

# AUDIT SUB-COMMITTEE AGENDA



**22 October 2012**

**at 3.00 pm**

**in Committee Room C, Civic Centre, Hartlepool**

MEMBERS: AUDIT SUB-COMMITTEE:

Councillors Ainslie, Dawkins and Shields

1. **APOLOGIES FOR ABSENCE**
2. **TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
3. **MINUTES**
  - 3.1 To confirm the minutes of the meeting held on 8 October 2012
4. **ITEMS FOR INFORMATION**
  - 4.1 Home to School Transport, Safeguarding of Adults and Children, Officer Transport Tender and Business Continuity Report (Ref 625) – *Director of Child and Adult Services*
5. **ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT**
6. **LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006**

## **EXEMPT ITEMS**

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006

**7. TENDERS TO BE OPENED**

- 7.1 The Provision of a Supported Housing Service for Young People in Hartlepool.  
Contract Ref Number 632 – *Strategic Procurement Manager* (para 3)

**8. ITEMS REQUIRING DECISION**

No Items

**9. ANY OTHER CONFIDENTIAL ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT**

# **AUDIT SUB-COMMITTEE**

## **MINUTES AND DECISION RECORD**

8 October 2012

The meeting commenced at 3.00 p.m. in the Civic Centre, Hartlepool

**PRESENT:** Councillor Jim Ainslie (Chair);  
Councillors Keith Dawkins and Linda Shields

**OFFICERS:** Sally Scott, Procurement Officer  
Fiona Srogi, Waste Management Team Leader  
Craig Thelwell, Waste & Environmental Services Manager  
Rachael White, Democratic Services Officer

### **41. Apologies for Absence**

None.

### **42. Declarations of Interest**

None.

### **43. Minutes of the meeting held on 24 September 2012**

Confirmed.

### **44. Any Other Items which the Chairman Considers are Urgent**

None.

### **45. Local Government (Access to Information)**

The Chairman ruled that the following items of business should be considered by the Committee as a matter of urgency in accordance with the provisions of Section 100(B) (4)(b) of the Local Government Act 1972 in order that the matter could be dealt with without delay.

**Minute 46** Kerbside Dry Recycling Collection Service. Ref: 154 - This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to

Information) (Variation) Order 2006 namely information relating to the financial or business affairs of any particular person (including the authority holding that information) – Para 3.

**46. Kerbside Dry Recycling Collection Service. Ref: 154 – (Waste & Environmental Services Manager and Waste Management Team Leader)**

This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely information relating to the financial or business affairs of any particular person (including the authority holding that information) – Para 3.

Four tenders had been received in respect of this contract, which were opened in the presence of the Committee. Details are contained in the exempt section of the minutes.

**Decision**

That the opening of the tenders be noted.

**47. Any Other Confidential Items which the Chairman Considers are Urgent**

None.

The meeting concluded at 3.13pm

CHAIR

# AUDIT COMMITTEE

22<sup>nd</sup> October 2012



**Report of:** Director of Child and Adult Services

**Subject:** HOME TO SCHOOL TRANSPORT,  
SAFEGUARDING OF ADULTS AND CHILDREN,  
OFFICER TRANSPORT TENDER AND BUSINESS  
CONTINUITY ref 625

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## PURPOSE OF REPORT

1.1. To inform members of the panel of the outcome regarding the recent Passenger Transport Tender 2012 (ref 625)

## 2. BACKGROUND

2.1 Following a review of current passenger transport provision, the Passenger Transport Service identified a number of contracts relating to Taxi and Private Car Hire and appropriate PSV Routes which expired in July 2012. It has therefore been necessary to undergo a tender process in order to secure new contracts. Unless otherwise disclosed, tenders were invited for a 3 Year Period, with a further option to extend for a further 2 years. All new contracts were awarded September 2012.

2.2 The tender process took into consideration Home to School Transport and other services such as Extended Services, Day Centre provision, Business continuity, Officer Travel and Safeguarding of Adults and Children Transport.

2.3 In relation to the Home to School, Day Services transport and business Continuity the tender process evaluation consisted of a quality score based on a number of factors (see table in 4.2) and was then followed by an E-auction process to establish the price. The electronic system then calculated the price and quality score to determine the rank of each tenderer for each route

2.4 As the e-auction process was new to potential tenderers taking part the Integrated Transport Unit and Procurement Services held a number of guidance sessions to advise tenderers how the process worked and what would happen during the auction

2.5 The tender for Officer Travel and Safeguarding of Children and Adults was evaluated through a traditional tender process with a calculation of quality score and price

**3. ISSUES RAISED DURING THE PROCESS**

3.1 Please see Appendix 2 for details of issues raised during the process and the Councils response. The issues detailed were raised during the 10 day standstill period and mainly related to the allocation of taxi routes and the application of the tender specification.

**4. PROPOSALS**

4.1 The evaluation process was lead by Paul Robson: Transport Consultant, and scrutinised at several stages. In relation to the evaluation itself once this process was complete the routes were awarded to the companies as detailed above. There were a total of 38 taxi and 24 PSV routes put out to tender.

