

<p>London Borough of Hammersmith &amp; Fulham</p> <p><b>CABINET</b></p> <p><b>8 OCTOBER 2018</b></p>	
<p><b>BUSINESS CASE &amp; PROCUREMENT STRATEGY FOR HOUSING LIFT MODERNISATION PROGRAMME</b></p>	
<p><b>Report of the Cabinet Member for Housing - Councillor Lisa Homan</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification: For decision</b>  <b>Key Decision: Yes</b></p>	
<p><b>Consultation: Legal, Finance, Procurement</b></p>	
<p><b>Wards Affected:</b>  Addison, Askew, Avonmore &amp; Brook Green, Fulham Broadway, Fulham Reach, Hammersmith Broadway, North End, Palace Riverside, Parsons Green &amp; Walham, Ravenscourt Park, Sands End, Shepherds Bush Green, Town</p>	
<p><b>Accountable Director: Jo Rowlands, Strategic Director for Growth and Place</b></p>	
<p><b>Report Author:</b>  <b>Charles Kinney</b></p>	<p><b>Contact Details:</b>  Tel: 0208 753 4438  Charles.kinney@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval of a procurement strategy for the completion of the housing lift modernisation programme.
- 1.2. The Council is committed to the highest standards of Fire Safety. In support of the Council's Fire Safety Plus initiative contracts will incorporate an enhanced specification for blocks classified as higher risk following consultation with the London Fire Brigade and the Council's Building Control department. For clarification, a standard lift should not be used in the event of a fire. However, a firefighting lift is capable of being used by fire officers in the transportation of equipment.
- 1.3. It is proposed to carry out three one-off tendering exercises for individual contracts, each contract consisting of several locations, the frequency and value of which will be determined by annual budget availability and market capacity.

- 1.4 There will be a comprehensive consultation and engagement plan to ensure tenants and leaseholders are fully informed and disruption is minimised. The contract includes for a resident liaison officer to be posted on site throughout the construction period to provide assistance to residents

## **2. RECOMMENDATIONS**

- 2.1. That in accordance with the Council's Contracts Standing Orders, Cabinet approves the Business Case & Procurement Strategy for the housing lift modernisation programme 2018/2021 as set out in Appendix 1.
- 2.2. That Cabinet delegates authority to the Strategic Director for Growth and Place, in consultation with the Cabinet Member for Housing, to award the individual contracts.
- 2.3. That Cabinet delegates authority to the Strategic Director for Growth and Place, following consultation with the Cabinet Member for Housing, to approve future amendments to the packaging of the different contracts within the Procurement Strategy at Appendix 1 for operational reasons (including omitting and adding sites) where such amendments can be contained within the overall approved budget envelope and available resources.
- 2.4. That Cabinet notes that a previous procurement exercise for lift modernisation via a framework has been abandoned for reasons provided at paragraph 4.1.

## **3. REASONS FOR RECOMMENDATIONS**

- 3.1. Contract Standing Orders require departments to seek Cabinet approval for every Procurement Strategy and Business Case before a regulated procurement exercise is started.
- 3.2. The proposed strategy will enable the Council to complete a programme of modernisation for lifts serving housing blocks in various locations across the borough. It will maximise the number of firefighting lifts installed, and help deliver the Council's commitment to the highest standards of fire safety.

## **4. PROPOSAL AND ISSUES**

### **4.1. Previous Procurement**

- 4.1.1 Cabinet on 12<sup>th</sup> October 2015 approved the procurement of a 3 +1-year Framework Agreement for Housing's Lift Modernisation programme. Tenders were invited on 10th February 2017 with a tender return date of 29th March 2017.
- 4.1.2 The ramifications of the Grenfell Tower fire then impacted the tendering process. This prompted a review of the Council's fire safety procedures and a recommendation was made to the London Fire Brigade that the specification of works be amended to include the conversion of lifts serving higher risk blocks to firefighting lifts. In discussions with the LFB they have

0indicated that they are in favour of this proposal but their policy is not to issue specific approval in these matters. For clarification, a standard lift should not be used in the event of a fire. However, a firefighting lift is capable of being used by fire officers in the transportation of equipment.

