

**APPENDIX 2**  
**EVALUATION METHODOLOGY & AWARD CRITERIA**

1. The ITT invited tenders for housing repairs and maintenance works and services borough wide, in accordance with the Contract documents.
  - 1.1. The Contract was divided into 3 (three) lots as follows:
    - a) Lot 1 – Borough wide sole supply
    - b) Lot 2 - North of the Borough
    - c) Lot 3 - South of the Borough
  - 1.2. Tenderers may only apply for those lots for which they have been selected following submission and evaluation of the pre-qualification questionnaire in relation to this Contract.
  - 1.3. A separate Pricing Schedule and Tenderer's Method Statements should be completed in respect of each lot tender submission.

**2. Compliance**

- 2.1. Tenders were subject to an initial compliance check to confirm that:
  - 2.1.1. Tenders had been submitted on time, were completed correctly and met the requirements of the Instructions to Tenderers and EU procurement rules.
  - 2.1.2. Tenders were sufficiently complete to enable them to be evaluated in accordance with the evaluation methodology and award criteria (as specified below).
  - 2.1.3. Tenderers had confirmed acceptance of the Conditions of Contract.
- 2.2. Tenders that did not meet the above compliance points, were rejected at that stage.

**3. Quality and Price Evaluation**

- 3.1. Tenders that complied with the initial compliance check were subject to a detailed evaluation in accordance with the criteria and weightings set out below.
- 3.2. The Contract was to be awarded to the most economically advantageous Tenderer. Tenders were evaluated on a 40% weighting for Quality, and a 60% weighting for the Price.

## Quality Evaluation

- 3.3. The 40% on Quality was evaluated on the basis of the Tenderer's response to the Tenderer's Method Statement in relation to the requirements of the Technical Specification. The weighting applied to each of the quality sub-criteria is shown in Table 2 below.
- 3.4. Tenderers were required to submit proposals for all method statements.
- 3.5. For the purposes of returning Method Statements, Tenderers had to ensure pages were paginated, with a minimum font size of 12 point, and a minimum page margin of 2.54 cm.
- 3.6. The ITT said that the Council valued succinct and concise answers. Scores were to be awarded based on the quality, not the length, of the answers. Generic and promotional material were not to be included.

The table below was used to measure and capture Quality criteria.

Table 2 – Quality Criteria

Criteria	Sub-Criteria	Question	Points Available	Weighting	Total
Management & Organisation	Organisation	1.1.1	5	10	50
		1.1.2	5	6	30
		1.1.3	5	4	20
	H&S	1.2.1	5	8	40
		1.2.2	5	8	40
		1.2.3	5	8	40
		1.2.4	5	8	40
		1.2.5	5	4	20
		1.2.6	5	4	20
		1.2.7	5	6	30
	Quality Management	1.3.1	5	10	50
		1.3.2	5	10	50
	Cost Control	1.4.1	5	10	50
		1.4.2	5	8	40
1.4.3		5	10	50	
Service Delivery	Repairs	2.1.1	5	10	50
		2.1.2	5	8	40
		2.1.3	5	6	30
		2.1.4	5	8	40
		2.1.5	5	6	30
		2.1.6	5	8	40
		2.1.7	5	4	20
		2.1.8	5	8	40
		2.1.9	5	4	20
		2.1.10	5	4	20
	Voids	2.2.1	5	10	50
		2.2.2	5	8	40

Criteria	Sub-Criteria	Question	Points Available	Weighting	Total
	<b>Programmed Work</b>	2.3.1	5	6	30
		2.3.2	5	4	20
		2.3.3	5	4	20
		2.3.4	5	6	30
		2.3.5	5	4	20
		2.3.6	5	6	30
		2.3.7	5	4	20
		2.3.8	5	4	20
		2.3.9	5	4	20
<b>Statutory Compliance &amp; Regulatory Standards</b>	<b>Gas Servicing</b>	3.1.1	5	10	50
		3.1.2	5	8	40
		3.1.3	5	8	40
		3.1.4	5	8	40
		3.1.5	5	6	30
	<b>Working with Asbestos</b>	3.2.1	5	8	40
		3.2.2	5	6	30
		3.2.3	5	8	40
	<b>Fire Safety Works</b>	3.3.1	5	8	40
		3.3.2	5	8	40
		3.3.3	5	8	40
	<b>Electrical Testing</b>	3.4.1	5	6	30
		3.4.2	5	6	30
		3.4.3	5	6	30
	<b>Building Control</b>	3.5.1	5	6	30
		3.5.2	5	6	30
	<b>Customer Care &amp; Resident Involvement</b>	4.1	5	8	40
4.2		5	8	40	
4.3		5	6	30	
4.4		5	6	30	
4.5		5	6	30	
4.6		5	4	20	
4.7		5	8	40	
4.8		5	6	30	
4.9		5	8	40	
4.10		5	6	30	
4.11		5	6	30	
4.12		5	6	30	
4.13		5	6	30	
4.14		5	6	30	
4.15		5	4	20	
<b>Operational &amp; Technical</b>	<b>Operational Activities</b>	5.1	5	10	50
		5.2	5	6	30
		5.3	5	10	50
		5.4	5	8	40
		5.5	5	8	40
		5.6	5	8	40

