	40%	31.31%	29.85%	N/A	N/A	36.30%
Total	100%	80.41%	61.00%	17.60%	24.75%	85.60%

Supplier 10 received the highest overall score and is therefore recommended for the award of the contract.