

## **TENDER EVALUATION REPORT.**

**FOR THE PLANNED ELECTRIC HEATING INSTALLATIONS AND  
ELECTRIC UPGRADES TO EXISTING COUNCIL OWNED  
PROPERTIES WITHIN THE EPPING FOREST DISTRICT.**

Prepared by,  
Housing Directorate,  
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July 2014.

## INTRODUCTION.

1. This Tender Evaluation Report details the results of the tenders submitted for the planned electric heating and electrical upgrades to existing Council owned properties within the Epping Forest District.
2. The Director of Communities issued the invitation to tender on the 22 May 2014, to 5-Contractors who are MCS Accredited and who are registered on Constructionline.
3. The tenders were to be returned to Epping Forest District Council, Civic Offices by 12 noon on Friday 27 June 2014.
4. The Contract incorporating the JCT Measured Term Contract 2011 will initially be for a period of one-year. The JCT Measured Term Contract, 2011 will then be renewable annually by mutual agreement for a period of a further four-years subject to:
  - The performance of the contractor.
  - The approval of the structural budget within the Capital Programme.
  - The contractor demonstrating to the client that subsequent renewal would provide value for money.
  - Mutual agreement to renew between the contractor and the client.
5. Liquidated damages are not applicable to the Contract.
6. The award criteria for the Contract will be based on a competitive tendered exercise as quality and management requirements have been fully detailed.

## OPENING OF TENDERS.

7. The tenders were opened on the 28 June 2014 and present at the tender opening were three representatives of Epping Forest District Council, the Portfolio Holder, the Assistant Director of Housing (Property) and one Committee Officer.
8. 5 tenders were invited and 4 were received before the return date and time.
9. It should be noted that Oakray Ltd informed Housing Assets of their intention not to tender for the works in a letter dated the 2 June 2014, once they had viewed the tender documents.
10. The results of the tender opening are shown in Table 1 below:

Contractor		Tender Sum £	Position
1.	Gracelands Complete Maintenance Service Ltd	117,362.53	1
2.	Purdy Contracts Ltd	237,977.86	2
3.	Blue Flame Colchester Ltd	267,908.85	3
4.	Rule and Parker Ltd	286,626.25	4
5.	Oakray Ltd	Did not tender	

Table 1.

## TENDER ANALYSIS.

11. The tender analysis consisted of a full arithmetical check on all tenders submitted, along with an analysis of the Schedule of Rate items submitted by all the contractors. The Schedule of Rate items submitted as part of the tender process account for the differences in the Tender Sums.
12. The Tender Sum is made up from 383 individual Schedule of Rate items that are included within the 9-Schedule of Rates. Each of the Schedule of Rates are associated with the installation of electrical heating systems and adhoc additional items of work that could be added or omitted during the installation of an electric heating system.

The titles of the 9-Schedule of Rates and a brief description of the items they contain are shown below, along with the Planned Electric Heating Installations and Associated Electrical Upgrade Work programme for 2014-15:

- Schedule of Rate 1. Preliminary costs and work to be undertaken to each full air source heating installation and associated electrical works.
  - Schedule of Rate 2. Radiator items to be added or omitted from a complete air source heating installation.
  - Schedule of Rate 3. Mitsubishi Electric Ecodan and Glow-Worm Clearly Air Source Heat Pumps items to be added or omitted from a complete air source heating installation.
  - Schedule of Rate 4. Gledhill and Mitsubishi Pre-Plumbed hot water cylinder items to be added or omitted from a complete air source heating installation.
  - Schedule of Rate 5. Additional electrical works items to be added or omitted from a complete air source heating installation.
  - Schedule of Rate 6. Additional plumbing works items to be added or omitted from a complete air source heating installation.
  - Schedule of Rate 7. Additional general works items to be added or omitted from a complete air source heating installation.
  - Schedule of Rate 8. Items for a complete installation of an air source heating system.
    - The anticipated air source heating programme of 20-installations in various Council owned properties during 2014-15.
  - Schedule of Rate 9. Items for a complete installation of a Rointe K Series low energy electric radiator heating system.
    - The anticipated Rointe K Series low energy electric radiator programme of 10-installations in various Council owned properties during 2014-15.
13. The pricing methodology of the Planned Electric Heating Installations and Associated Electrical Upgrade Work is based on the contractor undertaking a complete air source heating installation as itemised in Schedule of Rate 2 or a Rointe K Series low energy electric radiator heating system installation as itemised in Schedule of Rate 9. With the addition of the contractors' preliminary costs, site surveys, central office costs and administration costs which are itemised in Schedule of Rate 1.

