



Executive
11th September 2007

Report from the Chief Executive

Wards Affected:
None

Authority to award contracts for the provision of Consultancy Services for the Civic Centre Project

Forward Plan Ref: PRU-07/08-06

Appendices 3 and 4 of this report are not for publication

1.0 Summary

1.1 This report requests authority to award contracts as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

2.0 Recommendations

2.1 That Members award the contracts for consultancy services for the Civic Centre Project, as set out below, to the companies identified:

Lot 1 (Provision of Financial Advice): Sector Treasury Services Limited

Lot 2 (Provision of Architectural Advice): Consarc Consulting Architects Limited

Lot 3 (Provision of Real Estate Advice): Sherlock Consultancy Limited

3.0 Detail

Background

3.1 At Executive on 11th December 2006 Members gave approval to officers to invite tenders for the procurement of consultants to provide Financial Advice, Architectural Advice and Real Estate Advice to the Council for the final feasibility

and procurement stage of the Civic Centre and to evaluate and advise the Council on bids received for the Civic Centre in accordance with evaluation criteria described in the report.

3.1 Applications for expressions of interest were invited for three lots:

- Lot 1: Financial Advice: Maintaining and updating the cost model for the Civic Centre project and providing expert advice on the entire range of financial issues.
- Lot 2: Architectural Design Advice including space planning.
- Lot 3 Real Estate Advice: Consultant Surveyors to provide detailed real estate advice and engage in negotiation with the two preferred site owners. The Consultant Surveyors will also act as lead consultants.

All three lots were advertised in OJEU under the restricted procedure (2 stage process). The lots were advertised under one notice to allow potential tenderers to bid for one or more lots.

3.3 Consortia bids were accepted across 1 or more lots.

3.4 The report to the Executive on the 11th December 2006 also set out the need to procure legal advisors for the Civic Centre Project. The Executive agreed that there were good financial and operational reasons for not tendering the contract for legal advisors by way of public advertisement. A separate competitive tender process has been undertaken for the appointment of legal advisors. Following completion of that exercise the Council has appointed Trowers and Hamlin as the external legal advisors for the project. Trowers and Hamlin have been appointed for the full duration of the project.

3.5 The tender process for Lots 1, 2 and 3

3.6 Each lot will be let using the NEC3 Professional Services Contract (June 2005, as amended in June 2006) including the Core Clauses, Main option A, Dispute resolution Option W2, Secondary Option Y(UK)2, and Secondary Option Z until 31st March 2008 with possible extensions of up to 6 months. The report to the Executive on 11 December 2006 stated that the contracts would expire on 31 March 2008. However, officers felt that it was prudent to provide for a 6 month extension to the contract to allow the appointed consultants to complete any residual work remaining after 31 March 2008.

3.7 Advertisements were placed in the Official Journal of the European Union (OJEU) on 31st January 2007 to seek initial expressions of interest, which elicited 46 initial enquires. Shortlisting questionnaires, and an information pack containing the outline specifications and tender approach were sent out and 25 contractors returned the questionnaires, across all of the lots. Some contractors submitted expressions of interest for more than one lot. 12 expressions of interest were received for Lot 1, 14 for Lot 2 and 10 for Lot 3.

- 3.8 Shortlisting was carried out on the basis of the contractors' financial viability, technical ability, quality assurance, training, environmental, health and safety and references.
- 3.9 A number of companies identified potential conflicts of interest and these were considered by Legal Services. After consideration and investigation none of the companies who declared potential conflicts were disqualified.
- 3.10 On 1 June 2007, 14 contractors were invited to tender across all of the lots. Some companies were short-listed against more than 1 lot. There were 7 contractors short-listed for Lot 1, 6 for Lot 2 and 6 for Lot 3. 7 were short-listed for Lot 1 as two companies achieved the same mark and tied in sixth place and in the interest of fairness it was agreed that the Council would shortlist to 7 places. Appendix 1 lists the companies that were shortlisted.
- 3.11 The tendering instructions stated that the contract would be awarded on the basis of the most economically advantageous offer to the Council and that in evaluating tenders, the Council would have regard to the following:
- Financial competitiveness and affordability
 - Ability to meet the requirements of the Specification
 - Ability to meet the Council's timescales
 - Technical Competencies and associated Service provision, including past experience and experience of staff
 - Ability to ensure smooth and seamless implementation
 - Customer Care
 - Quality control and assurance
 - Health and Safety

