



Contents	Page No.
Approval Sheet and Foreword	i
Distribution Sheet	ii
1.0 INTRODUCTION.....	1
2.0 COST BREAKDOWN .....	1
3.0 WIDER PROJECT COSTS	3
4.0 CONCLUSION	4

APPENDICES:

## Approval Sheet and Foreword

Our ref: 11833

### PRE-CONTRACT REPORT

For

### ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION

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Pre-Contract Report for  
Royal Borough of Kensington and Chelsea Tenant Management Organisation  
Enhancements and Improvements to Grenfell Tower



## Distribution Sheet

Our ref: 11833

### PRE-CONTRACT REPORT

For

ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT  
ORGANISATION

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## 1.0 INTRODUCTION

This report sets out the budget and cost information for the Enhancements and Improvements to Grenfell Tower prior to the Royal Borough of Kensington and Chelsea Tenant Management Organisation entering into a contract with Rydon Maintenance Limited.

Further to a number of meetings held between yourselves, Rydon and Artelia, we are pleased to advise you that you are in a position to enter into contract with Rydon. In this report we detail out the areas that have been identified to achieve the cost savings required to get from the tender sum to the proposed contract sum as well as our advice on the best way to enter into contract at this value.

## 2.0 COST BREAKDOWN

Table 1: Contract Sum Breakdown

Original Tender Sum	£9,249,294	Notes
M&E specification changes – alternative flue manufacturer and carbon steel distribution pipework in lieu of stainless steel.	<del>£44,094</del>	
Cassette fix aluminium cladding in lieu of zinc cladding	-£293,368	Requires approval from the planners but they have been supportive of the material and cassette fixing throughout the consultations.
Remove louvre panel that was proposed to be located over tilt and turn windows	-£60,074	Agreed with planners that this can be dealt with as a material amendment.
Pre-finished window board to be used in lieu of birchwood surround	-£116,608	Change signed off at the meeting the 26 <sup>th</sup> June 2014.
Additional works to the housing office and estates office	£22,551	Change signed off at the meeting the 26 <sup>th</sup> June 2014.
Saving for reduced scale of landscaping works <i>Contract boundary</i>	???	Change signed off at the meeting the 26 <sup>th</sup> June 2014.
Add landscaping works as per drawing MWA_130_501 GA 15_11_13 issued on 26.06.14	???	Change signed off at the meeting the 26 <sup>th</sup> June 2014.
Add provisional sum for potential additional landscaping works	???	Change signed off at the meeting the 26 <sup>th</sup> June 2014.
<b>Total Contract Sum</b>	<b>£8,563,117</b>	

**Comment [BP1]:** This is subject to MF approval

**Comment [BP2]:** CL to review and update as necessary

The following points further explain the cost breakdown shown in Table 1.

- The Total Contract Sum is based on the tender scope of providing office space in the tower. There is currently a planning application under consideration to change the office area to two new residential flats. Rydon have informed us that the additional cost for this change is £11,137 however, as the proposal has not been approved this addition does not appear in the contract sum. If approved by the planners this work will be added as a post-contract variation.
- The additional cost of £7,499 for the works to the boxing club is not included in the Contract Sum as Claire Williams informed that they are to be funded from elsewhere.
- We have asked Rydon to price for the landscaping works as per the original proposed contract area shown on Matthew Wigan's drawing MWA\_130\_501 GA 15\_11\_13. The work consists of paving surrounding the tower and tarmac in front of the finger blocks. Therefore, in Table 1 we have removed the sum for external work in the tender and added the price relating to the aforementioned drawing. This demonstrates a saving from

the tender stage, but we have added in a provisional sum of £???? because the external work schedule which has been agreed with Bouygues means that Rydon will do more landscaping than the previously mentioned drawing suggests. We have not included a firm price for this area because we feel that there is a strong possibility that some of the finer details may still change. Separating these works costs will also assist with cost funding negotiations with RBKC.

- The potential saving from ECO funding has not been included in the contract. Unfortunately the extent of ECO funding available has reduced since we went out to tender and, having tested the market, Rydon are informing us that they are likely to secure funding in the region of £30,000. As they are still exploring further options we have decided to leave the saving out of the contract sum.

