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Monday, 30 September 2019

Dear Sir/Madam

CABINET

A meeting of the Cabinet has been arranged to take place on **TUESDAY, 8TH OCTOBER, 2019 at 6.00 PM IN THE COMMITTEE ROOM** District Council House, Lichfield to consider the following business.

Access to The Committee Room is via the Members' Entrance.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Neil Turner', written in a cursive style.

Neil Turner BSc (Hons) MSc
Director of Transformation & Resources

To: Members of Cabinet

Councillors Pullen (Chairman), Eadie (Vice-Chair), E Little, Lax, Smith, Strachan and A Yeates



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AGENDA

Agenda Item 4 – Replacement Combined Heat and Power Unit at
Burntwood Leisure Centre Update – Tender Results

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Replacement CHP at Burntwood Leisure Centre

Councillor Eadie Deputy Leader and Cabinet Member For Investment, Economic Growth and Tourism



Date: 8 October 2019

Agenda Item: 4

Contact Officer: Sarah Sleigh
John Smith

Tel Number: 01543 308772 – 01543 308016

Email: sarah.sleigh@lichfielddc.gov.uk
john.smith@lichfielddc.gov.uk

Key Decision? YES

Local Ward Members Burntwood Leisure Centre is situated in the Ward of Chasetown and Ward members include: Cllr Ennis and Cllr Tapper.

CABINET

1. Executive Summary

- 1.1 Townsend and Renaudon have now completed the tender process and a report has been prepared to provide the results (Appendix A).
- 1.2 Townsend & Renaudon will now conduct the standard checks relating to those matters in recommendation 2.2

2. Recommendations

- 2.1 To approve the release of funding from the BLC sinking fund up to the approved budget available of £235,000, to replace the Combined Heat and Power Unit (CHP) at Burntwood Leisure Centre.
- 2.2 To seek delegated authority for the Deputy Leader and Cabinet Member For Investment, Economic Growth and Tourism and the Director of Place and Community to appoint Visessmann (Tender 2) to complete the replacement of the Combined Heat and Power Unit (CHP) at Burntwood Leisure, subject to the receipt of an appropriate construction site plan, insurance and financial checks being provided.



LICHFIELD DISTRICT COUNCIL

BURNTWOOD LEISURE CENTRE WS7 3HX

**PROPOSED REPLACEMENT OF COMBINED HEAT & POWER
SYSTEM**

REPORT ON TENDERS

Townsend and Renaudon,
Chartered Surveyors,
Lakeside House,
3 Trentham Office Village,
Trentham Lakes South,
Stoke-on-Trent.
ST4 8GH

OCTOBER SEPTEMBER 2019

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1.0 INTRODUCTION

- 1.1** The following reports on the tenders obtained under selected competition for the execution and completion of the replacement of the combined heat & power system at Burntwood Leisure Centre, Staffordshire, WS7 3HX for Lichfield District Council
- 1.2** We have been instructed by John Smith to undertake a review of the submissions of priced tender documents in respect of the above project.
- 1.3** The tenders were obtained on the basis that the approved tenderer will, if so invited, enter into a contract with the client in the form of the Agreement and Conditions of Contract as set out in the Tender Documentation

2.0 BACKGROUND INFORMATION

- 2.1** On 30 August 2019 four Contractors were invited to submit tenders for the proposed Works in accordance with the tender documentation.
- 2.2** Tenders were returned to the office of Townsend and Renaudon by 23rd September 2019 and opened at the office of Lichfield District Council on the 24th September 2019.

3.0 TENDERS RECEIVED

- 3.1** We mathematically checked and scrutinised the following priced tenders: -

Tender 1	£204,691.00
Tender 2	£161,925.47
Tender 3	Declined to Submit
Tender 4	Declined to Submit

4.0 ARITHMETICAL CHECK AND TECHNICAL SCRUTINY OF TENDERS RECEIVED

4.1 We have checked the prices contained in the Schedule of Works submitted by both companies.

4.2 Errors were found in the additions of the submissions of both companies.

5.0 ANALYSIS OF COSTS

5.1 The Summary of Tender Prices is provided in the attached Table of Analysis.

5.2 Tender 1 added the first item in the amount of £14,118.00 on the Tender Summary sheet twice. This means that the submitted figure was slightly higher and was amended to account for this.

5.3 Tender 1 has priced to replace the whole system as they feel that this would offer a better long-term solution.

5.4 Tender 2 had priced the document in accordance with the tendering instructions with the exception of two items which they had excluded but we believe will need to be incorporated into the scheme.

