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Lift Replacements and Associated Works

Albion, Redbridge & Shirley Towers

Tender Report



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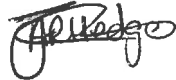


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Quality Management

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SCC Tender Analysis

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1. Introduction

1.1 Purpose of the Report

This Tender Report has been prepared for the sole purpose of reporting to the Budget Holder within Southampton City Council, on the tendered works for the Lift Replacement scheme comprising works within Albion, Redbridge & Shirley Towers.

This report shall be read in conjunction with the Tender Evaluation Schedule produced by Procurement which is appended to this report.

1.2 Contract Form

The works were competitively tendered in accordance with the Authorities Contract Procedure Rules. The Procurement Route was approved by Corporate Procurement.

The Main Contract was competitively tendered on a lump sum fixed price basis using JCT Intermediate Building Contract 2011 incorporating Southampton City Council amendments.

1.3 Tender Documents

The tender document comprised:

- Instructions to Bidders
- Preliminaries and General Conditions of Contract (including Appendices)
- Term Service Contract for Lift Maintenance and Callout Services
- Contract Timetable Illustration
- Lift Performance Specification
- Lift Electrical Particular Specification
- Standard Electrical Specification
- Callout and Maintenance Specification
- Pre-Tender Information Pack (CDM)
- SCC Asbestos Policy
- Asbestos Surveys
- Electrical Test Certificates
- Ethical Procurement Policy
- Contract Sum Analysis
- Price List (Maintenance and Callout Contract)
- Service Quality Questionnaire
- Form of Tender

The tender documentation was issued via Southampton City Council's Tender Portal and Contracts Finder on 11th April 2019.

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The tender returns were to be appraised on a best value tender basis with a 60% price to 40% quality ratio. The winning tender would be the most economically advantageous bid at the end of the tender analysis period.

1.4 Tender Clarifications and Amendments

Tender clarifications and amendments were issued to all contractors during the tender period via the electronic Tender Portal.

All contractors were given an opportunity to visit the sites in order to familiarise themselves with the project.

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2. Tenders

2.1 Tender Process and Returns

The tender documents were made available through the Southampton City Council electronic Tender Portal from Thursday 11th April 2019. The tender closing date stated in the documents was to be Wednesday 22nd May 2019.

On 13th May 2019, Axis Elevators requested an extension of 1 week to the tender period. In recognition of the Easter Holiday period, it was agreed to accept the request and amend the date for the return of tenders to Wednesday 29th May 2019.

Tender information was available to the open market and a total of two contractors submitted bids prior to the deadline as follows:

- 1) Axis Elevators Ltd
- 2) Liftec Lifts Ltd

Bidders were required to submit tenders in three parts – the first comprising a fixed price lump sum for delivering the lift replacement works, the second comprising the pricing of a maintenance and callout schedule and the third in the form of a separate quality questionnaire. The quality questionnaire would allow them to set out their proposed approach for the delivery of the works and outline their past experiences on similar projects.

The results of the tender pricing assessment was as follows:
(Prices exclude VAT, for full details, please see Appendices)

TENDERER	FORM OF TENDER PRICE £	COMPARISON TO LOWEST £	COMPARISON TO LOWEST %
Axis – Lifts CSA	1,826,342.00	+ 368,495.00	+ 25.28
Axis – Price List	42,819.24		
Axis Total	1,869,161.24	+ 291,874.99	+ 18.51
Liftec – Lifts CSA	1,457,847.00		
Liftec – Price List	119,366.28	+ 76,547.04	+178.77
Liftec Total	1,577,213.28		

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3. Examination of Tender

3.1 Arithmetic Check

Both tenders were arithmetically checked and errors were found within the submission from Axis Elevators. The figures on the summary page of their Contract Sum Analysis did not equal the figures shown in the specific breakdown tabs for each lift. This was queried with Axis and they confirmed that the Summary figures were incorrect and their tender has been adjusted accordingly – a decrease of £73.00.

Liftec's submission had a minor rounding error of 3p in the 'Price List' which has been amended by SCC.

3.2 Qualifications & Clarifications

Both bidding contractors submitted tenders with several clarifications and exclusions.

