

To: Procurement Sub Committee

On: 3 June 2015

Report by: Director of Finance & Resources

Heading: Contract Authorisation: Installation of Biomass Boiler at Bridge of Weir Primary School RC1504_3822(ITT7799)

1. Summary

- 1.1 The purpose of this contract authorisation report is to seek the approval of the Procurement Sub Committee to award the contract for Installation of Biomass Boiler at Bridge of Weir Primary School, RC1504_3822(ITT7799), to Alternative Heat Ltd.
 - 1.2 This procurement exercise has been conducted in accordance with the Council's Standing Orders Relating to Contracts below the EU Threshold for Works.
 - 1.3 A Contract Strategy was signed off by the Procurement Manager and the Head of Property Services.
-

2. Recommendations

- 2.1 It is recommended that the Procurement Sub Committee authorise the Head of Corporate Governance to award the Contract for Installation of Biomass Boiler at Bridge of Weir Primary School, RC1504_3822(ITT7799), to Alternative Heat Ltd for a value of £304,545.15 excluding VAT.
- 2.2 The Installation Works are anticipated to start on 29 June 2014 for a duration of 11 weeks, however, the exact date shall be confirmed in the Council's Letter of Acceptance

- 2.3. After installation of the new Biomass Boiler the Contractor shall provide planned and reactive maintenance services and supply wood fuel for the new biomass boiler for a period of two years from the completion of the Installation Works (Maintenance Works and Supply). A one year's manufacturer's warranty shall also form part of the contract.

2 Background

- 3.1 From April 2011 responsibility for the management and maintenance of Council property and assets was transferred from the individual Service Departments to the centralised "Corporate Landlord" (CL). CL has identified the need for Renfrewshire Council primary schools to undergo boiler and heating system replacements and upgrading, with priority going to schools where the existing installations are coming to the end of their useful life.
- 3.2 In 2012 six primary schools had gas boiler replacement works and in 2013 three primary schools had gas boiler replacement work. Bridge of Weir Primary School is the first school to have boiler replacement works involving a biomass boiler. The installation of a biomass boiler will help the Council's long term commitment to reduce energy consumption and provide a carbon neutral system as the CO2 emissions from the present oil system are no longer sustainable. This will benefit the occupants of the primary school and the environmental considerations of the wider community.
- 3.3 A contract notice advertising the opportunity was published in the Public Contracts Scotland portal on 2 April 2015 with the tender documentation available for downloading from the Public Contracts Scotland – Tender website. The contract has been tendered in accordance with the Council's Standing Orders Relating to Contracts for below EU Threshold for Works.
- 3.4 During the tendering period twenty seven suppliers noted an interest in the contract. By the closing date set for the return of electronic tenders, 12 noon on 23 April 2015, seven suppliers submitted tenders, four declined to tender and sixteen did not respond.
- 3.4 The seven tender responses received were evaluated against a pre-determined set of Bid Selection Criteria by officers from the Corporate Procurement Unit; Property Services; Corporate Health and Safety and Corporate Risk. Two companies failed bid selection due to incomplete bids.
- 3.5 The five remaining companies which passed bid selection and were then evaluated against a set of Award Criteria which was based on a matrix of 65% price / 25% quality / 10% community benefits. The scores relative to the Award Criteria of each contractor are as follows:

	Price Score (65%)	Quality Score		Community Benefits (10%)	Total Score	Final Placing
		Methodology & Approach (15%)	Programme (10%)			
Alternative Heat Ltd	53.36%	15%	9%	9.3%	86.66%	1 st
Truedeal Building Services Ltd	65%	3%	5%	7.4%	80.40%	2 nd
Turnbull & Scott (Engineers) Ltd	40.54%	9%	9%	9.2%	67.74%	3 rd
Colloide Engineering Systems Ltd	39.81%	10.5%	8%	5.35%	63.66%	4 th
Emtec Group Ltd	43.37%	7.5%	7%	5.65%	63.52%	5 th

3.6 The evaluation of these tender submissions identified that the tender submitted by Alternative Heat Ltd was the most economically advantageous.

3.7 The spend under the contract is £304,545.15 which is in line with the estimated budget.

3.8 Community benefit proposals were sought as part of this procurement exercise and Alternative Heat Ltd has committed to delivery of the following community benefits:

Work Placements	
Work Experience Placements (16 + years of age)	1
Education Support Initiatives	
Workplace Visits	1
School Mentoring	1
Supply Chain Development Activity	
Supply Chain Briefings with SME's	1
Business support Social enterprises, Supported Businesses, Third Sector	3

Implications of the Report

1. Financial

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

2. HR & Organisational Development

Not applicable

3. Community Planning

Alternative Heat Ltd has committed to delivery of community benefits as detailed in point 3.8 of this report.

Greener

The installation of a biomass boiler will reduce the carbon footprint of the school and, therefore, Renfrewshire Council's carbon footprint is expected to reduce.

4. Legal

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

5. Property/Assets

In carrying out of this contract it will improve and provide more consistent heating within the school and will also improve energy utilisation and efficiency by using more modern and advanced boiler systems.

6. Information Technology

Not applicable

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

Alternative Heat Ltd's health and safety submission has been vetted by Renfrewshire Council's Corporate Health & Safety Section and has met the minimum requirements.

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

Corporate Risk vetted the indemnity provision held by Alternative Heat Ltd and have confirmed that it is satisfied the minimum requirements relative to this contract.

11. Privacy Impact

Not Applicable.

List of Background Papers

None

Author: Judith Hume, Procurement Specialist, tel no 0141 618 7028, judith.hume@renfrewshire.gov.uk.