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 **ITT DOCUMENTS**

London Borough of Southwark

Commercial Way

Section 9

Tender Evaluation Methodology

(incorporating the Evaluation Methodology and Quality Submission Schedule)

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# Evaluation Methodology

## INTRODUCTION

1. This document sets out the methodology that will be used to evaluate tenders received in relation to the new homes design and build contract.
2. Following the evaluation stages described in this methodology, the Employer will evaluate the tender submissions using a weighted model of 60:40 price/quality.
3. The award recommendations will be made on the basis of the most economically advantageous tenders (MEAT) evaluated as described in this methodology.

## EVALUATION STAGES

1. The evaluation shall comprise of 7 stages:

Pre-Qualification Questionnaire (PAS91 PQQ)

1. Stage 1 – PQQ Compliance Checks
2. Stage 2 – PQQ Financial Evaluation
3. Stage 3 – PQQ Technical Evaluation

Invitation to Tender (ITT)

1. Stage 4 - ITT Compliance
2. Stage 5 – ITT Quality
3. Stage 6 – ITT Price
4. Stage 7 – ITT Final selection and recommendation

## EVALUATION TEAM

1. An evaluation team has been set up to undertake a comprehensive, systematic and consistent evaluation of each tender. This evaluation team will be split into two panels, one for quality and one for price. Both panels will be made up of officers with expertise in their specific areas i.e. the quality evaluation panel will include individuals experienced in communal lighting and electrical testing provisions and the price evaluation panel will be made up of individuals with financial expertise.

## STAGES ONE TO THREE (PAS91 PQQ)

1. Please refer to Section 3 (Applicant’s Selection Guidance –PAS 91 PQQ).

## STAGE FOUR – ITT COMPLIANCE

1. Tenders will be checked initially for completeness and compliance with the ITT documents. Whilst the Employer shall be entitled to seek clarification from tenderers in order to determine if a tender is complete and/or compliant, tenderers should note that the Employer reserves the right to reject tenders that are not complete and/or compliant. Tenderers are referred to ‘Checklist of Documents to be returned’ in Section 8 of the ITT documents.
2. For tendering purposes, tenderers are required to confirm as part of their tender that if awarded a contract, they will be able to provide the required levels of insurance cover in the contract as set out in the Contract Particulars. The Employer regards this confirmation as a compliance issue and reserves the right to reject any tender, without further consideration, in the event that they fail to provide such confirmation as part of their tender.
3. Tenderers are required to submit the Parent Company Guarantee Undertaking and a performance bond undertaking, if applicable, set out in the ITT documents.
4. Tenders that pass this Stage One will be evaluated as detailed below.

## STAGE FIVE - QUALITY

1. Tenderers will be required to submit four (4) method statement proposals answering the questions contained within the Quality Submission Schedule attached. These method statements, once approved by the Employer, will be incorporated into the contract as the Contractor’s planned way of working/operating throughout the Contract Period.
2. All submissions will be scored against the same criteria/ sub criteria and sub-weightings as set out in this schedule.
3. The weighting for each method statement proposal is set out in the following table. For scoring purposes the percentage score for each sub-question is divided by the maximum score achievable (table 14), the score given (table 14) is then applied to calculate the tenderers percentage achieved, which is then totaled to give the overall percentage for the quality section.

|  |  |  |
| --- | --- | --- |
| **Criteria** | **Question** | **Weight (%)** |
| **Q.1**Q1.aQ1.bQ1.c | **Quality, Innovation and Value For Money (Total 8%)**Demonstrate the benefits of working your organisationHow you will deliver a quality schemeHow you will ensure value for money | 2%3%3% |
| **Q.2**Q2.aQ2.bQ2.cQ2.d | **Constraints and Delivery (Total 16%)**Please provide us with details of your construction, mobilisation plan and supply chain management for the build programme. Please identify specifically how you would deal with the re-provision of the estate road within the scheme and the associated processes.How do propose to deliver the project in a time efficient way – please highlight your strategy for completing and handing over the units.How will you communicate effectively with us as a client.What risks and challenges specific to this scheme can you identify? | 4%4%4%4% |
| **Q.3**Q3.aQ3.bQ3.c | **Defects and Future Maintenance (Total 12%)**Please detail your process of ensuring fire safety, gas pipe insulation and any relevant items of health and safety regulations.Please detail your strategy for handing over units and managing the defect process (both pre and post completion)Please demonstrate how you will ensure that quality of the materials and products used will take into consideration the future maintenance of the project | 4%4%4% |
| **Q4**Q4.aQ4.b | **London Living Wage (Total 4%)**Tenderers are required to explain how the London Living Wage will be administered, monitored and reported to the Council. The submission should specifically address its application to the tenderers directly employed staff and those of its sub-contractors.Tenderers are also required to identify productivity gains and other benefits which they expect to result from the payment of the London Living Wage and proposals setting out how these will be measured and reported to the Council. | 2%2% |
|  | **Sub-total** | **40%** |

