

To: The Finance, Resources and Customer Services Policy Board

On: 11 November 2020

Report by: The Chief Executive and The Head of Policy and Commissioning and the Head of Corporate Governance

Heading: Request to Suspend Part of Standing Order 18.1 of the Standing Orders Relating to Contracts for the Demolition of existing buildings on Chivas Regal Site, Paisley

1. Summary

- 1.1 The Standing Orders Relating to Contracts 2017 (the Standing Orders) apply to the making of all contracts by the Council.
- 1.2 Standing Order 18.1 confirms that the Quick Quote procedure may be used for works contracts where the estimated value of contract is below the Threshold defined in the Standing Orders, currently £189,330.00.
- 1.3 National Guidance published by the Scottish Government in the Construction Procurement Handbook confirms that the Quick Quote procedure may be used for public works contracts where appropriate with a value of up to £2m.
- 1.4 Standing Order 3.2 of the Standing Orders states that:

These standing orders or any part of them may be suspended by the Finance, Resources and Customer Services Policy Board in respect of any procurement exercise or contract on receiving a joint recommendation from the HOPAC and the Head of Corporate Governance that there are special circumstances justifying such

suspension and that it is in the interests and within the powers of the Council to do so.

- 1.5 This report requests authority from the Finance, Resources and Customer Services Policy Board to suspend part of the wording in Clause 18.1 of the Standing Orders to allow use of the Quick Quote procedure for the Demolition of existing buildings on Chivas Regal Site, Paisley for the reasons set out in Section 3 of this report.

2. **Recommendations**

- 2.1 The Finance, Resources and Customer Services Policy Board are asked to authorise the suspension of the application of the words “*and the estimated value is below the Threshold*” in Clause 18.1, for the contract for the demolition of existing building on the Chivas Regal site in Paisley.
- 2.2 The Finance, Resources and Customer Services Policy Board are asked to note that this will not impact on the process of seeking approval to award this contract and the outcome of the tender evaluation and the recommendation to award will require the prior authorisation of the Board in accordance with Standing Order 27.4.

3. **Background**

- 3.1 The Council have concluded missives with Chivas Regal for the site in Renfrew Road, Paisley with the purchase and transfer of the site to complete towards the end of this year.
- 3.2 There are a number of existing buildings on the site and once the site is handed over, the risk associated with protecting the buildings from vandalism is significant. To ensure the safety of the public and to prevent danger to life and serious risk to health, it is intended that a demolition contract should be put in place as soon as possible.
- 3.3 Council officers are currently preparing technical documents and form of tender for the demolition with a view to being in a position to issue a tender in early January 2021. Contractors will be required to visit the site prior to submitting their tender and taking this into account, a tender timeline of one month has been allowed. The contract requires to be awarded by mid April 2021.

- 3.4 Due to Covid-19, it will be necessary to restrict the number of contractors accessing the site during the tender period. An Open tender does not allow for the restriction of tenderers. A Restricted Tender procedure does allow the restriction in numbers of bidders however, this procedure requires to be run over a period of 10 – 12 weeks minimum and would increase the length of time the site is exposed to risk of vandalism.
- 3.5 A Quick Quote procedure would allow the Council to select appropriately qualified contractors to tender for this contract. This procedure can be run over a shortened time period, mitigating against the risk of unoccupied buildings and the Council can limit the number of contractors invited to bid therefore complying with Covid-19 safety procedures.
- 3.6 The estimated value of the works is approximately £1.3 million. This is currently above the Threshold of the Standing Orders for the use of Quick Quote, but within the financial thresholds for use of Quick Quote for Works contracts set by recently updated guidance.
- 3.7 On 17 September 2020 the Scottish Government published Construction Policy Note CPN 9/2020. This policy note provided updated guidance on the use of Quick Quote in below threshold (i.e. below £2million) public works contracts.
- 3.8 The guidance notes that the use of Quick Quote is encouraged for tendering construction contracts with a value up to £2million for works contracts, unless the project is considered 'high risk' or would otherwise require to be advertised.
- 3.9 The publication of CPN 9/2020 follows a Review of Scottish Public Sector Procurement in Construction which acknowledged the increasing expense involved for contractors in preparing and submitting responses to tenders and encouraged, where appropriate, the use of the simpler process, for example the Quick Quote process offered through the Public Contracts Scotland portal.
- 3.10 Regardless as to the procedure used, the fundamental principles of procurement will apply including the equal treatment of all bidders, transparency and proportionality. The Council also has a duty to achieve Best Value and the Quotation process will ensure that Best Value is delivered.
- 3.11 This Report requests suspension of part of the wording in Standing Order 18.1 of the Standing Orders to allow the use of the Quick Quote

procedure for the contract for the demolition of the existing buildings on the Chivas Regal site, Paisley.

Implications of the Report

1. **Financial** - *None*
2. **HR & Organisational Development** - *None.*
3. **Community/Council Planning**
4. **Legal** – The recommendations of this report align to the updated guidance provided by the Scottish Procurement and Policy Directorate in CPN 9/2020 and the update to Chapters 3 and 6 of the Construction Procurement Handbook.
5. **Property/Assets** – *None*
6. **Information Technology** - *None*
7. **Equality & Human Rights**
 - (a) 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** - *None*
9. **Procurement** – the recommendations of this Report will ensure that the below works threshold procurement of a contract for the demolition of the buildings on the Chivas Regal site will be conducted in accordance with current guidance and good practice.
10. **Risk** - *None*
11. **Privacy Impact** - *None.*

12. **Cosla Policy Position** – *None.*
13. **Climate Risk** –The Scottish Government sustainable procurement tools are used to support optimising the economic, social and environmental outcomes for all construction procurements.
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