



**Bristol City Council**

**DRAIN CLEARANCE AND LAND DRAINAGE CCTV SURVEYS  
ON PROPERTIES OWNED OR LEASED BY BRISTOL CITY  
COUNCIL (2)**

**TENDER REPORT**

**CPG Ref: CPG1459**

**ProContract ID: DN388307**

26 November 2019  
Niotia Ferguson

Corporate Commissioning and Procurement

**Procurement &  
Commercial Solutions  
City Hall, College Green,  
Bristol BS1 5TR**

**Spencer Penny  
Category Manager for  
Buildings, Structures  
& Highways**



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## 1 Project Background

- 1.1 A tender process was started in 10th September 2018 to find a provider of Drain clearance, maintenance and stack maintenance programme for Bristol City Council Housing Delivery.
- 1.2 The decision was made to cancel the procurement process on 19/11/19 for the following reasons:
- 1.3 The outcome of the evaluation process resulted in all bidders submitting abnormally low prices against the schedule of rates (SOR) pricing structure. This indicated that the published SOR was not accurate and needed to be reviewed to determine if the Council had made an error.
- 1.4 Contact was also made by a non-bidder to the Service Manager and Procurement Specialist identifying a large omission in our published rates, See below:  
  
*ONE COMPLETE BLOCKAGE REMOVAL possibly spread over or affecting several properties. This rate is to clear a blocked drain or private sewer from wherever the blockage occurs, even if the blockage is several properties downstream from the address of the individual order.*  
  
*The problem with this wording is that since 2011 Wessex Water are responsible for shared drains 'affecting several properties' or 'properties downstream'. By its very nature this wording is inviting the successful contractor to charge us for clearing drains that are not actually BCC responsibility to clear.*
- 1.5 The above issues confirmed the Council had made an error in the original tender documents by this omission, and required us to review all rates and ensure this information was included. This meant that the Council will not be paying for drains to be unblocked where more than one dwelling is affected.
- 1.6 Following advice from Procurement and Legal teams the decision was made to cancel the tender for the above for mentioned reasons, all bidders were notified.
- 1.7 A full review of the contract, Schedule Of Rates and pricing structure was undertaken to ensure that we include omissions from the first tender exercise and improve preamble narrative. A review of all tender documents was carried out as well as re-written bespoke contract.
- 1.8 A new tender was advertised and published on 23rd January 2019. The award criteria set for the tender was 60% Quality, 30% Price and 10% Social Value.
- 1.9 Invitations to tender were issued on 23<sup>rd</sup> January 2019 along with an OJEU notice and Contracts finder advert. The tender return date was set for 27<sup>th</sup> February 2019.

1.10 This report outlines the recommendations for cancelling this tender and recommencing a new tender process.

## 2 **Tenders Received**

2.1 – 2.6 [Information exempt]

2.7 Within the tender the Council retained the right to cancel the tender or to not award to any party. As this outcome would not deliver an acceptable service to the Council the recommendation is to exercise this right and commence a new tender process.

2.8 It should be noted that this does carry a reputational risk to the Council as this will represent the 3<sup>rd</sup> tender required for this service, due to errors within the process. However, the Council has an obligation under the Public Contract Regulations 2015 to address errors within the tender process, and is adhering to the process within the tender to do so. Therefore there is a minimal risk of legal challenge.

## 3 **Evaluation Panel Members**

Information exempt

## 4 **Evaluation Outcome**

4.1 The tender was evaluated according to the published evaluation criteria where the bidder with the highest combined score of Price, Quality and Social Value would be awarded the contract.

4.2 Evaluators were required to score bids individually. All evaluators completed a Conflict of Interest declaration.

4.3 Following individual scoring, evaluators attended a moderation meeting on 11<sup>th</sup> March 2019; the nature of the meeting was to agree final scores and feedback, resulting in the total scores listed in 2.6 above.

