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**To: Procurement Sub Committee**

**On: Wednesday 08<sup>th</sup> June 2016**

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**Report by:**

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

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**Heading:**

**Contract Authorisation Report  
Carriageway Resurfacing Works 2016/2017**

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**1. Summary**

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub Committee to award a NEC3 Engineering and Construction Short Contract (April 2013) for Carriageway Resurfacing Works 2016/17.
  - 1.2 The Contract was tendered in accordance with the below EU Threshold Open Procedure for Works and the Council's Standing Orders Relating to Contracts.
  - 1.3 A Contract Strategy was prepared by the Corporate Procurement Unit and was approved by the Strategic Commercial & Procurement Manager and the Head of Amenity Services in March 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 the Contract for Carriageway Resurfacing Works 2016/17 to Mac Asphalt Ltd.
  - 2.1.2 The contract value is £453,466.93 excluding VAT.

2.1.3 The starting date is anticipated to be 05<sup>th</sup> July 2016 and the completion date is 31 weeks from the starting date. The starting date will be confirmed in the letter of acceptance.

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### 3. Background

- 3.1 The Council has a requirement for a suitably qualified and experienced contractor to carry out Carriageway Resurfacing Works at various locations within Renfrewshire Council's Road Network.
- 3.2 A Contract notice was published on the Public Contract Scotland advertising portal on 13<sup>th</sup> April 2016 with the tender documentation available for downloading from the Public Contract Scotland – Tender website. During the tendering period seventeen (17) companies expressed an interest in the contract. By the closing date set for return of electronic tenders, 12 noon 29<sup>th</sup> April 2016, eleven (11) companies submitted a response, one (1) decline to tender and five (5) did not respond.
- 3.3 This procurement exercise has been conducted in accordance with Renfrewshire Council's Standing Orders Relating to Contracts for contracts Below the EU Threshold for Works.
- 3.4 The eleven (11) electronic tender submissions received were evaluated by representatives from the Corporate Procurement Unit, Corporate Insurance, Health and Safety and Community Resources against pre-determined Bid Selection Criteria which assessed their capacity, experience and track record and their technical and financial capabilities.
- 3.5 All eleven (11) companies met the Bid Selection Criteria. Tender submissions were then evaluated against a set of award criteria which were based on a Price/Quality ratio of 70%/30%. The scores relative to the Award Criteria of each tenderer are as follows:

	Price (%)	Quality (%)	Total (%)
Mac Asphalt Ltd	64.28	29.55	<b>93.83</b>
J H Civil Engineering Ltd	70.00	22.05	<b>92.05</b>
Finco Contracts Ltd	64.71	26.65	<b>91.36</b>
MacLay Civil Engineering Ltd	58.10	27.45	<b>85.55</b>
Newlay Civil Engineering Ltd	62.10	21.90	<b>84.00</b>
Hillhouse Quarry Group Ltd	51.71	28.60	<b>80.31</b>
Luddon Construction Limited	47.64	27.25	<b>74.89</b>
R&S Plant Limited	50.92	23.05	<b>73.97</b>
Hamilton Tarmac Limited	47.66	26.05	<b>73.71</b>
John McGeady Ltd	33.68	29.00	<b>62.68</b>
Caley Construction Ltd	35.28	26.35	<b>61.63</b>

- 3.6 The evaluation of tenders received identified that the tender submitted by Mac Asphalt Ltd is the most economically advantageous.

- 3.7 The pre tender estimate for this project was £460,000.00; based on the price submitted by Mac Asphalt Ltd this represents a non cashable saving of £6533.07 (1.4%). The financial costs in respect of this contract will be met by the Community Resources Capital Budget for Financial Year 2016/17.
- 3.8 Community Benefits were requested as part of this Contract and, Mac Asphalt Ltd has offered the following Community Benefits:

Description	Quantity
Modern Apprenticeships	2
Jobs (Unemployed)	2
Work Experience Placements (16+ years)	1
Work Experience Placements (14-16 years)	1
Industry Awareness Days	1
Supply Chain briefings with SME's	1
S/NVQ's or equivalent for Existing Employees	1

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## Implications of the Report

### 1. Financial

The financial status of Mac Asphalt Ltd has been assessed by undertaking a Dun and Bradstreet evaluation and it is confirmed that the company satisfies the Council's requirements in relation to financial stability.

### 2. HR & Organisational Development

N/A

### 3. Community Planning

None

### 4. Legal

The tendering procedures for the establishment of this contract were in accordance with Renfrewshire Council's Standing Orders Relating to Contracts for below EU Threshold Works contracts

### 5. Property/Assets

N/A

### 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**

Mac Asphalt Ltd's health and safety submission has been evaluated by Corporate Health & Safety and meets the minimum requirements regarding health and safety.

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**

Mac Asphalt Ltd insurances have been assessed and evaluated to confirm that they meet the minimum requirement regarding risk.

11. **Privacy Impact**

N/A

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**List of Background Papers**

None

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