
To: Procurement Sub Committee

On: 11 November 2015

**Joint Report
by
The Chief Executive and Director of Development & Housing Services**

Heading:

Contract Authorisation Report For

Quantity Surveyor/Clerk of Work Services For New Build Social Housing (Johnstone Castle And Dargavel Village, Bishopton)

RC1507_4524_ITT9437

1. Summary

- 1.1 The purpose of this report is to obtain authorisation from the Procurement Sub Committee to enter into a service contract for Quantity Surveyor/Clerk of Works Services for New Build Social Housing projects at Johnstone Castle and Dargavel Village, Bishopton sites.
 - 1.2 Appointment of a contractor lot two – Dargavel Village, Bishopton is subject to the completion of due diligence to the Council's satisfaction on the prospective sites and therefore will be dependent on the successful transfer of land to the Council.
 - 1.3 The projects under this Contract form part of the Strategic Housing Investment Plan (SHIP) for Renfrewshire Council.
 - 1.4 CPU and Housing Services discussed and agreed the Contract Strategy for this requirement including approach to market in June 2015 prior to the issue of the Invitation to Tender at their regular procurement meetings. The Contract Strategy has been documented and signed off retrospectively.
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2. Recommendations

2.1 It is recommended for Lot one (Johnstone Castle) that the Procurement Sub Committee:

- a) Authorise the Head of Corporate Governance to award the Contract, both Lot one (Johnstone Castle) and Lot two (Dargavel Village, Bishopton) for the Quantity Surveyor/Clerk of Works Services for New Build Social Housing (Johnstone Castle and Dargavel Village, Bishopton), RC1507_4524_ITT9437, to Reid Associates (Partnership), subject the transfer of land being successful;
- b) Note that spend under this Contract is anticipated to be in the region of £202,405, anticipated breakdown per lot noted below;

Lot One: Johnstone Castle - £102,942.50

Lot Two: Dargavel Village, Bishopton - £99,462.50

This estimated spend is based on the rates tendered in line with the RIBA Plan of Work 2013 stages.
- c) The Contract is anticipated to commence in December 2015, or alternatively as confirmed in the Letter of Acceptance. The current programme shows construction commencing in September 2016 with completion in March 2018.

3. Background

- 3.1 The Strategic Housing Investment Plan (SHIP) identifies key projects that will be delivered within Renfrewshire over the coming years. Johnstone Castle and Dargavel Village, Bishopton are just two of the sites that have been identified for projects that will create new affordable social housing in the Renfrewshire area. Both of which include the development of 100 new homes each.
- 3.2 This report relates only to the contract award for the Quantity Surveyor/Clerk of Works Services for these new build social housing projects. A separate tender process has been undertaken for the Lead Consultancy and Design Team Services.
- 3.3 Both project objectives for the new build social housing initiative comprise of:
 - Supporting the delivery of the Strategic Housing Investment Plan and Local Housing Strategy by providing good quality new affordable housing to meet identified needs.

- To provide a mix of social rented housing within both the Johnstone and Bishopton area, to meet need and demand.
- 3.4 The land transfer process is still in progress progress for lot two – Dargavel Village, Bishopton. It is expected that this will conclude by December 2015, satisfying the Council's due diligence criteria.
- 3.5 This contract was tendered in accordance with the Council's Standing Orders Relating to Contracts over EU Threshold Open Procedure (Services) and Public Contracts (Scotland) Regulations 2012, as amended .
- 3.6 A contract notice was published on the Public Contracts Scotland advertising portal and the Official Journal of the European Union (OJEU) on 30 July 2015. Twenty contractors expressed an interest in the tender, with five contractors submitting a response by the deadline for submissions of 12 noon on 9 September 2015. All five contractors bid for both lots.
- 3.7 The five tender submissions were evaluated by representatives from Corporate Procurement, Corporate Insurance, Health & Safety and Development & Housing Services against pre-determined criteria which assessed competence, experience, capacity and customer focus.
- 3.8 All five tenders were evaluated against a set of award criteria which was based on a price / quality ratio of 40% / 60%. Each Lot was evaluated separately.
- 3.9 For Lot One – Johnstone Castle, the scores relative to the award criteria of each tenderer are as follows:

Company	Final Technical Score	Final Commercial Score	Total Score	Total Ranking
Reid Associates (Partnership)	42.30	38.84	81.14	1
MB Langmuir & Hay (UK) Ltd	38.70	40.00	78.70	2
Brown + Wallace	42.30	34.43	76.73	3
Hardies LLP t/a Hardies Property & Construction Consultants	35.10	27.16	62.26	4
Pick Everard	34.20	26.66	60.86	5

- 3.10 For lot one – Johnstone Castle Reid Associates provided the most economically advantageous tender.
- 3.11 For lot two – Dargavel Village, Bishopton, the scores relative to the award criteria of each tenderer are as follows:

Company	Final Technical Score	Final Commercial Score	Total Score	Total Ranking
Reid Associates (Partnership)	42.30	40.00	82.30	1
MB Langmuir & Hay (UK) Ltd	38.70	39.80	78.50	2
Brown + Wallace	42.30	35.83	78.13	3
Pick Everard	34.20	29.80	64.00	4
Hardies LLP t/a Hardies Property & Construction Consultants	35.10	28.60	63.70	5

3.12 For lot two Dargavel Village, Bishopton Reid Associates provided the most economically advantageous tender.

3.13 The estimated cost for this Contract will be accommodated within the approved budget.

3.14 100% of the tendered fee will be made on a staged payment basis, with payment being made once pre-set milestones have been reached and satisfied. Pre-set milestones have been laid out in the Invitation to Tender. Stages are defined by the RIBA Plan of Work 2013.

3.15 Community Benefits were sought in this contract and Reid Associates have noted the following approach to achieving community benefits in their submission;

- Work with Gateway Work Experience Services (represents Renfrewshire Council and various other council's) to offer work experience placements for school pupils in their fourth year at secondary school.

Implications of the Report

1. Financial

The financial stability of Reid Associates has been assessed as part of the evaluation procedure and met with the Council's minimum requirements for this contract.

Reid Associates' financial stability will be monitored over the period of the contract.

It is anticipated the project will be part funded by Scottish Government grant finance through the Affordable Housing Supply Programme. The remainder of the funding for the Council new build is being funded from the HRA.

2. HR & Organisational Development

N/A

3. Community Planning

N/A

4. Legal

The tendering procedures for the establishment of this contract were in accordance with Renfrewshire Council's Standing Orders Relating to Contracts for over EU Threshold Services contracts and the Public Contracts (Scotland) Regulations 2012, as amended.

Break clauses are contained with the Contract Terms and Conditions to mitigate any risk should there be any issues that arise prior to the transfer of land.

5. Property Assets

The land transfer for progress for lot two – Dargavel Village, Bishopton has yet to be formalised. Property Services and Community Resources are currently working alongside BAE Systems to ensure the site's meet our standards. As per section 75 of the agreement with BAE Systems, they are obliged to meet our requirements.

It is anticipated that the land transfer will be formalised by December 2015.

6. Information Technology

N/A

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 & Safety

Reid Associates' health and safety submission was evaluated by Corporate Health and Safety as part of the assessment of qualification questionnaires and met the Council's minimum requirements regarding health and safety for this contract.

Corporate Health and Safety have requested that the Housing department closely monitor the works and ensure appropriate Risk Assessments and Method Statements are completed during the contract period as Corporate Health and Safety would like to review these to ensure they satisfy Renfrewshire Council's standards.

9. Procurement

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

10. Risk

Reid Associates' insurances have been assessed and evaluated to confirm that they have met the minimum requirements regarding risk.

11. Privacy Impact

N/A

List of background papers

(1) None

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