Evaluation process

- 3.12 The tender evaluation was carried out by a panel of officers from Policy and Regeneration, Property and Asset Management, Finance and Corporate Resources, with support from Procurement and Risk Management Unit and Legal Services. Other advisors engaged in the process were officers from Environment and Planning and an external Client Advisor from J.R. Knowles
- 3.13 All tenders had to be submitted no later than 12.00 hours on 11 July 2007. Tenders were opened on 11 July 2007 and 8 valid tenders were received across all of the lots. Some of the contractors had submitted tenders for more than 1 Lot. There were 5 bids for lot 1, 4 for Lot 2 and 2 for Lot 3. These were photocopied and given to each member of the evaluation panel.

- 3.14 Interviews were carried out with all tenderers between 17 July and 31 July 2007. The interview commenced with a presentation from each company and then moved onto questions and answers which tested each company's technical skills and competencies, how they would meet the specification, their ability to meet the timetable and their communication skills.
- 3.15 Following the interviews further clarification was carried out with tenderers via written correspondence where necessary.
- 3.16 When reviewing the tenders for Lot 1 it became apparent that none of the tenderers had correctly completed the Council pricing schedules. Each tenderer for Lot 1 was asked to submit new pricing on the basis of a number of standard assumptions determined by the Council. Tenderers were required to submit their revised pricing to Democratic Services in the same way as tenders are usually submitted. The closing date for the revised pricing was 10 am on 6 August 2007.
- 3.16 Consortia 3, who had been short-listed for Lot 1, reduced the number of partners, within its consortia to just one PKF (UK) LLP. This did not affect the ability to be short-listed as PKF (UK) LLP was able to qualify based on their own pre-qualification score.
- 3.17 Consortia 2, changed its financial partner when it tendered from Navigant (who passed pre-qualification) to AYH as they felt this offered the best solution to the Council. They submitted the pre-qualification documents which were marked in accordance to the criteria and references were sought. This did not affect the Consortia's position as they still qualified to be short-listed.
- 3.18 Consortia 2 tendered for all 3 of the Lots. They initially stated that their tender was not severable but after clarification they confirmed in writing on 3 August 2007 that the Consortia's tender was indeed severable meaning that they could be considered separately for all 3 Lots
- 3.19 Donaldson's tendered for Lots 1 and 3. As with the Consortium, they initially stated that their tender was not severable but after clarification they confirmed in writing on 27 July 2007 their tender was severable meaning that they could be considered separately for Lots 1 and 3.
- 3.20 The panel met on 6 and 7 August 2007 and each submission was marked by the whole panel against the award criteria, taking into account the written submission and interview. References were not checked at this stage as they had already been sought at the pre-qualification stage and each company had obtained at least 2 satisfactory references.
- 3.21 Details of the evaluation criteria, the weighting ascribed to each criteria and the scores achieved by each of the tenderers are included in Appendix 2. The names of the tenderers are contained in Appendix 4 (**not for publication**). At a high level the quality criteria were weighted at 60% and financial competitiveness and affordability weighted at 40%. The prices submitted by tenderers for each of the lots are contained in Appendix 3 (**not for publication**).

The methodology for scoring price is contained in Appendix 5.