##

## QUALITY SCORING SCALE

1. The scoring of a tenderer’s method statement will be based on the following scale:

|  |  |
| --- | --- |
| **Score** | **Scoring Principles** |
| 0 | **Cannot be scored** The tenderer has provided no information, or not answered the question appropriately, or not provided the basic details. |
| 1 | **Unsatisfactory** The tenderer has given basic details but there are some major areas of risks or there are omissions in the answer and we would not be confident of the product they could deliver. |
| 2 | **Adequate / Satisfactory** The tenderer has answered the question by providing basic details. |
| 3 | **Good** The Tenderer demonstrates a good understanding of our requirements and has a credible methodology to deliver the scheme. |
| 4 | **Excellent** The Tenderer demonstrates an excellent understanding of our requirements, has a credible methodology to deliver the scheme  alongside a clear process and plan to deliver additional benefits and deliver value. |
| 5 | **Outstanding** The Tenderer has demonstrated the ability to take our requirement and brief and shown how they can comprehensively deliver a high quality scheme, exceeding our requirements and/or offering significant added value to the development. |

1. Each question will be scored to give a weighted score for quality. The score will be to the nearest two decimal points.
2. Tenderers evaluation score will be based on their written submission, but this may be clarified (and its veracity and accuracy verified) by clarification questions raised by the employer.
3. Tenderers will not be able to address any omissions in their tender submission during any clarification process.
4. The initial score will be based on the evaluators’ review of the tenderer’s tender submission and be updated based on further clarification. The final score therefore may differ from the initial scores to reflect the full evaluation process undertaken by the quality evaluation panel. Overall scores will be calculated to ascertain the tenderer’s overall percentage score.
5. The quality evaluation panel shall conduct a “consensus scoring process” where moderation of the scores awarded during the exercise will take place. The moderation shall give regard to any variance in the scores between the evaluators. A consensus score will be agreed by the evaluators for each of the evaluation criteria.

## QUALITY THRESHOLDS

1. The award criteria are set out at paragraph 13. Each response to the award criteria will be marked out of a possible score of 5. The scoring will be based on the general principles and descriptions shown in the table at paragraph 13.
2. Tenderer’s should note that for method statements that do not meet a score of 2 (adequate) the tender maybe be rejected

## STAGE SIX - PRICE

1. Tenderers need to provide both a lump sum and provide a contract sum analysis. Please note that the contract sum must be broken down as per the CSA.
2. Priced documents will be examined in order to detect any computational errors. Where an examination reveals an error or discrepancy between these prices and the overall tender figure, this will be addressed using Alternative 2 of the JCT Tendering Practice Note 2012.
3. The price evaluation criteria is set below – there is a total of 60 point available for the price:

|  |  |  |
| --- | --- | --- |
| **Ref** | **Criteria** | **Maximum Points Available** |
| (1) | Tender sum | 55 |
| (2) | Total Provisional Sums | 5 |

1. For both the tender sum and total provisional sums, the tenderer with the lowest price will receive the maximum points available. Each remaining tenderers' price will be awarded a score based on the percentage difference between their price and that of the most competitive price.

*Tender Sum Scoring Methodology*

(Lowest Tender Sum / Contractors Tender sum) = % adjustment

55 Points x % adjustment = Price Score

Total Provisional Sum Scoring Methodology

* (Lowest Total Provisional Sum / Contractors Total Provisional Sum) = % adjustment
* 5 Points x % adjustment = Price Score
1. Note: All scores achieved will be taken to two decimal places and rounded up or down for each criterion.
2. Any tender submission scoring overall 30 points or less may be rejected by the council on the basis of poor value.
3. The following table gives an example of how the overall scoring output works:



## ABNORMALLY LOW TENDERS & OTHER ABNORMALITIES

1. The Employer will scrutinise very carefully any tender that contains a price which appears very low (having regard, amongst other things, to the prices submitted in the other tender submissions received). The Employer reserves the right to reject any tender submission that is abnormally low.
2. The Employer will also scruntisie the provisional sums element of the tender price. The analysis of the provisional sums will seek to ensure that they are reasonable and sufficient. The analysis will also scrutinise the impact on the overall contract sum and identify any risk to the Employer. Where the total provisional sum is considered to be unreasonable, insufficient or should the sum or the identified risk have a significant impact on the overall contract sum, the Employer reserves the right to reject that tender.

