

## **Appendix A - Public realm procurement approach and tender evaluation recommendation.**

The objectives for the procurement of public realm services agreed with Cabinet in October 2012 were:

- Initial capital investment / asset management goals to improve the quality of the highway network
- Revenue savings
- Demonstration of value for money, efficiency, and risk management
- Service quality outcomes and improved customer experience
- Local spend / support for local economy
- Volunteering, community engagement and increased social capital
- Local tailoring of service delivery – locality teams
- Future flexibility in service delivery
- Customer service improvement – end to end

The procurement process was designed to deliver these objectives with a great deal of emphasis being placed on the providers' ability to deliver up-front investment and their commitment to Herefordshire's economy, local communities, and public realm customers.

The process was developed in line with the European procurement rules. The competitive dialogue procedure was used to allow us to develop the solution with the bidders during the process. The result is a set of proposals that meet the Council's objectives and identify innovations that will deliver future efficiency improvements.

The 3 bidders were invited to submit a final tender as a result of the competitive dialogue procurement process outlined in Appendix B. The tender documents developed had contribution from the highways; procurement; sustainability; ICT and customer service teams plus external legal and specialist advisers.

**The scores obtained by the 3 bidders were as follows and will be announced by the Cabinet Member for Major Contracts at the Cabinet Meeting:**

|                                    | <b>Bidder X</b> | <b>Bidder Y</b> | <b>Bidder Z</b> |
|------------------------------------|-----------------|-----------------|-----------------|
| <b>Score</b>                       |                 |                 |                 |
| <b>Percentage of Maximum Score</b> |                 |                 |                 |

The evaluation criteria for the final tender was as follows:

|           | <b>Evaluation Aspect</b>  | <b>Overall Score</b><br>750 Marks /<br>% of Overall Score |
|-----------|---|---|
|           | <b>Methods to Ensure the Achievement of Contract Objectives</b>   | <b>300 marks / 40.00%</b>                                 |
| <b>B1</b> | <b>Highways Asset Investment Programme Management &amp; Business Case</b>   | <b>70</b>   |
| B1a       | Highways Asset Investment (draft business case format) including summary programme of the timescale for sourcing the investment including carry out due diligence | <b>05</b>   |
| B1b(i)    | Strategic approach to ensure revenue cost reductions  | <b>15</b>   |
| B1b(ii)   | Optimum predicted investment at the commencement of the investment programme  | <b>15</b>   |
| B1c(i)    | Strategic options for sourcing the investment   | <b>15</b>   |
| B1c(ii)   | Strategic options for payback with sample costings  | <b>15</b>   |
| B1c(iii)  | How savings will be demonstrated in terms of mark-up on work and the cost of investment   | <b>05</b>   |
| <b>B2</b> | <b>Street Lighting Investment Programme Delivery Commitments</b>  | <b>25</b>   |
| B2a       | Timescales for delivery including the predicted payback period  | <b>10</b>   |
| B2b       | Predicted energy and carbon savings   | <b>10</b>   |
| B2c       | Predicted maintenance savings & warranties on replacement columns and lanterns  | <b>05</b>   |
| <b>B3</b> | <b>Locality Working (Lengthsman &amp; Community Enablement) Delivery Commitments</b>  | <b>30</b>   |
| B3a       | Facilitation of Community Enablement  | <b>15</b>   |
| B3b       | Support for the Lengthsman Scheme   | <b>15</b>   |
| <b>B4</b> | <b>Economic Regeneration Delivery Commitments</b>   | <b>40</b>   |
| B4a       | Up-skilling delivery commitments  | <b>15</b>   |
| B4b       | Initiatives to promote local development opportunities  | <b>15</b>   |
| B4c       | Support of supply chain diversity   | <b>10</b>   |
| <b>B5</b> | <b>Customer Services and ICT</b>  | <b>30</b>   |
| B5a       | Overview of your customer service systems approach  | <b>15</b>   |
| B5b       | Information to be displayed and customer fault reporting channels   | <b>15</b>   |

|           |   |           |
|-----------|---|-----------|
| <b>B6</b> | <b>Environmental Management Delivery Commitments</b>  | <b>30</b> |
| B6a       | Carbon emission reduction   | <b>15</b> |
| B6b       | Waste minimisation, management, recycling and composting and water reduction                              | <b>10</b> |
| B6c       | Biodiversity and climate change adaptation  | <b>05</b> |
| <b>B7</b> | <b>Efficiencies and Innovations Delivery Commitments</b>  | <b>45</b> |
| B7a(i)    | Public Realm Efficiencies: techniques and equipment   | <b>15</b> |
| B7a(ii)   | Public Realm Efficiencies: systems and processes  | <b>15</b> |
| B7b       | Initiatives for cost reduction and income generation  | <b>15</b> |
| <b>B8</b> | <b>Open Book Accounting Transparency Assurances</b>   | <b>30</b> |
| B8a       | Visibility of Disallowed Costs  | <b>05</b> |
| B8b       | Visibility of Sub contractor Costs  | <b>05</b> |
| B8c       | Reporting against Service Orders and in accordance with the Schedule of Cost Components for this Contract | <b>15</b> |
| B8d       | Processes and procedures to ensure timely and accurate cost capture                                       | <b>05</b> |

