

To: Finance, Resources and Customer Services Policy Board

On: 27 March 2019

Report by: The Chief Executive and the Director of Finance and Resources

Heading: Contract Award: Construction of the Spateston Pre Five Centre,
Johnstone (RC-CPU-18-285)

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 works Contract for the Construction of the Spateston Pre Five Centre, Johnstone (RC-CPU-18-285) to Fleming Buildings Limited.
 - 1.2 The recommendation to award the Contract follows a procurement exercise which was conducted in accordance with the Council's Standing Orders relating to Contracts Restricted Procedure for below Regulated and EU threshold Works Contracts.
 - 1.3 A Contract Strategy was approved by the Strategic Procurement Manager and the Head of Property Services on 3 October 2018.
-

2. **Recommendations**

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board:
 - (a) authorise the Head of Corporate Governance to award a Design and Build Contract for the Construction of the Spateston Pre Five Centre, Johnstone (RC-CPU-18-285) to Fleming Buildings Limited;

- (b) authorise the award of this Contract in the Sum of £1,909,793.22 excluding VAT;
- (c) note the planned sectional completion dates below. The final dates will be confirmed in the Council's Letter of Acceptance where there are any changes to these planned dates;

Section	Dates of possession of sections	Dates for completion of sections
Section 1	Monday 3rd June 2019	Thursday 26th March 2020
Section 2	Friday 27th March 2020	Tuesday 31st March 2020

- (d) note the award of this Contract is subject to the provision of a Performance Bond and Collateral Warranties as indicated within the tender documentation.

3. **Background**

- 3.1 Renfrewshire Council is strongly committed to improving the outcomes for families, children and young people in the community. Renfrewshire's community plan 2017 - 2027 will be the key driver for ensuring that Renfrewshire's children and young people will have the best start in life.

On 8 May 2014, the Council approved capital investment for further development of the school estate via the School Estate Management Plan (SEMP). The purpose of the SEMP was to set out a strategy to focus the resources available for new and redesigned schools and pre 5 accommodation.

On 19 January 2017, the Education and Children Policy Board agreed to the construction of a new Spateston Pre Five Centre.

- 3.2 For the procurement of the Contract, a two-stage Restricted Procedure was undertaken in accordance with the Council's Standing Orders relating to Contracts. The contract notice was published on Public Contracts Scotland advertising portal on 4 October 2018 with the invitation to participate documents available for download from the Public Contracts Scotland – Tender portal.

- 3.3 During the invitation to participate stage (ITP) (stage 1), twenty-four (24) companies expressed an interest. By the return date, 12 noon on 1

November 2018, nine (9) companies had submitted a request to participate (RTP).

- 3.4 All nine (9) RTP submissions were evaluated against a set of pre-determined criteria in the form of the European Single Procurement Document (ESPD) by representatives from the Corporate Procurement Unit and Property Services. All nine (9) RTP submissions satisfied the Council's minimum requirements within the ESPD selection criteria.
- 3.5 As part of the selection process and to reduce the number of candidates, six (6) quality questions were evaluated about candidate's previous experience of delivering similar projects in context of their application to the Construction of the Spateston Pre Five Centre, Johnstone project.
- 3.6 The responses to those six (6) questions from each of the nine (9) RTP submissions were evaluated by a panel formed of employees from the Council's Property Services. The ITP document anticipated a minimum of five (5) and a maximum of six (6) candidates would be taken forward to Invitation to Tender (Stage 2). The top six (6) scoring candidates were selected for Invitation to Tender (Stage 2) due to the narrow margin between the fifth (5th) and sixth (6th) placed candidates. The remaining three (3) candidates (placed 7th, 8th and 9th) were not progressed further in the tendering process. The selection score for each candidate within the RTP (Stage 1) is noted below:

		Selection (100%)
1	Galliford Try Building Ltd t/a Morrison Construction Scotland	96.80%
2	Ogilvie Construction Limited	88.20%
3	Fleming Buildings Limited	72.50%
4	Ideal Building Systems Ltd	63.00%
5	Maxi Construction Limited	61.70%
6	Clark Contracts Ltd	59.80%
7	City Gate Construction (Scotland) Ltd	56.00%
8	Stewart and Shields Ltd	52.60%
9	D McLaughlin and Sons Ltd trading as McLaughlin Construction	52.00%

3.7 The Invitation to Tender (Stage 2) documentation was made available to download by the six (6) selected candidates via the Public Contracts Scotland – Tender portal on 11 December 2018. By the closing date, 12 noon on 19 February 2019, four (4) of the six (6) companies had submitted a response.

3.8 All four (4) tender submissions were evaluated against the published Award Criteria, based on a weighting of 65% Quality and 35% Price. The scores relative to the Award Criteria of the tenderers are noted below:

		Quality (65%)	Price (35%)	Total (100%)
1	Fleming Buildings Limited	55.60%	33.75%	89.35%
2	Galliford Try Building Ltd t/a Morrison Construction Scotland	51.60%	30.52%	82.12%
3	Clark Contracts Ltd	45.00%	35.00%	80.00%
4	Maxi Construction Limited	42.00%	28.22%	70.22%

3.9 The evaluation of tender submissions received identified that the submission by Fleming Buildings Limited was the most economically advantageous tender submission.

3.10 The costs for this project will be met by the School Estate Management Plan (SEMP) capital budget.

3.11 Community Benefits were sought as part of this contract, Fleming Buildings Limited have committed to deliver the following Community Benefits under this Contract:

Community Benefit Description	No of People / Activity
Job for an unemployed individual	1
Modern Apprenticeship	1
Work Experience Placement for an individual 16+ years of age	3
S/NVQ (or equivalent) for a new employee/existing employee/supply chain employee	2
Industry Skill Transfer to Schools	2
Event to promote supply chain opportunities	1

Implications of the Report

1. **Financial** – The cost of the project will be met through the School Estate Management Plan (SEMP) capital budget.
2. **HR & Organisational Development** – No TUPE implications.
3. **Community/Council Planning** –
 - Our Renfrewshire is fair - Tenderers were assessed within this procurement process in regard to their approach to ensuring fair working practices throughout their organisation and supply chain i.e. payment of the living wage, training and development opportunities.
 - Our Renfrewshire is safe – A central requirement of Property Services is to ensure that Council operated property, facilities and assets are properly maintained in a manner that complies with existing statutory legislation (Statutory Compliance) and that appropriate records are retained.
 - Creating a sustainable Renfrewshire for all to enjoy – Fleming Buildings Limited has committed to deliver a number of Community Benefits as detailed within section 3.11 of this report.
4. **Legal** – The procurement of this Works Contract was conducted in accordance with the Restricted Procedure in the Council's Standing Orders relating to Contracts for a below Regulated threshold Works contracts.
5. **Property/Assets** – The Construction of the Spateston Pre Five Centre, Johnstone will provide young children with a modern environment with fit for purpose facilities to mature, learn and develop.
6. **Information Technology** – ICT staff will be on site to set up existing/new network equipment, wired and/or wireless. They will connect and test computer terminals, printers and IP telephony based handsets to ensure all technology is working to the centre's satisfaction.
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 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** – Fleming Buildings Limited's 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 procedure outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.
10. **Risk** – Fleming Buildings Limited's insurances were evaluated by Corporate Risk and met the Council's minimum requirements regarding insurable risk.
11. **Privacy Impact** – No Privacy Impact implications have been identified or are anticipated.
12. **Cosla Policy Position** – No Cosla Policy Position implications have arisen or are anticipated.

List of Background Papers

- (a) Not Applicable

Author: Graeme Clark, Senior Procurement Specialist, Corporate Procurement Unit, Tel: 0141 618 7189