It may also have significant advantages in evacuating residents needing assisted means of escape.

The optimum time to convert a lift to firefighting standard is during the full modernisation process. It is not technically possible at this stage to determine which lifts can be converted to firefighting lifts and each one will be considered on its merits. Building Control are currently carrying out an assessment of all buildings over 18 metres high and will determine which blocks have lifts that are suitable for conversion into Firefighting lifts. The objective is to deliver to install as many firefighting lifts as possible. Issues that might affect the feasibility of this are; Lift Design – electrical equipment, minimum load, size etc Building Design -the number of staircases,dry risers, safe lobby areas, drainage etc

In light of the Grenfell Tower fire it is felt that this Council should have the very highest standards of fire safety over and above the legal requirements to ensure the safety of its residents.

All new lift installations will be inspected by the lift maintenance maintenance team to ensure that the lift has been installed correctly in accordance with the specification.

In terms of ongoing maintenance this will form part of the lift maintenance contract which is shortly to go out to tender. Lifts are inspected independently every 6 months for insurance purposes and all lifts including fire fighting lifts will be checked on a monthly basis by the lift maintenance team as part of the ongoing supervision of the lift maintenance contract.

It should be noted that if firefighting lifts are to be fitted to lifts that have already been modernised they will have to be retro fitted and a separate report regarding these lifts will be submitted in due course.

Firefighting Lifts will have to comply with British Standards BS:EN 81-72:2015.

4.1.3 Consideration was given to entering into a negotiated agreement with successful contractors on the 2017 framework to enhance the specification to add in firefighting lifts. However, the legal advice was that this was not appropriate and that a new procurement exercise should be initiated.

4.1.4 Furthermore, the initial procurement exercise restricted tenderers on the number of Lots they could bid for and resulted in some Lots receiving insufficient interest.

4.1.5 Finally, performance issues on contracts awarded prior to the previous procurement have given cause for concern. A new process allows the council an opportunity to tighten the contractual arrangements.

#### **4.2. Proposed Works**

4.2.1 There are a total of 216 lifts across the housing portfolio, of which 193 have been scheduled for modernisation as part of a multi-year programme which started in earnest during 2011. 140 lifts have been completed to date, with a further 4 currently being modernised as part of live contracts. 9 lifts are the subject of separate tenders. The proposed strategy will cover the remaining 40 lifts (39 passenger lifts plus a single goods lift).

4.2.2 Works include the dismantling and removal of the existing lift installations within each block, including the main drive units, the existing control systems, lifts cars, landing equipment, associated wiring, and the installation of new modern equipment that can be supported for the foreseeable future. The works do not include renewal of the existing guides and counter weights which are serviceable, and are therefore to be retained.

4.2.4 The works will be programmed to be completed as quickly as possible in order to minimise the inconveniences to residents and visitors to the buildings whilst the lifts are out of service. Where a block is served by a single lift, it follows that there will be no lift service available to residents throughout the duration of the construction period. The contract includes for a resident liaison officer to be posted on site throughout the construction period to provide assistance to residents with their shopping and transporting of heavy loads via the stairs. The resident liaison officer will also deal with complaints and resident queries daily between the hours of 9am – 5pm (Monday to Saturday).

4.2.5 Where buildings are served by two lifts, it is proposed to phase the works so that only one lift in each block is decommissioned and worked upon at any one time. This will maintain a lift service throughout the duration of the scheme, albeit a reduced one. Works to the second lift in each block will only commence after a successful trial period of one week following completion of works to the first lift. However, where there are two lifts serving the building we are aware of the risk of failure of the in-service lift and of the consequences and inconvenience this would cause should a breakdown occur.

4.2.6 Accordingly, it is a requirement in the contract for the successful contractor to respond to breakdown repairs within one hour of notification of same. In addition, redundant parts removed from the decommissioned lift will be kept on site as spares used to maintain the in-service lift.

## **5 OPTIONS AND ANALYSIS OF OPTIONS**

5.1. A Service Review Team (SRT) has undertaken a service review in accordance with Contracts Standing Orders. Appendix 1 sets out the

commercial and procurement options, together with an analysis of these options.

