



To: Finance, Resources and Customer Services Policy Board

On: 21st June 2017

Report by: **Joint Report**

By

Chief Executive and the Director of Community Resources

Heading: **Contract Authorisation Report
for
Carriageway Defect Patching (RC/OC/310/17)**

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to award a NEC3 Term Service Short Contract for Carriageway Defect Patching (RC/OC/310/17).
- 1.2 This procurement exercise has been tendered in accordance with Renfrewshire Council's Standing Orders Relating to Contracts and the below EU Threshold Open Procedure for Works.
- 1.3 A Contract Strategy was prepared by the Corporate Procurement unit for all Capital Resurfacing works 17/18 and approved by the Director of Community Resources and Strategic Commercial and Procurement Manager in May 2017.

2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board authorise:
 - a) The award of the Contract for Carriageway Defect Patching to JH Civil Engineering Limited

- b) The contract value of up to £300,000, excluding VAT, plus 10% contingency for any unforeseen works.
- c) The starting date is anticipated to be Monday 7th August 2017 and the completion date is 31st March 2018. The actual starting date will be confirmed in the Council's letter of acceptance.

3. Background

- 3.1 Community Resources are responsible for the management and maintenance of all roads, excluding trunk roads, within the Council's boundaries.
- 3.2 A contract notice was published on the Public Contract Scotland advertising portal on 24th April 2017 with the tender documentation available for downloading from the Public Contract Scotland – Tender website. During the tendering period 16 companies expressed an interest in the contract. By the closing date set for return of electronic tenders of 10th May 2017, 7 companies had submitted a response.
- 3.3 The 7 tender submissions were initially evaluated against a set of predefined bid selection criteria in the form of the European Single Procurement Document (ESPD) by representatives from Corporate Procurement Unit, Corporate Risk and Corporate Health & Safety. 1 submission failed as they failed to provide a response to mandatory elements within the ESPD.
- 3.4 The 6 submissions were evaluated against the pass fail requirements in addition to the ESPD. 1 submission failed as evidence requested as part of a pass/fail technical question was not submitted. This was a bid requirement for this specific contract.
- 3.5 The 5 remaining tender submissions were then evaluated against a set of award criteria which was based on 30% Technical and 70% Commercial.
- 3.6 One bidder failed to submit a Price List, which was a mandatory requirement and so was excluded during the Commercial evaluation process.
- 3.7 The scores relative to the award criteria of the 4 remaining Tenderers are noted below:

	Price (%)	Quality (%)	Total (%)
Finco Contracts Ltd	25.86%	22.80%	48.66%
J H Civil Engineering Ltd	70.00%	23.60%	93.60%
Mac Asphalt Ltd	49.83%	27.88%	77.71%
Newlay Civil Engineering	37.94%	22.68%	60.62%

- 3.8 The evaluation of tenders received identified that the tender submitted by JH Civil Engineering Ltd is the most economically advantageous.

3.9 Community Benefits were sought as part of this Contract and JH Civil Engineering Ltd advised within their tender submission that the following Community Benefits would be available:

- 1 Work Experience Placement (16+ years of age);
- 1 Work Experience Placement (14-16 years of age);
- 1 Industry Awareness Day and 1 Workplace Visit.

3.10 The service budget available for this project is £300,000. For evaluation purposes the tender included a list of items the Council may require to purchase over the contract period. The tendered total from JH Civil Engineering Ltd based on a notional allocation of quantities against each of these items for evaluation purposes was only £93,782.00 excluding VAT, but the actual costs will depend on the tasks issued. The Council will issue task orders, instructing the works of such elements based on the rates submitted for each element as and when required throughout the Contract duration. The rates from the price list submitted by JH Civil Engineering Ltd will apply to each task order. Financial costs in respect of this contract will be met by Community Resources Capital Budget for Financial Year 2017/18.

3.11 The Technical envelope contained a question around the management of multiple contracts. Tenderers were asked to confirm that they understand that if they are submitting bids for various resurfacing contracts then there is a risk of overlapping should they be successful for multiple contracts and that they have taken the on-site and completion dates into consideration when preparing their bid. Tenderers were also asked to evidence how they will successfully manage multiple contracts if awarded more than one contract. The response submitted by JH Civil Engineering Ltd was read by the Service with no concerns raised.

Implications of the Report

1. Financial

The financial status of JH Civil Engineering Limited was assessed by undertaking a Dun and Bradstreet evaluation and it confirmed that the company satisfied the Council's requirements in relation to financial stability.

2. HR & Organisational Development

No TUPE implications have arisen or are anticipated.

3. Community Planning

The community benefits submitted under this contract are listed within section 3.12 of this report.

4. Legal

The procurement of this contract has been conducted in accordance with the Council's Standing Orders relating to Contracts using the open tender procedure.

5. **Property Assets**

In carrying out the work involved within the contract, it shall repair defects found on carriageways that will ultimately improve council maintained roads and transport infrastructure.

6. **Corporate Services**

None

7. **Information Technology**

None

8. **Equality and Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

9. **Health & Safety**

There are no health and safety implications associated with award of the contract.

10. **Procurement**

The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.

11. **Risk**

JH Civil Engineering Limited's insurances have been assessed and evaluated to confirm they meet the minimum requirements regarding insurable risk.

12. **Privacy Impact**

No Privacy Impact Assessment requirements were identified within this procurement.

List of background papers

(a) None

Author: Graeme Clark, Procurement Advisor, 0141 618 7189

Endorsed by: Laura Gillan, Assistant Strategic Commercial Category Manager, 0141 618 7464