



NEW ECB PREMISES PROJECT OFFICE

CONFIDENTIAL

**To:** NEP-PRC members, [REDACTED]

**From:** NEP Project Office: [REDACTED]

**Cc:** [REDACTED]

**Date:** 24 July 2009 FINAL – (changes to Status 16 July marked blue)

**Subject:** NEW ECB PREMISES: T109 CONSTRUCTION MANAGER – VERIFICATION OF EVALUATION DREES & SOMMER, RECOMMENDATION FOR NEXT STEPS. UPDATE FOR PRC 133A

This cover memo provides verification of the evaluation report from Drees and Sommer dated 16 July 2009, summarises the evaluation results following the second negotiation with the Bidder [REDACTED] (Henceforth referred to as [REDACTED]) and recommends the next steps.

**Introduction**

When drawing up the original scope of works for the Construction Manager, Drees and Sommer advised that they held a financial interest in one potential bidder, namely the company [REDACTED]

The issue of potential conflict of interest was discussed in PRC 113 and decided that, although a conflict of interest does not exist, that the evaluation of the application and offer should be carried out by the NEP-PO /CPO. This memo therefore supplements the evaluation report from Drees & Sommer which only considers the other 7 bidders.

**Results Evaluation of [REDACTED] offer**

The results of the various stages of the evaluation are summarised in the table below. An explanation follows the table.

PRC	Date	Status	Commercial Offer 60%	Technical Offer 35%	Contractual Terms 5%	Overall	Rank	Comments
126	02/06/09	Initial Evaluation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Only minor clarifications required due to extensive information provided with the offer
128	16/06/09	Following Clarification Meeting	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Role of Project Leader and Deputy clarified and confirmed
129a	29/06/09	Following First Negotiation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Price reduced, Contract accepted without restrictions
133a	24/07/09	Following Second Negotiation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Recalculated without JSK.

Offer [REDACTED] dated 28<sup>th</sup> April 2008.

In terms of scope, the offer from [REDACTED] is extremely comprehensive. In total over 300 pages of work samples have been provided to demonstrate expertise for the required services. All of the areas requested in the ITT have been described in detail. 3 comments were made to the contract, which are considered resolvable in negotiations.

The overall score results in being ranked in second place (behind the bidder JSK who received the maximum 6000 points for the low commercial offer)

#### Clarification Meeting

The clarification meeting held on 12 June 2009 confirmed the good impression given by the submitted offer. All points could be clarified. The major concern regarding the actual availability of the project leader who is currently major shareholder and managing director of the company was clarified in that the company management is transferred to other staff members and the project leader is available for 90% as stated in the offer. This resulted in a slight increase in the points for the technical offer, the ranking remains unchanged.

#### 1<sup>st</sup> Negotiation

Following the 1<sup>st</sup> Negotiation on 25 June 2009, a revised offer was submitted on 01 July 2009. The scores have been changed as follows:

Commercial offer – reduced lump sum price offered following negotiation – score increased.

Technical Offer – Team Presentation confirms the information given in the initial offer – score unchanged.

Contract Terms – the revised offer confirms acceptance of all contract terms – score increased. A supplementary offer regarding alternative security deposits and retentions will be evaluated in the next round of negotiations.

The total score is [REDACTED] points, ranking 2<sup>nd</sup> behind the bidder JSK who received 6000 points for the low commercial offer.

#### 2<sup>nd</sup> Negotiation

Following the 2<sup>nd</sup> Negotiation on 21 July 2009, a further revised offer dated 21 July 2009 was submitted on 22 July 2009. The evaluation remains unchanged, but the following points have been clarified:

Commercial offer – the lump sum price offered has been broken down as per the price matrix to serve as the basis for a payment schedule. The hourly rates to be used in the case of unforeseen duties have been further reduced and are now comparable with the remaining bidders<sup>1</sup>. – Evaluation remains unchanged.

The comparison of the hourly rates is illustrated in the document NEP-PRC/2009/255.

Technical Offer – [REDACTED] who was not present at the 1<sup>st</sup> negotiation could demonstrate her competence in the fields of Drawing Management and Checking of Drawings. The availability of the proposed team was confirmed and further details of the team for the set-up phase provided – unchanged.

Contract Terms – in addition to the acceptance of all contract terms, the issues regarding the provision of a warranty and that the fee includes for a 10% time overrun have now been specifically confirmed – evaluation remains unchanged.

In the offer dated 21 July 2009, [REDACTED] confirmed the shareholder structure with regard to Drees and Sommer and that Drees and Sommer have a purely financial shareholding without management influence regarding operational issues. [REDACTED]

#### Re-evaluation 24 July 2009

In view of the probable exclusion of the Bidder JSK, the evaluation has been recalculated. [REDACTED] having the lowest remaining commercial offer, are now awarded 6000 points, and the other offers recalculated based on this as a benchmark<sup>2</sup>. The evaluation is illustrated in the graphs included in the document NEP-PRC/2009/246a.

