



Executive Director for Children and Young People

Report title: Approval for Contract Award - Contract 1 for the School Minor Works Programme 2021

Date: 09 June 2021

Key decision: Yes

Class: Part 1

Ward(s) affected: Grove Park, Catford South, Brockley and Rushey Green

Contributors: Group Finance Manager, SGM Capital Programme Delivery

Outline and recommendations

The purpose of this report is to seek approval from the Executive Director for Children & Young People to award a 29 week contract following an open tender exercise for Contract 1 of the School Minor Works Programme 2021, in line with the approvals obtained at Mayor & Cabinet in January 2021 (report attached as Appendix A).

This report recommends that Stonegrove Ltd are awarded the contract for a total of £845,659.

Timeline of engagement and decision-making

Approval to Procure Report – January 2021

Tenders Issued – March 2021

Tenders Returned – April 2021

Tender Evaluation – May 2021

Contract Award Report Issued – June 2021

Contract Award Decision – June 2021

1. Summary

- 1.1. The purpose of this report is to seek approval from the Executive Director for Children & Young People to award a contract following an open tender exercise for Contract 1 of the School Minor Works Programme 2021, in line with the approvals obtained at Mayor & Cabinet in January 2021 (report attached as Appendix A). Following completion of an open procurement process officers recommend that Stonegrove Ltd are awarded a 29 week contract to deliver School Minor Works.

2. Recommendations

It is recommended that the Executive Director for Children and Young People:

- 2.1. Authorise officers to enter into Contract 1 of the School Minor Works Programme 2021 for the value of £845,659 with Stonegrove Ltd. This contract is for mechanical and electrical works at Coopers Lane Primary School, Myatt Garden Primary School, Sandhurst Primary School and Holbeach Primary School.

3. Policy Context

- 3.1. The Local Authority has a duty to ensure the provision of sufficient places for pupils of statutory age and, within financial constraints, accommodation that is both suitable and in good condition.
- 3.2. The proposal within this report is consistent with the Corporate Strategy 2018-2022, in particular the Corporate Priority of *'Giving children and young people the best start in life: Every child has access to an outstanding and inspiring education and is given the support they need to keep them safe, well and able to achieve their full potential'*.
- 3.3. As owner of the school buildings and the employer, the Council has a statutory duty under the Health & Safety at Work Act 1974 and associated approved codes of practice, to ensure that schools are fit for purpose and used by pupils and staff. Whilst schools are responsible for day to day maintenance of their buildings, any significant expenditure on capital schemes has to be funded by the Council.

4. Background

- 4.1. This programme is funded by the Education and Skills Funding Agency (ESFA) through the School Conditions Allocation (SCA). The SCA supports essential capital works in community schools to prevent disruption to their day-to-day running, and to

ensure they are safe for the pupils, staff and visitors. Larger Multi-Academy Trusts (MATs) and Voluntary Aided (VA) school bodies receive direct funding to invest in priorities across the schools for which they are responsible. Smaller or stand-alone academy trusts, sixth form colleges and VA school bodies are able to bid to the Condition Improvement Fund (CIF).

- 4.2. In recent years, decisions on how the Council invests its SCA have been based on building condition surveys completed by Carter Jonas in 2017. The surveys covered 40 community schools which were selected on the advice of officers in the Estates Management team. Their decisions were based on the age, and their knowledge, of buildings, and mechanical and electrical systems in the school estate
- 4.3. The Mayor & Cabinet report for the School Minor Works Programme 2021 (SMWP 21) dated 13 January 2021 (Appendix A) provides further details on how this year's programme of works was developed.
- 4.4. This report relates to mechanical and electrical works at 4 schools (Coopers Lane Primary School, Holbeach Primary School, Myatt Garden Primary School and Sandhurst Primary School).

