

To: Finance, Resources and Customer Services Policy Board

On: 4 September 2019

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

Heading: Contract Award: Johnstone South West, New Build Council Housing
(RC-CPU-18-280)

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 works Contract for Johnstone South West (SW) New Build Housing (RC-CPU-18-285) to McTaggart Construction Limited.
 - 1.2 The recommendation to award the Contract follows a procurement exercise which was conducted in accordance with the Restricted Procedure of the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders Relating to Contracts.
 - 1.3 A Contract Strategy was approved by the Strategic Commercial & Procurement Manager and the Head of Planning and Housing Services on 28 November 2018.
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2. **Recommendations**

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

- (a) authorise the Head of Corporate Governance to award a Design and Build Contract for Johnstone SW, New Build Housing (RC-CPU-18-280) to McTaggart Construction Limited;
 - (b) authorise the award of this Contract in the Sum of £6,086,648.37 excluding VAT;
 - (c) note the anticipated date of award is 9th October 2019, there will be a 32 week allowance for design and 52 weeks for construction. If there are any changes to these planned dates these will be confirmed in the Council's Letter of Award; and
 - (d) note the award of this Contract is subject to the provision of Collateral Warranties as indicated within the tender documentation.
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3. Background

- 3.1 The aim of the project is to provide high quality newbuild housing for social rent from the Council to meet housing need. This contract is to appoint a suitable and experienced Contractor to carry out the design and construction of 39 new build homes for rent from the Council at Auchengreoch Road Johnstone.
- 3.2 The project will provide a good opportunity to secure local community benefits such as employability, supply chain development and community engagement for the duration of the Contract. This Contract is being supported by the Council's Development and Housing Services, as part of Renfrewshire Council's housing new build programme and the Strategic Housing Investment Plan (SHIP) for Renfrewshire.
- 3.3 The Contract was tendered using the two-stage Restricted Procedure. The contract notice was published in the Official Journal of the European Union on 29 November 2018 with the Invitation to Participate (ITP) documents available for download from the Public Contracts Scotland – Tender portal.
- 3.4 During the ITP (stage 1), fourteen (14) companies expressed an interest. By the tender return date, 29 January 2019 at 12 noon, six (6) companies submitted a Request to Participate (RTP).
- 3.5 All six (6) RTP submissions were evaluated against a set of pre-determined criteria in the form of the European Single Procurement Document (ESPD) by representatives from Development and Housing Services and the Council's Corporate Procurement Unit. All six (6) RTP

submissions satisfied the Council's minimum requirements within the ESPD selection criteria.

3.6 As part of the selection process and to reduce the number of candidates, in this case to five (5) and in accordance with the Public Contracts (Scotland) Regulations 2015 Regulation 66, candidates had to respond to six (6) questions about their previous experience in context of their application.

3.7 The responses to those six (6) questions from each of the six (6) RTP submissions, were evaluated by a panel formed of employees from the Council's Communities Housing and Planning Services and the top five (5) candidates were selected for stage 2 Invitation to Tender (ITT). The selection score for each Candidate within the RTP stage 1 is noted below:

		Selection (100%)
1	Stewart and Shields Limited	94.50%
2	Cruden Building & Renewals Limited	93.00%
3	McTaggart Construction Limited	93.00%
4	Clark Contracts Limited	92.00%
5	Engie Regeneration Limited	90.50%
6	Mears Limited	79.00%

3.8 The ITT documentation was made available to download by the five (5) selected candidates via the Public Contracts Scotland – Tender portal on 18 April 2019. By the closing date, 12 noon on 20 June 2019, four (4) of the five (5) companies had submitted a response.

3.9 All four (4) tender submissions were evaluated against the published Award Criteria, based on a weighting of 55% Quality and 45% Price. The scores relative to the Award Criteria for each tenderer are noted below:

		Quality (55%)	Price (45%)	Total (100%)
1	McTaggart Construction Limited	48.50%	45.00%	93.50%
2	Clark Contracts Limited	48.00%	40.02%	88.02%
3	Engie Regeneration Limited	39.50%	40.95%	80.45%
4	Stewart and Shields Limited	33.50%	41.31%	74.81%

3.10 The evaluation of tender submissions received identified that the submission by McTaggart Construction Limited was the most economically advantageous tender submission.

3.11 The costs for this project will be partly met by grant funding from the Scottish Government (as provided for in Renfrewshire's Strategic Housing Investment Plan 2019/20 – 2023/24 and draft Strategic Housing Investment Plan 2020/21- 2024/25) and partly from the Council's Housing Revenue Account Capital Investment Plan.

3.12 Community Benefits were sought as part of this contract, McTaggart Construction Limited have committed to deliver the following Community Benefits under this Contract:

Community Benefit Description	No of People / Activity
Job for an unemployed individual from a Priority Group	2
Job for an unemployed individual	1
Work Experience Placement for an individual 16+ years of age	5
Work Experience Placement for an individual aged 14 to 16 years of age	5
S/NVQ (or equivalent) for a New Employee, or Existing Employee or Supply Chain Employee	2
Industry Awareness Events • Schools • Invest in Renfrewshire – Employability • Further Education	2
Industry Skill Transfer to Schools	2
Work Experience Placement for an individual aged 14 to 16 years of age	2
Business advice/support to an SME /Social Enterprise/ Voluntary organisation	3
Event to promote supply chain opportunities	1
Non financial support for a Community Project	2

Implications of the Report

1. **Financial** – The cost of the project will be met partly by grant funding from the Scottish Government and partly from the Council's Housing Revenue Account Capital Investment Plan.
2. **HR & Organisational Development** – No TUPE implications.
3. **Community/Council Planning** –
 - Our Renfrewshire is fair - Tenderers were assessed within this procurement process in regard to their approach to ensuring fair working practices throughout their organisation and supply chain i.e. payment of the living wage, training and development opportunities.
 - Creating a sustainable Renfrewshire for all to enjoy – McTaggart Construction Limited has committed to deliver a number of Community Benefits as detailed within section 3.11 of this report.
4. **Legal** – The procurement of this Contract was conducted in accordance with the Public Contracts (Scotland) Regulations 2015 Restricted Procedure and the Council's Standing Orders relating to Contracts for above EU threshold Works.
5. **Property/Assets** – The contract will provide the design and construction of 39 new build homes within the Johnstone SW area for social rent.
6. **Information Technology** – No Information Technology implications are anticipated.
7. **Equality & Human Rights** -
 - (a) 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** – McTaggart Construction Limited's 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 procedure outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.

10. Risk – McTaggart Construction Limited's insurances were evaluated by Corporate Risk and met the Council's minimum requirements regarding insurable risk.

11. Privacy Impact – No Privacy Impact implications have been identified or are anticipated.

12. Cosla Policy Position – No Cosla Policy Position implications have arisen or are anticipated.

13. Climate Risk - None

List of Background Papers

(a) Not Applicable

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