The main queries and related responses that had an impact on price were as follows:

	Axis	Liftec
	£	£
CSA Summary figures vs individual lift figures	-73.00	
Price list rounding error		-0.03
Re-priced 'Price List' for Maintenance (additional to initial cost)	62,854.53	
Amendments to the number of services in the 'Price List'. Changed by contractor but amended to original figures to enable fair comparison between tenders	10,859.40	
Additional asbestos related costs	32,120.00	68,624.00
Additional cost for fire rated hoardings		233,700.00
CCTV	10,671.00	
Fire detection system replacement sensors	10,962.00	
Total Additions	127,393.93	302,323.97

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It should be noted that even after the post tender correspondence with SCC, Liftec's submission still had the following issues:

- Lift performance specification:
 - The lifting ropes are not as specified.
 - CCTV cameras are stated as being free issue whereas these should be included and sourced by The Alarming Company.
 - Landing doors – confirmation that the WINDSOR proposed has EN81-58 certification and the running gear is GAL to match the car door operator.

Furthermore, Liftec have maintained throughout the tender process that they 'do not carry out electrical works'. SCC tried to clarify this on more than one occasion but Liftec's response was only to reinforce their statement. There is some ambiguity around Liftec's intention regarding electrical works and this would be a major concern for the Council if Liftec were to be successful.

All qualifications were dealt with via the SCC portal as per standard procedure and the responses/outcomes can be seen in the attached Tender Clarification document.

3.2.1 Tender Prices after Adjustments:

TENDERER	AMENDED TENDER PRICE £	COMPARISON TO LOWEST £
Axis	1,996,555.17	+ 117,017.92
Liftec	1,879,537.25	-

See attached Tender Analysis spreadsheet for further detail.

3.3 Programme

The main contract possession date is to be agreed between the parties, but ultimately lies at the employer's decision. None of the contractors have stated that a 100 week programme is not achievable.

Due to the complexity of the project, further meeting will be necessary with the winning bidder to finalise the programme with the agreement of all parties.

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3.4 Technical Check

Examination of the Contractors priced contract sum analysis revealed the following:

3.4.1 Axis:

- i) The Preliminaries as priced by Axis were £139,892.00. This is approximately 7.5% of their amended tender (excluding preliminaries). This is considered to be a reasonable to low allowance for a scheme of this size and nature.
Axis have priced their tender based on a 100 week programme, equating the prelims to £1,398.92 per week which is a reasonable allowance and is deemed adequate for the works.
- ii) Axis have priced the works as per the information issued in the tender documents. The costs submitted in relation to the 'Price List' were deemed incorrect and this was resolved when Axis re-submitted this part of the tender. Overall their rates were generally 15-20% higher than Liftec but should not be deemed entirely uncompetitive.

3.4.2 Liftec:

- i) The Preliminaries as priced by Liftec were just £9,165. This is approximately 0.5% of their amended tender (excluding preliminaries). It appears that many of Liftec's prices have been grouped together into lump sums and these include an allowance for Preliminaries items. Liftec have confirmed they have allowed for all items necessary to complete the works so in this scenario the Prelims cost should not be considered a true reflection of what the contractor will provide with regards to their site presence.
- ii) Liftec have priced the works as per the Contract Sum Analysis and the Price List issued in the tender documents. Overall their rates were very competitive and their total was the lower of all the two tenders.

The £135,000 contingency allowance equates to c.7% of the two tenders which is a high allowance (we would normally expect this to be around 3-5%) but has been deemed adequate in this case and will help mitigate the risk of overspending on this project.

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3.5 Parent Company

A parent company guarantee was not required for this scheme.

3.6 Performance Bond

Finance checks were conducted and no concerns were raised.

Axis were deemed to fall into the “Low” financial risk category and Liftec were classed as “Low-Moderate”.

A further check to generate an indicative annual contract value limit was undertaken (indicating the cumulative total for all contracts which a company supplies SCC) and thus shows whether the contract value for this project is acceptable.

The suggested limit for Axis was £3.7m and Liftec was £5.6m, so the proposed contract is well within these limits.

Although no financial concerns have been raised, having a Bond in place does help mitigate the Council against potential losses up to a value of 10% of the contract value should the contractor default on their contractual position.

A 10% performance bond worth c.£193k would comfortably cover SCC against the £52k additional cost of going to the second placed contractor (Liftec).

3.7 Health and Safety

A Pre-construction Information Pack was issued with the tender documents to meet CDM requirements.

The successful contractor will be required to provide a detailed Construction Phase Plan prior to works commencing on site which will be reviewed by the CDM Advisor/Contract Administrator prior to works commencing.