## DISCLAIMER

1. The price will be evaluated by applying the figures in the tenderer’s completed pricing evaluation model to the assumed volumes of Works. These assumed volumes are made by the Employer purely for the purpose of evaluating tender submissions and for no other purpose and are not an indication or prediction of the quantities of Works which the Employer will require or which the Contractor will provide under any awarded contract.
2. Save for the purpose of comparing tender submissions, the quantities inserted in the pricing evaluation model by the Employer, shall not bind the Employer in any way and does not constitute any warranty, representation, indication, estimate or prediction of the volumes and quantities of any Works which the Employer may require or the Contractor will provide under any awarded contract.

## STAGE SEVEN - FINAL SELECTION AND RECOMMENDATION

1. The scores achieved for both quality and price will be added together to give an overall score. The overall scores will then be used to rank the tender submissions.
2. The top scoring tenderer shall be recommended for award of the contract.

## TIE BREAK

1. In the event of a tie break (where two or more top scoring tenderers have the same total weighted score including both quality and price), the Employer shall select from amongst those tenderers the submission of the tender with the highest weighted score for method statement 2. In the event that this still results in a tie break, the Employer shall select from amongst those tenderers the tender submission with the highest weighted score for price.

# Quality Submission Schedule

**Quality Assessment**

The following 4 questions make up the quality section which is worth 40% of the total score for the tender. Each question is scored separately. You should answer each as fully as possible, but you must limit your response to word count for each question (at not less than Arial point 11) with standard margins and spacing. This excludes the Gantt chart and pictures which may be included as appendices.

Tenderers are advised to read the Preliminaries and the Technical Specification in Section 4 of the ITT documents prior to answering the quality questions.

A word limit is set out for each method statement. Any information in excess of the word limit will be disregarded and not scored.

**Method Statement 1: Quality and Value For Money**

Please provide details of your organisation and demonstrate:

1. The benefits of working your organisation
2. How you will deliver a quality scheme
3. How you will ensure value for money

For the various aspects of this question your answer should be site and project specific and include:

1. Please provide CV’s and organisational structure as an appendix (Please note that the inclusion of CV’s and a structure chart is not counted towards the word count below)
2. Giving us your understanding of what aspects of the build and procurement process add to the quality of the finished product
3. How you have ensured value for money whilst maintaining a high quality design

**Word limit: 2,250 Arial Font size 11 (Approx. 3 to 4 A4 pages excluding images)**

**Method Statement 2: Constraints and Delivery**

Given the site and timing constraints:

1. Please provide us with details of your construction, mobilisation plan and supply chain management for the build programme. Please identify specifically how you would deal with the re-provision of the estate road within the scheme and the associated processes.
2. How do propose to deliver the project in a time efficient way – please highlight your strategy for completing and handing over the units.
3. How will you communicate effectively with us as a client.
4. What risks and challenges specific to this scheme can you identify?

Please include a logistics plan and Gantt chart showing how you would progress the construction.

**Word limit: 3,000 Arial Font size 11 (Approx. 4 to 5 A4 pages excluding images).**

**Method Statement 3: Safety, Defects and Future Maintenance**

Given the council’s commitment to quality and future maintenance:

1. Please detail your process of ensuring fire safety, gas pipe insulation and any relevant items of health and safety regulations.
2. Please detail your strategy for handing over units and managing the defect process (both pre and post completion)
3. Please demonstrate how you will ensure that quality of the materials and products used will take into consideration the future maintenance of the project

**Word limit: 2,250 Arial Font size 11 (Approx. 3 to 4 A4 pages excluding images)**

**Method Statement 4: London Living Wage**

Tenderers are required to explain how the London Living Wage will be administered, monitored and reported to the Council.  The submission should specifically address its application to the tenderers directly employed staff and those of its sub-contractors

Tenderers are also required to identify productivity gains and other benefits which they expect to result from the payment of the London Living Wage and proposals setting out how these will be measured and reported to the Council.

**Word limit: 1,000 Arial Font size 11 (Approx. 2 to 3 A4 pages excluding images)**