5. Procurement Process

- 5.1. A single stage open tender exercise was run for Contract 1 of the SMWP 21. The opportunities were advertised on Contracts Finder and published on the London Tenders Portal, in line with the Council's Procurement guidance. In order to ensure the contractors tendering for the contracts were capable of delivering the works within a school setting, a minimum quality score was set for tenderers' response to Section 6 of the Suitability Questionnaire.
- 5.2. This section requests examples of technical ability/experience working on similar projects in occupied primary schools (or similar) within the past 3 years and where sub-contractors are to be used, demonstrate how they have previously maintained healthy supply chains with sub-contractor(s).
- 5.3. Tenderers had to achieve a minimum score of 7 (described as '*Good - Proposal meets the required standard in all major material respects*') for Method Statements MS1-a and MS2. If a tenderer failed to achieve the minimum score, their tender was eliminated from the evaluation process and not assessed any further. Any tenderer that achieved the minimum score was fully evaluated.
- 5.4. Moderation sessions were led by the Procurement Officer. The evaluation panel consisted of three people, two Council officers (A Project Manager and Project Officer) and one external person from Pinnacle ESP, who will be acting as Contract Administrator when the contracts are awarded (see Appendix B for further details).
- 5.5. After the tender period closed, the submissions were shared with the evaluation panel members who were instructed to separately evaluate all complete tenders. Each member's scores were shared with the Council's Procurement team ahead of a virtual meeting (known as a consensus meeting) which was held to discuss and agree consensus scores for each tender. The consensus meetings were moderated by a member of the Council's Procurement team.
- 5.6. The full tender submissions were evaluated based on the following criteria:
 - Financial detail including price 50%
 - Project Management 15%
 - Technical Ability 15%
 - Health and Safety 10%
 - Social Value 10%

The evaluation was made up of 50% price and 50% quality, incorporating 10% for social value.

6. Tender Evaluation

6.1. The tables below set out details on the key dates and number of tenders received for this contract.

6.1.1. Contract 1

Activity	Date/Quantity
Tender Published	24/03/2021
Tender Return Deadline	28/04/2021 (initially 21/04/2021 extended by 7 working days due to school access issues)
Evaluation/Consensus Meeting	13/05/2021
Expression of Interest	83
Tenders Received	13 in total: 1. 21 Degrees Heating Ltd 2. Arc Group London Ltd 3. Ark MEP Plc 4. BSW Heating Ltd 5. Environtech M & E Services Ltd 6. Graham Asset Management Ltd 7. Invicta Building Services Ltd 8. LMAC Construction Ltd 9. Re-Gen (M&E Services) Ltd 10. Stonegrove Ltd 11. T Brown Group 12. Thermoserv Ltd 13. United Mechanical Services Ltd

6.2. Section 6 of the Suitability Questionnaire of each tender response was evaluated first. Any tenderer that failed to achieve the minimum score of 7 for 6.1 and 6.2 (see 6.7 for description of each standard) was eliminated from the tendering process and not evaluated any further. This score was not weighted. It was assessed on a pass or fail basis and did not contribute to tenderers' final overall quality score.

6.3. The tables below detail the outcome of this evaluation with comments.

Tenderer	Comments	Pass/Fail
21 Degrees Heating Ltd	Demonstrated experience relevant to this project and explained supply chain management.	Pass
Arc Group London Ltd	Demonstrated experience relevant to this project and explained supply chain management.	Pass
Ark MEP Plc	Demonstrated experience relevant to this project and explained supply chain management.	Pass

BSW Heating Ltd	Demonstrated experience relevant to this project and explained supply chain management.	Pass
Environtech M & E Services Ltd	Failed to submit a Suitability Questionnaire response.	Fail
Graham Asset Management Ltd	Demonstrated experience relevant to this project and explained supply chain management.	Pass
Invicta Building Services Ltd	Demonstrated experience relevant to this project and explained supply chain management.	Pass
LMAC Construction Ltd	Demonstrated experience relevant to this project and explained supply chain management.	Pass
Re-Gen (M&E Services) Ltd	Demonstrated experience relevant to this project and explained supply chain management.	Pass
Stonegrove Ltd	Demonstrated experience relevant to this project and explained supply chain management.	Pass
T Brown Group	Demonstrated experience relevant to this project and explained supply chain management.	Pass
Thermoserv Ltd	Demonstrated experience relevant to this project and explained supply chain management.	Pass
United Mechanical Services Ltd	Failed to submit a response to Section 6 of the Suitability Questionnaire.	Fail

6.4. Tenders that passed the Suitability Questionnaire were then evaluated on a 50/50 basis for price and quality.

6.5. The price of each tender was evaluated using the Lowest Price Option, see the formula below:

6.6. Price score = price weighting (50) x (lowest price/tendered price)The quality of the tenders was assessed based on the following method statements and weightings