## **6. CONSULTATION**

6.1 Details of consultation are given in Appendix 1.

## **7. EQUALITY IMPLICATIONS**

- 7.1. The works will mean that lifts are temporarily out of service and this may be of inconvenience to some residents, for example the elderly, disabled, or residents with young children. However, prior to works, consultation with residents and housing management will be undertaken and alternative arrangements for vulnerable residents will be considered. In exceptional circumstances this may entail a temporary decant while service is interrupted. However, in the longer term, the works will improve the reliability of the affected lifts. This project therefore has both positive and negative impacts, with the positive outweighing the short-term negative impacts.
- 7.2. Implications verified by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

## **8. LEGAL IMPLICATIONS**

- 8.1 The Open Procedure Tender proposed would be in compliance with the Council's obligations under the Public Contracts Regulations 2015 (PCR) as amended and its own CSOs requirements. Although (depending on the rules about aggregating the values of contracts of a similar type) it may be that the PCR procedural requirements do not apply, the PCR still require that there is an open and transparent procurement process.
- 8.2. The MF1 model form of contract is aimed at the supply and installation of electrical, electronic, and mechanical plant, so it would be appropriate for passenger lifts modernisation. However, many clients perceive it as contractor-friendly, and it would therefore be appropriate to amend it.
- 8.2 Implications completed by Deborah Down, Senior Associate with Sharpe Pritchard LLP, on secondment to the Council ddown@sharpepritchard.co.uk

## **9. FINANCIAL IMPLICATIONS**

- 9.1 The 2017/18 Capital Outturn report contains £69.3m of unallocated budget to be made available to various schemes within the HRA capital programme for the financial years 2018/19- 2021/22 as and when they are identified. The estimated £10.5 million (includes 9 lifts which were procured separately) needed for the lift modernisation works will be allocated out of the £69.3 million.
- 9.2. The allocation of the £10.5 million over the budget years 2018/19 to 2021/22 will be profiled in quarter 1 Capital Budget Report which will be presented to Cabinet on 8 October 2018. Beyond that as and when the respective lift

schemes progress they will receive a specific scheme specific allocation from the £10.5 million envelope.

9.3 Each scheme will be monitored and reported on via the Decent Neighbourhoods monthly budget and the quarterly Capital Cabinet Report. It is recommended that project managers maintain project cash flows that are shared with Growth and Place to ensure strong budgetary control.

9.4 Companies who express an interest will be financially evaluated in accordance with Council procedures. This involves credit checks, turnover to estimated contract value ratio and financial statement analysis to check their financial health.

9.5 Implications verified by Sudhir Kafle Housing Investment Accountant, tel. 0208 753 4391.

## **10. IMPLICATIONS FOR BUSINESS**

10.1 This is specialist work with limited implications for other businesses in the area although operatives working on site are likely to use local services including shops and cafes.

10.2 The Commissioning Manager will work with the Economic Development Team to ensure that economic and social value criteria is included in the tender documentation and to explore business opportunities to create employment and skills prospects for local residents and supply opportunities for local businesses.

10.3 Implications completed verified by Albena Karameros Economic Development Team, tel. 07738316957.

## **11. COMMERCIAL IMPLICATIONS**

11.1 The proposed approach of using an open procedure for procuring the lift contracts packages are in line with the Public Contracts Regulations (PCR 2015) and the Council's Contracts Standing Orders (CSOs).

11.2. All procurement exercises must use the Council's e-tendering system, capitalEsourcing, and be advertised accordingly, in Contracts Finder and Tenders Electronics Daily (TED) where the value reaches the statutory threshold, £4,551,413.

11.3. A tenders appraisal panel (TAP) shall be formed to evaluate the tender responses against the awarding criteria.

11.3 Implications completed by: Andra Ulianov, Procurement, tel. 0208 753 2284.

## **12 SOCIAL VALUE CONSIDERATIONS**

12.1 The Public Services (Social Value) Act 2012 is statutory for contracts for services. However, the H&F Policy includes social and economical value being sought in other types of contracts for concessions, works and supplies.

12.2 Social value shall be included in the contract awarding criteria. According to section 6 in the Appendix, this has not been considered. Social value should therefore form part of the awarding criteria, regardless of the length of the contract.

