

**GROUNDS MAINTENANCE TENDER ASSESSMENT SUB COMMITTEE
30 JUNE 1999**

Present: Councillors Adams, Beadsley, Mills, North and Wade

1. Election of Chairman

RESOLVED that Councillor Mills be elected Chairman of the Grounds Maintenance Tender Assessment Sub Committee for the 1999/2000 Municipal Year.

COUNCILLOR MILLS IN THE CHAIR

2. Appointment of Vice Chairman

RESOLVED that Councillor Wade be appointed Vice Chairman of the Grounds Maintenance Tender Assessment Sub Committee for the 1999/2000 Municipal Year.

3. Exclusion of Public and Press

RESOLVED that pursuant to Section 100A of the Local Government Act 1972, members of the public and press be excluded from the meeting for the consideration of Item 1 which involved the likely disclosure of exempt information under the following categories of Schedule 12A of that Act:

- (7) Financial affairs of a third party
- (8) Expenditure proposed to be incurred under a contract
- (9) Terms proposed for a contract

4. Grounds Maintenance Contract - Appraisal of Bids (Item 1)

A report was submitted to the Sub Committee detailing the background to the tendering exercise, the scope of the contract and an appraisal of the tenders received. The Sub Committee was advised that six contractors had been invited to tender for the grounds maintenance contract following Member/officer interviews in February and four tenders had been received by the due date. As part of the valuation process the Sub Committee noted that a number of points in the tenderers' submissions had required clarification, sometimes as a result of apparent errors in a part or parts of the tender bid. Each tenderer had been given, and had taken the advantage of, the opportunity to clarify these points.

It was explained to the Sub Committee that at the time of the tender evaluation it was not possible to ascertain the likely number of schools who might enter into the final grounds maintenance contract. For this reason a number of different models had been presented in the report for evaluation and comparative purposes. Following the analysis of the models it was explained to the Sub Committee that tenderer 2 had submitted the lowest bid.

However, it was further explained to the Sub Committee that following its initial evaluation, clarification had been required of the bid by tenderer 2 and as a result of that clarification substantial errors had been discovered in the calculation of the bid.

A detailed presentation was given to the Sub Committee explaining the effect of the manifest errors in the bid of tenderer 2. The overall effect over the period of the contract was that tenderer 2's bid would return not less than £750,000 less in income over costs than tenderer 2 believed would be the case when that bid was submitted. It was further pointed out to the Sub Committee that regardless of the discrepancies in the bid, tenderer 2 had agreed to stand by its original tendered price.

Following the presentation the Sub Committee had a detailed discussion with a view to determining the likely outcome of accepting tenderer 2's bid. There was great concern that, bearing in mind the significance difference between income and costs, combined with a potentially optimistic mode of contract performance which was revealed in the documentation provided by tenderer 2 to explain the bid calculation, there was considerable risk that tenderer 2 would not perform the contract in accordance with the specification. The Sub Committee was advised regarding the legal basis upon which tenderer 2's submission could be rejected and it was made clear that the Sub Committee had to be satisfied that tenderer 2 had not submitted a bid that was credible, before the Sub Committee could reject the bid.

Following discussion, the Sub Committee concluded that the contract was too important to the Borough to risk non-contractual performance and the risk of non-contractual performance was so great that tenderer 2's bid should be discounted on the basis of the manifest error in calculation rendering the bid too low to be credible.

The Sub Committee then considered the submission from tenderer 1, which was the next lowest tender. It was confirmed that tenderer 1 had been subjected to the same analytical process as tenderer 2. It was confirmed that whilst there was risk associated with the acceptance of a contract of this size and complexity, this tender had been tested and there was a reasonable and acceptable level of confidence in the tenderer's ability to perform the contract in accordance with the specification on the basis of the price tendered. The Sub Committee unanimously concluded that it should recommend to the Strategy and Policy Committee that the contract should be awarded to tenderer 1.

RESOLVED that

- (i) the Strategy and Policy Committee be recommended to award the grounds maintenance contract for the period 1 October 1999 to 30 September 2004 to tenderer 1; and
- (ii) the Director of Public and Environmental Services be authorised to finalise operational details with the successful tenderer to ensure the effective transfer from the existing contract to the new contract by 1 October 1999.

The meeting commenced at 6.30pm and concluded at 7.20pm

CHAIRMAN