4.4 [Information Exempt]

4.5 The intention is to start a new procurement process following a review of all documents.

## 5 **Risks**

[Information Exempt]

## 6 **Recommendation**

6.1 The recommendation is to cancel the tender process and commence a new one.

7 **Impact**

[Information Exempt]

13 **Authorisation Signature**

**Category Manager Comments**

Name of Category Manager...[Exempt]

I confirm this Procurement has been carried out in line with the approvals and recommendations with the original CPG request

Original CPG reference... CPG1459

**Category Mangers Comments**

I can confirm that this Procurement has been carried out in line with the approvals and recommendations with the original CPG request.

The bids received in the first iteration of the tender indicated that the Council may have made an error within its original requirements, which was supported following a review of the documents, bids and information provided by external parties. As a consequence, the specification the Council had released in the first tender would have led to a serious financial loss to the Council based upon the Council being charged for work that was not its responsibility rather than the individual charges.

Following this review, the changes to the Council's requirements were considered substantive enough to be material. This meant the bids submitted were not sufficiently comparable to the new requirements to support amendment through clarification. Therefore it was appropriate to cease that tender process and commence a new one, inviting bids from current bidders and the wider market against the new criteria. This would both secure best value for the Council, and ensure fairness and transparency for the bidders.

[Information Exempt]

Therefore I recommend that the tender be cancelled and a new process started, following a thorough review of all documents to address all remaining issues.

Signature

Date .....

**Service Director**

To cancel the tender and commence a new process the panel requests an authorisation signature from an officer with the authority or delegate authority to award contracts.

Name of Authorising Officer .....Julian Higson

Position.....Housing and Landlord Services Director

Signature .....

Date .....9 May 2019

# Appendix A: Full breakdown of scores

[Information Exempt]

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# Appendix B: Financial Assessment Vetting

## FINANCIAL STANDING APPRAISAL

The Financial Information provided will be used by the Authority to assess whether the bidders possess the necessary economic and financial capacity to perform the contract.

When undertaking the assessment the Authority looks at the bidders most recent financial statements along with those of any ultimate parent company (if appropriate). These would be checked for general audit issues and then analysed to give an indication of profitability, net worth, liquidity, capacity and general stability.

The Authority reserves the right to use a variety of indicators as it considers appropriate including those from credit agencies. The Authority will also consider any additional information submitted by the applicant should the applicant consider this necessary for the Authority to have a fuller understanding of its financial position. This may be appropriate, for example, to obtain a fuller understanding of an applicant's financial structure or funding arrangements. The Authority would expect any such information to be verified by an independent source, for example, the applicant's auditors. Furthermore the Authority may (but is under no obligation) request further information or explanation from a bidder

Initially basic checks are made on a bidder's name and any relevant registration details (e.g. registered number at Companies House). The Authority would check whether the bidder is trading or dormant and whether it has a parent company. The status of the financial statements is also determined to check whether information submitted is for the last accounting period.

When considering profitability the Authority looks at whether the organisation has made a profit or a loss in the year, which indicates the efficiency of the organisation. A loss in the year would be looked at in conjunction with the balance sheet resources available to cover this loss.

The Authority would look at the bidder's balance sheet and determine the net worth of the organisation and that element that can be mobilised in a financial crisis. To do this the Authority looks at net assets and also at the net tangible worth (excluding intangible assets) of the organisation.

When looking at liquidity the Authority uses the current ratio and the acid test ratio. The current ratio is a measure of financial strength and addresses the question of whether the bidder has enough current assets to meet the payment schedule of its current debts with a margin of safety for possible losses in current assets. The Acid Test ratio measures liquidity and excludes stock to just really include liquid assets. Generally the Authority would expect a bidder to have a current ratio of at least 1:1.

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Contract limit is the size of contract that is considered 'safe' to award to a bidder, based on a simple comparison of the estimated annual contract value to the annual turnover of the organisation. This gives an idea of financial strength to ensure that the bidder can cope financially with this size of contract. The Authority assesses the capacity issue of whether the bidder has the resources to carry out the work and also considers whether the bidder will become over-dependant on the contract in question. Generally the Authority would expect a bidder to have a turnover of two times the annual contract value.