All of the items contained in the other Schedule of Rates are items that can be added or omitted from a complete air source heating system or Rointe K Series low energy electric radiator heating system installation depending on the individual heating systems design requirements.

14. The Tender Sum also includes the anticipated programme for Planned Electric Heating Installations and Associated Electrical Upgrade Work 2014-15. By including the anticipated programme which will be capped at the Capital Budget provision for Electric Heating the contractor can allow for any economies of scale within the Tender Sum.
15. This analysis has identified a number of minor errors in the tender documents provided by the Council. A number of Schedule of Rate Items within the tender documents have been duplicated and tenderers have dealt with this error in different ways.

Some tenderers have included a price for the duplicated item and others have identified the item as 'duplicated' and not included the item cost in the Tender Sum. In order to carry out a fair and equitable tender evaluation, the duplicated items have been omitted from the Adjusted Tender Sum. The duplicated items are:

- Item 52
- Item 182
- Item 192
- Item 345
- Item 372

16. The tender analysis has identified a Schedule of Rate item that would not be used in domestic properties included on the Planned Electric Heating Installations and Associated Electrical Upgrade Work programme. The Schedule of Rate Item 196, is a Mitsubishi Air Source Heat Pump model PHUZ-HW140YHA2, the Y in the units model number stands for a required 3-phase electrical supply and as the domestic Council properties are single-phase electrical supplies this specified unit would not be installed.

Most of the tenderers have included a price for the item and others have identified the item as 'not suitable' and have not included the item cost in the Tender Sum. In order to carry out a fair and equitable tender evaluation, this item has been omitted from the Adjusted Tender Sum.

17. The tender analysis has identified a Schedule of Rate item that doesn't have provision for the contractor to insert a price against item 324.
18. The Adjusted Tender Sums taking into account the duplicated Schedule of Rate items, the incorrectly specified Schedule of Rate item and any arithmetical errors are shown in Table 2 below which, when corrected, does not alter the overall result of the tender exercise:

Contractor		Adjusted Tender Sum £	Position
1.	Gracelands Complete Maintenance Service Ltd	185,550.20	1
2.	Purdy Contracts Ltd	232,266.64	2
3.	Blue Flame Colchester Ltd	267,792.19	3
4.	Rule and Parker Ltd	276,158.20	4
5.	Oakray Ltd	Did not tender	

Table 2

19. The tender analysis has compared the 9-Schedule of Rate totals submitted by all the contractors, and by taking into account the Adjusted Tender Sums the costs for individual electric heating installations' can be compared on a like-for-like basis with the values shown in Table 3 below;

Adjusted Tender Sums	Purdy Contracts Ltd	Gracelands Complete Maintenance Service Ltd	Rule and Parker Ltd	Blue Flame Colchester Ltd
Schedule of Rate 1.	£ 564.64	£ 170.00	£ 575.00	£ 915.00
Schedule of Rate 2.	£ 19,301.64	£ 12,194.28	£ 18,824.05	£ 19,688.14
Schedule of Rate 3.	£ 19,824.00	£ 19,308.25	£ 16,397.00	£ 27,163.45
Schedule of Rate 4.	£ 6,435.00	£ 5,528.79	£ 5,710.00	£ 6,211.28
Schedule of Rate 5.	£ 3,886.91	£ 3,357.50	£ 5,150.68	£ 4,538.45
Schedule of Rate 6.	£ 573.59	£ 139.00	£ 965.58	£ 632.00
Schedule of Rate 7.	£ 746.33	£ 652.00	£ 928.00	£ 985.42
Schedule of Rate 8.	£ 6,809.73	£ 5,186.00	£ 8,496.44	£ 8,125.96
Schedule of Rate 8 x 20.	£ 136,194.60	£ 103,720.00	£ 169,928.80	£ 150,330.26
Schedule of Rate 9.	£ 3,448.20	£ 3,208.58	£ 4,471.15	£ 4,472.93
Schedule of Rate 9 x 10.	£ 34,482.00	£ 32,085.80	£ 44,711.50	£ 44,729.30
<b>Adjusted Totals</b>	<b>£ 232,266.64</b>	<b>£ 185,550.20</b>	<b>£ 276,158.20</b>	<b>£ 267,792.19</b>

Table 3

20. The tender analysis will use the Adjusted Tender Sum figures as shown in the Table 3 above when evaluating the submitted tenders, this will ensure a consistent approach and a true like-for-like tender evaluation.