12.3 Implications completed by: Andra Ulianov, Procurement, tel. 0208 753 2284.

### **13. IT IMPLICATIONS**

13.1 There are no ICT implications identified by the SRT

13.2 Implications verified/completed by: Veronica Barella Chief Information Officer tel. 0208 753 2927.

### **14. RISK MANAGEMENT IMPLICATIONS**

14.1 Many high rise residential buildings (HRRB) in the borough have a single staircase to enable evacuation and firefighting in the event of an emergency. The Dame Judith Hackitt review of fire safety and building regulations categorises residential buildings of 10 or more storeys (HRRB) as being of significance owing to their higher risk. Therefore, more layers of protection must be afforded to protect residents. Providing another route of evacuation and enabling firefighters to safely fight fire effectively are key layers of additional protection.

14.2 Local Government Association Guidance, Fire Safety in Purpose Built blocks 2001, (S 70.11) says: 'many older and disabled residents will find it difficult to use stairs in the event of a fire and additional measures may need to be considered, if lifts are provided, where reasonably practicable, consideration should be given for the provision of evacuation lifts'. To that extent and in mitigation the contract includes for a resident liaison officer to be posted on site throughout the construction period to provide assistance to residents with their shopping and transporting of heavy loads via the stairs. The resident liaison officer will also deal with complaints and resident queries daily between the hours of 9am – 5pm (Monday to Saturday).

14.3 Implications verified by Michael Sloniowski Risk Manager, tel. 0208 8753257.

### **15. OTHER IMPLICATIONS**

15.1 Details of any specific implications relating to property, business intelligence, health and wellbeing, Section 106 and PREVENT are set out in Appendix 1.

### **16. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name and contact details of responsible officer</b>	<b>Department/ Location</b>

	None		
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## **LIST OF APPENDICES**

Appendix 1- Business Case & Procurement Strategy Report



**REPORT RELATING TO BUSINESS CASE & PROCUREMENT STRATEGY FOR HOUSING LIFT MODERNISATION PROGRAMME**

**BUSINESS CASE**

**1. BUSINESS CASE – WHY THE PROCUREMENT IS NEEDED**

- 1.1 There is a total of 216 lifts across the housing portfolio, of which 193 have been scheduled for modernisation as part of a multi-year programme which started in earnest during 2011. 140 lifts have been completed to date, with a further 4 currently being modernised as part of a live contract. 9 lifts are the subject of separate tenders. This strategy covers the remaining 40 lifts (39 passenger lifts plus a single goods lift).
- 1.2 The lifts proposed for modernisation are generally nearing or past their recommended life and need to be renewed to ensure a reliable service for residents.

**2. FINANCIAL INFORMATION**

- 2.1 The 2018/19-2021/22 Capital Programme approved at Budget Council on 27th February 2018 includes a total budget envelope of £10.5m for lift schemes as per the cashflow detailed below: This includes the 9 lifts which are subject to a separate tender.

2018/19	2019/20	2020/21	2021/22	Total
£4,100,000	£4,250,000	£1,650,000	£500,000	£10,500,000

- 2.2 The envelope will be subject to change as annual allocations are approved.
- 2.3. Given the need for a new procurement process this cashflow will be revised in line with revised delivery timescales. Annual budgets for lift modernisation will be subject to amendments (as required to reflect significant changes in housing resources) to the HRA Business Plan Financial Model.

**3. OPTIONS APPRAISAL AND RISK ASSESSMENT**

**3.1. Option 1 – Do nothing**

- 3.1.1 The lifts proposed for modernisation are generally nearing or past their recommended life of 25 years. In the event of breakdown parts become increasingly difficult to source leading to lifts being out of service for prolonged periods. The investment is therefore essential to ensure the lifts remain safe and reliable.

### **3.2 Option 2 – Procure One Contractor for the whole programme**

3.2.1 It is not considered appropriate because it leaves the Council vulnerable if the contractor fails to perform or encounters business difficulties.

### **3.3 Option 3 – Use an existing national framework to deliver the contract**

3.3.1 The SRT have considered various existing frameworks but felt that these did not contain a sufficient number of suitable contractors.