[REDACTED]

During the first round of negotiations, [REDACTED] did not present their complete team due to a communication misunderstanding. As a sensitivity analysis, the team has been re-evaluated with the maximum score instead of the current score<sup>3</sup>. A change in the score from [REDACTED] points to [REDACTED] points does not change the overall ranking. [REDACTED] still lie [REDACTED] points behind the second placed bidder [REDACTED]

#### **Verification of Evaluation Report from Dress and Sommer dated 16 July 2009**

The NEP-PO evaluation team members confirm the evaluation carried out by Drees & Sommer in the report.

---

<sup>1</sup> The comparison of the hourly rates is illustrated in the document NEP-PRC/2009/255.

<sup>2</sup> The evaluation is illustrated in the graphs included in the document NEP-PRC/2009/246a.

<sup>3</sup> See document NEP-PRC/2009/256

**Recommendations regarding next steps.**

The recommendation made in the report from Drees & Sommer under point 6.2 of the report, was made without knowledge of the evaluation results for [REDACTED]

Following the second round of negotiations [REDACTED] have been evaluated with a score of [REDACTED] points. As this is [REDACTED] points above the score achieved by [REDACTED] (ranked 2<sup>nd</sup>), also with a commercial offer well within the budget, the NEP-PO recommends commencing the finalisation of the contract documents with [REDACTED]

In order to facilitate this process and ensure the smooth integration of [REDACTED] into the existing project structures, the NEP-PO further recommends to immediately inform [REDACTED] that they are now the preferred bidder and of potential meeting dates for the contract finalisation

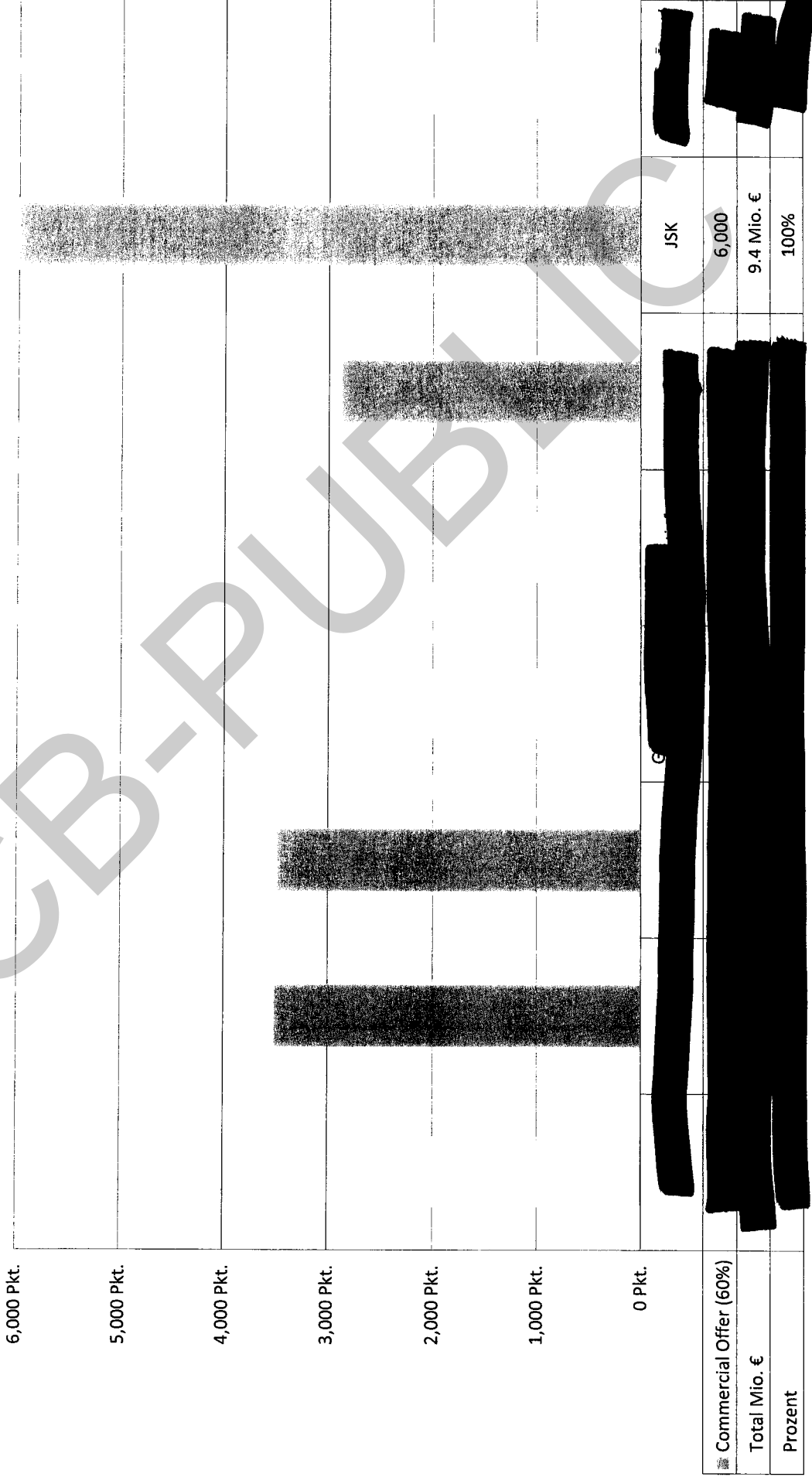
Further, it is recommended to now allow Drees and Sommer full access to the complete [REDACTED] offer and evaluation so that they:

- a) Cancel any preparation for further negotiations with the other bidders.
- b) May proceed with the production of the contract documentation for [REDACTED] including annexes.
- c) Proceed with the set-up and organisation for integration of [REDACTED] into the ongoing project processes as soon as the contract award is officially announced.

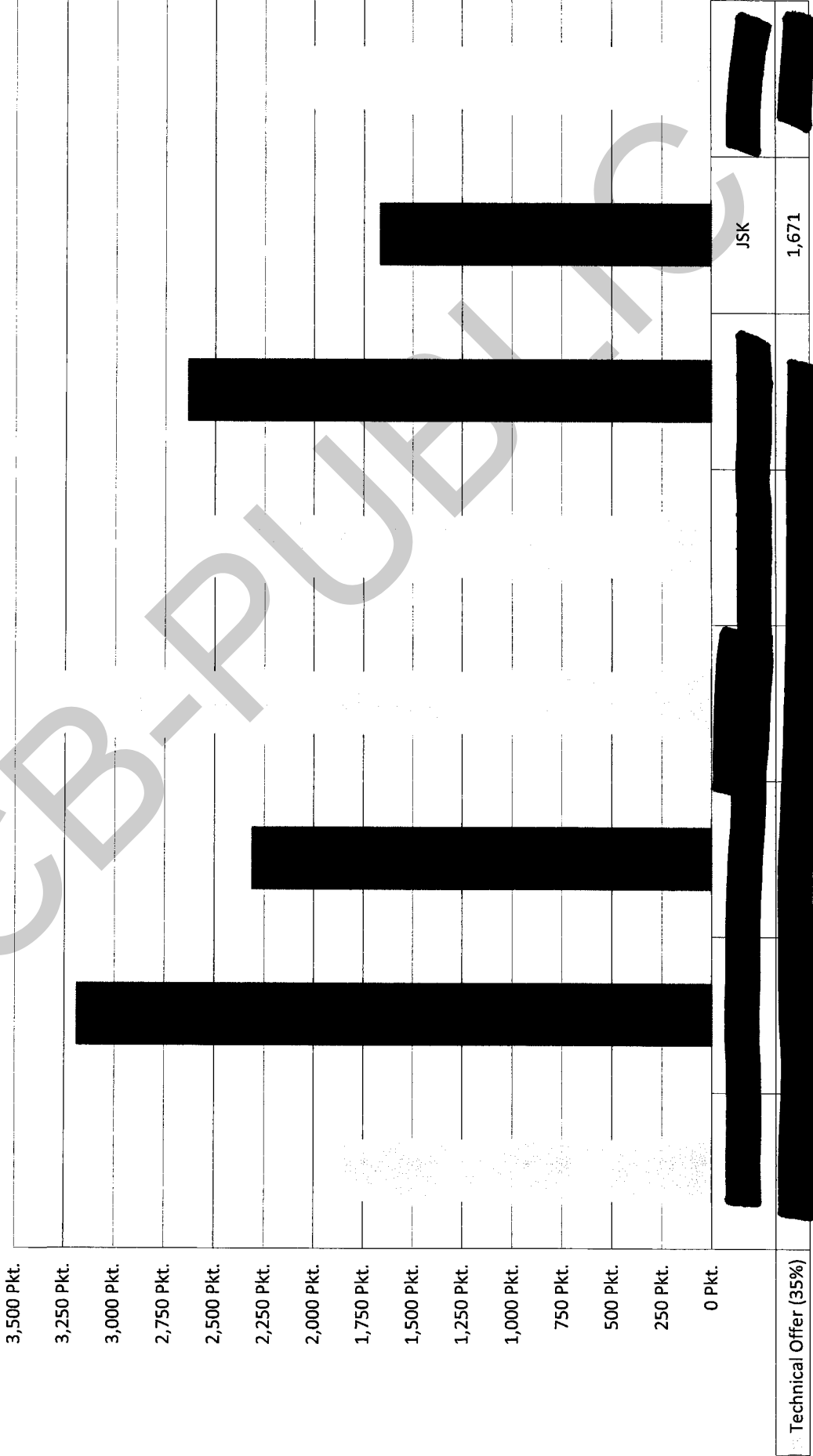
Annexes:

1. Chart Evaluation status 24 July 2006 (NEP-PRC/2009/246a)
2. Comparison of Monthly Rates 24 July 2009 (NEP-PRC/2009/255)
3. Sensitivity Analysis [REDACTED] "Maximum Score" (NEP-PRC/2009/256)

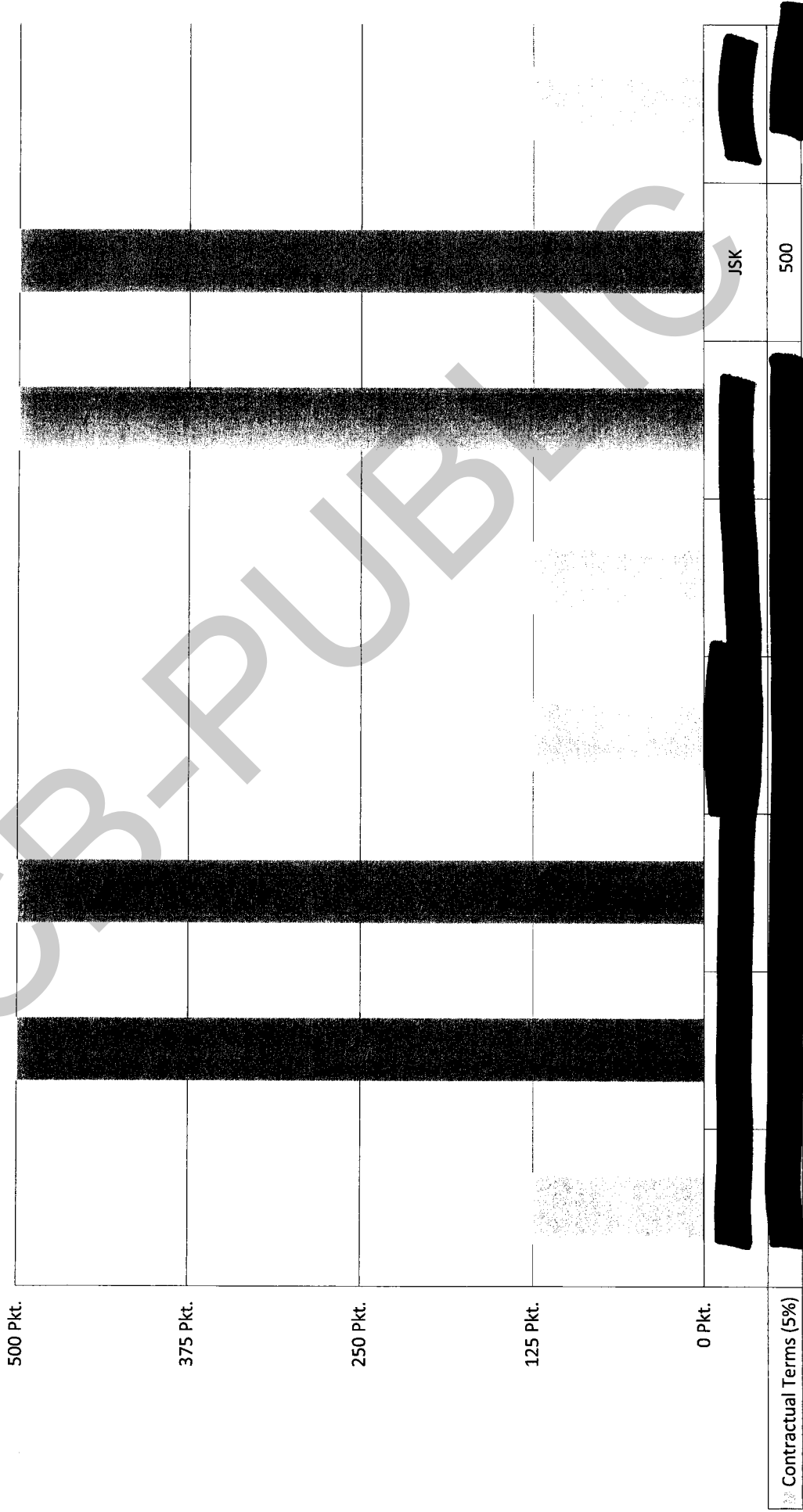
Compilation Chart - Commercial Offer (60%)



