

APPENDIX M

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 3 FEBRUARY 2009

Title:

EVALUATION OF TENDERS FOR THE REFURBISHMENT OF THE SPORT AND LEISURE CENTRES

**[Portfolio Holders: Cllrs Mike Band and Roger Steel]
[Wards Affected: All]**

Summary and purpose:

The tenders for the refurbishment of the Farnham and Cranleigh sport and leisure centres are scheduled for dispatch in late January 2009. The report sets out the proposed methodology for evaluating the tenders. It also seeks a waiver to a technicality in Contract Procedure Rules (CPRs) to enable the unusual nature of the contract to be taken into account in the evaluation.

How this report relates to the Council's Corporate Priorities:

Leisure is one of the Council's key priorities and the refurbishment of the leisure centres supports the achievement of this long-term.

Equality and Diversity Implications:

There are no particular issues associated with the evaluation of the tenders.

Resource/Value for Money implications:

Evaluation of the tenders must have regard to the overall value-for-money achieved by this major project. A waiver to CPRs is necessary to enable the design and build nature of the contract to be taken into account.

Legal Implications:

Evaluation of the tenders needs to be undertaken in a clear, consistent and evidenced manner.

Introduction

1. The tenders for the evaluation of the refurbishment of the two sport and leisure centres at Farnham and Cranleigh are to be dispatched in late January 2009. The completed tenders are then due back after 12 weeks. They must be evaluated according to criteria that are set out in advance, including a consistent scoring methodology.

2. Whilst CPRs permit the award of a contract to the tender offering the best value solution, they do not lend themselves to consideration of tenders where there is an element of variability and discretion. A waiver is therefore sought.
3. Officers have considered the factors that should be taken into account. The tenderers will be notified of the broad headings that will be evaluated. These headings will be supported by a more detailed set of criteria by officers, which will be drawn up in advance of the opening of the tenders.

Waiver to Contract Procedure Rules

4. The tender is on a design and build basis. This will allow the tenderers to develop their own solutions to the works, and this element of flexibility means that there is no fixed point of reference against which the price can be assessed.
5. Contract Procedure Rules are written in such a way that, with the best value solution (which is to be applied in this instance), there is a two-stage process. The first stage is to assess the quality or non-financial aspects and determine which tenders meet with the Council's pre-determined quality standard and eliminate those that do not reach that standard. The second stage is to award the contract on a lowest-price basis.
6. The standard approach is based around a situation where there is a defined schedule of works. In this instance there is no such schedule or specification, and tenderers are being asked to provide tenders that involve an element of design, and the assessment will involve comparison against the Council's stated objectives for the project.
7. Therefore a waiver to allow price evaluation to be considered alongside quality and time criteria to identify the overall best value solution is considered necessary. The recommendation at the end of this report therefore recommends a waiver of CPRs to allow such an approach to be taken.
8. The process would still involve a two-stage process; each scheme submitted by each tenderer will be evaluated initially on quality issues, and those not achieving the minimum requirements will not be evaluated on price. Price will, if the approval to waive CPRs is given, be evaluated using a suitable formula that will show the comparative financial advantage/disadvantage of each scheme.
9. Quality and price evaluations will take equal status i.e. 50/50. The financial status of each tenderer was undertaken at the application stage; these will be refreshed at the evaluation of tenders.

Evaluation criteria

10. The evaluation matrix to be used is attached at Annexe 1 and is for the executive's approval. Underlying sub-criteria will be a series of detailed assessment points, which at the time of writing are still being prepared, although it is planned that these will be ready to present to the Executive at the meeting.

11. The process should involve interviews with the tenderers, and dates have been identified for this. Only after the interviews are held can the scoring be finalised.

Evaluation team

12. The evaluation team, it is proposed, is divided into two sections as follows:

Strategic team

Portfolio holder (finance)

Portfolio holder (leisure and recreation)

Chief Executive (Mary Orton)

Deputy Chief Executive (Paul Wenham)

Strategic Director (Community) (Peter Maudsley)

Technical team

Strategic Director (Community) (Peter Maudsley)

Head of Leisure (Kelvin Mills)

Head of Finance and Performance (Graeme Clark)

Head of Internal Audit (Mark Hill)

Senior Accountant (Malcolm Bookham)

Assistant Sports Manager (Tamsin McLeod)

Capita Symonds (James Stratton)

Press and Starkey (Rob Baker)

DC Leisure (Peter Kirkham)

In addition to the formal members of the team, the advice of other specialist officers and advisors will be sought as appropriate. The Strategic Director (Community) will be the link between the two parts of the team.

Conclusion

13. The correct evaluation of the tenders for this contract/project must be given proper consideration, as it represents the largest single contract the Council has let for many years. Therefore it is important to ensure CPRs are waived to allow a different approach to evaluation, which is no less rigorous than would otherwise have been the case.

14. It is also important to ensure that tenderers are aware of the factors that will be used in evaluating the tenders. The endorsement of the criteria and weightings to be used by the Executive will set a clear and defined policy and approach.

15. The membership of the evaluation team is also important, and the proposal ensures that all the relevant persons are included. By dividing it into two means that meetings do not become too unwieldy, and the work is allocated appropriately.

16. In order to ensure an appropriate range of proposals from each prospective contractor, officers have built-in to the Instructions to Tenderers, that at least two

proposals must be received, one compliant with the Council's decision of December, and another to produce a solution to the Employers Requirement without using the sports hall; Councillors are invited to endorse this approach. Members should be aware that some risk attaches to this course of action in that this is a further burden on prospective contractors.

Recommendation

It is recommended that

1. the two-stage process of tender evaluation as contained in CPR L105 be amended in respect of this tender at allow price to be evaluated alongside quality criteria to enable an overall best value solution to be identified;
2. the evaluation matrix attached at Annexe 1 be approved; and
3. the approach to tendering outlined in paragraph 16 above is endorsed.

Background Papers (DCEX)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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