### **3.4 Option 4 – Recommended Option – Go out to tender on a phased basis for a series of contracts that sees a number of locations grouped into each contract**

3.4.1 This is the preferred option. Lift modernisation is a very specialist area with a limited number of contractors and a reliable supply of labour is a particular issue. A phased approach will give the council greater control over the programme and will allow value for money to be more easily demonstrable, particularly to leaseholders. It also ensures that the Council's own resources are not deployed across a large number of projects onsite at once. However grouping each site with others does allow for some economies of scale.

## **4. THE MARKET**

4.1. The market for modernisation of social housing lifts is limited but competitive. Previous procurement exercises undertaken by the council have generated interest from up to seven contractors. The Council has in the past had constructive dialogue with contractors before inviting tenders about refinement of specifications and this practice will continue.

4.2. The proposal to run a series of tendering exercises will allow the council an opportunity to continually review its specification, programme requirements, and award criteria.

## **PROCUREMENT STRATEGY**

### **5. CONTRACT PACKAGE, LENGTH AND SPECIFICATION**

5.1. Contract Package: The proposed 7 contract packages are detailed at para 9.1. They will be procured in three phases as set out in sections 9 and 13 below. The contracts will be based on the terms and conditions of the Model Form of General Conditions (MF1). All relevant standard performance & delivery measurements will be included in each contract. The contracts will be reviewed and amended, if necessary, by Legal Services prior to publication of opportunity.

5.2. Length of contract: Each contract will be specific to a number of sites with the commencement date, date to be on site and site completion date all

included as part of the specification. A provisional timetable for the procurement and start on site is provided at para 13.1

- 5.3. Specification: Specification has been finalised by the relevant team and all documentation are ready for publication.
- 5.4. A series of KPIs will be incorporated into the contract which will measure how well a contractor is performing. They will include such things as achieving key milestones on time, compliance with CDM regulations adherence to health and safety matters and resident satisfaction
- 5.5 The defects liability period is 12 months after which the lift is maintained as part of the lift maintenance contract. Certain main components are covered by the manufacturers guarantee.

## **6. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS**

- 6.1 The proposed contracts will be time limited and therefore the application of social value principles becomes more difficult to achieve. However, the tender process will require bidders to provide details of their corporate social responsibility policy and how it will be implemented in Hammersmith and Fulham. In addition, contractors will be required to use local labour and apprentice schemes where possible and this will form part of the quality assessment criteria.

## **7. OTHER STRATEGIC POLICY OBJECTIVES**

- 7.1 The Housing Capital Programme seeks to meet the corporate strategic objectives of improving the quality of the Borough's Housing stock. The lift modernisation programme will provide safe, reliable lifts for residents.
- 7.2. The energy efficient new equipment used in modernised lifts will contribute to the council's aim to create a cleaner, greener Borough. The new drive machines come with variable frequency motors, the proposed new lifts control systems are equipped with Eco-friendly facilities, which at given times shut down unwanted circuits, such as car lighting, fans and power factors, which will all resume back to normal functions upon call demand, thus saving energy usage

## **8. STAKEHOLDER CONSULTATION**

- 8.1. There will be ongoing consultation with residents to explain the nature and scope of the works, programme, and timescales. Residents will be written to explaining the process and any impact on them after this report is approved. Residents will receive further correspondence prior to work starting on site, updating them regarding the programme, the scope of works and the level of support in place for residents from officers within the Planned Maintenance Team.

Extensive consultation with all affected residents will be carried out through the Resident Representative Forum, the Leaseholder Panel and Fire Safety Plus Residents Advisory Group (FRAG) and nearer the time meetings with individual tenant and resident associations.

Careful planning will take place to identify any vulnerable residents particularly in blocks with only one lift who may need to be re-housed during the works.

The additional costs of creating fire fighting lifts will not be passed on to leaseholders and will be accommodated from the Borough wide fire safety budget.

- 8.2 All relevant Leasehold consultations before, during and after the tender exercise will be strictly adhered to in accordance with legislation and the Council's policy on consultation. Notice of Intention (NOI) as part of the consultation process, will be sent out to all affected leaseholders within the borough. As part of on-going consultation process Section 20 notices (Notice of Proposal), will be sent out to affected leaseholders prior to contract award following a tendering exercise. In addition, separate meetings will be held with leaseholders before works start on site.