### 3.0 WIDER PROJECT COSTS

Table 2: Client Contingency Breakdown

<b>Total project budget</b>	<b>£10,300,000</b>
Adjusted non-construction fee amount	£1,143,509.31
Current contract sum	£8,563,117
<b>Total project anticipated costs</b>	<b>£9,706,626.31</b>
<b>Client contingency</b>	<b>£593,373.69</b>

Comment [BP3]: CL to confirm.

Table 2 shows the client contingency which will be retained for the client and therefore will not be shared with Rydon. On a project of this size and scope we would usually advise that a contingency of 10% is held by the client. Whilst the level of contingency affordable with the current budget and contract sum is lower than normally advised, there are a number of provisional sums included within the contract which reduces the risk to the Royal Borough of Kensington and Chelsea Tenant Management Organisation. The provisional sums are shown in Table 3 below.

Table 3: Project Provisional Sums

Signage	£20,000
Replacement of duct panels to riser	£20,000
Asbestos removal	£100,000
Replacement of bathroom central extract fans	£8,000
Replacement of rubbish chute central extract fans	£3,000
Attenuation of boiler room supply fan	£2,000
Attenuation of smoke system supply fan	£2,000
Provision of ventilation grille to gas risers for each flat	£40,000
Additional landscaping works over and above those shown in drawing MWA_130_501_GA_15_11_13	£????
<b>Total Provisional Sums</b>	<b>£????</b>

Comment [BP4]: CL to update

#### 4.0 CONCLUSION

We recommend that the Royal Borough of Kensington and Chelsea Tenant Management Organisation enter into contract with Rydon Maintenance Ltd at a proposed contract value of £8,563,117.

Comment [BP5]: CL to update if necessary.

Artelia issued a notice of award of contract to all tenderers on 18<sup>th</sup> March 2014 stating:

*In accordance with Regulation 32 of the Public Contract Regulations 2006 (as amended) Kensington and Chelsea Tenant Management Organisation Limited is required to follow a 'standstill' period of 10 days between selecting the winning tenderer and formally awarding the contract. The standstill period will run from the 18<sup>th</sup> March 2014 and end at midnight on the 28<sup>th</sup> March, being the 10<sup>th</sup> calendar day after the day on which this notice is sent by email. We intend to enter a contract with the successful tenderer sometime after the end of the standstill period. For your information three tenders were returned.*

The OJEU Contract Notice clearly stated that the award criteria is:

*The most economically advantageous tender in terms of the criteria stated in the specifications, in the invitation to tender or to negotiate or in the descriptive document.*