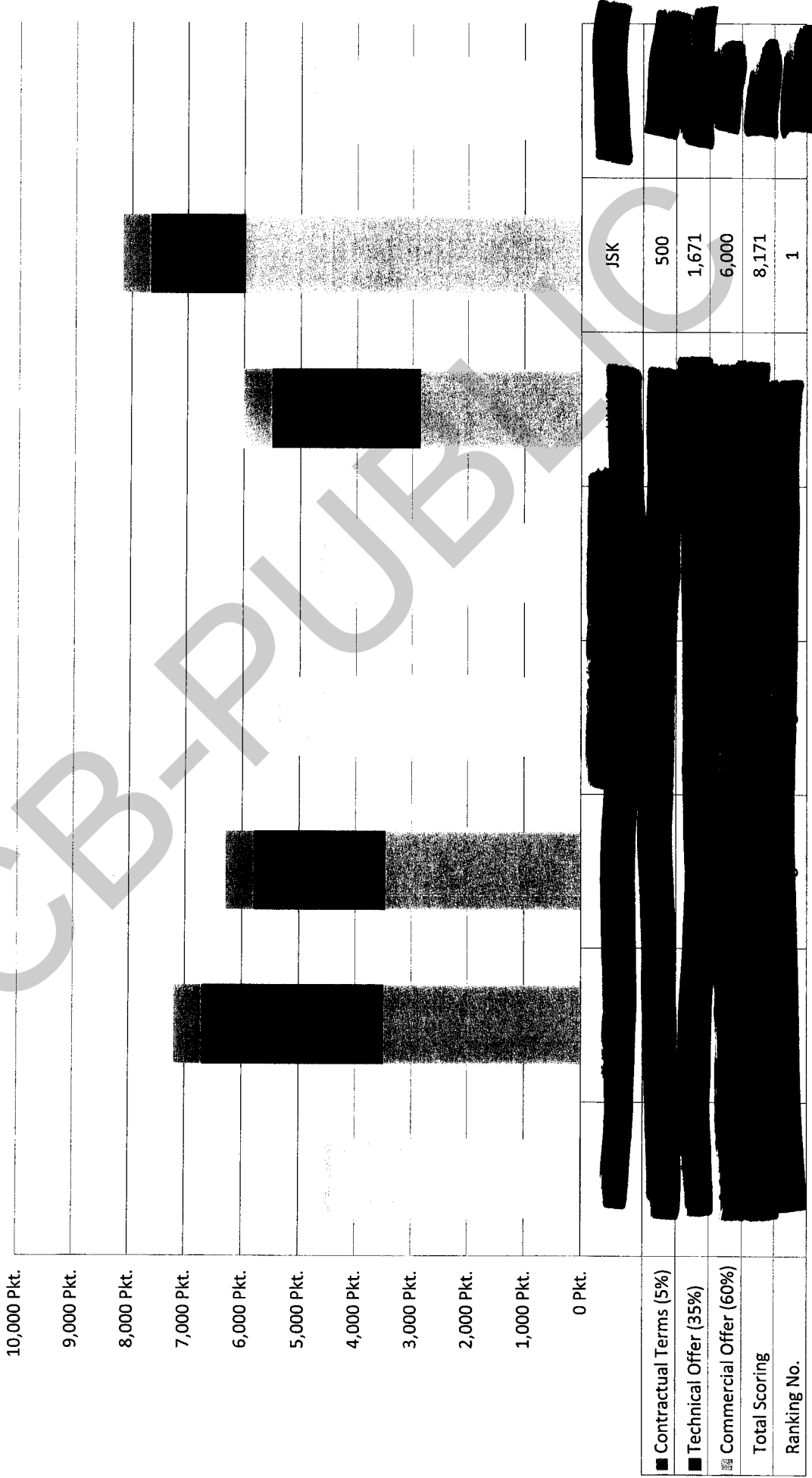
**Compilation Chart - Technical Offer (35%)**



### Compilation Chart - Contractual Terms (5%)



Compilation Chart - Total





8					
2					
3					
5					
7					
4					
			1,671		
6					

 invited to 1st negotiation meeting  
 invited to 2nd clarification meeting

- 0 points - "no response"
- 1 point - "poor"
- 2 points - "sufficient"
- 3 points - "good"
- 4 points - "very good"

[Redacted]

**3. Contractual terms (5%, maximum score 500)**

Status: 06 July 2009, FINAL

a) **Agreement to contractual terms (100%)**  
4 points - totally agree without any additional conditions  
3 points - slight changes of contractual terms  
2 points - moderate changes of contractual terms  
1 point - major changes of contractual terms  
0 points - no agreement reached

Following the first negotiation meeting [Redacted] revised its offer and fully accepted the ECB's contractual terms. The score is amended accordingly to 4 points (very good). Furthermore [Redacted] submitted an alternative offer suggesting to make performance phase 9 an optional work - which it is anyway - and modifying the terms of the performance guarantee. In a first variant the performance guarantee is only issued for each project phase, in a second variant only in an amount of 5%. This modification can be regarded as a minor change of contract terms, regardless of the variant chosen. The alternative offer is accordingly scored with 3 points (good).

Points (0-4)	Score
[Redacted]	[Redacted]

Cover Letter:  
[Redacted]

ECB-PUBLIC

- 0 points - "no response"
- 1 point - "poor"
- 2 points - "sufficient"
- 3 points - "good"
- 4 points - "very good"

**2. Quality of services  
 (35%, maximum score 3500)**

**2.1 Qualification of key staff  
 (70%, maximum score 2450)**

Reference documents are the sheets "qualification" and "references" of the form "T109\_F\_Qualification".