## 9. PACKAGING OF THE DIFFERENT CONTRACTS AND PROCUREMENT PROCEDURE

- 9.1. It is proposed that the remainder of the lift modernisation programme will be formed of 7 contract packages across 3 phases as below:

Contract	Blocks	No. Lifts	Estimated Value
1	Linacre Court; Standish House; Verulam House	5	£1,078,000
2	Herbert Morrison House, Michael Stewart House	4	£902,000
3	Henrietta House, Joanna House College Court	4	£810,000
	<b>Value of phase 1</b>		<b>£2,790,000</b>
4	Batman Close, Kelmscott Gardens, The Grange (Goldhawk Road), Mackay House	8	1,220,000
5	Glenallan House, Mortimer House, Pelham House, Rainville Court	6	£858,000
6	Pearcroft Court, Seagrave Lodge, Wheatsheaf Lane	5	£576,000
	<b>Value of phase 2</b>		<b>£2,654,000</b>
7	Bush Court, Shepherds Court, Woodford Court, Roseford Court	8	£2,156,000 (phase 3)
	<b>Value of phase 3</b>		<b>£2,156,000</b>

<b>Total</b>		<b>40</b>	<b>£7,600,000</b>
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- 9.2 The procurement of each contract will be carried out using the Open Procedure via capital esourcing. Each phase will be advertised using a single advert for that phase. The value of the contract within that phase will need to be aggregated for the purpose of assessing whether the EU procurement rules apply. Because each phase has a value that is less than the EU threshold for works of £4,551,413 then it appears that no phase will need to be advertised under the EU rules, however it will be necessary to keep this under review, especially if the timetable for any phase slips and is advertised at a similar time as the next phase. On the assumption that the value of each advertised phase is below the OJEU procurement threshold for works, it will not be a regulated procurement, however, the Council will ensure the process is fully compliant with the principles of openness and transparency and all packages will be procured using the same procedure.
- 9.3. The Open procedure involves a one stage process as there is no pre-selection stage. Any organisation can apply through the Council's e-tendering system for a full tender pack and they will have an opportunity to submit a tender. The evaluation will be carried out for all tender submitted.
- 9.4. Under the Open procedure, there is still an opportunity to check tenderers eligibility against minimum standards of technical and financial standing, however, all evaluation (eligibility & tender), will be done in a one stage process and at the same time. The benefit of an open procedure, is that it reduces the procurement timeline. It is suitable where the market is relatively limited, as is the case with this procurement.
- 9.5. Tenders will be formally evaluated by a Tender Appraisal Panel (TAP). Individual panel members will score the tenders independently. After the scoring has been completed, a moderation meeting will be arranged for the TAP to agree the final moderated scores. The successful bid will be based on the combined score of quality and price.

## **10. CONTRACT AWARD CRITERIA**

- 10.1 Each contract will be awarded to the most economically advantageous Tender based on a combination of price and quality. Tenderers for each contract will be evaluated based on their Quality submission (Method statement) and Price (Commercial) submission. The ratio used will be 60% Quality and 40% Price.
- 10.2 There will be two stages to the evaluation of the quality criteria.
- 10.3 Stage 1 – Compliance: Each Tender must achieve a minimum level of acceptability as defined by the compliance standards set out in the table 1 below. The Authority reserves the right to reject without further discussion any Tender which does not meet the compliance standards.

**Table 1: Compliance**

<b>Compliance Standard</b>	<b>Rationale</b>
Compliant and bona fide Tender	Each Tender shall be checked to ensure that there is no material breach of ITT conditions; that the Tender is complete; that there is no collusion or corruption or anti-competitive behaviour; and that all required information is provided.
Legal Acceptability	Each Tender shall be checked to ensure that there is no legal impediment to the Authority entering a contract with the successful Tenderer in the Authority's form eg conflict of interest.
Complete Tender	Each Tender shall be assessed as to whether the Tenderer has confirmed that it is able to provide the Services as detailed within the Service Specification.