The Authority would consider all of the above in relation to the bidder and that of any ultimate parent company and then a judgement would be made as to the risk that the organisation would represent to the Authority. If the Authority decides that the financial and economic standing of the bidder represents an unacceptable risk to the Authority then the bidder will be excluded from further consideration in this process.

# **Appendix C:**

## **Key Performance Indicators**

### **KPI` Targets extracted from the Tender Documents**

1.1 The following Key Performance Indicators will apply to this Contract and full details are contained in the Contract Particulars and Appendix O.

- Customer satisfaction (Target 95%)
- Completion of works on time, (Target 95%)
- Completion of work – Defect Free (Target 98%)
- Health and Safety (Target 100%)
- Periodic Reporting (Target 100%)
- Post Inspections (Target 10%)

#### **Customer Satisfaction**

1.2 The Contractor will achieve 95% percentage of works carried out without complaint.

1.3 The Contractor should report the amount of complaints received and full details that include investigation into the complaint and provide details of any appropriate and effective remedy.at the monthly contract meeting.

1.4 Any urgent complaints received by the Contractor should be reported to the Employers Contract administer daily. Regular communication must be maintained with the Employer until the complaint is resolved to the Employers satisfaction.

#### **Completion of Works On-Time**

1.5 The Contractor will achieve 95% percentage of works on time.

1.6 On issue of an Order the Employer and Contractor will agree a programme for the work, including any required information, to completion. Regular communication with the Contract Administrator must be maintained if it is anticipated that a programme is not going to be delivered on time.

#### **Defect-Free Completion of Work**

1.7 The Contractor will achieve 98% percentage of works defect free.

1.8 The Contractor's work shall be fully completed in all respects and in full operational condition and free of all visible or easily detectable defects on hand-over to the Employer.

#### **Health and Safety including reporting of near misses**

- 1.9 The Contractor will achieve 100% reporting of Health & Safety incidents including near-misses.
- 1.10 The Contractor will ensure that reportable Health and Safety incidents are reported.
- 1.11 If a reportable incident occurs in more than 10% of the time in the life of the contract, and after notice from the Employer an improvement is not evidenced, the Employer may terminate the contract.
- 1.12 Bidders will also be assessed against minimum levels of suitability. Should a bidder fail to meet the minimum levels of suitability they will not be considered for the pricing and quality evaluation.

### **Periodic Reporting**

- 1.13 The Contractor will achieve 100% of data required for their monthly contractor performance monitoring meetings during which details of each of the above KPIs for the previous month will need to be supplied.

### **Post Inspections**

- 1.14 The Contractor will achieve post Inspections of 10% of completed works exceeding £250. The inspections should include photographic evidence which will be provided at the monthly contractor performance monitoring meetings.
- 1.15 The examples of the KPIs and Breach Point System can be found in Appendix O.
- 1.16 The breach point system will be applied after the expiry of 6 months from the commencement date. Refer to Appendix O.
- 1.17 The KPI targets will be reviewed on an annual basis within an ethos towards continuous improvement.

### **KPI Reporting**

- 1.18 The Employer and Contractor will attend monthly performance monitoring meetings during which details of each of the above KPIs for the previous month will be supplied.
- 1.19 The Employer may terminate the contract if the Contractor fails to provide the above KPI details at more than one monthly meeting.
- 1.20 The KPI's will be reviewed with the contractor at monthly meetings held by the contract administrator with support from members of the Housing team as may be appropriate.  
The purpose of the monthly targets review of KPI's is to support the contractor in delivering the quality of service anticipated for the contract to be a success, and to provide support and guidance in achieving these requirements.

