

Background and Outcome of the Procurement Process

1. Background

- 1.1 Cabinet approved the strategy and the commencement of the procurement activity in the Revised Full Business Case and Tender Strategy for the Ward End Park Lakeside Renewal (Dolphin Centre) Project in a report dated 22nd March 2022. The strategy was to tender following an open process below the procurement threshold for works using the principles and best practice of the Public Contracts Regulations 2015 (PCR 2015).
- 1.2 The opportunity was publicly advertised on 8th April 2022 in the Official Journal of the European Union, Find A Tender, Contracts Finder and on www.finditinbirmingham.com seeking expressions of interest from organisations who wished to tender. In response to the advertisement, three organisations responded by submitting a tender by the return date of 20th May 2022.
- 1.3 During the evaluation process, it was established that no suitable tenders were received due to two tenderers not meeting the quality threshold of 60% and the other's pricing being significantly above the approved budget for the works.
- 1.4 It is an urgent requirement for the building improvement works to start on site and work has commenced in conjunction with the Council's professional and technical advisors to negotiate the rates and revise the specification where possible to ensure it continues to meet the funder requirements and to bring the costs within an affordable budget.
- 1.5 An options appraisal was undertaken to define the procurement approach based on the revised specification. These options are detailed below:
 - To not proceed with the building improvement works – this is not an option as the works support the regeneration of a deprived area in east Birmingham.
 - To carry out a new procurement process – this option was discounted on the basis that the approach below was considered to demonstrate better value for money and meet the timescales for the project. Engagement with the market identified that it was unlikely that any further or improved bids would be received other than the three bidders from the aborted exercise.
 - To award a contract following the Negotiated Procedure without Prior Publication - Regulation 32(2)a of the Public Contract Regulations (2015) permits the use of the negotiated procedure without prior publication for contracts in the following cases: "where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the contract are not substantially altered".

This is the recommended option on the basis that no suitable tenders were received and there is no significant proposed material alteration to the initial conditions of contract.

2. Negotiated Procedure

2.1 The process for the Negotiated Procedure was as follows:

- Identification of Parties to Negotiate with
- Round One Negotiations with the parties identified
- Further Negotiation Rounds (optional, if required by the Council)
- Close Negotiations and issue tender
- Evaluation of revised offer
- Final Negotiations

2.2 Building Services Now Ltd having submitted a satisfactory quality and social value response after the evaluation from the original tender process was identified as the only bidder that negotiations could be conducted with as the other bidders, being below the quality threshold, did not meet the award criteria.

2.3 Negotiations were commenced with the bidder to confirm their continued interest in tendering for the contract and to ensure they could meet the revised specification to provide value for money. Confirmation was received from the bidder that this could be met.

2.4 A revised Invitation to Tender documentation was issued on 30th May 2022 to the bidder with a return date of 13th June 2022.

2.5 A tender was returned by the deadline.

3. Evaluation and Selection Summary

3.1 The tender was evaluated using a split of 40% quality, 10% social value and 50% price which was in accordance with the strategy approved in the Cabinet report Revised Full Business Case and Tender Strategy for the Ward End Park Lakeside Renewal (Dolphin Centre) Project report dated 22nd March 2022. The results of the evaluation process are detailed below.

3.2 The evaluation was undertaken by officers from City Operations, Landscape and Development and representative from the Council's professional and technical advisors, Stride Treglown Ltd., supported by Corporate Procurement Services

4 Evaluation Summary

4.1 Stage 1 Assessment

The bidder passed the Stage 1 assessment and proceeded to the next stage.

4.2 Final Negotiation Stage

After the initial evaluation of the tender, negotiations were entered into with Building Services Now Ltd. The tables in paragraphs 4.3 – 4.6 show the final scoring after the conclusion of the negotiations.

4.3 Quality Evaluation (40% Weighting)

The results of the quality evaluation are set out below:

COMPANY	<i>Building Services Now</i>
Score (Max 100)	81.80
Adjusted Score (Max 40)	40.00
Rank	1

There were no issues arising from the quality evaluation.

4.4 Social Value (10% Weighting)

The results of the social value evaluation are set out below.

COMPANY	<i>Building Services Now</i>
Qualitative	
Score (Max 100)	70.00
Adjusted Score (Max 2.50)	2.50
Quantitative	
Financial Proxy	£159,750
Adjusted Score (Max 7.50)	7.50
Overall Social Value	
Total (Max 10)	10.00
Rank	1

There were no issues arising from the evaluation of social value.

4.5 Price Evaluation (50% Weighting)

The results of the price evaluation are set out below.

COMPANY	<i>Building Services Now</i>
Adjusted Score (Max 50)	50.00

Rank	1
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Further details of the price evaluation are in Appendix B – Exempt Information.

4.6 Overall Evaluation

The results of the overall evaluation are set out below:

COMPANY	<i>Building Services Now</i>
Quality	40.00
Social Value	10.00
Price	50.00
TOTAL	100.00
RANK	1

5 Recommendations

- 5.1 It is recommended that the contract for the building improvement works at the Dolphin Centre is awarded to Building Services Now Ltd on the basis that following negotiations between Building Services Now Ltd and the Council, the revised offer represents value for money reflective of current market conditions in the construction sector which is extremely volatile as detailed in Appendix B - Exempt Information.