|      |                                      |                           |
|------|--------------------------------------|---------------------------|
|      | <b>Method Statements</b>             | <b>110 marks / 14.67%</b> |
|      | Executive Summary                    | <b>Unmarked</b>           |
| C1.  | Network Management                   | <b>10</b>                 |
| C2.  | Highways Routine Maintenance         | <b>10</b>                 |
| C3.  | Emergency and Out of Hours Response  | <b>10</b>                 |
| C4.  | Highways Schemes and Improvements    | <b>10</b>                 |
| C5.  | Electrical Installations             | <b>10</b>                 |
| C6.  | Highways Drainage                    | <b>10</b>                 |
| C7.  | Street Cleaning                      | <b>10</b>                 |
| C8.  | Public Rights of Way                 | <b>10</b>                 |
| C9.  | Water Management                     | <b>10</b>                 |
| C10. | Greenspaces, Parks, Verges and Trees | <b>10</b>                 |
| C11. | Mobilisation                         | <b>10</b>                 |

| <b>Pricing</b> |                                       | <b>265 marks / 35.33%</b>   |
|----------------|---------------------------------------|---|
| D.A.1          | Local Management Overhead             | <b>Please see below for details of the Final Tender Price evaluation methodology.</b> |
| D.A.2          | Winter Service Standby                |   |
| D.B.1          | Highways Routine Maintenance          |   |
| D.B.2          | Emergency and out of hours response   |   |
| D.B.3          | Streetlighting routine maintenance    |   |
| D.B.4          | Traffic signal routine maintenance    |   |
| D.B.5          | Highways drainage routine maintenance |   |
| D.B.6          | Street cleansing                      |   |
| D.B.7          | Highways verges                       |   |
| D.B.8          | PROW Services                         |   |
| D.B.9.1        | Capital Scheme 1                      |   |
| D.B.9.2        | Capital Scheme 2                      |   |
| D.B.9.3        | Capital Scheme 3                      |   |
| D.B.9.4        | Capital Scheme 4                      |   |
| D.B.9.5        | Capital Scheme 5                      |   |
| D.B.9.6        | Capital Scheme 6                      |   |
| D.B.9.7        | Capital Scheme 7                      |   |
| D.B.9.8        | Capital Scheme 8                      |   |

| <b>Deliverability</b>  | <b>75 marks 10.00%</b> |
|--|------------------------|
| <p>Deliverability is defined that the proposal is shown via the submission of supporting evidence to be realistic; credible and capable of satisfying the Contract Objectives and Requirements. The Contract must operate as a viable business for both the Employer and the Provider and the Council is looking to work with a Tenderer whose proposed solution is considered to be deliverable and credible. Accordingly, the Council will, (in addition to Tenderer's quality and pricing Responses) will consider the overall deliverability/credibility of each Tender applying the marking criteria.</p> |                        |

### **Final Tender Price Evaluation Methodology**

The lowest bid is used as the basis for all pricing scores with bids given a score based on their value relative to the lowest bid. This scoring mechanism is non-linear, with bids further away from the lowest bid getting increasingly low scores. This mechanism was used to encourage bids that deliver the council's savings objective through efficiency.

The lowest bid is awarded 100% for price i.e. 35.33% of the overall marks. The deduction in pricing score for each other bid is calculated according to a set of bands:

| <b>Band No</b> | <b>% by which the grand total of the tendered total of the Prices exceeds the lowest</b> | <b>Deduction for the relevant Band</b>     |
|----------------|--|--|
| 1              | Exceeds by $\leq 2.5\%$  | 1% reduction in scoring for each % excess  |
| 2              | $2.5\% < \text{Exceeds by} \leq 5.0\%$   | 2% reduction in scoring for each % excess  |
| 3              | $5.0\% < \text{Exceeds by} \leq 10.0\%$  | 4% reduction in scoring for each % excess  |
| 4              | Exceeds by $> 10.0\%$  | 10% reduction in scoring for each % excess |

Pricing estimates have been requested for:

- A fixed 'lump sum' price for local management overhead and winter maintenance standby.
- Target prices for 16 schemes, 8 of these schemes are for revenue services and 8 are capital schemes. These are representative of the services and schemes that the Council expects to commission during the contract.

The schemes are each given a weighting to reflect the overall likely annual mix of work and the weighted prices are added together to give the bidder's total 'price' for evaluation purposes.