

REPORT TO: Executive Board Sub Committee

DATE: 4 December 2008

REPORTING OFFICER: Strategic Director - Environment

SUBJECT: Award of the HBC Bridge Maintenance Partnership Contract

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 To expedite award of the HBC Bridge Maintenance Partnership Contract and thereby increase ability to satisfy the works delivery programme by delegating authority to accept the tender ranked highest following formal rigorous evaluation.

2.0 RECOMMENDATION: That

- (1) The Strategic Director Environment in consultation with the Executive Board Member for Planning, Transportation Regeneration and Renewal be authorised to award the HBC Bridge Maintenance Partnership Contract to the tenderer submitting the tender return which through a rigorous formal evaluation process is deemed to be the most advantageous.
- (2) The circumstances of the award be reported to a future Executive Board Sub Committee for information.

3.0 SUPPORTING INFORMATION

- 3.1 Item ES90 of 20 March 2008 Executive Board Sub Committee documents the circumstances leading to the invitation of tenders to undertake all planned major bridge maintenance in the Borough through a single partnering contract.
- 3.2 The term of the contract will be for an initial four-year period plus a potential two-year extension with an estimated minimum value of works of £12m. Any future decision regarding the potential two-year extension will be the subject to approval of Executive Board Sub Committee.
- 3.3 In compliance with Public Contracts Regulations 2006 a contract notice inviting expressions of interests was placed in the Official Journal of the European Union in May 2008.
- 3.4 Pre Qualification Questionnaires (PQQs) were returned in July 2008 by 16 organisations. These submissions were evaluated against a detailed scoring matrix and the 6 highest scoring submissions were shortlisted.

3.5 These organisations were as follows:

1. AMCO Ltd
2. Interserve Project Services Ltd
3. Nuttall BAM Ltd
4. A E Yates Ltd
5. Balvac Ltd
6. Wrekin Construction Co Ltd

3.6 Tenders invitations were issued on 29 August 2008 and tender returns were received from all 6 tenderers on 15 October 2008.

3.7 In conjunction with our framework consultants, Mott MacDonald, HBC are currently undertaking a detailed and rigorous evaluation of the tender returns.

3.8 Contract award will be based upon the most advantageous overall tender in terms of quality and price.

3.9 The quality score will be determined based upon the tenderer's responses to a quality questionnaire, health and safety questionnaire, questions related to delivery of derived projects and also performance at interview. The overall quality score will contribute a maximum of 60% of points available.

3.10 The price score will be based upon prices submitted for core activities within a price list, the mechanism for evaluating non-core activities and total works costs for derived projects. The overall price score will contribute a maximum of 40% of points available.

3.11 Following completion of evaluation, a detailed Tender Report will be prepared which will be issued to the Council's Internal Audit team for approval. Internal Audit scrutiny is not expected to be complete prior to the 2 December 2008 report deadline for 18 December 2008 Executive Board Sub Committee.

3.12 Following Internal Audit approval of the Tender Report, it is intended that tenderer returning the submission evaluated as yielding the highest overall score will be awarded the HBC Bridge Maintenance Partnership.

3.13 This report requests delegation of the authority to accept this tender to the Strategic Director Environment in consultation with the Executive Board Member for Planning, Transportation Regeneration and Renewal.

3.14 Approval of this Report will allow HBC to inform the successful tenderer in early December of our intention to award the contract and will enable the processes involved in formally establishing the Bridge Maintenance Partnership to be initiated as quickly as possible. This in turn will allow early mobilisation of resources and increase our ability to satisfy the planned programme of works in 2009.

4.0 POLICY IMPLICATIONS

- 4.1 The works include delivery of at least four years of the Council's Maintenance Strategy Plan for the Silver Jubilee Bridge Complex and Associated Structures.

5.0 OTHER IMPLICATIONS

- 5.1 Resource Implications

The Contract will be funded from the Council's capital budget in the form of direct capital grant for Bridge Strengthening and Maintenance on the Primary Route Network awarded through the Local Transport Plan settlement.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 6.1 The SJB Complex forms part of the strategic route through the Borough. Implementation of an effective and economic programme of maintenance is essential to ensure the continued availability of the crossing and thereby avoid compromising the Council's ability to deliver any of its strategic priorities.

7.0 RISK ANALYSIS

- 7.1 Financial Exposure of the Council.

Internal Audit confirmed the financial standing of all tenderers during evaluation of PQQs. A performance bond is a requirement of the contract.

- 7.2 Budget Control

The tender documentation allows routine and common activities to be priced based upon a schedule of rates. However, the unique nature of the structures in the SJB complex dictates that the costs of some works may be determined through negotiation on a target, lump sum or at-cost basis. The form of Contract to be employed and the tender evaluation process takes into account consideration of these issues.

The tender invitation and evaluation process will allow HBC to confirm that the successful tenderer has the appropriate level of expertise and experience to deliver the project within the proposed management structure. It will also allow confirmation of their ability to work openly and co-operatively with the client to react to necessary change during works to maximise opportunities to provide value for money.

The NEC (ECC) suite of contracts promotes flexibility through inclusion of options related to partnering and is recommended by the OGC as a suitable form of contract for public sector procurement.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The Pre-Qualification Questionnaire has allowed HBC to confirm that the successful tenderer has an acceptable equality and diversity policy in place.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

9.1 None under the meaning of the Act.