**2.1.1 Project leader and deputy  
 (50%, maximum score 1225)**

a) **Professional experience in executed reference projects (80%)\***  
 Comparability of project in terms of

- size
- use
- complexity
- role, tasks
- contract model

acc. to item 5.1.2, 1.1 (i) ITT document

\* Contract requires minimum professional experience of 10 years

b) **Allocation of tasks in NEP project/ responsibilities and competences (20%)**  
 acc. to item 5.1.2, 1.1 (ii) ITT document

Suggestion for focus of evaluation:  
 Plausibility to position in NEP with regard to e.g.:

- a) - tasks / responsibility in reference projects
- b) - similar executed services to NEP-Project (reference projects)
- c) - position in company
- d) - professional experience (years)

[Redacted]

[Redacted]

[Redacted]

Summary:  
 The projects from [Redacted] are comparable in size, complexity and use and generally comparable in contract model. The projects from Herr [Redacted] are generally comparable, however some are not comparable in size to the NEP.  
 1st Negotiation: No new information was presented for [Redacted] - evaluation unchanged

Summary:  
 The project leader and his deputy meet the scheduled tasks and responsibilities within the NEP well due to both their professional experience and their previous tasks in reference projects. The availability of the project leader was confirmed in the clarification meeting as the company management will be transferred to other board members.  
 1st Negotiation: No new information was presented for [Redacted] - evaluation unchanged

Points (0-4)	Score

- 0 points - "no response"
- 1 point - "poor"
- 2 points - "sufficient"
- 3 points - "good"
- 4 points - "very good"

[Redacted]

**2.1.2 Engineers, Architects in key positions  
 (50%, maximum score 1225)**

[Redacted]

a) Professional experience in executed reference projects (80%)\*  
 Comparability of project in terms of  
 - size  
 - use  
 - complexity  
 - role, tasks  
 - contract model  
 acc. to item 5.1.2, 1.2 (i) ITT document

**Summary:**  
 The project team features very good references with regard to the stated technical speciality in complex projects with comparable contract models and extensive experience of the team members.  
 1st Negotiation: 5 Team members confirmed the good impression given by the documentation - evaluation unchanged

Points (0-4)	Score
[Redacted]	[Redacted]

ECB-PUBLIC

0 points - "no response"  
 1 point - "poor"  
 2 points - "sufficient"  
 3 points - "good"  
 4 points - "very good"

b) **Allocation of tasks in NEP project/ responsibilities and competences (20%)**  
acc. to item 5.1.2, 1.2 (ii) ITT document

Suggestion for focus of evaluation:

*Plausibility to position in NEP with regard to e.g.:*

- a) - tasks / responsibility in reference projects
- b) - similar executed services to NEP-Project (reference projects)
- c) - position in company
- d) - professional experience (years)

**Summary:**  
The project team meets the scheduled tasks and responsibilities within the NEP due to the many years of professional experience of the team members and the previous tasks listed in the reference projects. The role of [REDACTED] needs to be reviewed as part of the clarifications. In the indicated references, team sizes comparable with the NEP were assigned on the part of [REDACTED].  
1st Negotiation: 5 Team members confirmed the good impression given by the documentation - evaluation unchanged

Points (0-4)	Score
[REDACTED]	[REDACTED]

- 0 points - "no response"
- 1 point - "poor"
- 2 points - "sufficient"
- 3 points - "good"
- 4 points - "very good"

**2.2 Organisational team structure  
(20%, maximum score 700)**

Reference document will be the submitted organisational chart and related information e.g. from the man-months calculation.

a) **Adequate man power (40%)**  
acc. to item 5.1.2. 2. (i) ITT document

Suggestion for focus of evaluation:  
- sufficient number of staff  
- relation of project leader to engineers  
acc. to item 5.1.2. 2. (i) ITT document

The number of the foreseen staff members and the relation of project leaders to engineers are adequate for the required quality.  
Relation of project leaders to engineers plausible.  
1st Negotiation: The team presentation confirmed the good impression given by the documentation - evaluation unchanged

Points (0-4)	Score
[REDACTED]	[REDACTED]

b) **Effective team structure (60%)**  
acc. to item 5.1.2. 2. (ii) ITT document

Suggestion for focus of evaluation:  
Efficiency and plausibility of:  
- organisation of project team  
- number of staff on site, in backoffice  
- all important positions assigned (e.g. for restoration works)  
- allocation of tasks (nach Gewerken, Bauteilen)

Team structure plausible, role of project leaders explained in clarification meeting  
Effectiveness plausible as well structured also regarding seniority and professional experience.  
Backoffice indicated but could be more clearly described  
Restoration works considered  
Building Services Coordination not clearly described in Organigramm  
Division of staff between trades plausible  
Division of staff between buildings plausible  
1st Negotiation: The team presentation confirmed the good impression given by the documentation - evaluation unchanged