- 1.21 A Breach Points system has been proposed to manage the KPI's for this contract. This proposes a percentage requirement for the contractor to achieve, and suggests when performance meetings should be put in place to discuss improvement to performance so that contract termination can be avoided. The Breach Points system also suggests a financial deduction against the contractor for continued failure to achieve the recommended performance standard.
- 1.22 Please refer to Appendix O for further details on how KPI's will be measured and financial deductions proposed for persistent poor performance.

**APPENDIX O**

**DRAIN CLEARANCE, LAND DRAINAGE, STACK CLEARANCE AND CCTV SURVEYS TO PROPERTIES OWNED AND LEASED BY BRISTOL CITY COUNCIL**

**KEY PERFORMANCE INDICATORS & BREACH POINT SYSTEM**

The following tables are **typical examples** of the KPIs and Breach Point System.

The breach point system will be applied after the expiry of 6 months from the commencement date.

The KPI targets will be reviewed on an annual basis within an ethos towards continuous improvement.

	<b>KPI- Response</b>	<b>Current Monthly Report</b>	<b>Year to Date Average</b>	<b>Target</b>
<b>1</b>	<b><u>Customer Satisfaction</u></b> – Works completed without complaint			95%
<b>2</b>	<b><u>Completion of works on time</u></b> - Monthly monitoring target completion and actual – with mitigation for failure to achieve target times			95%
<b>3</b>	<b><u>Completion of works</u></b> - Work completed free of defects/omissions			98%
<b>4</b>	<b><u>Health &amp; Safety</u></b> - To include reporting of near misses			100%

<b>5</b>	<b><u>Periodic Reporting -</u></b> Monitoring reports to be produced by contractor for monthly liaison meetings.			100%
<b>6</b>	<b><u>Post Inspections -</u></b> 10% of completed works exceeding £250.			10%

Priority Code	To be completed within	Details
Code A	Repairs are to be complete within ten (10) working days from receipt of the Order.	The Contractor shall offer the relevant resident a choice of pre-arranged weekday appointment slots. The timings for such appointment slots shall be: <ul style="list-style-type: none"> <li>• 08.00 – 11.00,</li> <li>• 11.00 – 14.00, and</li> <li>• 14.00 – 17.30.</li> </ul>
Code B	Repairs are to be complete within fifteen (15) working days from receipt of the Order.	The Contractor shall offer the relevant resident a choice of pre-arranged weekday appointment slots. The timings for such appointment slots shall be: <ul style="list-style-type: none"> <li>• 08.00 – 11.00,</li> <li>• 11.00 – 14.00, and</li> <li>• 14.00 – 17.30.</li> </ul>
Code C	Repairs are to be complete within twenty-four (24) hours from receipt of the Order	The Contractor will carry out repairs between the hours of 08.00 to 18.00
Code D	Out-of-hours emergencies are to be responded to and made safe within three (3) hours from receipt of the	Any follow up repair work shall only be carried out on receipt of the Contract Administrator's written instructions.

	Order.	
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Where a repair is not carried out in accordance with the Priority Coding set out in the Contract Particulars then the following Breach Points shall be incurred.

1. Failure to carry out the repair within the time allowed by the relevant Priority Coding - 1 Breach Point.
2. Failure to carry out the repair within the period allowed by the relevant Priority coding plus 50% of that time – 2 Breach Points
3. Failure to carry out the repair within the period allowed by the relevant Priority coding plus 75% of that time – 3 Breach Points
4. Failure to carry out the repair within the period allowed by the relevant Priority coding plus 100% of that time – 4 Breach Points. A further Breach Point shall be incurred for each period equal to 25% of the time allowed for the relevant Priority Coding until the repair is completed.

Each Breach Point shall be valued at 15% of the payment due from the Employer to the Contractor for the repair to which it relates and the Contract Administrator shall authorise an appropriate deduction to be made from that Payment. Where 4 breach Points are incurred for any one repair the Contractor shall provide a full report to the Employer on the reasons for the delay in carrying out the repair.

Where more than 12 Breach Points (however that figure is made up) are incurred within any period of 12 months the Employer may issue a notice under Section 8.4.1.2 of the Contract.