Criteria	Sub-Criteria	Question	Points Available	Weighting	Total
		5.7	5	8	40
		5.8	5	8	40
		5.9	5	6	30
Action Plans	Transition & Mobilisation	6.1.1	5	8	40
		6.1.2	5	8	40
		6.1.3	5	8	40
		6.1.4	5	6	30
		6.1.5	5	6	30
		6.1.6	5	6	30
		6.1.7	5	6	30
	Business Continuity	6.1.8	5	4	20
		6.2.1	5	10	50
		6.2.2	5	8	40
Exit Strategy	6.2.3	5	6	30	
	6.3.1	5	8	40	
ICT	ICT Proposal (please refer to further guidance in table 4 below)	7.1	500	1	500
Supply Chain Management	Supply Chain	8.1	5	8	40
		8.2	5	8	40
		8.3.1	5	4	20
		8.3.2	5	4	20
		8.4	5	6	30
		8.5	5	6	30
		8.6	5	4	20
Environment	Environmental	9.1	5	6	30
		9.2	5	6	30
		9.3	5	6	30
		9.4	5	4	20
Continuous Improvement	Continuous Improvement	10.1.1	5	8	40
		10.1.2	5	6	30
		10.1.3	5	6	30
		10.1.4	5	6	30
<b>Total available marks for Quality criteria</b>					<b>3,970</b>

3.7. For the ICT Method Statement 7.1, the following sub-criteria applied:-

Table 3 – Quality Criteria for ICT

ICT spec item	Desirability	Points Available	Weighting	Score
1	High	5	3	15
2	Low	5	1	5
3	High	5	3	15
4	High	5	3	15
5	High	5	3	15
6	High	5	3	15
7	High	5	3	15
8	Low	5	1	5
9	High	5	3	15
10	Medium	5	2	10

ICT spec item	Desirability	Points Available	Weighting	Score
11	High	5	3	15
12	High	5	3	15
13	High	5	3	15
14	High	5	3	15
15	Medium	5	2	10
16	Medium	5	2	10
17	High	5	3	15
18	High	5	3	15
19	High	5	3	15
20	High	5	3	15
21	High	5	3	15
22	Medium	5	2	10
23	Medium	5	2	10
24	Medium	5	2	10
25	High	5	3	15
26	Medium	5	2	10
27	High	5	3	15
28	High	5	3	15
29	Medium	5	2	10
30	Medium	5	2	10
31	Medium	5	2	10
32	High	5	3	15
33	High	5	3	15
34	High	5	3	15
35	High	5	3	15
36	High	5	3	15
37	Medium	5	2	10
38	Medium	5	2	10
39	High	5	3	15
40	High	5	3	15
41	Medium	5	2	10
42	High	5	3	15
43	High	5	3	15
44	High	5	2	10
45	High	5	3	15
46	High	5	3	15
47	High	5	3	15
48	High	5	3	15
49	High	5	3	15
50	High	5	3	15
51	High	5	3	15
52	High	5	3	15
53	High	5	3	15
54	High	5	3	15
55	High	5	3	15
56	High	5	3	15
57	High	5	3	15
58	Medium	5	2	10
59	High	5	3	15
60	High	5	3	15