10.4 Stage 2 – Quality award Criteria (Technical Envelope in Capitaesourcing): Quality will be assessed on the basis of a Tenderer's written submissions in the Technical Envelope to the award criteria as set out below in Table 3.

10.5 The scoring table is set out in Table 2 below. Each response to the award criteria will be marked out of a possible score of 5. The scoring will be based on the general principles and descriptions shown in Table 2 below. A Tender must score 2 or above for each of the criteria otherwise it may be rejected.

**Table 2: Zero to 5 Marking Scheme**

<b>Score</b>	<b>Rating</b>	<b>Criteria for Awarding Score</b>
0	Unacceptable (fail)	The information is omitted/no details provided, or irrelevant answer provided
1	Poor (fail)	The Authority has serious reservations that the Tenderer understands the requirement in the question. The proposal provides very limited evidence and assurance that the relevant aspect of the service would be delivered to the expected

Score	Rating	Criteria for Awarding Score
		standard and there are serious doubts about aspects of the response.
2	Fair	The submission is superficial and generic in its scope. The Authority has some reservations that the Tenderer understands the requirement in the question. The proposal provides some limited evidence and assurance that the relevant aspect of the service or requirement would be delivered to a satisfactory standard.
3	Satisfactory	The Authority is reasonably confident that the Tenderer understands the requirement in the question and the proposal provides some satisfactory evidence and assurance that the relevant aspect of the service or requirement would be delivered to a satisfactory standard.
4	Good	The submission is robust and well documented. The Authority is confident that the Tenderer understands the requirement in the question and the proposal provides good evidence and assurance that the relevant aspect of the service or requirement would be delivered to a good standard in full compliance with the contract requirements, and potentially exceeding such standards in some areas.
5	Excellent	The proposal is innovative and adds value. The Authority is completely confident that the Tenderer understands the requirement in the question and the proposal provides very good evidence and assurance that the relevant aspects of the service or requirement would be delivered to an excellent standard in excess of the contract standards in many areas.

10.6 The Quality section of the Tender has sub-sections as follows:

Table 3

Section	Total weighting	Element weighting

Technical	30%	Methodology	15%
		Resources	15%
		(on this contract)	
Service delivery	30%	Flexibility	10%
		Communication	10%
		Innovation/Added Value	10%
Customer Care	20%	Satisfaction	10%
		Complaints Procedure	10%
Environment	10%	Energy Savings	5%
		Disposal of waste	5%
Social Value	10%	Local jobs	5%
		Apprenticeships	5%
<b>Total Quality (out of 100% - is then adjusted to represent 60% of overall score)</b>	<b>100%</b>		

- 10.7 After completing their individual scoring exercise, members of the evaluation team will meet and consider each Tender and a consensus on scoring for each Tenderer's responses to the award criteria will be reached.
- 10.8 If during the evaluation team's consensus meeting a Tender is scored 2 or less for a response to any of the award criteria the Tender may not be further considered.
- 10.9 For those Tenders which at the evaluation team's meeting score 2 or above for all responses to the award criteria the evaluation will proceed.
- 10.10 Each score for a response to an award criterion will be multiplied by the relevant sub-weighting to arrive at a weighted score. Weighted scores will be added together to produce a total score out of 100. The overall quality weighting of 60% will then be applied.
- 10.11 **PRICE (COMMERCIAL ENVELOPE IN CAPITALSOURCING):**  
The Tender with the lowest total sum will automatically score 100% of the price element in the Commercial Envelope. Thereafter each other Tender is compared against the lowest priced Tender in accordance with the following formula to arrive at a score to one decimal point:

$$(A \div B) \times C = X$$

Where:

A = the lowest submitted price of all Tenders

B = the total price submitted by Tenderer

C = the maximum percentage score i.e. [            ]



X = the score for Price

10.12 Based on a notional figure of £60,000 for the lowest Tender price and using the formula set out in paragraph 3.1 above the Commercial Envelope score for price would be as set out below and then weighted by 60% and awarded as follows:

TENDERER	PRICE	SCORE AWARDED (X)
1	£60,000 (A)	100%
2	£70,000 (B)	86%
3	£80,000 (B)	75%
4	£90,000 (B)	67 %

### 10.13 **COMPILATION OF PERCENTAGES AWARDED FOR QUALITY AND PRICE**

The percentages awarded to each Tender for the Price (Commercial Envelope) and Quality (Technical Envelope) elements of the evaluation are added together to arrive at the most economically advantageous Tender i.e. the Tender with the highest total percentage awarded.

