

**To: Procurement Sub Committee**

**On: 27 January 2016**

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**Report by:**

**Joint Report  
by  
The Chief Executive and Director of Children's Services**

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**Contract Authorisation Report: The Construction of a New Build School- St Fergus' Primary School**

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**1. Summary**

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub Committee to enter into a Standard Building Contract with Quantities for use in Scotland (SBC/Q/Scot (2011 edition)) for The Construction of a New Build School- St Fergus' Primary School RC1506\_4334(ITT9000) which forms part of the work detailed in the School Estate Management Plan (SEMP 2014).
  - 1.2 The Contract was tendered in accordance with the above the EU Threshold Open Procedure for Works and the Council's Standing Orders Relating to Contracts.
  - 1.3 CPU and Children's Services agreed the Contract Strategy for this requirement including approach to market in September 2015.
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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 the Construction of a New Build School- St Fergus' Primary School (Reference RC1506\_4334(ITT9000)) to Clark Contracts Ltd.

2.1.2 The estimated contract value is £4,106,329.68 excluding VAT.

2.1.3 The contract is anticipated to commence on the 15<sup>th</sup> February 2016 or whenever the letter of acceptance states and will be for a total term of 157 weeks (breakdown detailed in 3.6 below).

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### **3. Background**

- 3.1 Renfrewshire Council's vision for its school estate is to promote learning and achievement, and to give our children and young people the opportunity to learn in the best possible environment.
- 3.2 School estate management planning is central to Renfrewshire Council's asset management strategy. Children's Services are required to provide the Scottish Government with an outline of its School Estate Management Plan (SEMP), an exercise which contributes to the Council's corporate asset management plan; designed to ensure effective management of all council assets. The purpose of the SEMP is to set out a strategy to focus the resources available for new and redesigned school and pre 5 accommodation.
- 3.3 The SEMP is guided by Scottish Government's 9 principles for school estate management planning and the Council's 4 objectives for the school estate in Renfrewshire:

#### **Scottish Government Principles:**

- 1. Good consultation to support better outcomes;
- 2. Innovative design and change informed by experience;
- 3. A more integrated, holistic and longer term approach to change;
- 4. Schools must be in a condition to support and enhance their functions;
- 5. Schools must be more suitable and inclusive, better future proofed for flexibility and adaptability;
- 6. Schools should be greener, more sustainable and environmentally efficient;
- 7. A well managed estate should represent and deliver best value;
- 8. Schools should drive and support effective learning and teaching; and
- 9. Schools should best serve their communities.

#### **Council Objectives:**

- 1. To provide the best educational experience for all learners in Renfrewshire;
- 2. To satisfy the condition, sufficiency and suitability core facts;
- 3. To retain services within communities where possible; and
- 4. To provide environmentally and economically sustainable facilities with lower carbon footprints.

- 3.4 Through its school estate project team the Council continually reviews the performance of the school estate in terms of core fact findings which relate to the sufficiency, condition and suitability of buildings.
- 3.5 As a result of this review a phasing plan was created and Phase 1a and 1b were considered to be priority projects. Phase 1b includes the Construction of a New Build School- St Fergus' Primary School.
- 3.6 The total contract will be for a period of 157 weeks, with work on site commencing on the 14th March 2016 for a period of approx. 1 year followed by a 12 month defect period. The Contractor will also be responsible for the delivery of fuel and servicing of the heat source plant for 2 years, after the date of practical completion.
- 3.7 It was agreed that this tender would go out to the market under two lots; Lot 1 represented a Spring 2017 Completion and Lot 2 represented a Summer 2017 Completion. Tenderers were advised that only the Lot which represented best value for the Council would be awarded.
- 3.8 This tender opportunity followed the open procurement procedure for an above EU threshold contract for works in accordance with the Council's Standing Orders Relating to Contracts. A contract notice advertising the opportunity was sent to the Public Contracts Scotland portal and the Official Journal of the European Union (OJEU) on 8<sup>th</sup> September 2015. Tender documentation was available for immediate download through the online e-tender system.
- 3.9 Twenty-six (26) suppliers noted an interest of which two (2) tender submissions were received by the closing date for the receipt of tender submissions at noon, on 27th October 2015.
- 3.10 Tender submissions were evaluated using a two stage process of Bid Selection and Award criteria. The tender submissions were first evaluated by representatives from the Corporate Procurement Unit, Finance and Resources, Health & Safety and Corporate Risk against pre-determined Bid Selection criteria which assessed their capacity, experience & track record and their technical and financial capabilities. Both tender submissions met the minimum requirements moving on to stage 2.
- 3.11 The remaining two tenderers, who met the minimum requirements as outlined above, were then evaluated against a set of Award Criteria, based on a price / quality matrix of 55% price / 45% quality. The outcome of this evaluation determined the total score achieved by each tenderer.

