

To: Procurement Sub Committee

On: 11 March 2015

**Joint Report
By
Director of Finance and Resources and Director of
Development and Housing Services**

**Contract Authorisation Report
Measured Term Contract for a Back-Up Contractor for Site Works,
Ground Works, Drainage and External Works**

1. Summary

- 1.1 The purpose of this contract authorisation report is to seek the approval of the Procurement Sub Committee to award a Measured Term Contract (MTC) for a Back-Up Contractor for Site Works, Ground Works, Drainage and External Works to City Gate Construction (Scotland) Limited.
- 1.2 This procurement exercise has been conducted in accordance with the below EU Threshold Open Procedure (Works) and the Council's Standing Orders Relating to Contracts. A Contract Strategy was prepared by the Corporate Procurement Unit and agreed by the Procurement Manager and the Buildings Services Manager on 13 January 2015.
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2. Recommendations

- 2.1 It is recommended that the Procurement Sub Committee:

(a) Authorise the Head of Legal and Democratic Services to award the

contract for a MTC for a Back-Up Contractor for Site Works, Ground Works, Drainage and External Works, RC1501_3407(ITT6999), to City Gate Construction (Scotland) Limited for a ceiling value of £300,000 over the initial three year term, with a further ceiling of £200,000 based on the available extension options.

(b)Note that the initial term of the MTC shall be three years from the date of commencement, which is anticipated to be 31 March 2015, with an option to extend for a further 1+1 years.

3. Background

3.1 The Council has a requirement for a back up contractor to carry out works such as excavation, ground works and drainage on various properties/sites. Where demand for one of these specific trades outstrips in-house resources, the back-up contractor will be used.

3.2 This contract was tendered in accordance with the below EU Threshold Open Procedure (Works) and the Council's Standing Orders Relating to Contracts.

3.3 A contract notice was published on the Public Contracts Scotland advertising portal on 16 January 2015 with the tender documentation available for downloading from the Public Contracts Scotland – Tender website. The contract has been tendered under the Public Contracts (Scotland) Regulations 2012, as amended.

3.4 During the tendering period thirteen companies expressed an interest in the contract. By the closing date set for the return of electronic tenders, 12 noon on 2 February 2015, four companies submitted tenders, one company declined to tender and eight companies did not respond.

3.5 The four electronic tender submissions received were evaluated by representatives from the Corporate Procurement Unit, Corporate Insurance, Health & Safety and Development & Housing against pre-determined Bid Selection Criteria which assessed their capacity, experience & track record and their technical and financial capabilities.

3.6 One of the companies failed to meet the Bid Selection Criteria as they could not meet the scope of works and, therefore, were not considered further in the process. The remaining three companies which met the Bid Selection Criteria were evaluated against a set of Award Criteria. The Award Criteria was based on a Price /Quality/Community Benefits ratio of 70%/20%/10%. The scores relative to the Award Criteria of each tenderer are as follows:

3.7

	Price (70%)	Methodology and Approach (20%)	Community Benefits (10%)	Total
City Gate Construction (Scotland) Ltd	70%	12%	10%	92%
John McGeady Ltd	64.32%	16%	10%	90.32%
Brick and Steel Construction Company Ltd	52%	8%	10%	70%

3.8 It is recommended that the contract is awarded to City Gate Construction (Scotland) Limited, who is the most economically advantageous tenderer after evaluation.

3.9 The maximum value attributed to the contract under the three year term is a ceiling value of £300,000. There is an anticipated saving of £19,600 on year 1 of the contract.

3.10 City Gate Construction (Scotland) Limited have committed to delivery of the following community benefits:

- 1 permanent position;
- 2 young people from Barnados Youthbuild for the duration of the contract. This project equips disadvantaged young people within Renfrewshire with the skills, experience and contacts to access sustainable employment. It targets the construction industry and offers young people the opportunity to work on a live site with established building contractors and gives both on site and off site training; and
- Construct and install two benches in Renfrewshire.

Implications of the Report

1. Financial

The financial status of City Gate Construction (Scotland) Ltd has been assessed by undertaking a Dun and Bradstreet evaluation and it is confirmed that the company have satisfied the Council's requirements in relation to financial stability.

2. HR & Organisational Development

N/A

3. Community Planning

Community benefits have been offered a detailed in section 3.10 of this report.

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 and the Public Contracts (Scotland) Regulations 2012, as amended.
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**
City Gate Construction (Scotland) Limited's health and safety submission has been evaluated by Corporate Health & Safety and have met 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**
City Gate Construction (Scotland) Limited's insurances have been assessed and evaluated to confirm that they have met the minimum requirement regarding risk.
11. **Privacy Impact**
Not Applicable.

List of Background Papers

None

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