## 11. **PROJECT MANAGEMENT AND GOVERNANCE**

### 11 PROJECT MANAGEMENT

12.1. The SRT has been led by the Head of Mechanical and Electrical, Growth and Place reporting to the Strategic Head of Property services. The team includes lift engineers, legal and procurement officers, and representatives from housing's asset management and leasehold services teams.

12.2. Tender Appraisal Panels will be established for individual tendering exercises as required.

### 13 INDICATIVE TIMETABLE

13.1 The table below provides an indicative timetable for each phase of works:

Milestone Phase 1, Contracts 1, 2 and 3	Date
Notice of Intent to Leaseholders	September 2018
Expiry of Notice of Intent	October 2018
Cabinet Approval, Procurement Strategy	October 2018
Invitation to Tender	November 2018
Contract Finder Notice	November 2018
Tender Return	December 2018
Tender evaluation	January 2019
Cabinet Member Approval, Tender Award	January 2019

Notice of Estimates to Leaseholders	January 2019
Expiry of Notice of Estimates	February 2019
Letter of Acceptance	February 2019
Sign Contract	February 2019
Award Notice, Contracts Finder	February 2019
Start on Site	July 2019
Completion	June 2020
<b>Milestone Phase 2, Contracts 4,5 and 6</b>	<b>Date</b>
Cabinet Approval, Procurement Strategy	October 2018
Notice of Intent to Leaseholders	February 2019
Expiry of Notice of Intent	March 2019
Invitation to Tender	April 2019
Contract Finder Notice	April 2019
Tender Return	May 2019
Tender evaluation	June 2019
Cabinet Member Approval, Tender Award	June 2019
Notice of Estimates to Leaseholders	July 2019
Expiry of Notice of Estimates	August 2019
Letter of Acceptance	September 2019
Sign Contract	September 2019
Award Notice, Contracts Finder	September 2019
Start on Site	January 2020
Completion	July 2021
<b>Milestone Phase 3, Contract 7</b>	<b>Date</b>
Cabinet Approval, Procurement Strategy	October 2018
Notice of Intent to Leaseholders	February 2020
Expiry of Notice of Intent	March 2020
Invitation to Tender	April 2020
Contract Finder Notice	April 2020
Tender Return	May 2020
Tender evaluation	June 2020
Cabinet Member Approval, Tender Award	July 2020
Notice of Estimates to Leaseholders	July 2020
Expiry of Notice of Estimates	August 2020
Letter of Acceptance	September 2020
Sign Contract	September 2020
Award Notice, Contracts Finder	September 2020
Start on Site	January 2021
Completion	December 2022

#### **14. CONTRACT MANAGEMENT**

- 14.1 The contracts will be managed by LBHF's Senior Technical Lift Engineer and Quality Assurance Engineer along with the appointed contractor's Field Project Manager. They will monitor progression and quality of installation

through bi-weekly and monthly site meetings, these meeting will be logged along with the Senior Engineer's weekly site inspections. Internal progress meetings will be scheduled to allow formal reporting to the Head of Mechanical and Electrical Service, Growth and Place.

- 14.2 The Senior Technical Lift Engineer will raise all project contract documentation for change control i.e. Variation Orders/Engineers Instructions etc.
- 14.3 The Senior Technical Lift Engineer will complete periodic valuations and authorise payment certificates in accordance with the contract.
- 14.4 There will be pre-handover inspection surveys to ensure that work has been carried out to specification, and to a satisfactory standard of workmanship, prior to the lift installation being accepted from the lift contractor. During the final testing of a
- 14.5 On completion of the project (or project phases), the lift engineer will raise Sectional Practical Completion Certificate and Final Certificate of Practical Completion.
- 14.6 An End of Defect Liability Inspections survey will ascertain whether the lift has been maintained correctly during the 12-month defect period and that there are no outstanding items that need to be addressed by the lift contractor.