## **TENDER SUBMISSION EVALUATION.**

### **Gracelands Complete Maintenance Service Ltd**

21. A full arithmetical check has been carried out on the tender submitted by Gracelands Complete Maintenance Service Ltd. The tender sum of £ 117,362.53 was found to be arithmetically incorrect and contained the following arithmetical errors;
  - On page 53 the Total of items up to item 144 shown on page 53 was £8,826.59 and when corrected should have read £ 8,986.59.
  - On page 58 the Total of items 193-199 shown on page 58 was £ 9,108.25 and when corrected should have read £19,308.25.
  - On page 59 the Total of items 200-210 shown on page 59 was £ 5,128.79 and when corrected should have read £5,528.79.
  - On page 72 the Total of items 321-329 shown on page 72 was £ 334.00 and when corrected should have read £ 1,220.00.
  - The total of Schedule of Rate 8 as shown on page 75 was £ 2,440.00 and when corrected should have read £ 5,186.00.
  - As a result of the arithmetical error above the total of the anticipated air source heating programme of 20-installations in various Council owned properties during 2014-15 was £ 48,800.00 and when corrected should have read £ 103,720.00.
22. Taking into account the omitted items shown in items 15 and 16 and the arithmetical errors shown above the Adjusted Tender Sum for the tender submitted by Gracelands Complete Maintenance Service Ltd is £ 185,550.20.
23. The prices submitted by Gracelands Complete Maintenance Service Ltd on a number of Schedule of Rates items when compared with all the other contractors are very competitive.
24. Gracelands Complete Maintenance Service Ltd has provided a single price for each Schedule of Rate item as requested by Epping Forest District Council.
25. Gracelands Complete Maintenance Service Ltd have priced the tender consistently.
26. Gracelands Complete Maintenance Service Ltd has completed the Form of Tender including the information requested on the Settlement of Disputes Adjudication in full as requested by Epping Forest District Council.
27. Gracelands Complete Maintenance Service Ltd has completed the Formal Declaration of Offer as requested by Epping Forest District Council.
28. Gracelands Complete Maintenance Service Ltd has completed the Certificate that the Tender is a Bona Fide Tender as requested by Epping Forest District Council.
29. The 9-Schedule of Rates within the tender contain a total of 383 individual items and Gracelands Complete Maintenance Service Ltd when compared with the second placed contractor Purdy Contracts Ltd submitted the most competitive costs for 264 of these individual items.

30. The Adjusted Tender Sum totals of the 9-Schedule of Rates submitted by Gracelands Complete Maintenance Service Ltd when compared with the second placed contractor Purdy Contracts Ltd, is the most the competitive in all of the 9-Schedule of Rates submitted, the Schedule of Rate values are shown in Table 4 below;

Adjusted Tender Sums	Purdy Contracts Ltd	Gracelands Complete Maintenance Service Ltd	Difference between Purdy Contracts and Gracelands Maintenance Service Ltd
Schedule of Rate 1.	£ 564.64	£ 170.00	£ 394.64
Schedule of Rate 2.	£ 19,301.64	£ 12,194.28	£ 7,107.36
Schedule of Rate 3.	£ 19,824.00	£ 19,308.25	£ 515.75
Schedule of Rate 4.	£ 6,435.00	£ 5,528.79	£ 906.21
Schedule of Rate 5.	£ 3,886.91	£ 3,357.50	£ 529.41
Schedule of Rate 6.	£ 573.59	£ 139.00	£ 434.59
Schedule of Rate 7.	£ 746.33	£ 652.00	£ 94.33
Schedule of Rate 8.	£ 6,809.73	£ 5,186.00	£ 1,623.73
Schedule of Rate 8 x 20.	£ 136,194.60	£ 103,720.00	£ 32,474.60
Schedule of Rate 9.	£ 3,448.20	£ 3,208.58	£ 239.62
Schedule of Rate 9 x 10.	£ 34,482.00	£ 32,085.80	£ 2,396.20
<b>Adjusted Totals</b>	<b>£ 232,266.64</b>	<b>£ 185,550.20</b>	<b>£ 46,716.44</b>