5.5 Tender 2 submitted two summary sheets which did not compare. There was an error in the additions on the Tender Summary Sheet. The total should read £154,740.79.

5.6 Tender 2 also included a 200L buffer vessel but excluded items for the auto controls.

6.0 PRICING LEVELS

6.1 The range of values submitted by Tender 1 seem expensive, for the Electrical & Mechanical attendances. This is explained by Tender 1 pricing for the full replacement of the services. Tender 2 has quoted for the services to remain as existing and connected to the new engine as instructed in the tender documentation.

6.2 The prices of Tender 2 generally appear much lower than Tender 1 but when allowances are made as mentioned in 6.1 for the full services replacement they compare favourably.

7.0 PRICING ANALYSIS

7.1 The pricing analysis reflects that Tender 2 are the cheapest tender based on the requirements set out in the tender documents.

8.0 THE CONSTRUCTION (DESIGN AND MANAGEMENT) REGULATIONS 2015

8.1 Both Tenders have not submitted a Construction Phase Health and Safety Plan. However, one will need to be prepared and will need to be inspected and approved by the Principal Designer prior to commencement of the work.

8.2 A financial check will be undertaken of the lowest tenderer.

9.0 CONCLUSION

9.1 Neither tenderers had fully complied with or priced the document in accordance with the tender instructions. Tender 2 had excluded some items which we believed would have been required as part of the installation, however following Post Tender Clarifications these have now been included and costed. Tender 1 had priced for a complete replacement installation as they are concerned about the remaining equipment failing at some point in the future and could not guarantee the entire system. Tender 1 has retained costs associated full replacement despite being asked to review this at post Tender Clarification Stage, even though the pipework appears in good condition and working order and should continue to work effectively.

9.2 Tender 2 offer the cheapest solution and are more compliant than Tender 1 in comparison to the advertised Tender Specification.

9.3 We will request further details in respect of their insurances and pricing and, subject to the relevant insurances and a satisfactory Construction Phase Plan being in place, we see no reason why the client should not enter into a contract with Tender 2.

Signed

A handwritten signature in black ink, appearing to be 'B. J. H.', enclosed in a thin black rectangular box.

Townsend and Renaudon
Chartered Surveyors
Dated: 7th October 2019

Table 1

Table 1

LICHFIELD DISTRICT COUNCIL						
BURNTWOOD LEISURE CENTRE WS7 3HX						
PROPOSED REPLACEMENT OF CHP SYSTEM						
TENDER RETURNS	23 Sept 2019		23 Sept 2019			
POST TENDER CLARIFICATION TENDER RETURNS		26 Sept 2019			27 Sept 2019	
	TENDER 1	TENDER 1	TENDER 2		TENDER 2	
Prelims, Site Organisation, Coordination, Removals, etc	£14,118.00	£14,118	£96,700.46	Supply & Position CHP Unit	£6245.78	Prelims, Site Organisation, Coordination, Removals, etc.
New CHP Unit incl delivery, offload & positioning	£90,951.00	£90,951	£2,367.56	50dia gas	£96,700.46	New CHP Unit incl delivery, offload &
Engine manufacture			£2,600.00	Removal of Extg	Viessmann EM70	Engine manufacture
Electrical	£29,412.00	£23,529	£3,543.32	S/S Welded Flue	£6,435.67	Electrical
Mechanical	£47,059.00	£41,176	£1,876.78	400 extract air	£23,260.46	Mechanical
Fresh Air Ventilation & S/S Exhaust	incl in Mech	incl in Mech	£6,435.67	Electrics	£5,420.10	Fresh Air Ventilation & S/S Exhaust
Test & Commission	£4,117.00	£4117	£2,342.56	Alumin. Clad insulation	£2,600.00	Test & Commission
As Installed docs	incl	incl	£16,875.78	Mech Works	£2,000.00	As Installed docs
One Yr Maintenance Contract	£8,534.00	£8,534.00	£1,674.56	Builders Work	£8,763.00	One Yr Maintenance Contract
One Yr Monitoring & Reporting	incl in the above	incl in the above	£5,645.78	Prelims, H&S, O&M Docs	incl in the above	One Yr Monitoring & Reporting
			£2,600.00	Test & Commission		
Add Prov Sums & Contingencies	£10,500.00	£10,500.00	£8,763.00	One Yr service contract	£10,500.00	Add Prov Sums & Contingencies
			£10,500.00	Prov Sum & Contingency		
TOTAL	£204,691.00	£192,926	£161,925.47		£161,925.47	
	TENDER SHT - incorrect addition		Tender submission does not agree with Tender Return	2000L buffer incl		
				Excl-BMS Mods & G59 (approval		