



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd  
Addysgu Powys  
Powys Teaching  
Health Board

**Renal Dialysis Unit**  
**Victoria Memorial Hospital, Welshpool**  
**Powys Teaching Health Board**

**Tender Analysis Report**

**V0, 20<sup>th</sup> January 2011**

**Lee Wakemans Ltd**

8 Neptune Court  
Vanguard Way  
Ocean Park  
Cardiff  
CF24 5PJ



## Contents

		<b>Page</b>
<b>1</b>	<b>Executive Summary</b>	<b>2</b>
<b>2</b>	<b>Tender Details</b>	<b>3</b>
<b>3</b>	<b>Initial Tender Review</b>	<b>4</b>
<b>4</b>	<b>Review of the Two Lowest Tenders</b>	<b>5</b>
<b>5</b>	<b>Reconciliation of Lowest Tender with Pre-Tender Estimate</b>	<b>6</b>
<b>6</b>	<b>Recommendations</b>	<b>7</b>
<b>7</b>	<b>Quality Check &amp; Distribution</b>	<b>8</b>
<b>8</b>	<b>Appendix A – Comparision of PTE and Lowest Tender</b>	<b>9</b>
<b>9</b>	<b>Appendix B – Health and Safety Report</b>	<b>11</b>

# 1. Summary

The purpose of this report is to review the competitive tender in respect of the construction of a new Renal Dialysis unit at the Victoria Memorial Hospital, Welshpool, and to ascertain whether such a tender is bona fide and suitable to form the basis of a satisfactory contract.

As instructed by the Employer, tenders were invited from the following contractors, who all agreed to submit tenders.

BAM Construction Ltd
Andrew Scott Limited
Pave Aways Limited
Read Construction Holdings Ltd
R. L. Davies & Son Ltd

Tenders were invited on the following basis:-

NEC3 Engineering and Construction Contract (third edition June 2005) (with amendments June 2006), Option A. Priced Contract with Activity Schedule
Contract Period is 43 weeks
Tenders are open for acceptance for 240 days
Tender letters and available supporting documentation issued to Contractors on the 26 <sup>th</sup> November 2010

Tender amendments, as detailed below, were sent out to the tendering contractors:-