Main Criteria (& Weighting)	Sub-criteria Weighting	Sub-criteria	Evidence	Method Statement
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Project Management (15%)	10%	<p>Please advise how you will manage the project through each phase (from pre-start to post-completion) to ensure:</p> <ul style="list-style-type: none"> - It is delivered on time, - Costs are controlled, - The quality of works undertaken are delivered to the highest standard possible. 	✓	MS 1 (a) *
	5%	<p>Please provide a programme in the form of a Gantt chart using Microsoft Project, or similar software, taking into account asbestos removal if required.</p>		MS 1 (b)
Technical Ability (15%)		<p>Please provide a 300 word statement about each staff member who will be working on this project that highlights their relevant experience, qualifications and competencies.</p> <p>Please also include:</p> <ul style="list-style-type: none"> - A structure chart (highlighting the main point of contact for the Council) - Details of your complaint escalation procedure. 	✓	MS 2 *
Health & Safety (10%)	(8%)	<p>a) Please describe your Health & Safety procedures and how you would ensure that all staff and customers would remain safe during both the design and construction phases.</p> <p><i>Please ensure that your response considers your responsibilities under the Construction (Design and Management) Regulations (CDM).</i></p>	✓	MS3 (a)
	(2%)	<p>b) Please outline separately any considerations to working practices relating to COVID-19.</p>		MS3 (b)

<p>Social Value (10%)</p>		<p>Social Value is the additional economic, social and environmental benefits that can be created when the Council procures an external service or contractor to deliver works.</p> <p>The Social Value Monitoring Tool (see the <i>'Appendix 1 Social Value Monitoring'</i> document) sets out the Council's key performance indicators for measuring how well a contract performs against its 4 social value objectives, see below:</p> <ol style="list-style-type: none"> 1. Employment, Skills & Economy 2. Creating a greener Lewisham 3. Training Lewisham's future 4. Making Lewisham healthier <p>Using the KPIs in the Social Value Monitoring Tool, please state which KPIs (and how many of each) you will deliver as part of your social value contribution, and how this will be achieved.</p>	<p>✓</p>	<p>MS 4</p>
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6.6.1. Criteria marked with an asterisk (*) in the table above, required a minimum quality score of 7 (see 6.7 for description of standards) to be considered valid. Criteria not marked with an asterisk (*) were required to achieve a minimum quality score of 5. Any Tender which failed to attain these minimum scores would be deemed invalid.

6.7. The scoring was awarded on a scale of 0 –10. 0 being Non-existent and 10 being perfect. The table below provides a description of each score:

Score	Level	Standard
0	Non-existent	Proposal absent
1	Inadequate	Proposal contains significant shortcomings and/or is inconsistent or in conflict with other proposals
2	Very poor	Proposal contains many shortcomings and/or is inconsistent or in conflict with other proposals
3	Poor	Proposal falls well short of achieving expected standard in a number of identifiable respects
4	Weak	Proposal falls just short of achieving expected standard in a number of identifiable respects
	Barely	Proposal just meets the required standards in nearly all

5	adequate	major aspects, but is lacking or inconsistent in others
6	Adequate	Proposal meets the required standards in nearly all major aspects, but is lacking or inconsistent in others
7	Good	Proposal meets the required standard in all major material respects
8	Very good	Proposal meets the required standard in all major material respects and in a few of the minor requirements
9	Excellent	Proposal meets the required standards in all major material respects and nearly all of the minor requirements
10	Perfect	Proposal meets the required standards in all major material respects and all of the minor requirements

6.8. The tables that follow summarise the final quality, price scores and overall scores for each tender.

6.8.1. Method Statement Evaluation (Quality)

Tenderer	Quality Score	Rank	Comments
LMAC Construction Ltd	41.50	1	Submitted a very good tender which scored 9 for MS 1a and 2 because the proposals met the required standards in all major material respects and nearly all of the minor requirements. MS 1b and 4 scored 8 because the proposals met the required standard in all major material respects and in a few of the minor requirements. MS 3a and 3b scored 7 because proposals met the required standard in all major material respects, but did not go any further.
Graham Asset Management Ltd	41.00	2	Submitted a very good tender which scored 9 for MS 1a and 2 because the proposals met the required standards in all major material respects and nearly all of the minor requirements. MS 4 scored 8 because the proposal met the required standard in all major material respects and in a few of the minor requirements. MS 1b 3a and 3b scored 7 because proposals met the required standard in all major material respects, but did not go any further.
Stonegrove Ltd	39.50	3	Submitted a very good tender which scored 9 for MS 4 because the proposal met the required standards in all major material respects and nearly all of the minor requirements. MS 2, 3a and 3b scored 8 because the proposals met the required standard in all major