ICT spec item	Desirability	Points Available	Weighting	Score
61	Medium	5	3	15
62	High	5	2	10
63	High	5	3	15
64	Medium	5	2	10
65	High	5	3	15
66	High	5	3	15
67	High	5	3	15
68	Medium	5	2	10
69	High	5	3	15
70	High	5	3	15
71	High	5	3	15
72	Medium	5	2	10
73	High	5	3	15
74	High	5	3	15
75	Medium	5	2	10
76	High	5	3	15
77	High	5	3	15
78	Medium	5	2	10
79	Medium	5	2	10
80	High	5	3	15
81	Medium	5	2	10
82	High	5	3	15
83	High	5	3	15
84	Medium	5	2	10
85	High	5	3	15
<b>Total Score</b>				<b>1135</b>
<b>Weighted score out of 500 (Score / 1135 * 500)</b>				<b>500</b>

3.8. Scoring of Tenderers' responses for the purposes of Quality were based on the scale below to award marks between 0 and 5 for each sub-criteria:

Table 4 – Quality Scoring Guide

Assessment	Score	Interpretation
Excellent	5	Exceptional demonstration by the Tenderer of the relevant ability, understanding, skills, resource and quality measures required to provide the services. Response identified factors that would offer potential added value, with evidence to support the response.
Good	4	Above average demonstration by the Tenderer of the relevant ability, understanding, skills, resource and quality measures required to provide the services. Response identified factors that would offer potential added value, with evidence to support the response.
Acceptable	3	Satisfactory demonstration by the Tenderer of the

		relevant ability, understanding, skills, resource and quality measures required to provide the services, with evidence to support the response.
Minor Reservations	2	Some minor reservations about the Tenderer's relevant ability, understanding, skills, resource and quality measures required to provide the services, with little or no evidence to support the response.
Serious Reservations	1	Considerable reservations about the Tenderer's relevant ability, understanding, skills, resource and quality measures required to provide the services, with little or no evidence to support the response.
Unacceptable	0	Did not comply with, and/or insufficient information provided, to demonstrate that the Tenderer had the ability, understanding, skills, resource and quality measures required to provide the services, with little or no evidence to support the response.

3.9. The scores (which were decided by way of consensus) for each of the quality criteria and sub-criteria (set out in Tables 2 and 3) were multiplied by the weighting factor shown in Tables 2 and 3 and the weighted scores were added together to give an initial total weighted score for the Quality element of the evaluation.

3.10. The following formula was used to evaluate the quality score for the tenders received:-

$$(A/B) \times C = D \text{ - where:-}$$

A = Total Weighted Points achieved by Tenderer

B = Maximum Total Weighted Points (3,970)

C = Quality Weighting (40)

D = Quality Score

3.11. Therefore, a Tenderer achieving 3,640 points from the evaluation of their Tender Method Statements received a Quality Score of 36.67 as follows:-

$$(3,640 / 3,970) \times 40 = 36.67$$

3.12. Tenderers could be requested to give written clarification of certain issues relating to their tender. The Tenderer's clarification response could give rise to a moderation of the Tenderer's score. Such modification was undertaken using the criteria listed above.

**Price Evaluation**

- 3.13. Tenders were evaluated for the 60% Price score using the ‘total amount carried to Form of Tender’ tendered in their completed Price Framework.
- 3.14. Each Tender was awarded a Price score based on the relationship of the Tenderer’s total amount carried to Form of Tender, with the lowest total amount carried to Form of Tender price from the other Tenderer.
- 3.15. The maximum Price score was given to the lowest submitted total amount carried to Form of Tender. Other Price Scores were calculated as a percentage of the maximum Price Score based on their total amount carried to Form of Tender in relation to the lowest total amount carried to Form of Tender according to the following formula:-

**(E/F) x G = H - where:-**

E = Lowest Tendered total amount carried to Form of Tender

F = Tender total amount carried to Form of Tender

G = Price Weighting (60%)

H = Price Score

*e.g.*

*Table 5 – Example Price Evaluation*

<b>Tenderer</b>	<b>Annual Cost Price</b>	<b>Price Score</b>
1	£15,031,250	48.00
2	£14,450,000	49.93
3	£12,025,000	60.00
4	£13,450,000	53.64
5	£13,950,000	51.72
6	£15,500,000	46.55

*Please note the figures used in the above table are purely for example purposes only and are not a reflection of any tender prices received.*

- 3.16. Tenders were to note that these assumed variances and quantities (for Schedule of Rates for instance) in the Price Framework were made by the Council purely for the purpose of evaluating Tenders and for no other purpose and were not an indication or prediction of the



quantities of work, services or activities which the Council would require or which the Service Provider would provide under any awarded contract(s).

