

**To:** Finance, Resources and Customer Services Policy Board

**On:** 5 September 2018

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**Report by:** Joint Report by Chief Executive and Director of Communities, Housing and Planning Services

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**Heading:** Contract Award: Drainage Maintenance Works for Council Properties (RC-CPU-17-088)

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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 Measured Term Contract to undertake Drainage Maintenance Works for Council Properties (RC-CPU-17-088) to EEG Utilities Ltd.
  - 1.2. The recommendation to award a Measured Term Contract follows a procurement process conducted via an Open Tender procedure in accordance with the Councils Standing Orders Relating to Contracts for below Regulated Threshold Works Contracts.
  - 1.3. A Contract Strategy was approved by the Head of Planning and Housing Services and the Strategic Procurement Manager on the 16<sup>th</sup> April 2018.
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## 2. **Recommendations**

2.1 It is recommended that the Finance, Resources and Customer Services Policy Board authorise:

- (a) the Head of Corporate Governance to award a Measured Term Contract for Drainage Maintenance Works for Council Properties (RC-CPU-17-088) to EEG Utilities Ltd;
- (b) the award of a Measured Term Contract up to a total contract value of £1,000,000.00 excluding VAT for the Contract Period (initial and both extension periods); and
- (c) the contract period of three (3) years with the option to extend on two (2) separate occasions for a period of twelve (12) months on each occasion. The anticipated date of commencement to be 01 October 2018. The actual starting date will be confirmed in the Council's Letter of Acceptance to EEG Utilities Ltd.

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## 3. **Background**

3.1 The Council wish to appoint a suitably experienced Drain Maintenance/Repair Contractor to provide drain maintenance and repair services for sub-surface (below ground) drainage systems. The works include the provision of drain maintenance/repair services, diagnostic analysis, unblocking, flushing, jetting, CCTV surveys, vactor cleaning, excavation/disposal, reinstatement of footpaths/highways, traffic management (where required) to Renfrewshire Council's housing stock.

3.2 Communities, Housing and Planning Services are responsible for providing effective and best practice estate management and housing maintenance services which ensure that the Council meets its statutory and regulatory obligations as a landlord, whilst meeting the needs of its tenants and maximising the amount of rental income collected, ensuring that available houses are let quickly and efficiently.

- 3.3 The works required over the contract period cannot be foreseen as they are mostly reactive works. The majority of drainage repairs are carried out by Building Services, however, there are occasions where more complex drainage works require to be outsourced to a suitably experienced contractor with access to specialist equipment. The purpose of this contract is to provide the professional service for these more complex drainage situations.
- 3.4 A contract notice for the tender for these drainage works was published on the Public Contracts Scotland advertising portal on 29<sup>th</sup> May 2018 with the tender documentation available for downloading from the Public Contracts Scotland – Tender platform.
- During the tendering live period nineteen (19) companies expressed an interest in the Contract. By the closing date set (12 noon, 12<sup>th</sup> June 2018) for return of electronic tender submissions three (3) companies submitted a tender response.
- 3.5 All three (3) tender submissions were evaluated against a pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) by representatives from Housing Services, the Corporate Procurement Unit, Corporate Risk and Corporate Health and Safety.
- 3.6 All three (3) tender submissions complied with the minimum selection criteria of the ESPD and progressed to evaluation of Quality Criteria which was based on a weighting of 30% Quality 70% Price.
- 3.7 The scores relative to the award criteria for each of the tender submissions are noted below:

		<b>Quality (30%)</b>	<b>Price (70%)</b>	<b>Total (100%)</b>
<b>1</b>	<b>EEG Utilities Ltd</b>	21.00%	70.00%	<b>91.00%</b>
<b>2</b>	<b>Lanes Group PLC</b>	25.50%	53.02%	<b>78.52%</b>
<b>3</b>	<b>John McGeady Ltd</b>	22.00%	53.33%	<b>75.33%</b>

- 3.8 The evaluation of tender submissions received identified that the tender submission by EEG Utilities Ltd was the most economically advantageous to the Council.
- 3.9 Community Benefits were requested as part of the procurement process and EEG Utilities Ltd confirmed that the following Community Benefits would be made available to the Council for this Contract:

Community Benefit Description	No of People / Activity
New Entrant	8
Apprenticeship	2
Careers Event	2
S/NVQ (or equivalent) for an existing employee	4
S/NVQ (or equivalent) for new entrants	2
Meet the buyer events	2
Financial Support for a Community Project	1
Non financial support for a Community Project	1

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### Implications of the Report

1. **Financial** – The cost for this Measured Term Contract will be met through the Housing Revenue Account Repair & Maintenance budget.
2. **HR & Organisational Development** - No TUPE implications have arisen or are anticipated.
3. **Community/Council Planning –**
  - Building strong, safe and resilient communities – Improving housing conditions benefiting tenants and private owners
  - Tackling inequality, ensuring opportunities for all – improving housing conditions for both tenants and owners

- Creating a sustainable Renfrewshire for all to enjoy – EEG Utilities Ltd has committed to deliver numerous Community Benefits as detailed within section 3.10 of this report.

4. **Legal** - The procurement of this measured term contract has been conducted as a Below Regulated Threshold Open Competition Procurement Procedure in accordance with the Council's Standing Orders relating to Contracts.
5. **Property/Assets** - By awarding this measured term contract, the Council will have the ability to carry out complex drainage repairs on a reactive basis which will improve the quality of its housing stock.
6. **Information Technology** - No Information Technology implications have arisen or are anticipated.
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 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 & Safety** - EEG Utilities Ltd health and safety credentials were evaluated by Corporate Health and Safety and met the Council's minimum requirements regarding health and safety.
9. **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.

10. **Risk** - EEG Utilities Ltd insurances have been assessed and evaluated to confirm that they have met the minimum requirements regarding insurable risk.
11. **Privacy Impact** - No Data Protection Impact Assessment (DPIA) is required for this contract, as this does not involve new technologies or other ways of processing personal data. However, the contract will be GDPR compliant as due to the fact that there may be a requirement for EEG Utilities Ltd to handle tenants details, a Data Processor Agreement has been included as a requirement of this contract. EEG Utilities Ltd have confirmed compliance with the form of the Data Processor Agreement and have committed to sign the agreement prior to the award of the contract
12. **Cosla Policy Position** – No Cosla Policy Position implications have arisen or are anticipated

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**Author:** Graeme Clark, Senior Procurement Specialist, Corporate Procurement Unit, Tel: 0141 618 7189

**Endorsed By:** Laura Gillan, Strategic Commercial Category Manager, Corporate Procurement Unit, Tel: 0141 618 7464