			material respects and in a few of the minor requirements. MS 1a and 1b scored 7 because proposals met the required standard in all major material respects, but did not go any further
BSW Heating	37.30	4	Submitted a good tender which scored 8 for MS 2 and 3a because the proposals met the required standard in all major material respects and in a few of the minor requirements. MS 1a, 1b, 3b and 4 scored 7 because proposals met the required standard in all major material respects, but did not go any further
21 Degrees Heating Ltd	Invalid tender	N/A	Tenderer failed to submit a response for MS 1b and so received a score of 0. As a result tender was deemed invalid and was not evaluated any further.
Arc Group London Ltd	Invalid tender	N/A	Tenderer failed to submit a response for MS 1b and so received a score of 0. As a result tender was deemed invalid.
Ark MEP Plc	Invalid tender	N/A	Tenderer failed to achieve the minimum required score of 7 for MS 1a. Tenderer only scored 6 because was proposal lacked detail on costs would be controlled and how the project will be delivered on time. As a result tender was deemed invalid.
Invicta Building Services Ltd	Invalid tender	N/A	Tenderer failed to achieve the minimum required score of 7 for MS 2. Tenderer only scored 6 because was proposal did not provide complaints escalation procedure, which was specifically requested, and did demonstrate specific relevant experience. As a result tender was deemed invalid.
Re-Gen (M&E Services) Ltd	Invalid tender	N/A	Tenderer failed to achieve the minimum required score of 7 for MS 1a. Tenderer only scored 6 because was proposal lacked detail on how quality would be ensured and costs would be controlled. As a result tender was deemed invalid.
T Brown Group	Invalid tender	N/A	Tenderer failed to achieve the minimum required score of 7 for MS 1a. Tenderer only scored 6 because was proposal lacked detail on costs would be controlled. As a result tender was deemed invalid.
Thermoserv Ltd	Invalid tender	N/A	Tenderer failed to achieve the minimum required score of 7 for MS 1a. Tenderer only scored 5 because was proposal barely responded to the specific points raised in the method statement. As a result tender was deemed invalid.

6.8.2. Form of Tender Evaluation (Price)

Tenderer	Price	Score	Rank
Stonegrove Ltd	£845,659.00	50.00	1
LMAC Construction Ltd	£1,115,880.49	37.89	2
Graham Asset Management Ltd	£1,338,062.70	31.60	3
BSW Heating	£1,580,187.01	26.76	4
21 Degrees Heating Ltd	N/A	N/A	N/A
Arc Group London Ltd	N/A	N/A	N/A
Ark MEP Plc	N/A	N/A	N/A
Invicta Building Services Ltd	N/A	N/A	N/A
Re-Gen (M&E Services) Ltd	N/A	N/A	N/A
T Brown Group	N/A	N/A	N/A

6.8.3. Overall scores

Tenderer	Quality Score	Price Score	Total Score	Overall Rank
Stonegrove Ltd	39.50	50	89.50	1
LMAC Construction Ltd	41.50	37.89	79.39	2
Graham Asset Management Ltd	41.00	31.60	72.60	3
BSW Heating	37.30	26.76	64.06	4
21 Degrees Heating Ltd	N/A	N/A	N/A	N/A
Arc Group London Ltd	N/A	N/A	N/A	N/A
Ark MEP Plc	N/A	N/A	N/A	N/A
Invicta Building Services Ltd	N/A	N/A	N/A	N/A
Re-Gen (M&E Services) Ltd	N/A	N/A	N/A	N/A
T Brown Group	N/A	N/A	N/A	N/A

6.9. Overall, the tenders were of a good standard however the quality requirements were set high, therefore more than half of the bidders did not achieve the scores required and were therefore rejected.

6.10. The tenders were evaluated by the following three officers within the Regeneration and Place division at Lewisham Council, who each signed a Declaration of Interest form declaring no interest in submissions.