3.22 While undertaking the evaluation of tenders for Lot 3 (Real Estate Advisors) it became apparent that the Council had not received any fully compliant tenders. The tenders received for Lot 3 were non-compliant for the following reasons:

- all bidders proposed to sub-contract part of the service which was expressly prohibited by the Council, in the Instructions to Tenderers
- the pricing supplied by all bidders was qualified because they had inserted assumptions and exclusions.

3.23 The Public Contract Regulations 2006, under which this procurement was being conducted, allowed the Council to use the negotiated procedure, without advertisement, where it discontinued a procurement process because of irregular (non-compliant) tenders as long as it invited all tenderers to join the negotiation process.

3.24 Consequently all tenderers for Lot 3 were advised on 7th August 2007 that the Council was discontinuing the restricted tender process for Lot 3 and would be proceeding with a negotiated process. They were further advised that their existing tenders would be used as the basis for negotiations and were invited to attend a meeting on 8th August 2007 with the evaluation panel to discuss aspects of their tender. Following that meeting tenderers for Lot 3 submitted adjustments to their pricing and confirmed additional clarification information as discussed in the meeting in writing.

3.25 The panel completed the final evaluation for Lot 3 on 13 and 14th August 2007. The scores are set out in Appendix 2. The names of the tenderers are set out in Appendix 4(not for publication).

3.26 The contract will commence 24 September 2007 subject to the Council's observation of the requirements of the mandatory standstill period noted in paragraph 5.3 below.

4.0 Financial Implications

4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval of the award of the contract.

4.2 The total price of all of the lots is £296,034 and each lot is valued at:

- Lot 1: £54,975
- Lot 2: £113,084
- Lot 3: £127,975

4.3 Although essentially the contracts are fixed price contracts, the above prices may vary if the Council needs to take up some optional extra services outside the current defined scope of activities such as the provision of Red Book Valuations or Development Agreements or the need for any additional meetings

with the contractors over and above those estimated by the Council and agreed with the recommended contractors.

- 4.4 The cost of external legal advisors is in addition to the cost of the lots identified above. The external legal advisors will be paid on the basis of agreed hourly rates for actual work undertaken by them. The estimated cost of the external legal advisors is £200,000 for the full duration of the project (i.e. until project completion).
- 4.5 Specific budget provision to advance the Civic Centre Project was included within the 2007/08 Revenue Budget. Expenditure on the Consultants will be met from this budget.

5.0 Legal Implications

- 5.1 The Services in Lots 1, 2 and 3 are all classified as Part A services under the Public Procurement Regulations 2006. The three services were tendered as one contract split into lots allowing the option for potential tenders to bid for one or more lots. Accordingly the value of all three services was aggregated when determining the contract value. The aggregate estimated value of all 3 lots was higher than the EU threshold for services contracts and therefore the process was subject to the full application of the EU regulations as well as the Council's Standing Orders for High Value contracts.
- 5.2 Initially the procurement was undertaken following the restricted procedure under the Public Contract Regulations 2006. The restricted procedure does not allow the Council to negotiate with tenderers and accordingly there is limited scope to discuss or accept non-compliant tenders. The Public Contract regulations allow the Council to use the negotiated procedure, without advertisement, where it has discontinued a procurement process because of irregular (non-compliant) tenders. This is subject to the requirement that all tenderers be invited to join the negotiation process and a prohibition to substantially change the scope and terms of the tendered contract.
- 5.3 The Council must observe the EU Regulations relating to the observation of a mandatory minimum 10 calendar day standstill period **before** the contracts for the 3 lots can be awarded.
- 5.4 Therefore once the Executive has determined which tenderer should be awarded the contract, all tenderers will be issued with written notification of the contract award decision. A minimum 10 calendar day standstill period will then be observed before the contract is concluded – this period will begin the day after all Tenderers are sent notification of the award decision – and additional debrief information will be provided to unsuccessful tenderers in accordance with the regulations.

5.5 As soon as possible after the standstill period ends, the successful tenderer will be issued with a letter of acceptance and the contract can commence.