<b>Lot 1</b>			
<b>Tenderer</b>	<b>Quality Score (%)</b>	<b>Price Score (%)</b>	<b>Total Score (%)</b>
Clark Contracts Ltd	28.05	55.00	83.05
Central Building Contractors (Glasgow) Ltd	30.75	50.76	81.51
Highest Score Contract Value			£4,106,329.68

<b>Lot 2</b>			
<b>Tenderer</b>	<b>Quality Score (%)</b>	<b>Price Score (%)</b>	<b>Total Score (%)</b>
Clark Contracts Ltd	28.05	55.00	83.05
Central Building Contractors (Glasgow) Ltd	30.75	50.32	81.07
Highest Score Contract Value			£4,127,257.68

- 3.12 Based on the evaluation carried out the tender from Clark Contracts Ltd for Lot 1: Spring Completion represents the best value and the most economically advantageous tender.
- 3.13 The cost of this project is funded from the capital budget within the SEMP 2014 programme.
- 3.14 As part of this tender Clark Contracts Ltd have committed to the delivery of the following community benefits during the delivery of this contract:

<b>Description</b>	<b>Quantity</b>
Modern Apprenticeship	2
Graduate Placement	2
Trainee Position	2
Work Experience Placement (16+ years of age)	2
Industry Awareness Days	2
Career Event	1
Supply Chain Briefings with SMEs	1
Mentoring third Sector Organisations	1
S/NVQ' or equivalent for Existing Employees	2

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## Implications of the Report

- Financial** – The financial status of Clark Contracts Ltd has been assessed as part of the evaluation process and met with the Councils minimum requirements for this contract.
- HR & Organisational Development** - None
- Community Planning/ Council Plan Implications** – Clark Contracts Ltd has a commitment to deliver a number of community benefits under this contract as detailed in section 3.14 of this report. The works under this contract will also have overarching benefits:

Children and Young People	An improved school environment supports learning and achievement.
Community Care, Health and Well-being	An improved school environment supports health and wellbeing.
Empowering our Communities	None
Greener	Sustainable approaches to ensuring high quality assets will be developed.
Jobs and the Economy	None
Safer and Stronger	None

4. **Legal** – The tendering procedures for the establishment of a contract were conducted in accordance with the requirements of the Public Contracts (Scotland) Regulations 2012, as amended, and Renfrewshire Council's Standing Orders Relating to Contracts for over EU Threshold Works Contracts.
5. **Property Assets** – The works resulting from this contract are part of the School Estate Management Plan, which is designed to provide sustainable accommodation that is fit for education in the 21<sup>st</sup> century.
6. **Information Technology** – None.
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** – Clark Contracts Ltd health and safety submission was evaluated by Renfrewshire Council's Health and Safety section and met the minimum requirements regarding health & safety for this contract.
9. **Procurement** – The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures.

10. **Risk** – Clark Contracts Ltd insurances have been assessed and evaluated to confirm that they meet the minimum requirements regarding risk.

11. **Privacy Impact** – None

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**List of background papers**

(a) **Education Policy Board Paper, 8<sup>th</sup> May 2014:**

**Report on the consultation to develop the School Estate Management Plan (SEMP) and proposals to address the property challenges in the primary and pre 5 estate.**

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