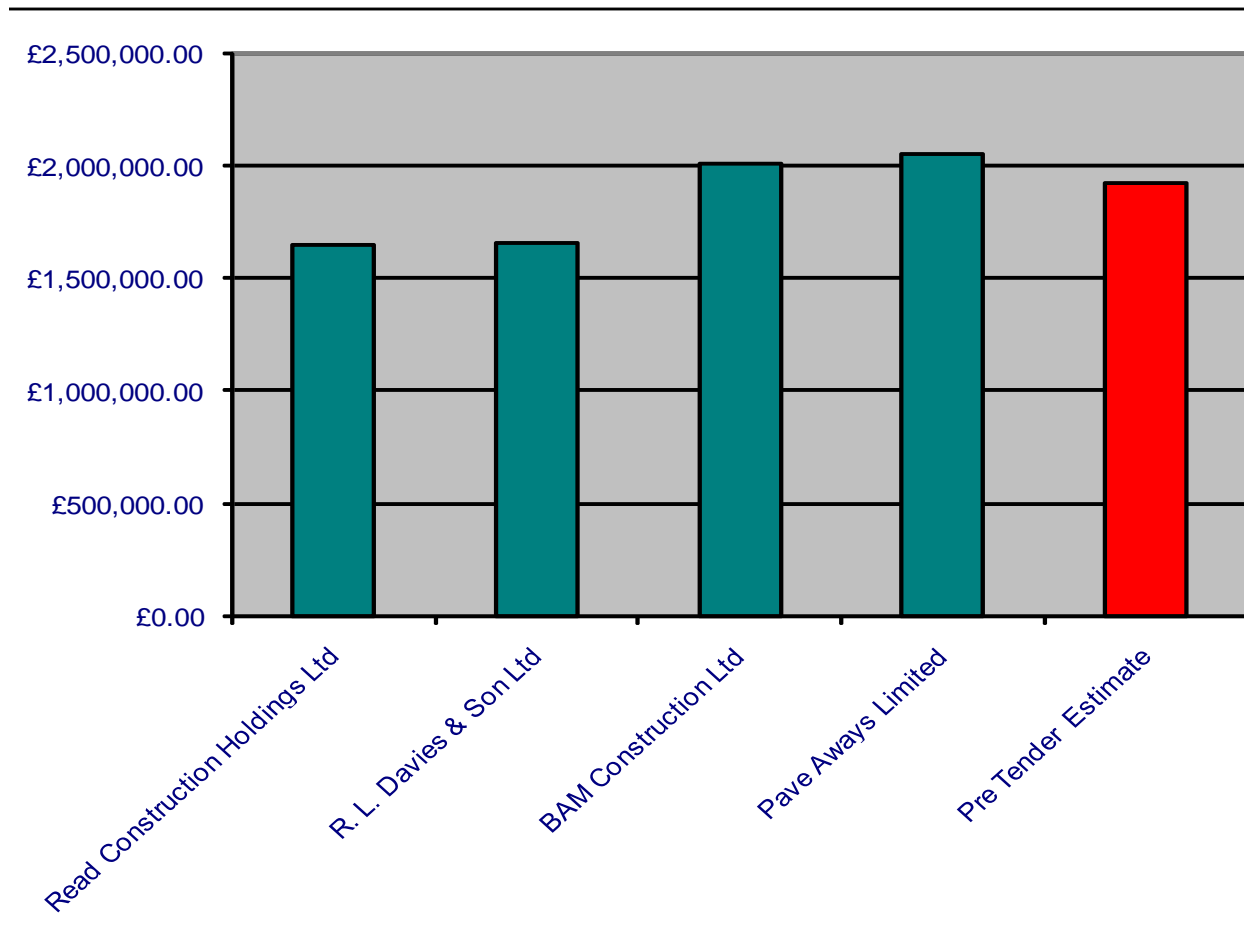
06/12/2010	Issue of Geotechnical Site Investigation Report, Geoenvironmental Report and revised concrete specification
07/12/2010	Secondary steelwork details
15/12/2010	Reinforcement and shear stud details
21/12/2010	General minor amendments
22/12/2010	Details of rooflights, shelving and roof insulation
06/01/2011	Amendments to fittings – groups 1, 2 and 3

Note – Andrew Scott Limited declined to submit a tender due to the inability to obtain some sub-contract tenders.

## 2. Tender Details

\* Note - All figures are exclusive of VAT

Company	Tender Value
Read Construction Holdings Ltd	£1,648,928.46
R. L. Davies & Son Ltd	£1,654,143.10
BAM Construction Ltd	£2,010,737.38
Pave Aways Limited	£2,045,894.61
Pre Tender Estimate	£1,924,100.00



### 3. Initial Tender Review

Tenders were received from Read Construction, R. L. Davies, BAM Construction and Pave Aways. The spread of tenders is 24.07% between the highest and lowest tenders, this is considered high for a project of this type and nature. However, the difference between the lowest two tenders is 0.32% which reflects an extremely competitive tender return.

Due to the closeness of the lowest two tenders (0.32% or £5,214.64), they have both been examined. (refer to Section 4 of this report)

A Parent Company Guarantee was issued as part of the Tender Documents. Neither of the lowest two tenderers have Parent Companies. But since the provision of a Performance Related Guarantee Bond has been provided by both tenderers, the requirement for a Parent Company Guarantee is considered to be no longer necessary.

## 4. Review of the Two Lowest Tenders

### a. Read Construction Holdings Ltd

The tender documents received from Read Construction Holdings Ltd were checked arithmetically and technically. No errors or anomalies were found.

All tender amendments issued during the tender period are included in the tender received from Read Construction Holdings Ltd.

We also confirm that Read Construction Holdings Ltd have correctly completed their Form of Tender and Certificates of Non-Collusion and Canvassing.

### b. R. L. Davies & Son Ltd

The tender documents received from R. L. Davies & Son Ltd were checked arithmetically and technically. No errors or anomalies were found.

All tender amendments issued during the tender period are included in the tender received from R. L. Davies & Son Ltd.