Table 4

31. The evaluation has identified a major price difference between the contractors where Gracelands Complete Maintenance Service Ltd tendered sum on Schedule of Rate 1 is significantly lower when compared with the other contractors as shown in Table 3 above.
32. The Council's Housing Assets Manager, in an email dated the 4 July 2014, requested confirmation and additional information on Gracelands Complete Maintenance Service Ltd pricing of Schedule of Rate 1, the details are shown below;

*I am currently carrying out a Tender Evaluation of the Planned Electric Heating Installations Contract 1945. Part of the evaluation is to ensure that all the tenders submitted are evaluated consistently and any differences between tendered rates are examined.*

*I have noted that the majority of items contained in Schedule of Rates 1, have been priced at £0.00. It is clear that these items would incur a cost to Gracelands Complete Maintenance Services Ltd, in completing planned air source heating installations.*

*I would like to ask two questions that need clarification:*

- 1. Please confirm you are prepared to stand by your tendered rate total of £170.00 for Schedule of Rates 1.*
- 2. From a reassurance point of view it would help if I understood the pricing strategy and how Gracelands Complete Maintenance Services Ltd can undertake Schedule of Rates 1, at £170.00.*

The response for the 2-questions contained in the email response from a Director of Gracelands Complete Maintenance Service Ltd is shown below;

1. *I can confirm that I am prepared to stand by my tendered rate of £170 for Schedule of Rates 1.*
2. *Item 1 relates to overheads. As Gracelands currently has various contracts with EFDC that contain overheads and prelim costs, we consider that additional resources are not required to enable us to service this contract to the standard required. Thus we are happy to pass on these benefits and savings directly to EFDC*

33. Gracelands Complete Maintenance Service Ltd have entered a £0.00 cost for Schedule of Rate item 324 confirmation was sought that Gracelands Complete Maintenance Service Ltd would stand by the tendered sum in an email dated 4 July 2014, the details are shown below;

*I have noticed that a Schedule of Rate item 324 'Drain down entire system' doesn't have a facility for the contractor to insert a price against it.*

*This item doesn't is not repeated in the Schedule of Rates can you confirm that Gracelands Complete Maintenance Services Ltd are happy to stand by the Tendered Sum and will include item 324 'Drain down entire system' in the installation of a complete air source heating system at £0.00 cost.*

The response for the 2-questions contained in the email response from a Director of Gracelands Complete Maintenance Service Ltd is shown below;

*I can confirm that Gracelands Complete Maintenance Services Ltd are happy to stand by the Tendered Sum and will include item 324 'Drain down entire system' in the installation of a complete air source heating system at £0.00 cost*

34. Gracelands Complete Maintenance Service Ltd are currently under Contract with the Council for the provision of a number of Capital Works programmes as listed below, and as such Gracelands Complete Maintenance Service Ltd would be in a position to pass on the cost savings identified above to the Council.
  - Gas Service and Breakdown (North and South of the District).
  - Void Reinstatement
  - Disabled Bathroom Adaptations
  - Planned Bathroom Replacements
  - Electrical Rewire and Upgrades
  - Planned Gas Heating and Rewire.
35. As part of the tender appraisal an Equifax Full Report on Gracelands Complete Maintenance Service Ltd was run on the 1 July 2014, this was undertaken by Internal Audit Section. The Equifax Full Report includes a credit check of Gracelands Complete Maintenance Service Ltd which is used to establish their current financial viability. The results of the Equifax Full Report are summarised with the key recommendations shown below;
  - The company appears to be of sufficient financial stability to undertake contracts to a value of £2,000,000 per annum.
  - The company has a score check Grade A rating under the Standard Equifax Credit Limit.



