



# Leader's Urgent Decision

**LEADER**

**AWARD OF ROAD2010 TERM CONTRACT FOR LONDON ROAD CONDITION SURVEYS**

**WARDS**

**ALL**

This report sets out the process and rationale council officers have used to award the Road2010 London Road Condition Survey contracts.

A separate exempt report provides information on the tender opening and assessment.

**Reasons for Urgency:**

1. Due to national survey specifications some of the range of road condition surveys included in the contracts need to be completed by 10 August 2011 .If we were to follow the usual approval process the contractors would not be appointed and mobilised in time to achieve this date. Missing the deadline is unacceptable. The borough is managing these surveys on behalf of TfL and all 33 London Boroughs . This work brings income and prestige to the council.
2. Since the report has been on the forward plan it has already missed one cabinet meeting. The nature and complexity of the pan London framework contract meant the drafting took longer than anticipated and therefore the original procurement programme had to be extended.

**HAS A EIA BEEN COMPLETED?  
YES**

**HAS THE REPORT CONTENT BEEN RISK ASSESSED?  
N/A**

**Date by which a decision is required:**  
25 May 2011

**CONTRIBUTORS**

ESD  
DFCS  
ADLDS

**Recommendations:**

**That the Term Contract for London Road Condition Surveys (Road2010) be awarded to "Tenderer A" (Lot 1), "Tenderer B" (Lots 2 & 3) and "Tenderer C" (Lots 4 & 5) as outlined in the Exempt Report for an initial period of two years to 31 March 2013 with the option for a 24 month extension).**

AUTHORISED BY: .....  
The Leader has signed this report  
.....  
DATED: 23 May 2011 .....

## 1. BACKGROUND

- 1.1 Following a competitive tendering process, which was undertaken in accordance with the Council's Contract Standing Orders and the Public Contracts Regulations 2006 (as amended), officers are seeking approval to award Road2010 Term Contract for London Road Condition Surveys 2011 - 2013. The Contractors recommended to be awarded the contracts are the tenderers judged to have submitted the most economically advantageous tender to the Council.
- 1.2 A description and summary of the key aspects of Road2010 Term Contract for London Road Condition Surveys 2011 - 2013 is given in Appendix 1 (on the exempt part of the report).
- 1.3 In anticipation of the procurement exercise officers have reported to Cabinet Member for Environment, to approve the procurement strategy and tender specifications.
- 1.4 In accordance with the Council's Contract Standing Orders a Tender Appraisal Panel (TAP) was established for this tender exercise. On the recommendation of the TAP, the Cabinet Member for Environment agreed that tenders should be assessed on a 80:20 price / quality split respectively.
- 1.5 The contracts shall be awarded for a period of two years, with the possibility of one, 24 month extension to be agreed at the Council's discretion.

## 2. TENDER PROCESS

- 2.1 The procurement process has been overseen by the TAP.
- 2.2 Table 1 provides a summary of the stages in the procurement of the contract:

Table 1: Key procurement stages

Date	Action	Description
27 July 2010	Approval of Procurement strategy.	Cabinet Member Decision at ECM.
November - December 2010	Contract documents prepared and drafted.	
January - March 2011	Contract documents reviewed and approved by TAP.	PQQ issued electronically via London Tenders Portal.
11 March 2011	Tender documents issued and contract advertised on OJEU and the Council website.	Via London Tenders Portal.
21 April 2011	Tender period closed at 03:00am.	Tenders opened by the Mayor the same day.

### **3. TENDER OPENING**

- 3.1 Tenders were opened by the Mayor on 21 April 2011. Five tenders were received on time in accordance with the Instructions to Tenderers (ITT).

The list of valid Tenders accepted by the Mayor are on the exempt report.

### **4. TENDER ASSESSMENT**

- 4.1 Tender Evaluation has been undertaken by highway officers and overseen by the TAP. Evaluation is based on the most economically advantageous tender, incorporating components of Price (80%) and Quality (20%).

#### **4.2 Price Component**

- 4.2.1 This is a Schedule of Rates Contract so tenderers do not submit a total or single price for the works. Each item of work that is likely to be instructed through the contract has been scheduled and the tenderers insert prices for those items for each lot they have applied for.
- 4.2.2 Officers have developed an evaluation model which analyses the full range of the Schedule of Rates as set out in Appendix 2. These weightings have been set to determine which tenderer will provide the most economically advantageous for the key elements of works to be ordered through this contract.
- 4.2.3 Highest marks are awarded to the tenderer which has the lowest weighted price. The remaining tenderers are awarded points based on their price in relation to the lowest tenderer. If a tenderers price is double the lowest price then they are awarded zero.

#### **4.3 Quality Component**

- 4.3.1 A Quality Submission formed part of the tender documents, and was used to identify the key criteria the Council wished to assess tenderers on. In addition to providing a method of assessing each tenderer, the information in the Quality Submission will form part of the contractual requirements upon contract award.
- 4.3.2 Officers assessed tenderer's responses to each question under the criteria sections listed in Appendix 2, which were given scores out of 5.

#### **4.4 Combined Price / Quality – overall Score**

Please see the exempt report for details of tenderers scores and recommendations.