We also confirm that R. L. Davies & Son Ltd have correctly completed their Form of Tender and Certificates of Non-Collusion and Canvassing.

## 5. Reconciliation of Lowest Tender with Pre-Tender Estimate

A pre-tender estimate was issued by Lee Wakemans Ltd on 5<sup>th</sup> January 2011 indicating a cost of £1,924,000.00. (Note – a cost plan was also issued by Lee Wakemans Ltd on 16<sup>th</sup> November 2010 in the sum of £1,899,00)

The difference between the pre-tender estimate and the tender submitted by Read Construction Holdings Ltd is £275,171.54 which is summarised in elemental values in Appendix A.

The major areas of difference are:

Wall Finishes	£30,000
Floor Finishes	£31,000
Drainage	£31,000
External Works	£66,000
Preliminaries	£87,000
<b>Total</b>	<b>£245,000</b>

## 6. Recommendations

Further to the CDM Coordinator's approval (refer to Appendix B) and in accordance with Clause 6.5 of the Code of Procedure for Single Stage Selective Tendering June 1996, we know of no reason why the tender of Read Construction Holdings Ltd is not fit for acceptance in the submitted sum of £1,648,928.46 (One million, six hundred and forty eight thousand, nine hundred and twenty eight pounds and forty six pence) and Lee Wakemans Ltd recommend that Powys Teaching Health Board accept their tender.



## 7. Quality Check & Distribution

Document	Revision	Prepared By	Checked By	Date
Tender Analysis Report	VO	PL	EK	20/01/2011

Issued to	Organisation	No of Copies	Transmission	Date
Nigel Morris	Betsi Cadwaladr University Health Board	1	email	20/01/2011
Arwyn George	George & Tomos Architects	1	email	20/01/2011

## 8. Appendix A

### Comparison of PTE and Lowest Tender

	PTE	TENDER	DIFFERENCE
1 Foundations	£44,600	£38,693	£5,907
2 Frame	£144,900	£98,596	£46,304
3 Upper Floors	£52,500	£72,776	-£20,276
4 Roof	£110,400	£128,742	-£18,342
5 Stairs	£19,100	£5,750	£13,350
6 External Walls	£97,800	£130,509	-£32,709
7 Windows and External Doors	£48,400	£40,090	£8,310
8 Internal Walls and Partitions	£53,000	£52,427	£573
9 Internal Doors	£39,300	£61,334	-£22,034
10 Demolitions & Alterations in Existing Building	£19,100	£15,495	£3,606
11 Wall Finishes	£45,300	£14,709	£30,591
12 Floor Finishes	£63,800	£34,232	£29,568
13 Ceiling Finishes	£37,700	£26,812	£10,888
14 Fittings and Furnishings	£24,600	£25,083	-£483
15 Sanitary Appliances	£36,000	£39,106	-£3,106
16 Mechanical Installations	£285,000	£296,315	-£11,315
17 Electrical Installations	£191,300	£166,372	£24,928
18 Lift Installations	£42,400	£46,566	-£4,166
19 Drainage	£57,000	£25,593	£31,407
20 External Works	£114,000	£78,936	£35,064

21	External Services	£29,700	Incl item 20	£29,700
22	Provisional Sums	£79,800	£79,780	£20
23	Post Contract Contingency	£30,400	Incl Risk Register	£30,400
24	Preliminaries	£258,000	£171,013	£86,987
<b>Totals</b>		<b>£ 1,924,100</b>	<b>£ 1,648,928</b>	<b>£ 275,172</b>

## 9. Appendix B

# Health and Safety Report



# **Victoria Memorial Hospital 12 Bay Renal Unit Welshpool**

## **Health & Safety Report (Tender Stage)**

**Date** 20<sup>th</sup> January 2011

**Lee Wakemans LLP**  
8 Neptune Court  
Vanguard way  
Ocean Park  
Cardiff  
CF24 5PJ

# Health & Safety Report

Contents	Page
1.0 Summary	3
2.0 Methodology	3
3.0 Analysis of Responses	3
4.0 Recommendations	6

