

To: Procurement Sub Committee

On: 30th November 2016

Report by:

**Joint Report
by
The Chief Executive & Director of Community Resources**

Contract Authorisation Report

Provision of Plant Hire and Operators

1. Summary

- 1.1 The purpose of this paper is to seek the approval of the Procurement Sub Committee to award a NEC3 Term Service Short Contract (April 2013) for Provision of Plant Hire and Operators.
- 1.2 The Contract was tendered in accordance with the above EU Threshold Open Procedure for Services and the Council's Standing Orders Relating to Contracts.
- 1.3 A contract strategy document was prepared by the Corporate Procurement Unit and was approved by the Strategic Commercial & Procurement Manager and Director of Community Resources on 26 August 2016.

2. Recommendations

- 2.1 It is recommended that the Procurement Sub Committee authorises
 - 2.1.1 The Head of Corporate Governance to award the Contract for Provision of Plant Hire and Operators to Mac Asphalt Ltd.
 - 2.1.2 The allocated budget for this programme is £250,000 per year. For evaluation purposes the tender included a list of plant the Council may require to hire over the contract period, the tendered total from Mac Asphalt Ltd, based on a notional allocation of quantities against each of these elements of plant for evaluation purposes only was £19,253.46 excluding VAT. The Council will issue task orders, instructing the hire of such elements of plant based on the rates submitted for each element as and when required throughout the Contract duration, the rates from the price list will apply;
 - 2.1.3 The starting date of the Contract is anticipated to be 9 January 2017 for a period of 2 years with the Council having the option to extend for a further 12 month period. The starting date will be confirmed in the letter of acceptance.

3 Background

- 3.1 The Council has a requirement for a suitably qualified and experienced contractor to provide the provision of plant hire and operators for the Council's Road Resurfacing Programme.
- 3.2 This procurement exercise has been tendered in accordance with Renfrewshire Council's Standing Orders Relating to Contracts for above EU Threshold Services contracts and the Public Contracts (Scotland) Regulations 2015.
- 3.3 A Contract notice was published on the Public Contract Scotland advertising portal on the 15th September 2016 and in the Official Journal of the European Union (OJEU) on the 19th September 2016. Tender documentation was available for immediate download through the online e-tender system.
- 3.4 Thirty-six (36) contractors noted an interest. At the deadline for tender submissions, 12 noon on Wednesday 26 October 2016, four (4) submissions were received, thirteen (13)suppliers declined to tender and nineteen (19) did not reply.
- 3.5 The four (4) tender submissions received were evaluated by representatives from the Corporate Procurement Unit, Corporate Insurance, Health and Safety and Community Resources against a pre-determined set of criteria in the form of the European Single Procurement Document (ESPD).
- 3.6 All four (4) Tenderers passed the mandatory requirements set out in the ESPD. Tender submissions were then evaluated against a set of award criteria which were based on a Price/Quality ratio of 75% / 25%. The scores relative to the Award Criteria of each tenderer are as follows:

	Price (%)	Quality (%)	Total (%)
Mac Asphalt Ltd	75.00	23.75	98.75
Hamilton Tarmac Ltd	41.41	21.50	62.91
Hillhouse Quarry Group Ltd	31.28	23.25	54.53
DR Plant Hire Ratho Ltd	Non-Compliant – Failure to fully complete the price list.		

- 3.7 As part of the tender response, Tenderers were requested to submit rates for years 1, 2 and 3. On the anniversary of each year the Contractor can enter into negotiations with the Council in line with market inflation rates.
- 3.8 It is recommended that the contract is awarded to Mac Asphalt Ltd, who based on evaluation, have provided the most economically advantageous tender.
- 3.9 Community Benefits were requested as part of this Contract and, Mac Asphalt Ltd has offered the following Community Benefits during this Contract:

Description	Quantity
Modern Apprenticeships	1
Jobs (Unemployed)	1
Work Experience Placements (14-16 years)	1
S/NVQ's or equivalent for Existing Employees	1

Implications of the Report

1. Financial

Financial costs in respect of this Contract will be met from the Community Resources revenue budget

The financial status of Mac Asphalt Ltd has been assessed by undertaking a Dun and Bradstreet evaluation and it is confirmed that the company satisfies the Council's requirements in relation to financial stability.

2. HR and Organisational Development

None.

3. Community Planning

Safer and Stronger

Renfrewshire Council has a statutory obligation under the Roads (Scotland) Act 1984 for the provision and maintenance of roads and footways.

4. Legal

The tendering procedures for the establishment of this contract were in accordance with Renfrewshire Council's Standing Orders Relating to Contracts for above EU Threshold Services contracts

5. Property

This contract will ensure that the Council's roads infrastructure is properly maintained and safe for public use

6. Information Technology

None

7. Equality & 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. 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.

8. Health and Safety

Mac Asphalt Ltd's health and safety submission has been evaluated by Corporate Health & Safety and meets the minimum requirements regarding health and safety.

9. Procurement

As detailed in the report, the procurement procedures outlined within this report ensure that the Council meets its statutory requirements in respect of the EU regulatory requirements, the Council Standing Orders Relating to Contracts and the Council's Financial Regulations.

10. Risk

Mac Asphalt Ltd insurances have been assessed and evaluated to confirm that they meet the minimum requirement regarding risk.

11. Privacy Impact

N/A