36. The tender appraisal also included a full Constructionline Supplier Report on Gracelands Complete Maintenance Service Ltd which was run on the 3 July 2014, the results of the full Constructionline Supplier Report are summarised with the key recommendations shown below:
- NICEIC Approved Contractor Number 044479.
  - MIS 3001
  - Renewable Energy Assurance Ltd Number 00039435
  - ISO 9001 Number 20062884.
  - ISO 14001 Number 20073026
  - Gas Safe Engineers Number 150430

### **Purdy Contracts Ltd**

37. A full arithmetical check has been carried out on the tender submitted by Purdy Contracts Ltd. The tender sum of £ 237,977.86 was found to be arithmetically incorrect and contained the following very minor arithmetical error;
- On page 69 the Total of items Schedule of Rate items 275-304 shown on page 69 was £ 573.59 however when transposed to the collection page 80 the figure inserted is £ 573.57.
38. Taking into account the omitted items shown in items 15 and 16 and the arithmetical error shown above the Adjusted Tender Sum for the tender submitted by Purdy Contracts Ltd is £ 232,266.64.
39. The prices submitted by Purdy Contracts Ltd on a number of Schedule of Rates items when compared with all the other contractors are very competitive.
40. Purdy Contracts Ltd has provided a single price for each Schedule of Rate item as requested by Epping Forest District Council.
41. Purdy Contracts Ltd have priced the tender consistently.
42. Purdy Contracts Ltd has completed the Form of Tender including the information requested on the Settlement of Disputes Adjudication in full as requested by Epping Forest District Council.
43. Purdy Contracts Ltd has completed the Formal Declaration of Offer as requested by Epping Forest District Council.
44. Purdy Contracts Ltd has completed the Certificate that the Tender is a Bona Fide Tender as requested by Epping Forest District Council.
45. As part of the tender appraisal a full Constructionline Supplier Report on Purdy Contracts Ltd was run on the 7 July 2014, the results of the full Constructionline Supplier Report are summarised with the key recommendations shown below:
- The company appears to be of sufficient financial stability to undertake contracts to a value of £4,000,000 per annum.
  - NICEIC Approved Contractor
  - MIS 3002
  - ISO 9001
  - GasSafe Engineers Number 150430

### **Blue Flame Colchester Ltd**

46. A full arithmetical check has been carried out on the tender submitted by Blue Flame Colchester Ltd. The tender sum of £ 267,908.55 was found to be arithmetically incorrect and contained the following very minor arithmetical errors;
  - On page 45 the Total of items up to item 32 was £ 1,675.14 and when corrected should have read £ 1,675.18.
  - On page 65 the Total of items up to item 266 was £ 4,457.65 and when corrected should have read £ 4,457.61.
47. Taking into account the omitted items shown in items 15 and 16 and the arithmetical error shown above the Adjusted Tender Sum for the tender submitted by Blue Flame Colchester Ltd is £ 267,792.19.
48. It should be noted that Blue Flame Colchester Ltd, included a 7.5% discount on the quantities contained in;
  - The anticipated air source heating programme of 20-installations in various Council owned properties during 2014-15.
  - The anticipated Rointe K Series low energy electric radiator programme of 10-installations in various Council owned properties during 2014-15.

### **Rule and Parker Ltd**

49. A full arithmetical check has been carried out on the tender submitted by Rule and Parker Ltd. The tender sum of £ 286,626.25 was found to be arithmetically incorrect and contained the following very minor arithmetical errors;
  - On page 44 the Total of items up to item 21 was £ 679.44 and when corrected should have read £ 678.24.
  - On page 75 the Total of items up to item 356 was £ 8,592.07 and when corrected should have read £ 8,592.03.
50. Taking into account the omitted items shown in items 15 and 16 and the arithmetical errors shown above the Adjusted Tender Sum for the tender submitted by Rule and Parker Ltd is £ 276,158.20.

## CONCLUSION AND RECOMMENDATIONS.

51. Following the item adjustments and the correction of the tenders submitted by all the contractors, the tender submitted by Gracelands Complete Maintenance Service Ltd is the most competitive tender received. The Adjusted Tender Sums are shown in Table 5 below;

Contractor		Adjusted Tender Sum £	Position
1.	Gracelands Complete Maintenance Service Ltd	185,550.20	1
2.	Purdy Contracts Ltd	232,266.64	2
3.	Blue Flame Colchester Ltd	267,792.19	3
4.	Rule and Parker Ltd	276,158.20	4
5.	Oakray Ltd	Did not tender	

Table 5

52. The tender submitted by Gracelands Complete Maintenance Service Ltd when compared with Purdy Contracts Ltd is very competitive and is around 20.1% lower than the second placed tender.
53. **The recommendation of this Tender Evaluation Report, based on the information provided, is to accept the tender submitted by Gracelands Complete Maintenance Service Ltd for the sum of £ 185,550.20.**