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4. Quality Appraisal

4.1 Questionnaire Analysis

The tenders were appraised on a best value tender basis with 60% price to 40% quality ratio.

Following receipt of the tenders, the submissions were reviewed in terms of their Quality Questionnaires.

Mark Cox (Building Surveyor, SCC), Des Brown (Building Surveyor, SCC) and Paul Middleton (Senior Lift Engineer, SCC) undertook the assessment of the questionnaires.

The points awarded (aggregated and averaged) in respect of the contractors quality submissions are summarised below:
(See Appendices for full details).

Contractors	Quality Scores
Axis	196.33/270 points
Liftec	120.50/270 points*

***Failed to meet the 60% threshold requirement.**

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5. Combined Price & Quality Result

5.1 Combined Scores

To compare the prices across the range of tenders, the lowest tender price was given 100 points. The other scores are calculated as a percentage of the lowest price to give a normalised score.

$$\text{Normalised Score} = \frac{\text{Lowest Price}}{\text{Individual Tendered Price}} \times 100$$

The percentage score for price is then added to the weighting scoring matrix as detailed below.

The combined result when price and quality are added together is as follows in order of most economically advantageous tender first:

(Refer to Appendices for full details)

Tender	Price Score	Quality Score	Price x 60%	Quality x 40%	Total*	Position
Axis	94.14	72.72	56.48	29.09	85.57	1
Liftec	100.00	44.63**	60.00	17.85	77.85	2

*Total score out of 100 (max)

** Failed to meet minimum threshold

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6. Summary & Conclusion

6.1 Summary

The response from the market was relatively competitive.

The lowest financial tender from Liftec was competitive, coming in around 6% below (£117,017.92) Axis. The tender was properly formulated but was poorly supported by their quality submission – scoring below SCC’s 60% minimum threshold requirement. They also included a number of unacceptable qualifications in their bid. These were withdrawn post-tender but issues remain around the electrical works and the products that they have proposed for the work. Axis provided a higher price and also the highest scoring quality submission. Through the post-tender communication process, SCC have been able to rectify any issues with their tender to ensure it is a compliant bid. Unfortunately, the same cannot be said for Liftec’s bid. Overall, Axis scored a combined 85.57 points out of 100.

6.2 Conclusion

This Project has been tendered in accordance with the Authorities ‘Contract Procedure Rules’.

The method of procurement has been approved by the Authority’s Corporate Procurement.

Following the post-tender review of cost and quality from the two tenderers, overall Axis Elevators Ltd provided the most economically advantageous tender.

Tenders are open for acceptance until the 27th August 2019.

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7. Recommendation

7.1 Recommendation

It is recommended that the tender is accepted and a Contract is entered into with Axis Elevators Ltd in the sum of £1,996,555.17.

7.2 Further Actions

Southampton City Council to confirm acceptance of this report and issue directions to proceed.

CDM Advisor to be appointed to approve H&S plan with the selected Contractor.

Southampton City Council to notify their insurers of the works.

Signed:



Printed: *Jack Rider-Hedges*

On behalf of SOUTHAMPTON CITY COUNCIL

Date: 10/07/2019

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Appendices

SCC Tender Analysis

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Southampton City Council Tender Analysis

