



TENDER EVALUATION REPORT

CONTRACT: FAIRHAVEN TO CHURCH SCAR COAST PROTECTION SCHEME

Signed.......... 30/08/17

Mike Pomfret C.Mgr, C.Eng, C.Env, FICE, FCI Arb, FAPM, FCMI

Strategic Development Consultant

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Author: Mike Pomfret

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1 Contract Details

This contract will be placed using the WEM (LOT 4) Framework Agreement. In particular the NEC3 ECC Option A call-off form of contract within the WEM Framework Agreement.

2 Background

The WEM Lot 4 Suppliers that operate in the North West of England are:

- BMM Joint Venture (BAM Nuttall, Mott MacDonald)
- GBV Joint Venture (Galliford Try, Black & Veatch)
- JN Bentley Ltd, Jeremy Benn Associates.
- Team Van Oord Ltd (Van Oord, JT Mackley, May Gurney, Royal Haskoning DHV)
- VBA Consortium (VolkerStevin Ltd, Boskalis Westminster Ltd, Atkins Ltd)

The WEM Framework Agreement contains a fixed Parent Company Guarantee that the above *Suppliers* have agreed to provide in any commission under WEM. The Parent Company Guarantee providing the security for the joint venture *Suppliers*. The operative part of the Parent Company Guarantee is provided by Clause 2.2:

"If the Supplier fails to observe or perform any of its duties or obligations to the Employer....or if the Supplier fails to pay any sum, loss, debt, damage, interest, cost or expense due from the Supplier to the Employer....the Guarantor....shall indemnify the Employer against all loss, debt, damage, interest, cost and expense incurred by the Employer.....and shall, on first written demand, pay to the Employer, without any deduction or set-off, the amount of that loss, debt, damage, interest, cost and expense."

The Environment Agency provided Fylde Council the parent companies that the WEM Lot 4 *Suppliers* are bound to provide the guarantees from. Fylde Council undertook an analysis on the parent companies provided. The results of the analysis returning 'Minimum Risk'.

3 Organisations invited to tender

All 5 no Lot 4 *Suppliers* were issued an Expression of Interest and all 5 no *Suppliers* submitted positive returns between the 02nd and 03rd of February 2017.

4 Tendering Organisations

All 5no *Suppliers* were invited to a Pre-Tender Presentation which was delivered on the 05th May 2017. Four of the five *Suppliers* attended.

The *Supplier* that did not attend the Pre-Tender Presentation was Team Van Oord who then confirmed on the 23rd May 2017:

As it stands, we won't be tendering I'm afraid.

The Tender Documents were then issued on 26th May 2017 via 'The Chest' to the remaining 4no *Suppliers*.

However, on the 21st June 2017 BMM Joint Venture withdrew from the competition on the basis that 'Option X15' was not being included in the contract. Option X15 being that to limit a *Supplier's* liability for his design that of a consultant's (reasonable care and skill). The *Supplier* in question stating:

After much consideration the JV have decided that without in inclusion of clause X15 we cannot submit a tender for this contract. We are all disappointed at this decision which was not taken easily.

At this time no other *Supplier* had raised issue with the inclusion of Option X15. The WEM User Guide (Page 7) indeed states:

The fitness for purpose obligation in relation to designs can be excluded by selecting Option X15, which imposes a reasonable skill and care obligation.

All suppliers accept the principle of Fitness for Purpose provided it is used appropriately and with consideration.

Tender Clarification Meetings were then held on the 26th and 27th June 2017 on a one to one basis with each of the 3no *Suppliers* remaining in the competition. Each *Supplier* at their own meetings raised issue with the exclusion of Option X15.

After all 4no *Suppliers* unilaterally/independently raising issue with the exclusion of Option X15 (and the same being commonly included in the industry) Option X15 was introduced into the Tender Documents.

BMM Joint Venture that had withdrawn due to Option X15's initial exclusion was informed on the 27th June after the last Tender Clarification Meeting.

BMM Joint Venture responded on the 27th June 2017:

We would very much like to re-join the competition and we are looking to reform the design and estimating team.