Points (0-4)	Score
[REDACTED]	[REDACTED]

**2.3 Detailed service concept  
(10%, maximum score 350)**

Reference document is the written service concept as described under item 3.3 in the ITT.

a) **Detailed Service Concept (100%)**  
acc. to item 5.1.2. 3. ITT document

Suggestion for focus of evaluation:  
- organisation  
- site management  
- progress control  
- cost and claims management  
- quality control  
- drawing management  
- risk management  
- initial start-up  
acc. to item 3.3 ITT document

The service concept is very comprehensive, all of the information requested in the ITT has been provided in the form of extensive work samples and process flow diagrams.  
In total 300 pages of descriptions and examples provided.

Organisation - demonstrated by means of the quality control databank and quality checklists.

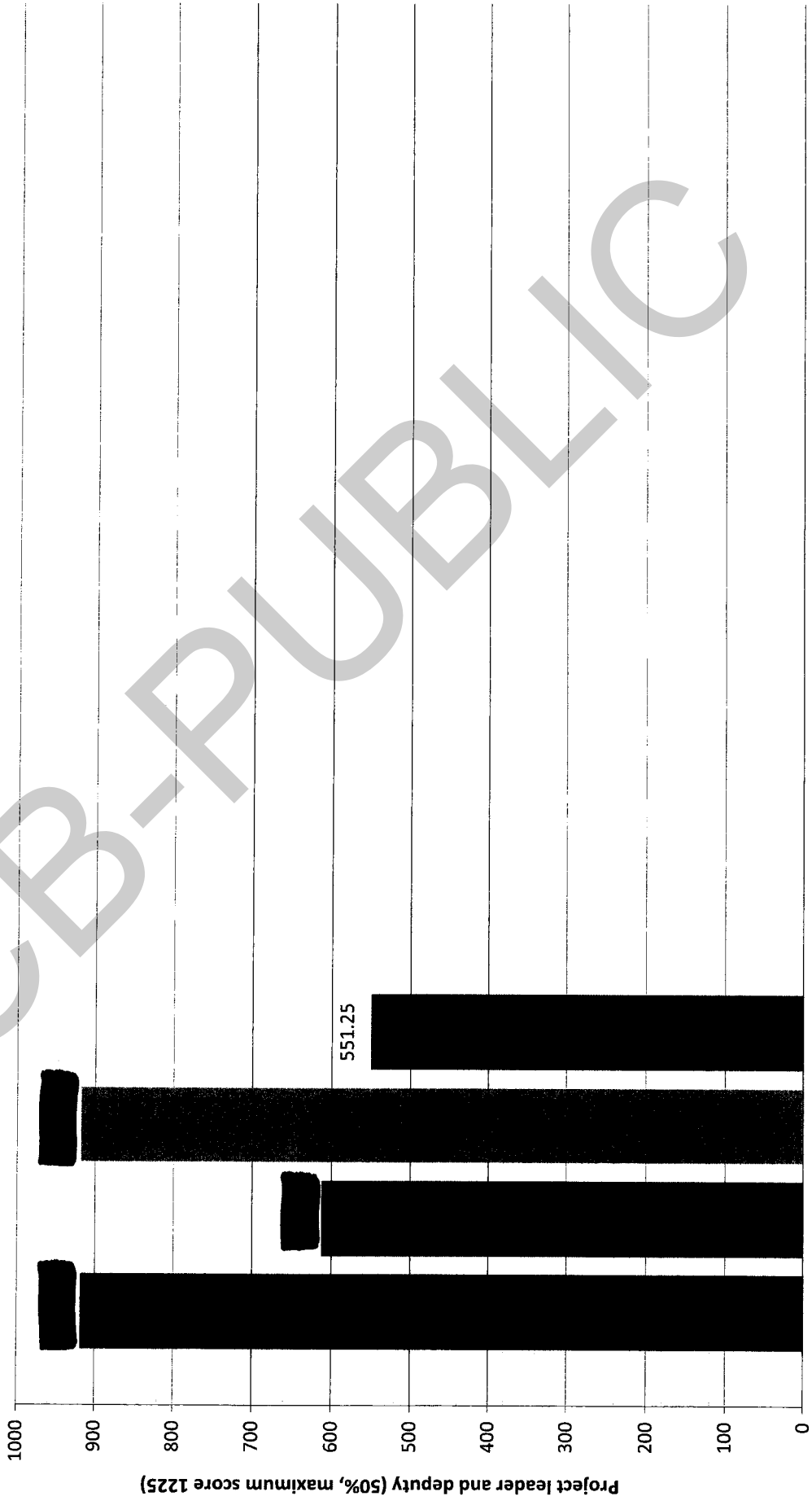
Sample Reports and Decision Templates provided.  
Progress Monitoring using MS Project.  
Site Management demonstrated by Contents Pages of Site Handbook.  
Samples of Foto and Defects Databases provided.  
The Project Data Room was not specified in the offer but confirmed as PKM from Conclude in the clarification meeting. The ability of PKM to handle the project complexity needs to be assessed during ongoing negotiations.  
Very comprehensive samples of checking of contractor's drawings provided.  
Handover and Commissioning not described in the same detail as the other aspects.  
Overall, the description with regard to the detailed service concept is very good.  
1st Negotiation: The team presentation confirmed the good impression given by the documentation - evaluation unchanged