- 3.17. The information inserted in the Price Framework by the Council, does not bind the Council in any way and does not constitute any warranty, representation, indication, estimate or prediction of the volumes of any works, services or activities, which the Council might require, or that the Service Provider would provide under any awarded contract.

#### **4. Abnormally Low Tenders**

- 4.1. Notwithstanding the scoring methodology referred to above, Tenderers were advised that the Council would scrutinise very carefully any Tender that contained a price, which appeared abnormally low (having regard, amongst other things, to the prices submitted in the other Tenders received). In this regard, Tenderer's attention was drawn to the Council's power under Regulation 30(6) of the Public Contract Regulations 2006 (as amended) to disregard/reject any Tender that is abnormally low.

#### **5. Final Selection of Recommended Tenderer**

- 5.1. The quality score was added to the price score, and the Tenderers were then ranked according to their total score.

##### **Quality Score + Price Score = Total Score**

- 5.2. The highest ranked Tenderer (representing the most economically advantageous tender) were then carried forward to the further financial assessment.
- 5.3. In the event of a tie (where two or more top scoring Tenderers had the same total weighted score including both quality and price), the Council were to select from amongst those Tenderers, the submission of the Tenderer with the highest weighted score for Method Statement 2.1.1 – 2.3.9 – Service Delivery. In the event that this still resulted in a tie, the Council would select from amongst those Tenderers the submission with the highest weighted score for Price.

#### **6. Further Financial Assessment**

- 6.1. Following evaluation of submitted tenders, the Council carried out additional financial due diligence on the highest scoring Tenderer to confirm that their financial situation had not been adversely affected in the intervening period between the evaluation of the PQQ and ITT:

- 6.1.1. The Council checked the highest scoring Tenderer's credit rating using the Council's credit agency Creditsafe.

The highest scoring Tenderer had to obtain a Creditsafe rating of 50% or more and the Tenderer's Creditsafe rating could not have reduced by more than 10% during the intervening period (e.g. if at PQQ stage the Tenderer had a Creditsafe rating of 90, its Creditsafe rating at ITT stage had to be 81 or above).

- 6.1.2. The Council compared the highest scoring Tenderer's pre-tax profit margin percentage figure (as submitted in accordance with paragraph 8.2 of the ITT under "Additional Financial Information") with their pre-tax profit margin percentage figure calculated from the latest set of accounts as provided at the PQQ stage.

The highest scoring Tenderer must have had a pre-tax profit margin percentage figure which had not deteriorated by more than 50% from the latest set of accounts, as provided at the PQQ stage.

- 6.2. For the avoidance of doubt, where a consortium or subcontracting arrangement was proposed, each consortium member and each significant subcontractor (as was defined in the Council's PQQ), as well as the lead Tenderer, must have met the criteria set out in paragraph 6.1 of this Appendix.
- 6.3. In the event that the highest scoring Tenderer failed to meet the above criteria, the Council was to carry out the further financial assessment on the next highest scoring Tenderer, until a Tenderer met the requirements.

## **7 Award Decision**

- 7.1. As Tenderers were aware, the Council had invited tenders on the basis of two different delivery options:

- a) One borough wide sole supplier (Lot 1); and
- b) Two separate suppliers – one for the south of the borough, and one for the north of the borough (Lots 2 and 3).

- 7.2. Having identified the most economically advantageous tender for each of the Lots, the Council made a decision on the delivery option it wished to pursue. For the avoidance of doubt, if the Council chose to pursue the sole supplier delivery option, no contract awards would be

made in respect of Lots 2 and 3. Likewise if the Council chose to pursue the two separate Service Providers delivery option no contract award would be made in respect of Lot 1.

- 7.3. Tenderers submitted tenders on this basis and the Council has no liability to the Tenderers for any costs in preparing tenders or otherwise, as a result of the delivery option decision made by the Council.
- 7.4. The Council decided which delivery option to pursue on the basis of the option which represented the best value for money and was in the Council's overall best interests.
- 7.5. Factors which might be taken into consideration by the Council in making its decision, included (without limitation):
  - a) The additional cost of administering two contracts.
  - b) The potential flexibility of two contracts.
  - c) The costs relative to Leaseholders.
  - d) Risk management issues.