Could we ask if you would consider an extension of time to help us make up the ground we have lost?

BMM Joint Ventrue had lost 4no working days (out of a 12week tender return period) through its own choice to withdraw.

Before any response to BMM Joint Venture's request above BMM Joint Venture then stated on the 08th July 2017:

It is with great regret that we once again have to withdraw from the above tender competition. Without the requested extension of time and with the growing demands brought about by staff holidays and the development of the EA PDU system we are simply unable to meet the programme for the production of a good bid.

My apologies for this second reversal but next time we will ask about the inclusion of X15 when responding to the expression of interest.

This leaving 3no Suppliers in the competition.

Then on the 12th July GBV Joint Venture confirmed:

Unfortunately we will not be submitting a tender for the Fairhaven to Church Scar CPS. We understand the position of Fylde Council with a fixed budget and risk averse approach but on this occasion we are unable to competitively price and carry such risks.

Following much internal review and discussion we have concluded that the risk profile does not fit with our current governance requirements so we are unable to submit a competitive and compliant bid.

We thank you for the opportunity to tender and wish you every success with the successful tenderer.

The procurement procedure continued with the remaining 2no Suppliers submitting tenders. These two Suppliers being JN Bentley Ltd, Jeremy Benn Associates and VBA Consortium.

5 Tender Evaluation Panel

The tender evaluation panel consisted of:

Technical

Andy Shore – Coastal Engineer (North West), Environment Agency

Steve Ball – Assistant Project Manager, Fylde Council

Mike Pomfret – Strategic Development Consultant, Fylde Council

Financial

Derek Appleton – Principal Accountant, Fylde Council

Mike Pomfret – Strategic Development Consultant, Fylde Council

The tender evaluation panel had the necessary experience to assess the technical, operational, financial and commercial aspects of the tenders.

6 Tender Evaluation Criteria and Criteria Weighting

Overall, the evaluation criteria were Quality 60% and Price 40%. This was further broken down as follows:

Evaluation criteria	Criteria weighting		
Quality	60%	Quality Evaluation	Sub-criteria Weighting Range %
		Sub-Criteria	
		Methodology (inc. programme and risk)	22%
		Aesthetic and functional characteristics	5%
		Environmental characteristics	2%
		Delivery lead-time	7%
		Technical assistance	2%
		After sales service	12%
		Sustainability aspects	7%
		Employer or Others Lot Specific Requirements	0%
		Technical Merit	12%
		Staff (inc. experience)	12%
		Health and Safety	3%
		Innovation	16%
Price	40%	Price Evaluation	Lowest price = 100%; Within 1% of lowest price = 99% Within 2% of lowest price = 98% Within 3% of lowest price = 97% Within 4% of lowest price = 96% Within 5% of lowest price = 95%; Within 10% of lowest price = 90%; Within 15% of lowest price = 85%; Greater than 15% of lowest price = 80%.

7 Tender Evaluation

The members of the tender evaluation panel independently pre-scored the tenders prior to the evaluation panel meeting held on Friday 25th august 2017. They used the evaluation model shown at 6 above.

The members of the tender evaluation panel were unanimous in their positioning of the tenders after the panel discussion. The summary of their findings is shown in Appendix 1.

8 Conclusion

The tender evaluation panel concluded that the most economically advantageous tender representing best value for money for Fylde Council was VBA Joint Venture Ltd.

9 Award Recommendation

It is recommended that VBA Joint Venture Ltd should be awarded the contract for the detailed design and construction of the Fairhaven to Church Scar Coast Protection Scheme: subject to all tenderers being advised of the outcome and the application of the 10 day Standstill Period.

APPENDIX 1

SUMMARY OF TOTAL AVERAGE SCORES ACHIEVED BY EACH TENDERER

Name of Tenderer	Average Score Achieved	Position in Competition
VBA Consortium (VolkerStevin Ltd, Boskalis Westminster Ltd, Atkins Ltd)	92.14%	1 st
JN Bentley Ltd, Jeremy Benn Associates.	82.62%	2 nd