6.0 Diversity Implications

6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 There are no implications for Council staff arising from retendering the contract.

8.0 Background Papers

8.1 Report to Executive 11th December 2006 entitled “ A Business Case for a new Civic Centre for Brent”

Contact Officers

- Anna Woda, Civic Centre Project Director – tel: 020 8937 6409
- Phil Newby, Director of Policy and Regeneration – tel: 020 8937 1032
- Duncan McLeod, Director of Finance and Corporate Resources – Tel: 020 8937 1424

Gareth Daniel
Chief Executive

CONSULTANCY SERVICES FOR THE CIVIC CENTRE PROJECT CONTRACT

SHORT-LISTED SUPPLIERS

Lot 1: Financial Advice

RANK	COMPANY
1	Consortia 2
2	Donaldson's
3	Cushman & Wakefield
4	Pellings
5	Consortia 3
6	BDO Stoy Hayward LLP
6	Sector Services

Lot 2: Architectural Advice

RANK	COMPANY
1	Pringle Brandon
2	Roughton London Ltd
3	Malcom Reading and Assoc
4	Consortia 2
5	Consortia 4
6	Consarc Consulting Architects

Lot 3: Real Estate Advice

RANK	COMPANY
1	Consortia 2
2	Sanderson and weatherall
3	Consortia 4
4	Donaldsons
5	Cushman & Wakefield
6	Pellings

The make-up of the consortia is:

CONSORTIA:-	Members
Consortia 1.	<ul style="list-style-type: none"> • Copra • Mott Macdonald • PKF Accountants & Advisors
Consortia 2.	<ul style="list-style-type: none"> • HLM Architects • Sherlock Consultancy • Navigant
Consortia 3.	<ul style="list-style-type: none"> • Knight Frank LLP

	<ul style="list-style-type: none">• PKF• Actium Consult• Davis Langdon• TP Bennett Architects
Consortia 4.	<ul style="list-style-type: none">• DEGW• Sanderson Weatherall

CONSULTANCY SERVICES FOR THE CIVIC CENTRE PROJECT CONTRACT

TENDER EVALUATION GRIDS

[note: for all the evaluation grids please include the raw and weighted scores – you will need to add an additional column for each tenderer.

Lot 1: Financial Advice

Evaluation criteria		A	B	C	D	E
	Weight	Score x Weight	Score x Weight	Score x Weight	Score x Weight	Score x Weight
Ability to meet the requirements of the Specification	20	(3 x 20) 60	(2 x 20) 40	(4 x 20) 80	(2 x 20) 40	(3 x 20) 60
Health & Safety	5	(3 x 5) 15	(3 x 5) 15	(3 x 5) 15	(3 x 5) 15	(3 x 5) 15
Quality control and assurance	5	(3 x 5) 15	(3 x 5) 15	(4 x 5) 20	(3 x 5) 15	(3 x 5) 15
Technical competencies and associated service provision, including past experience and experience of staff	10	(3x10) 30	(2x 10) 20	(4x10) 40	(2x10) 20	(3x10) 30
Customer Care, including references	5	(3x5) 15	(1x5) 5	(3x5) 15	(3x5) 15	(2x5) 10
Ability to meet the Council's timescales incl outline project plan	10	(2x10) 20	(3x10) 30	(3x10) 30	(2x10) 20	(2x10) 20
Ability to ensure smooth and seamless implementation	5	(3x5) 15	(3x5) 15	(3x5) 15	(3x5) 15	(3x5) 15
Score for above		170	140	215	140	165
Score for above / 5		34.00	28.00	43.00	28.00	33.00
Financial Competitiveness and Affordability	40	34.94	13.00	40.00	20.92	32.07
Total score		68.94	41.00	83.00	48.92	65.07

Score:

- 0 Information provides no confidence
- 1 Very basic Level of confidence
- 2 Adequate level of confidence
- 3 Adequate level of confidence in all areas and some areas of high confidence
- 4 High level of confidence
- 5 Highest level of confidence