- Lemuel Dickie-Johnson -Senior Programme Manager
- Akweley Badger –Project Officer, Capital Programme Delivery
- Alex Smart –Pinnacle LLP

6.11. The evaluation panel agreed that Stonegrove Ltd were the overall winning bidder with an acceptable price and good quality score.

6.12. According to a credit rating check run by the Council's Procurement team on 28th April 2021, using a company called Credit Safe, Stonegrove scored 75 out of 100 which is considered very low risk.

7. Financial implications

7.1. This report recommends that the Executive Director for Children & Young People approves the award of a contract to Stonegrove Ltd for mechanical and electrical works at a cost of £845,659. This contract will be funded from the approved capital programme budget for the 2021/22 Schools Minor Works programme.

8. Legal implications

- 8.1. The processes involved in selecting the most economically advantageous tenders for the value of the works contract (Category B contracts) have complied with the Council's Contract Procedural Rules. The value of the contract is below the relevant procurement threshold for works contracts. Therefore the procurement did not need to be fully compliant with the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020.
- 8.2. It is for the Executive Director for Children and Young People to decide whether to award the contract to the successful tenderer recommended in this report
- 8.3. This decision is a Key Decision as it has a value of more than £200,000.

9. Equalities implications

- 9.1. The planned maintenance works as proposed will benefit all pupils, staff attending and working in the schools. No individual will be disadvantaged by the works.

10. Climate change and environmental implications

- 10.1. The School Minor Works Programme will improve the energy efficiency of school buildings by upgrading boiler systems to more eco-friendly models, improving insulation and installing LED lighting, which is consistent with the Council's Energy Policy, which was agreed at Mayor & Cabinet July 2014, and more recently the Council's commitment to the borough being carbon neutral by 2030 and development of a Climate Change Action Plan.
- 10.2. An air source heat pump will be installed at Myatt Garden Primary School, as an alternative form of heating to gas boilers. This will significantly reduce the carbon footprint of the school.
- 10.3. Stonegrove's approach to social value, which included reducing the impact of the proposed works on the environment, was assessed as part of the Method Statement evaluation. Stonegrove Ltd received an excellent score of 9 for its response.

11. Crime and disorder implications

- 11.1. There are no such implications arising from this report.

12. Health and wellbeing implications

- 12.1. The School Minor Works Programme will help to improve the health and wellbeing of staff and children by creating a safer environment and better functioning facilities within school buildings.

13. Social Value implications

- 13.1. The School Minor Capital Works Programme will deliver social value to the London Borough of Lewisham by working with colleagues in the Local Labour Business Scheme, Climate Resilience and Procurement teams to set targets in line with the Council's strategic aims and objectives for each of the contracts tendered.
- 13.2. Social Value was assessed as part of the tender evaluation. Stonegrove Ltd received an excellent score of 9 for its response. Stonegrove outlined a number of measures they would undertake and related them back to the social value KPI's which covered all 4 required areas. Measures included offering work experience, employment and apprenticeships to 6 local people, encouraging green vehicle policies for staff and contractors and modern slavery policies.
- 13.3. Local Labour Business Scheme (LLBS) team to monitor and facilitate delivery, the

project manager will ensure delivery in partnership with LLBS.

14. Background papers

14.1. The following background documents were referenced in this document.

- Appendix A: Mayor & Cabinet Report for School Minor Capital Works Programme 2021 – Approval to Tender Works
- Appendix B: Tender Evaluation Matrix for Contracts 1
- Appendix C: Credit Score Reports

15. Glossary

15.1. Description of terms below.

Term	Definition
SCA	School Condition Allocation – a grant funded by Education and Skills Funding Agency (ESFA)
SMWP	School Minor Works Programme

16. Report author and contact

16.1. Lemuel Dickie-Johnson, Lemuel.Dickie-Johnson@lewisham.gov.uk, 07990 796219

17. Comments for and on behalf of the Executive Director of Children and Young People

17.1. Peter Allery, Peter.Allery@lewisham.gov.uk

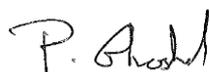
18. Comments for and on behalf of the Director of Law, Governance and HR

18.1. Sohagi Patel, Sohagi.Patel@lewisham.gov.uk

19. Approval

19.1. Approve / Do not approve the recommendation in this report

Signed: Pinaki Ghoshal



Date: 14th June 2021

Executive Director for Children and Young People