

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Sustainability, Procurement and Efficiency 23 July 2009  
Portfolio Holder Meeting

**AUTHOR/S:** Executive Director - Corporate Services / Procurement Officer

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## REPORT ON AWARDED WATERCOURSES PROCUREMENT

**Purpose**

1. This report outlines the results from the Awarded Watercourses procurement process undertaken by Environmental Health and the Procurement Officer in 2008/09, showing that the highest scoring bidder was the Council's in-house team.

**Background**

2. Cabinet requested that the Council undertake a procurement exercise following the decision at their meeting of the 11 September 2008 to subject the Awarded Watercourse upkeep and maintenance work to open competition.
3. The object of the procurement exercise was to tender through open competition.

**Considerations**

4. Due to the estimated value of the proposed contract, a full EU-compliant "Restricted" process was undertaken, comprising a pre-qualification stage and a tender stage. The pre-qualification stage eliminates unsuitable firms and ensures fairness, transparency and competition by advertising the contract and working to published award criteria.
5. Twelve companies submitted pre-qualification questionnaires in response to the advert. These were assessed and scored in terms of resources, quality, experience / technical and financial stability.
6. The top five scoring companies from the pre-qualification stage were invited to tender. Out of these five companies, four submitted tenders and these were assessed and scored in terms of Reporting and Programming, Knowledge and Experience, Health and Safety, Contract and Project Management proposals, Quality and Capacity and this resulted in the Council's own Watercourse team achieving the highest score:

| Company                               | Score | Ranking |
|---------------------------------------|-------|---------|
| South Cambridgeshire District Council | 84.60 | 1       |
| Company A                             | 54.98 | 2       |
| Company B                             | 46.86 | 3       |
| Company C                             | 18.25 | 4       |

7. The Council's own in-house team submitted the overall lowest price for completing the whole works, as well as the highest scoring tender return for quality. The Council's bid provided clear and concise answers to the questions and covered the

key criteria often scoring maximum marks. Company A and Company B provided average submissions with some of the points covered but missing others. Company C provided a below average submission as they failed to answer many of the questions and, of those they did answer, they failed to provide sufficient information.

**Options**

- 8. To follow the EU procedure and award the contract to the highest scoring bidder, which was submitted by the Council’s in-house team. The bid also represented the lowest costs for completing the whole works and offers excellent value for money.
- 9. As EU procurement procedures have been followed, resulting in a clear optional bid, being both the lowest price and assessed as the highest quality, there are no other suitable alternative options in response to these results.

**Implications**

- 10. Financial implications are set out below:
  - (a) The tender costs received were as follows. (NB These costs do not represent the final budget estimate figures for the service which include such items as central support re-charges, etc.). The in-house bid provides a saving over the nearest competitor of £169,772.

| <b>Company</b>                        | <b>Cost</b> |
|---------------------------------------|-------------|
| South Cambridgeshire District Council | £179,476    |
| Company A                             | £349,248    |
| Company B                             | £508,686    |

- (b) Company C only applied for one element of the work (flail mowing) and so could not be compared directly against the complete works bids above. In addition, their bid for flail mowing was uncompetitive when compared to the flail mowing elements of the other bidders - their bid was £130,920 just for this work; the Council would still have to provide mechanised de-silting works, manual works, timber piling and staking, tree works, emergency and out of hours call out work.

|                     |                                     |
|---------------------|-------------------------------------|
| 11. Financial       | As detailed above                   |
| Legal               | As included in body of report       |
| Staffing            | As per corporate manager’s report.  |
| Risk Management     | None if recommendation is followed. |
| Equal Opportunities | None.                               |

**Consultations**

- 12. The Environmental Health team, Drainage Manager and the Principal Solicitor were consulted during the procurement exercise.

**Effect on Strategic Aims**

- 13. 

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| <b>Commitment to being a listening council, providing first class services accessible to all.</b>   |
| The Awarded Watercourse upkeep and maintenance is at the forefront of the prevention of flooding and is a service that is at the heart of enhancement of our drainage system. The procurement process has provided evidence that the Council is achieving best value through the in-house delivery model. |

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| <b>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</b>   |
| Awarded Watercourse upkeep and maintenance reduces risks and plays a part in the welfare of South Cambridgeshire residents.   |
| <b>Commitment to making South Cambridgeshire a place in which residents can feel proud to live.</b>   |
| Awarded Watercourse upkeep and maintenance contributes towards this aim by ensuring the effective drainage of the area as well as ensuring wildlife and environment issues are incorporated within maintenance programme. |
| <b>Commitment to assisting provision for local jobs for all.</b>  |
| The service provides local jobs.  |
| <b>Commitment to providing a voice for rural life.</b>  |
| Awarded Watercourse upkeep and maintenance reduces risks of flooding and ensures the effective drainage of the rural landscape.   |

### **Conclusions / Summary**

14. The Council's in-house team has provided the highest scoring tender overall in terms of both cost and quality. The solution would provide the Council with best value for money and ensure that the maintenance and upkeep of watercourses is to the consistently high standards that the Council has been used to.
15. The next closest bid is 95% higher than the Council's bid and the quality elements are lower. This provides clear evidence of the cost effectiveness and quality of the Council's in-house bid.

### **Recommendations**

16. The Portfolio Holder is recommended to approve awarding the contract to the Council's in-house team as the leading bidder following the EU procurement exercise conducted in line with the Public Contract Regulations 2006.

**Background Papers:** the following background papers were used in the preparation of this report:

Tender documentation and Tender evaluation.

**Contact Officer:** Sean Missin – Procurement Officer  
Telephone: (01954) 713378