Lot 2: Architectural Advice

Evaluation criteria		F	G	H	D
	Weight	Score x Weight	Score x Weight	Score x Weight	Score x Weight
Ability to meet the requirements of the Specification	20	(2 x 20) 40	(3 x 20) 60	(3 x 20) 60	(3 x 20) 60
Health & Safety	1	(3 x 1) 3	(3 x 1) 3	(3 x 1) 3	(3 x 1) 3
Quality control and assurance	4	(3 x 4) 12	(3 x 4) 12	(1 x 4) 4	(3 x 4) 12
Technical competencies and associated service provision, including past experience and experience of staff	10	(1 x 10) 10	(3 x 10) 30	(3 x 10) 30	(4 x 10) 40
Customer Care, including references	10	(1 x 10) 10	(3 x 10) 30	(2 x 10) 20	(4 x 10) 40
Ability to meet the Council's timescales incl outline project plan	10	(2 x 10) 20	(4 x 10) 40	(2 x 10) 20	(1 x 10) 10
Ability to ensure smooth and seamless implementation	5	(2 x 5) 10	(4 x 5) 20	(2 x 5) 10	(4 x 5) 20
Total score		105	195	147	185
Score for above / 5		21.00	39.00	29.40	37.00
Financial Competitiveness and Affordability	40	40.00	28.30	26.95	07.44
Total Score	100	61.00	67.30	56.35	44.44

Score:

- 0 Information provides no confidence
- 1 Very basic Level of confidence
- 2 Adequate level of confidence
- 3 Adequate level of confidence in all areas and some areas of high confidence
- 4 High level of confidence
- 5 Highest level of confidence

Lot 3: Real Estate Advice

Evaluation criteria		D	E
	Weight	Score x Weight	Score x Weight
Ability to meet the requirements of the Specification	20	(4 x 20) 80	(4 x 20) 80
Health & Safety	1	(3 x 1) 3	(2 x 1) 2
Quality control and assurance	2	(3 x 2) 6	(3 x 2) 6
Technical competencies and associated service provision, including past experience and experience of staff	14	(3 x 14) 42	(4 x 14) 56
Customer Care, including references	9	(3 x 9) 27	(3 x 9) 27
Ability to meet the Council's timescales incl outline project plan	10	(3 x 10) 30	(4 x 10) 40
Ability to ensure smooth and seamless implementation	4	(4 x 4) 16	(3 x 4) 12
Total score		204	223
Score for above / 5		40.80	44.60
Financial Competitiveness and Affordability	40	40.00	27.16
Total Score	100	80.80	71.76

Score:

- 0 Information provides no confidence
- 1 Very basic Level of confidence
- 2 Adequate level of confidence
- 3 Adequate level of confidence in all areas and some areas of high confidence
- 4 High level of confidence
- 5 Highest level of confidence

METHODOLOGY FOR SCORING PRICE

Establish the **whole life cost**. This is the total cost the council will pay for the service and / or goods including the cost of procuring them and the cost of disposing of them.

When calculating whole life costs you should consider:

- Initial cost
- Likely price increases or reductions over the life of contract
- The cost of any extras, back-up or support which may be needed
- The handover costs and transition costs at the start and at the end of the contract

When the total cost of each bid has been established these costs should be converted to a score out of 100. Since the lower the cost the better, the lowest cost should be awarded a score of 100. All other bids should be scored using the formula:

$$\text{Bid's score} = 100 \times (\text{lowest total cost} / \text{bid cost})$$

Example:

Three bids are received. The total cost for each is:

Bid A	£120,000
Bid B	£124,000
Bid C	£142,000

The cost score for each bid is:

Bid A =	100 x 120/120	=	100.0
Bid B =	100 x 120/124	=	96.8
Bid C =	100 x 120/142	=	84.5