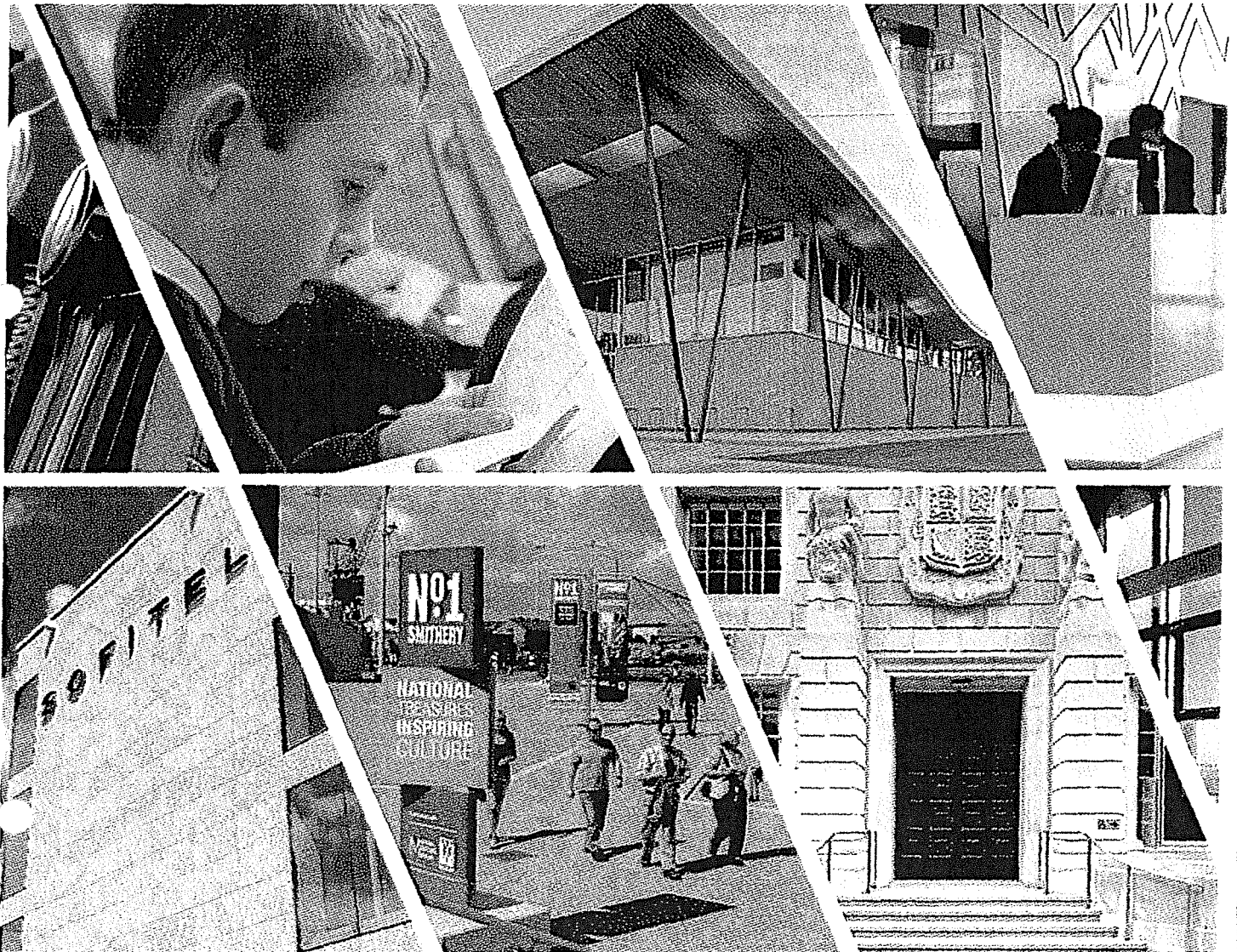
The notice of award of contract also contained substantial feedback which informed each tenderer of the score that they received for each part of their tender submission and why the successful tenderer received a higher mark. Artelia have not received any comments or queries since issuing the notice and therefore feel that the risk of a challenge is very small.

We have been preparing the contract documents and recommend that the Royal Borough of Kensington and Chelsea Tenant Management Organisation are in a position to enter into contract with Rydon Maintenance Ltd at a proposed contract value of £8,563,117 to avoid any potential delay to the programme of this project.

Comment [BP6]: CL to update if necessary.







Final Tender Report

On

Enhancements and Improvements to Grenfell Tower

For

Royal Borough of Kensington and Chelsea Tenant Management Organisation Ltd

Date: 17<sup>th</sup> March 2014

Artelia UK  
High Holborn House  
52-54 High Holborn, London  
WC1V 6RL

<b>Contents</b>	<b>Page No.</b>
Approval Sheet and Foreword	i
Distribution Sheet	ii
<b>1.0 INTRODUCTION</b>	<b>1</b>
<b>2.0 TENDER INVITATION</b>	<b>2</b>
2.1 Tender Invitation and Procedure	2
2.2 Form of Contract	3
2.3 Tender Issue	3
2.4 Tender Withdrawals	4
<b>3.0 TENDER RESULTS</b>	<b>5</b>
3.1 Tender Returns	5
3.2 Tender Sums	5
3.3 Spread of Tender	6
<b>4.0 TENDER EXAMINATION</b>	<b>6</b>
4.1 Arithmetical Check	6
4.2 Overview and Comparison with Estimate	6
<b>5.0 VALUE ENGINEERING</b>	<b>10</b>
<b>6.0 QUALIFICATIONS</b>	<b>10</b>
<b>7.0 QUALITY</b>	<b>11</b>
7.1 Quality Assessment of Durkan Ltd	14
7.2 Quality Assessment of Rydon Maintenance Ltd	15
7.3 Quality Assessment of Mulalley & Co Ltd	16