4.2 The quality score was made up of the following criterion:

Category	Weighting	Item	Scoring system
Primary Qualification Questionnaire (Doc 2)	0%	<ul style="list-style-type: none"> <li>• Organisational profile</li> <li>• Grounds for exclusion</li> <li>• Insurance</li> <li>• Financial</li> <li>• Health and Safety</li> <li>• Equality and diversity</li> </ul>	Information Only  Pass/Fail  Pass/Fail Pass/Fail Pass/Fail  Pass/Fail
<b>QUALITY</b> Quality Assessment Information (Doc 4)	<b>35%</b>		For the e-auction the quality scored will be built into the e-auction process
Technical Capacity	20%	All question under this section	As Detailed in Doc 4
Quality of Vehicle	5%	<ul style="list-style-type: none"> <li>• CCTV</li> <li>• Vehicle age-max 10 years old</li> <li>• Appropriate livery</li> </ul>	Max 5 points available Max 5 points available  Max 5 points available
Quality of Service Delivery	5%	<ul style="list-style-type: none"> <li>• Midas / PAT's Training(where applicable) and or CPC Training (where applicable)</li> <li>• Basic First Aid Training</li> </ul>	Max 5 points available   Max 5 points available
Complaints **	5%	Record of previous poor performance within last six	Lowest number of complaints gets 10 points, for every additional complaint remove 1

		months	point
<b>PRICE</b>	<b>65%</b>		
Form of Tender – Initial Bid (Doc 5A)		For Passenger Transport Service Lots & Business Continuity Lots	e-auction will take place. Weightings will be built into the e-auction (The initial pricing submitted at the ITT stage will constitute your entry level for the on-line bidding system.)
Form of Tender – (Doc 5B)		For Officer Transportation & Safeguarding	This will be the price submitted at the Tender Stage on the Form of Tender (Doc 5B)

**4. RECOMMENDATIONS**

- 4.1 That members of the panel note the conclusion of the process and award as outlined in Appendix 1
- 4.2 The allocation of contracts for Business Continuity where not allocated as the tenders received where not cost effective

**5 CONTACT OFFICER:**

**Paul Robson: Consultant Integrated Transport Manager**

**AUDIT SUB-COMMITTEE****22<sup>nd</sup> October 2012****Report of:** Assistant Director (Resources)**Subject:** DEMOLITION OF BRIERTON SCHOOL, TOP SITE :  
AWARD OF CONTRACT**1. BACKGROUND**

- 1.1 Tenders for the above scheme were opened on Monday 10<sup>th</sup> September 2012 at Audit Sub-Committee.
- 1.2 The submitted tenders were as follows;
- Contractor A £154,500.00
  - Contractor B £162,330.00
  - Contractor C £181,867.74
- 1.3 During the tender assessment exercise it was apparent that 'Contractor A' (who submitted the lowest price) did not complete the Bill of Quantities in accordance with the contract documentation.
- 1.4 In the Preamble to the Bill of Quantities it was stated that rates should be provided for each individual item within the Bill of Quantities. Further to this, due to the difficulty in accurately determining asbestos quantities (as asbestos could be present in ducts under permanent floor coverings and not accessible at the time of inspection) the Appendix to the Specification specifically stated that asbestos removal items would be subject to detailed re-measure during and on completion of the works.
- 1.5 In the Bill of Quantities there were 16 individual items relating to asbestos removal which could incur rates ranging typically from £7.80 to £200 per square metre. Instead of providing a rate and pricing each item individually, 'Contractor A' inserted a total lump sum cost for all of the asbestos items. Contractor A also inserted lump sum rates for other items in the Bill of Quantities.
- 1.6 Post receipt of the tenders, Contractor A was requested to price all items individually by providing a breakdown of the lump sum costs. They have failed to provide this for the asbestos items as they considered this to be unrealistic.



- 1.7 Without having the detail of individual rates, technical officers cannot undertake a standard tender comparison and assessment exercise. Additionally should Contractor A be awarded the work on the basis of their tender, this may leave the Council in a vulnerable position with the increased risk of contractual disputes in the event of extra asbestos being identified, as there would be no position to negotiate the increased cost.
- 1.8 Past demolition experience has warranted the need for full clarity from those invited to tender with regard to pricing of all Bill of Quantities items. The possibility of unforeseen asbestos on this scheme (which is likely) would leave the Council at an unacceptable risk if Contractor A was appointed
- 1.9 The Assistant Director (Resources) has confirmed that there is justification to not consider the Tender from Contractor A any further and has awarded the Contract to the next lowest tenderer; in this case Contractor B who has priced the individual Bill of Quantities elements.

## **2. RECOMMENDATIONS**

- 2.1 It is recommended that Audit Sub-Committee note the actions taken by the Assistant Director (Resources) in awarding the Contract for the Demolition of Brierton School Top Site to Contractor B.