Points (0-4)	Score
[REDACTED]	[REDACTED]

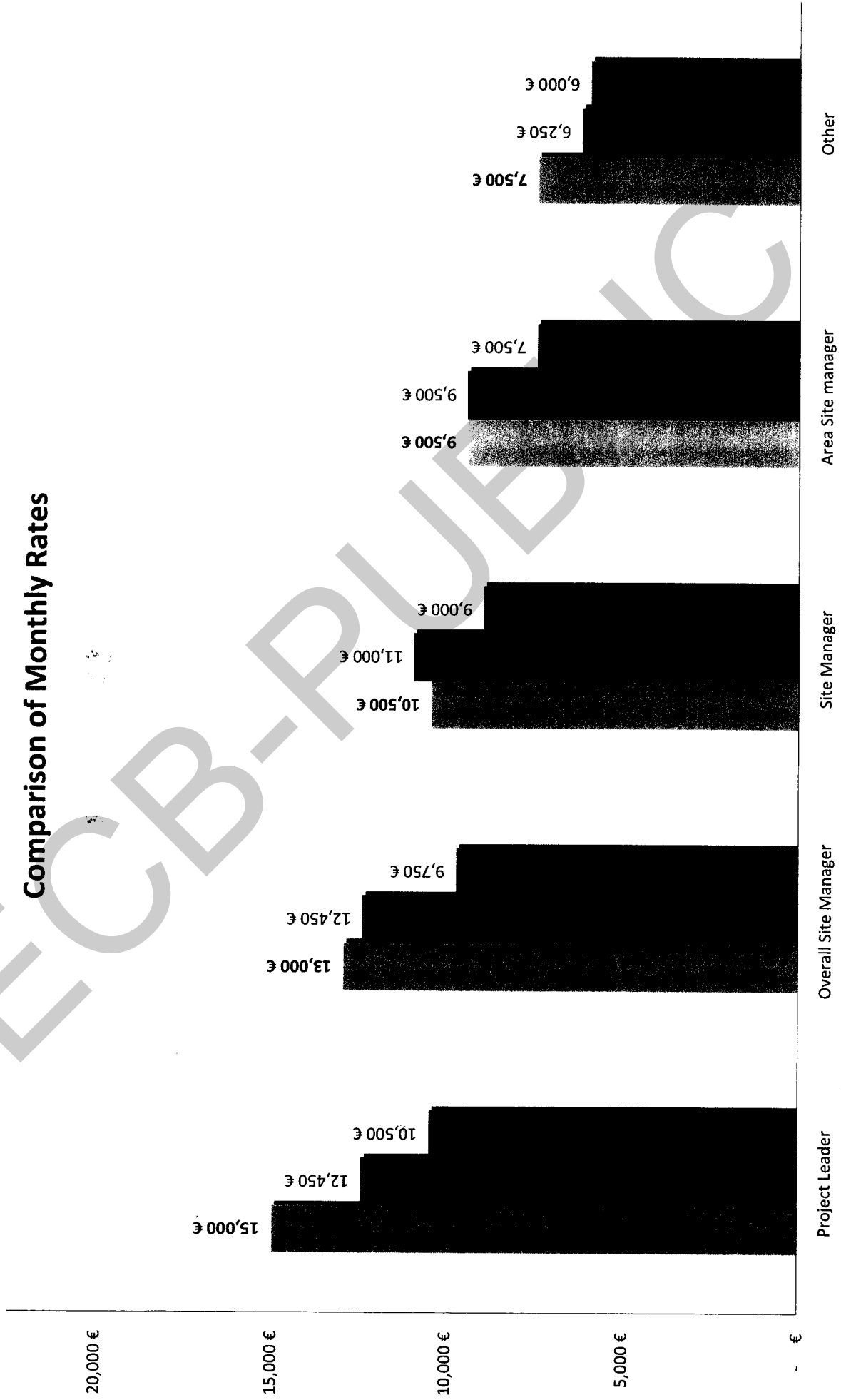
- 0 points - "no response"
- 1 point - "poor"
- 2 points - "sufficient"
- 3 points - "good"
- 4 points - "very good"

### Scoring Project leader

█ JSK



### Comparison of Monthly Rates





**Compilation Chart - Total - Sensitivity Analysis - Technical Offer**