8.0	INTERVIEW	18
9.0	OVERALL SCORING AND ASSESSMENT	20
10.0	CONCLUSION	21

**APPENDICES:**

APPENDIX A	Tender Opening Form
APPENDIX B	Expanded Tender Sum Breakdown and Comparison
APPENDIX C	Scoring Matrices
APPENDIX D	Tender Qualifications
APPENDIX E	OJEU Contract Notice
APPENDIX F	Final Tender Addendum
APPENDIX G	Value Engineering Options
APPENDIX H	Tender Interview Scenario

## Approval Sheet and Foreword

Our ref: 11833

### TENDER REPORT – FINAL

For

**ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT  
ORGANISATION LTD (KCTMO)**

**ENHANCEMENTS AND IMPROVEMENTS TO GRENFELL TOWER**

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	Name	Signature
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Checked & Approved:	Philip Booth	
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Tender Report for  
Royal Borough of Kensington and Chelsea Tenant Management Organisation Ltd  
Enhancements and Improvements to Grenfell Tower

## Distribution Sheet

Our ref: 11833

### TENDER REPORT – FINAL

For

**ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT  
ORGANISATION LTD (KCTMO)**

**ENHANCEMENTS AND IMPROVEMENTS TO GRENFELL TOWER**

<b>DISTRIBUTION</b>			
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## 1.0 INTRODUCTION

This report is in relation to the tenders returned on 14<sup>th</sup> February 2014 for Enhancements and Improvements to Grenfell Tower at Grenfell Road, London W11 1TQ.

The works tendered comprise Design, Construction, Completion and Defects Rectification of the proposed re-cladding and installation of new windows of Grenfell Tower including mechanical and electrical installations and remodelling of its lower floors to provide improved accommodation for a nursery, boxing club, offices, new entrance and 7 new residential flats and some soft and hard landscaping works surrounding the Tower.

The enhancements and improvements to Grenfell Tower are integral to the general regeneration of the area which includes the construction of the Kensington Academy and Leisure Centre Project (KALC). The KALC project is currently being carried out by Bouygues UK Limited.

The works were tendered as a single project, to be completed in one section and on a lump sum firm price basis. The tender was based on the JCT Design and Build contract (2011 Edition) including amendments.

The programme for the management and evaluation of the tender process is as follows

Activity	Date
Tenders invited	29/11/13
Bidders Conference	05/12/13
Tender return date	14/02/14
Assessment of the written and commercial submissions completed	17/02/14 – 03/03/14
Interviews	07/03/14
Approval from KCTMO Board	24/03/14
Sign off from RBKC Board	27/03/14
Advise successful and unsuccessful contractors subject to the standstill period	31/03/14
Standstill period	10/04/14
Proposed date for contract signature	11/04/14

## 2.0 TENDER INVITATION

### 2.1 Tender Invitation and Procedure

Following a Contract Notice in the Official Journal of the European Union, a number of contractors expressed interest in this opportunity and completed a Pre-Qualification Questionnaire. A copy of the Contract Notice is appended as Appendix E.

The completed Pre Qualification Questionnaires were evaluated in accordance with the agreed criteria and a short list of 5 contractors was prepared.

All contractors on the short list were approached prior to the issue of tender documents with outline details of the project and timescales and all confirmed they would submit a tender. Tenders were issued via SharePoint site on 29<sup>th</sup> November 2013; all tenderers were granted access to the Tender Documents on secure the SharePoint Directory.

