

SUMMARY OF TENDER PROCESS ASHMOLE ESTATE LONDON SW8/SE11

BACKGROUND

In September 2010 Metropolitan Housing Trust (MHT) sought expressions of interest in the Ashmole regeneration main contract. The procedure followed was in accordance with European Union legal requirements for a contract of this type and size. A total of 21 pre qualification questionnaires were submitted by various building contractors. Ian Sayer & Co (ISC), quantity surveyors and cost consultants, were instructed by Metropolitan Housing Trust Ltd (MHT) to issue an Invitation to Tender (ITT) to a subsequent short list of five contractors. The ITT was issued on March 8, 2011. The ITT stated that the tenders would be evaluated on price and quality. Quality was assessed through a visit to a comparable site that the contractor was working on and an interview. The weighting of the assessment was:

Price 60%
Quality 40% (site visit 20%, interview 20%)

EVALUATING PRICE

Five bona fide submissions were received on May 10, 2011 and opened at MHT's Fentiman Road offices by Ashmole Board Members, MHT Officers and a representative of ISC. The Tenders received were as follows:

<u>Contractor</u>	<u>Tender Sum</u>
United House Limited	£23,946,958.00
Mulalley & Co Ltd	£21,507,717.00
J Murphy & Son Ltd	£21,600,00.00
Lakehouse Limited	£21,420,079.84
Rydon Limited	£19,847,203.00

The Invitation to Tender (ITT) stated that:

- the priced offer had to be based on the notional programme included within the ITT
- the works are to be undertaken in two phases
- each phase is to be undertaken as a standalone JCT Design and Build Contract
- the period for both phases of the works is in the order of 233 weeks

All the Tenderers submitted a Tender on this basis.

Each tender was arithmetically checked and examined to ensure that it complied with the requirements of the ITT. ISC commented on each of the tender and where errors of calculation were identified these were taken up with the individual tenderers and corrections undertaken.

ISC reviewed the cost allowed and within each tender each phase equates to approximately 50 per cent of the total. Prices submitted are fixed for Phase 1 and will be adjusted for Phase 2, as stated in the ITT. This adjustment will consist of an allowance added of 7.5% based on the current Building Cost Information Service (BCIS) tender price (South East index forecast) in order to reflect current market trends.

All the tenders received were within ISC's most recent cost estimate for the works.

In accordance with the evaluation criteria set out in the ITT the 60 marks available with respect to price were allocated to the pricing submissions with the lowest tenderer receiving

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60 marks. The difference between the higher tenders and the lowest was calculated as a percentage. This percentage is then applied as a reduction on the 60 marks.

EVALUATING QUALITY

Tenderers were invited to nominate a scheme comparable with Ashmole, which could be visited and marked by staff and residents in accordance with criteria contained within the ITT. Visits were undertaken on 7th, 12th and 14th April 2011. The sites were visited and marked by members of the Ashmole Board and Major Works group, together with MHP staff.

The criteria for marking the visits were as follows:

- a) High quality of works to residents' homes
- b) High quality of works to communal and external areas
- c) Evidence of resident satisfaction with the internal works
- d) Evidence of resident satisfaction with the external works
- e) A clean and tidy site
- f) Evidence of the level of protection provided in tenants homes and on site
- g) Examples of successfully overcoming difficulties during the works programme
- h) Evidence of ongoing community initiatives
- i) Evidence of effective and ongoing tenant liaison
- j) Evidence of effective prompt complaints management

In addition to the visits, quality was also evaluated through contractor interviews, which took place on 16th April 2011. Ten questions were asked of each contractor, with a maximum total of 20 points being awarded.

COMBINED FINAL EVALUATION

The combined evaluation of the pricing results and qualitative evaluation gives the following overall results:

	PRICE (60%)	QUALITY (40%)	TOTAL (100%)
Lakehouse Limited	53.90%	31.00%	84.90%
Mulalley & Co Ltd	54.99%	33.25%	88.24%
J Murphy & Son Ltd	54.74%	34.69%	89.43%
Rydon Limited	60.00%	30.25%	90.25%
United House Limited	47.65%	28.63%	76.28%

AGREEING THE CONTRACT

Subject to leaseholder observations arising from the Section 20 notices issued the MHP Board has approved the start of negotiations with the tenderer Rydon Limited.

Subject to successful completion of these processes have been completed MHT would expect to sign the agreement with the contractor in Summer 2011 with and to start works on site in Autumn 2011.