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**To:** Finance, Resources and Customer Services Policy Board

**On:** 30 January 2018

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**Report by:** Joint Report by Chief Executive and Director of Communities, Housing and Planning Services

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**Heading:** Contract Award: External Upgrade Works (RC-CPU-17-093)

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1. **Summary**

- 1.1. The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to award a NEC3 Term Service Short Contract for the External Upgrade Works (RC-CPU-17-093) to Procast Building Contractors Limited.
  - 1.2. The recommendation to award a Contract follows a procurement process conducted via an Open Tender procedure under the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts.
  - 1.3. A Contract Strategy was approved by the Head of Planning and Housing Services and the Strategic Commercial and Procurement Manager in October 2018.
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## 2. **Recommendations**

2.1 It is recommended that the Finance, Resources and Customer Services Policy Board authorise:

- (a) the Head of Corporate Governance to award a Measured Term Contract (MTC) for External Upgrade Works to Procast Building Contractors Limited;
- (b) the award of the Measured Term Contract for up to the maximum value of £40,000,000.00 excluding VAT (£10m annually); and
- (c) the contract with a *starting date* of 29<sup>th</sup> March 2019 with the *service period* being 12 months and with the option to extend for up to a further 12 months on three separate occasions. The actual starting date will be confirmed in the Letter of Acceptance.

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## 3. **Background**

3.1 The Council wish to appoint a suitably experienced Contractor to carry out external wall insulation, non-insulated render works, roof renewals and window renewals together with all associated builder's work. The Contract period (1 + 1+ 1+ 1) was decided and agreed by the stakeholders involved due to several factors such as assessing contract performance, contract usage and to keep in line with the market changes with regards to energy efficiency standards.

3.2 Communities, Housing and Planning Services are responsible for providing effective and best practice estate management and housing maintenance services which ensure that the Council meets its statutory and regulatory obligations as a landlord, whilst meeting the needs of its tenants and maximising the amount of rental income collected, ensuring that available houses are let quickly and efficiently.

3.3 A contract notice was published on the Public Contracts Scotland advertising portal on 31 October 2018 with the tender documentation available for downloading from the Public Contracts Scotland – Tender platform.

During the tendering live period thirty-one (31) companies expressed an interest in the Contract. By the closing date (12 noon, 05<sup>th</sup> December 2018) nine (9) companies submitted a response, nine (9) declined and thirteen (13) failed to respond.

3.4 All nine (9) tender submissions were evaluated against a pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) by representatives from Housing Services, the Corporate Procurement Unit, Corporate Risk and Corporate Health and Safety.

3.5 All nine (9) tender submissions complied with the minimum selection criteria of the ESPD and progressed to evaluation of Quality and Price Criteria which was based on a weighting of 40% Quality 60% Price.

3.6 The scores relative to the award criteria for each of the tender submissions are noted below:

		<b>Quality (40%)</b>	<b>Price (60%)</b>	<b>Total (100%)</b>
<b>1</b>	<b>Procast Building Contractors Limited</b>	34.55	60.00	<b>94.55</b>
<b>2</b>	<b>A C Whyte and Co Ltd</b>	36.35	56.37	<b>92.72</b>
<b>3</b>	<b>Engie Regeneration Limited</b>	40.00	48.58	<b>88.58</b>
<b>4</b>	<b>Everwarm Limited</b>	37.75	43.83	<b>81.58</b>
<b>5</b>	<b>Mitie Property Services (UK) Ltd</b>	34.60	44.34	<b>78.94</b>
<b>6</b>	<b>Insulated Render Systems (Scotland) Ltd</b>	32.60	45.92	<b>78.52</b>
<b>7</b>	<b>Stewart and Shields Ltd</b>	27.75	49.65	<b>77.40</b>
<b>8</b>	<b>Ailsa Building Contractors Ltd</b>	38.25	35.44	<b>73.69</b>
<b>9</b>	<b>SSE Energy Solutions Ltd</b>	31.25	26.18	<b>57.43</b>

- 3.7 The evaluation of tender submissions received identified that the tender submission by Procast Building Contractors Limited was the most economically advantageous to the Council.
- 3.8 Community Benefits were sought as part of this contract, Procast Building Contractors Limited have committed to deliver the following Community Benefits under this contract:

Community Benefit Description	No of People / Activity
Job for an unemployed individual from a Priority Group	2
Job for an unemployed individual	2
Work Experience Placements (16+ years)	2
Work Experience Placements (14-16 years)	4
Industry Awareness Days	5
Business Advice / support to an SME / Social Enterprise / Voluntary organisation	2
Event to promote supply chain opportunities	2
Financial Support for a Community Project	2
Non financial support for a Community Project	2

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### Implications of the Report

1. **Financial** – The cost for this Contract will be met through the Housing Capital budget.
2. **HR & Organisational Development** - No TUPE implications have arisen or are anticipated.
3. **Community/Council Planning –**
  - Building strong, safe and resilient communities – Improving housing conditions benefiting tenants and private owners
  - Tackling inequality, ensuring opportunities for all – improving housing conditions for both tenants and owners

- Creating a sustainable Renfrewshire for all to enjoy – Procast Building Contractors Limited Utilities Ltd has committed to deliver numerous Community Benefits as detailed within section 3.8 of this report.

4. **Legal** - The procurement of this contract has been conducted as an above OJEU Regulated Threshold Open Competition Procurement Procedure in accordance with the Council's Standing Orders relating to Contracts.
5. **Property/Assets** - By awarding this contract, the Council will have the ability to carry out external upgrade works and repairs on a planned and reactive basis which will improve the quality of its housing stock.
6. **Information Technology** - No Information Technology implications have arisen or are anticipated.
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 because for example it is for noting only. 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** – Procast Building Contractors Limited health and safety credentials were evaluated by Corporate Health and Safety and met the Council's minimum requirements regarding health and safety.

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** – Procast Building Contractors Limited insurances have been assessed and evaluated to confirm that they have met the minimum requirements regarding insurable risk.
11. **Privacy Impact** - No Data Protection Impact Assessment (DPIA) is required for this contract, as this does not involve new technologies or other ways of processing personal data. However, the contract will be GDPR compliant as due to the fact that there may be a requirement for Procast Building Contractors Limited to handle residents details, a Data Processor Agreement has been included as a requirement of this contract.
12. **Cosla Policy Position** – No Cosla Policy Position implications have arisen or are anticipated

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