The contractors invited to tender on were:

- **Durkan Ltd**; The Garden House, Southhill Park, Southhill, Bedfordshire, SG18 9LL
- **Keepmoat Regeneration Ltd**; The Waterfront, Lakeside Boulevard, Doncaster DN4 5PL (*withdrew*)
- **Mulalley & Co Ltd** ; Teresa Gavin House, Woodford Avenue, Woodford Green, Essex IG8 8FA
- **Rydon Maintenance Ltd**; Rydon House, Station Road, Forest Row, East Sussex, RH18 5DW
- **Wates Construction Ltd**; Wates House, Station Approach, Leatherhead, Surrey KT22 7SW (*withdrew*)

All five contractors attended a site visit followed by the Bidder's Conference on 5<sup>th</sup> December 2013. A presentation about the project was made by KCTMO and Design Team and all tenderers had the opportunity to ask questions about the tender.

JCT Practice Note 6, Series 2 (Main Contract Tendering) was stipulated as the guideline for tendering procedure. Overall price as dominant was selected for the method of dealing with any errors found within tenders.

Evaluation of Tenders and interviews will be undertaken in accordance with the overall Evaluation Strategy for the project as detailed below: -

Criteria	% Weighting	
<b>Tender Price</b>	34%	
<b>Price for Alternative Works</b>	6%	
<b>Technical Quality: (overall account for 55% of the final score)</b>		Technical Quality weightings (counts for 55% of the final score)
Organisation	5.50%	10%
Logistics	11.00%	20%
Programme	5.50%	10%
Supply Chain	2.75%	5%

Planning	8.25%	15%
Quality	5.50%	10%
Resident Liaison	8.25%	15%
Grant Funding	5.50%	10%
Environment	2.75%	5%
Interview Quality	5%	

## 2.2 Form of Contract

The form of contract prescribed in the tender documents is JCT Design and Build Contract 2011 Edition with amendments.

Tenderers were instructed to base tenders on contract duration of 14 months.

## 2.3 Tender Issue

Artelia UK, on behalf of the KCTMO, invited tenders from the initial 5 selected contractors on 29<sup>th</sup> November 2013.

A tender period of 11 weeks was allowed. Tenders were to be returned to KCTMO by noon on Friday 14<sup>th</sup> February 2014.

Following issue, two of the five contractors withdrew (see Section 2.4 below). The tender period extended as noted below.

Thirteen (13) tender addendums were issued during the Tender Period, as follows:

1. Addendum 1 - issued 13<sup>th</sup> December 2013
2. Addendum 2 - issued 16<sup>th</sup> December 2013
3. Addendum 3 – issued 19<sup>th</sup> December 2013
4. Addendum 4 – issued 6<sup>th</sup> January 2014
5. Addendum 5 – issued 9<sup>th</sup> January 2014
6. Addendum 6 – issued 13<sup>th</sup> January 2014 including extending the Tender Return Date from Noon Friday 31<sup>st</sup> January 2014 to Noon Friday 7<sup>th</sup> February 2014
7. Addendum 7 – issued 16<sup>th</sup> January 2014
8. Addendum 8 – issued 17<sup>th</sup> January 2014 including extending the Tender Return Date from Noon Friday 7<sup>th</sup> February 2014 to Noon Friday 14<sup>th</sup> February 2014
9. Addendum 9 – issued 23<sup>rd</sup> January 2014
10. Addendum 10 – issued 27<sup>th</sup> January 2014
11. Addendum 11 – issued 3<sup>rd</sup> February 2014
12. Addendum 12 – issued 6<sup>th</sup> February 2014



### 13. Addendum 13 – issued 7<sup>th</sup> February 2014

The extensions issued to the tender return date and time (tender addendums 6 and 8) were agreed following requests from the tenderers and were considered likely to be beneficial to the quality of the tender returns.

All three tenderers have returned the acknowledgement of receipt form for addendum 1-13 and confirm these have been incorporated into the tender. The final tender addendum can be found in Appendix F.

## 2.4 Tender Withdrawals

Of the original five tenderers invited, Wates Construction Ltd notified that they could not return a tender on 18<sup>th</sup> December 2013; stating they were having trouble with resources due to an unforeseen amount of project wins.

Keepmoat Regeneration Limited notified that they could not return a tender on 15<sup>th</sup> January 2014 as there was a high probability that they would not be able to achieve a tender adjudication with sufficient confidence to address the time-limitation issues from their specialist supply chain members.

