

To: Procurement Sub Committee

On: 29th March 2017

**Joint Report
by
Chief Executive and Director of Community Resources**

**Contract Authorisation Report
Underwood Road Depot Refurbishment**

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub Committee to enter into a Standard Building Contract with Quantities for use in Scotland (SBC/Q/Scot (2011 edition)) for the refurbishment and improvement works to be carried out at Underwood Road Depot in Paisley.
 - 1.2 The works have been tendered in accordance with Councils Standing Orders relating to Contracts 2016.
 - 1.3 A Contract Strategy was approved by the Strategic Commercial and Procurement Manager and Director of Community Resources in November 2016.
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2. Recommendations

- 2.1 It is recommended that the Procurement Sub-Committee authorise:
 - 2.1.1 The Head of Corporate Governance to award a contract for the works relating to the Refurbishment and Improvements to Underwood Road Depot (RC/OC/222/17) in Paisley to Project Management & Construction Limited.
 - 2.1.2 The Contract Value is up to £1,807,317.43 excluding VAT.

2.1.3 The contract is anticipated to commence on site on the 15th May 2017 or as stated in the Council's Letter of Acceptance with the construction works completed on 1 December, 2017.

3. Background

- 3.1 The works involved form part of the Council's Depots Rationalisation Strategy, as approved by the Council in October 2014, to centralise the depot function across the Renfrewshire area. These works will allow staff to relocate from Clark Street, improve the current condition of existing buildings at Underwood Road, including significant improvements to employee welfare facilities and the creation of a new central salt store at the Underwood Road depot.
- 3.2 The works to be carried out under the Contract will be the over cladding of Unit 3 and Unit 4, Refurbishment of Unit 5, resurfacing of external areas and construction of a new salt store.
- 3.3 Throughout the duration of the works contract all services based from the Underwood Road Depot will continue to be fully operational. There will be no impact to the operation of the Household Waste Recycling Centre at Underwood Road.
- 3.4 In addition to the works described in 3.2 above a separate contract will be awarded for the supply, delivery and erection of new welfare facilities and office accommodation in the form of a new modular building.
- 3.5 The Contract was tendered in accordance with the Council's Standing Orders relating to Contracts 2016 as an open tender for Works under EU threshold. A Contract notice was published on Public Contracts Scotland on 2 February 2017 with access to the Tender Documents through the Public Contract Scotland Tenders Portal.
- 3.6 During the tender period twelve suppliers accessed the tender documents with three Suppliers submitting tenders for the Works by the deadline of mid day on 6 March 2017.
- 3.7 Tender submissions received were evaluated against the pre-determined award criteria of 55% Price and 45% Quality. The commercial evaluation was carried out by representatives from Binnie McKenzie Partnership (the project Quantity Surveyor) and CPU with the quality evaluation being carried out by representatives from Community Resources and Project Management Unit.
- 3.8 In addition to the desktop evaluation carried out, the three tenderers were invited to attend post tender clarification meetings to ensure a full understanding of their proposal.
- 3.9 The result of the evaluation is shown in table 1 below:

Table 1:

	Project Management & Construction Limited	City Gate Construction (Scotland) Limited	Luddon Construction Limited
Price	55%	42.21%	36.94%
Quality	32.3%	22.55%	28.6%
Total	87.3%	64.67%	65.54%

- 3.10 The tender from Project Management & Construction Limited represents the best value and most economically advantageous tender.
- 3.11 The cost of £1,807,317.43 for the Works will be funded from the Community Resources capital budget for 2017/18.
- 3.12 During the Works the depot and the household recycling centre at Underwood Road will remain operational.
- 3.13 As part of this tender Project Management & Construction Limited have committed to the delivery of the community benefits, listed in table 2 during the delivery of this contract:

Table 2

Description	Quantity
Work Experience Placements (14 - 16 years of age)	4
Work Experience Placements (16 + years of age)	2
Work Experience Placement Graduate	2
School Mentoring or Enterprise Programme	4
Site Visit	4
S/NVQ (Or equivalent) / Vocational training	1
Supply Chain Briefings with SME's including micro businesses	2
Non financial support for a Community Project	2

Implications of this report

1. Financial Implications

The financial status of Project Management & Construction Limited was assessed as part of the evaluation process and met with the Council's minimum requirements for this contract.

2. HR and Organisational Development

The refurbishment of Underwood Road and relocation of Building Services from Clark Street has been discussed with relevant Trade Unions and workplace meetings have taken place with relevant employee groups.

3. Community Plan/Council Plan Implications

Project Management & Construction Limited has a commitment to deliver a number of community benefits under this contract as detailed in table 2 of this report. The works under this contract will also have overarching benefits:

Developing our Organisation

- The refurbishment of the depot at Underwood Road will ensure that the Council is significantly investing in our own assets rather than leased facilities and can be future proofed for future service change.

4. Legal Implications

The Tendering process has been carried out under the Council's Standing Orders relating to Contracting 2016 for Contracts below EU Threshold for Works.

5. Property Implications

The works covered by the Contract will improve the current environment of the Underwood Road Depot.

6. Corporate services Implications

None

7. Equal Opportunities Implications

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.

8. Health and Safety Implications

Project Management and Construction Limited's health and safety submission will be evaluated by Renfrewshire Council's Health and Safety section to confirm they meet the minimum requirements regarding health & safety prior to contract award.

9. Procurement Implications

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

10. Risk Implications

Insurance levels were provided by Corporate Risk and insurance certification will be checked prior to contract award.

11. Privacy Impact

None

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