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**To: Procurement Sub Committee**

**On: 11 November 2015**

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**Report by:**

**Joint Report  
by  
The Chief Executive and Director of Development & Housing Services**

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**Heading:**

**Contract Authorisation Report For  
Mini-Competition for Demolition Work – Johnstone Castle (Elm Drive)  
RC1509\_4768\_ITT9933**

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## **1. Summary**

- 1.1 The purpose of this report is to obtain authorisation from the Procurement Sub Committee to enter into a works contract for demolition works at Elm Drive, Johnstone Castle.
  - 1.2 A mini-competition was run from Lot 2 – Low Complexity Demolition of Renfrewshire Council's Framework for Demolition, reference RC1211\_572(ITT1178).
  - 1.3 The contract strategy, including the process for mini-competitions, was agreed by the Head of Property Services and the Head of Strategic Procurement in May 2012.
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## **2. Recommendations**

- 2.1 It is recommended that the Procurement Sub Committee:
  - a) Authorise the Head of Corporate Governance to award the Contract for Demolition Works at Johnstone Castle (Elm Drive), reference RC1509\_4768\_ITT9933, to JCJ (Demolition and Construction) Ltd;

- b) Note that spend under these contracts is anticipated to be in the region of £346,087.50.

- 2.2 This contract is anticipated to commence on 11 January 2016, or alternatively, on the date confirmed in the Letter of Acceptance, and be completed within 20 weeks of the start date.
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### **3. Background**

- 3.1 The Strategic Housing Investment Plan (SHIP) identified key projects that will be delivered within Renfrewshire over the coming years. Johnstone Castle is one of the sites that has been identified for projects that will create new affordable social housing in the Renfrewshire area, this will comprise of 100 new affordable homes being built.
- 3.2 Demolition of the current properties has to be carried out to accommodate for these new homes. This contract identifies house numbers 67-73 and 99-109 of Elm Drive for demolition.
- 3.3 This report relates only to the demolition works contract award for Johnstone Castle (Elm Drive). This contract states some of the homes within Elm Drive that are ready for demolition to allow the project to move forward. Separate tender processes have also been undertaken for the Lead Consultancy/Design Team Services and Quantity Surveyor/Clerk of Works Services at Johnstone Castle. Recommendations to award contracts for these other aspect of the projects also being presented to the Procurement Sub Committee at this meeting.
- 3.4 The overall project objectives for the new build social housing initiative, which this particular demolition work aligns with, comprise of:
- Supporting the delivery of the Strategic Housing Investment Plan and Local Housing Strategy by providing good quality new affordable housing to meet identified needs.
  - To provide a mix of social rented housing within the Johnstone area, to meet need and demand.
  - To drive community sustainability and maintain demand within the area.
- 3.5 This contract was tendered in accordance with the Public Contracts (Scotland) Regulations 2012, as amended and the Council's Standing Orders Relating to Contracts.
- 3.6 Six contractors from Lot 2 – Low Complexity Demolitions of the Renfrewshire Council Demolition Framework were invited to a Mini-Competition on 21 September 2015.

Three contractors submitted a response by the deadline for submissions of 12 noon on 2 October 2015.

3.7 The three tender submissions were evaluated by representatives from Corporate Insurance, Health & Safety and Development & Housing Services against pre-determined criteria which assessed competence, experience, capacity and community benefits.

3.8 All three tenders were evaluated against a set of award criteria which was based on a price / quality ratio of 70% / 30%.

3.9 The scores relative to the award criteria of each tenderer are as follows:

<b>Company</b>	<b>Final Technical Score</b>	<b>Final Commercial Score</b>	<b>Total Score</b>	<b>Total Ranking</b>
JCJ (Demolition and Construction) Ltd	24.90	70.00	94.90	1
Reigart Contracts	22.20	65.42	87.62	2
Hughes and Salvidge	12.00	53.97	65.97	3

3.10 It is recommended that the contract is awarded to JCJ (Demolition and Construction) Ltd, who based on this evaluation, have provided the most economically advantageous tender.

3.11 Community Benefits were sought in this contract and JCJ (Demolition and Construction) Ltd have noted the following in their submission;

- They will liaise with Renfrewshire Council and/or any other agencies named by the council, to identify and support, or provide any work experience opportunities for any persons who are struggling to achieve employment.
- They will meet with any employment agency as identified by Renfrewshire Council within the local community and facilitate a seminar where we could provide young people or others who are interested in the local community with a background on their industry and thereby promote the training opportunities that are available to any persons who are interested in working in their industry.
- They will notify the local Employment Agency and/or any other agencies named by Renfrewshire Council of any vacancies that arise within their company, or within any of their sub-contractors companies. Employment opportunities for people with a disability would also be notified in the same way.
- They will provide salvaged timber to the woodwork department of a local school as part of their recycling programme.
- They will carry out talks to the Auchenlodment Primary (or any other school identified by Renfrewshire Council) regarding the dangers of playing in construction sites. They are also able to provide information for older students regarding career paths within the demolition industry.

- 3.12 The estimated cost for this contract can be accommodated within the approved budget.
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## **Implications of the Report**

### **1. Financial**

The financial stability of JCJ (Demolition and Construction) Ltd has been assessed as part of the evaluation procedure and met with the Council's minimum requirements for this contract.

JCJ (Demolition and Construction) Ltd financial stability will be monitored over the period of the contract.

### **2. HR & Organisational Development**

N/A

### **3. Community Planning**

N/A

### **4. Legal**

The tendering procedures for the establishment of this contract were in accordance with Renfrewshire Council's Standing Orders Relating to Contracts for over EU Threshold Services contracts and the Public Contracts (Scotland) Regulations 2012, as amended.

### **5. Property Assets**

Most of the properties set for demolition as part of this contract are now empty. However, there are a couple of properties still occupied by tenants. Housing Services are currently working with these tenants to decant them to allow the demolition works to begin in the new year.

### **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**

JCJ (Demolition and Construction) Ltd's health and safety submission was evaluated by Corporate Health and Safety as part of the assessment of qualification questionnaires and met the Council's minimum requirements regarding health and safety for this contract.

### **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**

JCJ (Demolition and Construction) Ltd insurances have been assessed and evaluated to confirm that they have met the minimum requirements regarding risk.

**11. Privacy Impact**

N/A

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**List of background papers**

(1) None

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**Author:** Nicola Campbell, Senior Procurement Specialist, Tel 0141 618 4680.