LIFT REPLACEMENTS & ASSOCIATED WORKS
Tender Analysis - June 2019

	AXIS		LIFTEC	
Elemental Summary				
CONTRACT SUM ANALYSIS				
ALBION TOWERS	LIFT 1	LIFT 2	LIFT 1	LIFT 2
Builders Work	16,244.00	16,244.00	29,731.00	29,731.00
Strip Out	4,066.00	4,066.00	8,300.00	8,300.00
Lift Works	204,809.00	204,809.00	170,643.00	170,643.00
Electrical Works	19,993.00	19,993.00	2,820.00	2,820.00
Additional Items	0.00	0.00	0.00	0.00
Sub-Total	245,112.00	245,112.00	211,494.00	211,494.00
Block Total	490,224.00		422,988.00	
CSA Summary Figures	490,224.00		422,988.00	
REDBRIDGE TOWERS				
Builders Work	19,835.00	21,690.00	25,924.00	25,924.00
Strip Out	5,824.00	6,683.00	8,900.00	8,900.00
Lift Works	226,871.00	232,580.00	187,314.00	187,314.00
Electrical Works	21,179.00	21,167.00	2,820.00	2,820.00
Additional Items	0.00	0.00	0.00	0.00
Sub-Total	273,709.00	282,120.00	224,958.00	224,958.00
Block Total	555,829.00		449,916.00	
CSA Summary Figures	555,829.00		449,916.00	
SHIRLEY TOWERS				
Builders Work	16,244.00	16,244.00	26,052.00	26,052.00
Strip Out	4,066.00	4,066.00	8,300.00	8,300.00
Lift Works	204,859.00	204,859.00	175,717.00	175,717.00
Electrical Works	19,993.00	19,993.00	2,820.00	2,820.00
Additional Items	0.00	0.00	0.00	0.00
Sub-Total	245,162.00	245,162.00	212,889.00	212,889.00
Block Total	490,324.00		425,778.00	
CSA Summary Figures	490,324.00		425,778.00	
Contingency	135,000.00		135,000.00	
Provisional Sums	15,000.00		15,000.00	
Preliminaries	139,892.00		9,165.00	
PRICE LIST (MAINTENANCE & CALLOUT)				
ALBION TOWERS	7,136.54	7,136.54	20,059.38	19,729.38
REDBRIDGE TOWERS	7,136.54	7,136.54	20,059.38	19,729.38
SHIRLEY TOWERS	7,136.54	7,136.54	20,059.38	19,729.38
PRICE LIST SUB-TOTAL	42,819.24		119,366.28	
Sub total (Form of Tender)	1,869,161.24		1,577,213.28	
Errors/Amendments				
CSA Summary figures vs individual lift figures	-73.00		-	
Price list rounding error	-		-0.03	
Re-priced 'Price List' for Maintenance (additional to initial cost)	62,854.53		-	
Amendments to the number of services in the 'Price List'. Changed by contractor but amended to original figures to enable fair comparison between tenders	10,859.40		-	
Additional asbestos related costs	32,120.00		68,624.00	
Additional cost for fire rated hoardings	-		233,700.00	
CCTV	10,671.00		-	
Fire detection system replacement sensors	10,962.00		-	
Adjusted Tender Sum	1,996,555.17		1,879,537.25	
Cost Analysis Individual Score	0.94		1.00	
	100		100	
Score Carried Forward To Summary	94.14		100.00	

LIFT REPLACEMENTS & ASSOCIATED WORKS

(ALBION, REDBRIDGE & SHIRLEY TOWERS, SOUTHAMPTON)

for

Southampton City Council

TENDER EVALUATION RESULTS

Tendered Cost Submissions

	Axis Elevators	Liftec Lifts Ltd
Lowest Bid	Tendered Prices (exc VAT)	
Works	£1,826,342.00	£1,457,847.00
S & M	£42,819.24	£119,266.25
£1,577,113.25	£1,869,161.24	£1,577,113.25
Maximum Cost Score	Cost Scores	
60	50.63	60.00

B. Project Specific Service Quality (Works) Questions - Scorable

			Axis Elevators	Liftec Lifts Ltd
Weighted Assessments	PS Questions	Maximum Score	Weighted Score	Weighted Score
Examples of Similar Projects	Question 11	15	12.00	6.50
Completing Works to Programme	Question 12	20	12.00	5.33
Site / Works Management	Question 13	15	13.50	3.00
Resources	Question 14	15	8.50	12.00
Supply Chain Management (A)	Question 15	-	-	-
Supply Chain Management (B)	Question 16	20	12.67	11.33
Health & Safety (A)	Question 17	15	11.00	10.00
Health & Safety (B)	Question 18	20	14.67	10.67
Waste Management & Sustainability	Question 19	5	3.67	3.67
Minimising Disruption	Question 20	20	14.67	11.33
Reporting	Question 21	15	10.00	4.00
Communications	Question 22	20	17.33	5.33
Minimising Defects	Question 23	15	10.00	5.00
Contract Management & Handover	Question 24	15	9.00	9.00
Maintenance & Callouts	Question 25	20	17.33	10.00
Lift Replacement Methodology	Question 26	20	14.67	6.00
Guarantees & Warranties	Question 27	20	15.33	7.33
Total Service Quality (Works) Assessment Score			196.33	120.50

270

Cost Scores (out of 60)	50.63	60.00
Service Quality Scores (out of 40)	29.09	17.85
Combined Cost/Quality Scores	79.71	77.85



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