## **1.0 Summary**

- 1.1 The tendering companies have submitted information to allow an assessment to be made of the adequacy of their health and safety systems and performance.
- 1.2 The submissions demonstrate a commitment by both companies to achieving health and safety compliance although each document showed areas of weakness.
- 1.3 R L Davies submission lacked clarity on the identity of the key personnel who would be proposed to lead the project and in particular whether any site manager has attended the 5 day SMSTS Course.
- 1.4 Both companies failed to demonstrate in detail how they monitor sub contractors performance. They provided questionnaires used in their selection process with Read's being more relevant than that used by R L Davies which was of poor content quality.
- 1.5 The accident records over the past 3 years for both companies are not abnormal for companies in this sector. Public records show a fatality on an R L Davies site in 2004 for which they were prosecuted and fined in 2007.
- 1.6 Both companies have undertaken projects of a comparable size and complexity to the proposed work. The Healthcare experience of R L Davies is more extensive than the experience listed by Read.
- 1.7 In terms of overall competency the assessment indicates that both companies possess the health and safety knowledge and experience to undertake this work

## **2.0 Methodology**

### **2.1 Questionnaire**

Each tendering contractor was requested to provide documentary evidence to demonstrate their compliance with the standards set out in Appendix 4 of Managing Health and Safety in Construction L144 the Approved Code of Practice to CDM 2007. The information provided was assessed by comparison to the HSE guidance.

### **2.2 Public Records**

Additional checks were carried out by reference to the public register of prosecutions and enforcement action maintained on the HSE web site. A check was undertaken of information published on the web site of each company.

## **3.0 Analysis of Responses**

The tables overleaf detail the CDM Co-ordinators comments regarding the health and safety information supplied by the contractors in support of their tenders. The criteria used follow those identified in Appendix 4 of Managing Health and Safety in Construction L144 the Approved Code of Practice to CDM 2007 as being the core criteria for demonstrating competence.

### 3.1 Analysis of Read Construction Holdings Responses

Criteria		Comments
H&S Policy & Arrangements		Copy of H&S Policy signed by senior director and regularly updated. Content and arrangements very generic
Organisation		Generic responsibilities which were only allocated to named personnel after query
Competent Advice		External organisation, internal competent advice identified being trained.
Training		Training information with detailed programme or skills needs matrix
Qualifications		Management and professional grade have satisfactory qualifications.
Monitoring Audit & review		External organisation inspections.
Workforce Involvement		Structured arrangements for workforce engagement
Accidents & Incidents		Low level of RIDDOR accidents for recent years
Enforcement		No enforcement action identified in public records
Sub-contracting Procedures		Competency check procedure in place
Risk Assessments & safe Systems of Work		Approval system for risk assessments and method statements with examples
Co-ordination & Co-operation		Procedures detailed and examples given
Welfare		How adequate welfare is determined set out
Work Experience		Examples on web site of projects of similar complexity.
Performance		Testimonials included in document and further on web-site



## 3.2 Analysis of R L Davies Responses

Criteria		Comments
H&S Policy & Arrangements		Copy of H&S Policy provided together with the index for arrangements. Construction Phase Plan outline provided
Organisation		Detail of organisation and responsibilities lacking
Competent Advice		Internal qualified advice
Training		Training matrix with detailed training plans.
Qualifications		Qualifications provided but Site Management not identified as having attended SMSTS.
Monitoring Audit & review		Regular inspections and company procedures regularly audited.
Workforce Involvement		Some information provided
Accidents & Incidents		Low level of RIDDOR
Enforcement		Prosecuted and fined in 2007 following a fatality to a ground worker in 2004
Sub-contracting Procedures		Competency check procedure in place
Risk Assessments & safe Systems of Work		Example risk assessments and method statements provided
Co-ordination & Co-operation		Procedures detailed and examples given
Welfare		Adequate welfare provision identified
Work Experience		Examples on web site of projects of similar complexity. Significant healthcare experience.
Performance		Reference name provided

## 4.0 Recommendations

- 4.1 The Client can be satisfied that both tendering companies have shown that they possess the necessary health and safety competency and resources to undertake the proposed works.
- 4.2 The successful contractor should be required to indicate within their construction phase plan how the areas of identified weakness will be addressed.