

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

**On:** 4 September 2019

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

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**Heading:** Contract Award: Ferguslie Park New Build Council Housing (RC-CPU-19-067)

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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 Works Contract for Ferguslie Park New Build Council Housing (RC-CPU-19-067) to A S Homes (Scotland) Limited.
  - 1.2 The recommendation to award the Contract follows a procurement exercise which was conducted in accordance with the Public Contracts (Scotland) Regulations 2015 Restricted Procedure and Council's Stranding Orders relating to Contracts for above EU threshold Works Contracts.
  - 1.3 A Contract Strategy was approved by the Strategic Procurement Manager and the Head of Planning and Housing Services on 29 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 the Ferguslie Park New Build Housing (RC-CPU-19-067) to A S Homes (Scotland) Limited;
  - (b) authorise the award of a Contract in the Sum of £13,220,000.05 excluding VAT;
  - (c) note the anticipated date of award is 9th October 2019, there will be a 32 week allowance for design and 78 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 in line with the housing investment strategy for the Tannahill Area in Ferguslie Park by the Communities, Housing and Planning Services Policy Board on 30 October 2018.
- 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 Communities, Housing and Planning Services as part of Renfrewshire Council's housing new build programme and the Strategic Housing Investment Plan (SHIP) for Renfrewshire.
- 3.3 This Works Contract consist of the design and build construction of up to 101 new build social housing properties for the Council together with associated landscaping and infrastructure works within Ferguslie, Paisley.
- 3.4 The Contract was tendered using the two-stage Restricted Procedure. The contract notice was published in the Official Journal of the European Union on 6 June 2019 with the Invitation to Participate documents available for download from the Public Contracts Scotland – Tender portal.
- 3.5 During the Invitation to Participate (ITP) stage (stage 1), twenty (20) companies expressed an interest. By the tender return date of 8 July

2019 at 12 noon, five (5) companies submitted a Request to Participate (RTP).

- 3.6 All five (5) submissions were evaluated against a set of pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) by representatives from Communities, Housing and Planning Services and the Council's Corporate Procurement Unit. All five (5) Request to Participate submissions satisfied the Council's minimum requirements within the ESPD selection criteria.
- 3.7 As part of the selection process and to ensure that all selected candidates had appropriate capacity and capability to carry out the Ferguslie Park New Build Housing development, 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.
- 3.8 The responses to those six (6) questions from each of the five (5) RTP submissions were evaluated by a panel formed of employees from the Council's Communities, Housing and Planning Services and all five (5) candidates were selected for Invitation to Tender (stage 2). The selection score for each Candidate within the RTP is noted below:

		<b>Selection (100%)</b>
<b>1</b>	<b>A S Homes (Scotland) Limited</b>	97.50%
<b>2</b>	<b>McTaggart Construction Limited</b>	93.00%
<b>3</b>	<b>Clark Contracts Ltd</b>	92.00%
<b>4</b>	<b>Engie Regeneration Limited</b>	92.00%
<b>5</b>	<b>Mears Limited</b>	79.00%

- 3.9 The Invitation to Tender (stage 2) documentation was made available to download by the five (5) selected candidates via the Public Contracts Scotland – Tender portal on 17 July 2019. By the closing date, 12 noon on the 13 August 2019, each of the five (5) companies had submitted a tender submission.
- 3.10 These 5 tender submissions were evaluated against the published Award Criteria which was based on a weighting of 55% Quality and

45% Price. The scores relative to the Award Criteria for each tenderer are noted below:

		<b>Price (45%)</b>	<b>Quality (55%)</b>	<b>Total (100%)</b>
<b>1</b>	<b>A S Homes (Scotland) Limited</b>	45.00%	36.40%	81.40%
<b>2</b>	<b>Mears Limited</b>	43.80%	30.80%	74.60%
<b>3</b>	<b>McTaggart Construction Limited</b>	37.24%	36.00%	73.24%
<b>4</b>	<b>Engie Regeneration Limited</b>	36.24%	36.00%	72.24%
<b>5</b>	<b>Clarks Contracts Ltd</b>	20.69%	37.20%	57.89%

- 3.11 The evaluation of tender submissions received identified that the submission by A S Homes (Scotland) Limited was the most economically advantageous tender submission.
- 3.12 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.
- 3.13 Community Benefits were sought as part of this contract, A S Homes (Scotland) Limited have committed to deliver the following under this Contract:

<b>Community Benefit Description</b>	<b>No of People / Activity</b>
<b>Job for an unemployed individual from a Priority Group</b>	1
<b>Modern Apprenticeship</b>	1
<b>Work Experience Placement for an individual 16+ years of age</b>	2
<b>Work Experience Placement for an individual aged 14 to 16 years of age</b>	10
<b>Industry Awareness Events</b> <ul style="list-style-type: none"> <li>• Invest in Renfrewshire – Schools Employability</li> <li>• Further Education</li> </ul>	2
<b>Industry Skill Transfer to Schools.</b>	2
<b>Event to promote supply chain opportunities</b>	1

<b>Financial Support for a Community Project</b>	2
<b>Non financial support for a Community Project</b>	2

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## Implications of the Report

1. **Financial** – The financial status of A S Homes (Scotland) Limited was assessed by undertaking a Dun and Bradstreet evaluation and it confirmed that the company satisfied the Council's requirements in relation to financial stability. A S Homes (Scotland) Limited's accounts were also reviewed by Renfrewshire Council's Finance department to ensure they were deemed financially robust to contract with, due to just falling short of the requested turnover levels in the tender. It was concluded they were financially sound and should proceed through to the next tender stage.  
  
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 regarding their approach to ensuring fair working practices throughout their organisation and supply chain i.e. payment of the living wage, training and development etc.
  - Creating a sustainable Renfrewshire for all to enjoy – A S Homes (Scotland) Limited has committed to deliver the Community Benefits detailed in section 3.13 of this report.
4. **Legal** – The procurement of this Works contract was conducted in accordance with the Public Contracts (Scotland) Regulations 2015 Restricted Procedure and Council's Standing Orders relating to Contracts for above EU threshold Works contracts.
5. **Property/Assets** – The contract award will provide the design and construction of 101 new build homes within Ferguslie, Paisley 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** – A S Homes (Scotland) 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 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** – A S Homes (Scotland) Limited's insurances have been assessed and evaluated and confirm that they will meet the 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

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#### List of Background Papers

- (a) None
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