## **5. TRANSFER OF UNDERTAKINGS (PROTECTION OF EMPLOYMENT) REGULATIONS 2006 (TUPE)**

- 5.1 The Council, in conjunction with the incumbent contractor, has taken the view and considers that, the provisions of TUPE do not apply to this new contract, but may do on the conclusion of the contract to be awarded.

## **6. RISK MANAGEMENT**

- 6.1. This report is not included on a departmental or corporate risk register.

## **7. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

- 7.1 The tender process has been carried out in accordance with the Council's Contract Standing Orders.
- 7.2 There is no set price for the contract and the amount of works ordered under the contract will need to be managed in order to ensure that existing revenue budgets are not exceeded.

## **8. EQUALITY IMPLICATIONS**

- 8.1 The recommendations of this report in relation to impacts (negative or positive) on race, disability, gender, sexual orientation, age or belief system groups are clearly explained in the accompanying Equality Impact Assessment (EIA).

## **8. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

- 8.1 The AD (Legal and Democratic Services) agrees with the recommendations in this report.

## **9. COMMENTS OF THE ASSISTANT DIRECTOR PROCUREMENT**

- 9.1 The AD has been represented on the TAP and has provided procurement related advice. The tendering of these services has been undertaken in accordance with the Public Contracts Regulations 2006 (as amended) and the Council's Contract Standing Orders.
- 9.2 The AD agrees with the recommendations contained in the report.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Contract documentation and tender submissions.	Jonathan Addis	H&E, 5 <sup>th</sup> Floor, THX
2.	Tender Evaluation Sheets	Jonathan Addis	H&E, 5 <sup>th</sup> Floor, THX
<b>CONTACT OFFICER:</b>		<b>NAME:</b> Mark Hodgson <b>EXT.</b> 3490	

## APPENDIX 1 – On the exempt part of the report

## APPENDIX 2 – TENDER EVALUATION CRITERIA

### Price 80%:

The price assessment is based upon a quantified model using the Activity Schedule Price. Each Lot has been assessed in this way, and done independent of other Lots, except for the discounts which Tenderers may offer if they are awarded multiple Lots.

The lowest Activity Schedule Price (the sum of all Core Schedule of Rate items) for each Lot has awarded 100 Adjusted Financial Points, with the others being awarded proportionate Adjusted Financial Points by deducting one point for each percentage point by which their Activity Schedule Price exceeds that of the lowest. Hence an Activity Schedule Price that is 15% above the lowest will be awarded 85 Adjusted Financial Points.

### For Example:

<b>Tenderer</b>	<b>Activity Schedule Price (sum of SoR)</b>	<b>Adjusted Financial Points</b>	<b>Percentage Price Score</b>
Tenderer X	£600	80	64.00
Tenderer Y	£550	90	72.00
Tenderer Z	£500	100	80.00

Please note that these figures are in no way indicative of prices that should be submitted

### Notes:

Tenderer Z has submitted the Core Schedule of Rates with the lowest Activity Schedule Price (£500), and is therefore awarded 100 adjusted points (the maximum).

Tenderers X and Y are deducted one adjusted point for each percentage point by which their Activity Schedule Price exceeds the lowest Activity Schedule Price of Tenderer Z.

i.e. Tenderer Y price exceeds lowest Tenderer Z price by £50 (£550-£500)  
(£50 / £500k) x 100% = 10 %

Therefore Tenderer Y is awarded 100 - 10 = 90 Adjusted Financial Points

### Quality 20%:

#### Quality Submission Evaluation Criteria:

<b>Criteria Section</b>	<b>Max. score</b>	<b>Weighting (%)</b>	<b>Weighted Score</b>	<b>Min Threshold Score</b>
Section 1 General information		Not marked, for information only		
Section 2 Technical Capacity and References	50	15.0%	3.0	2.0
Section 3 Business and Professional Conduct	15	10.0%	2.0	1.5
Section 4 Quality Systems / Quality Assurance	30	15.0%	3.0	2.0
Section 5 Workforce Matters and Equal Opportunities	20	15.0%	3.0	2.0
Section 6 Health and Safety	15	15.0%	3.0	2.0
Section 7 Environmental Awareness	10	10.0%	2.0	1.5
Section 8 Financial Information	30	20.0%	4.0	2.5
		<b>Total</b>	<b>20</b>	

Marks out of 5 will be allocated to sections of the Quality Submissions as indicated in Table 1, on the basis set out in Table 2.

Quality Submission Scoring System:

<b>Score</b>	<b>Description</b>	<b>Mark</b>
Excellent	Meets all the requirements in a very full and comprehensive manner and exceeds some requirements.	5
Very Good	Meets most requirements in a full and comprehensive manner.	4
Good	Generally satisfactory and meets the criteria requirements to the satisfaction of the TAP.	3
Adequate	Satisfactory but with aspects which cause concern because either the response is incomplete, or differs from the professional / technical judgement of the TAP on the necessary requirements.	2
Inadequate	Indications that the response meets some of the requirements but either there are serious doubts about aspects of the response, or inadequate information has been provided.	1
Unacceptable	Little or none of the response is satisfactory, or little or no information has been provided	0

Yes / No Questions:

<b>Answer</b>	<b>Mark</b>
Yes	5
No	0

