

To: Finance, Resources and Customer Services Policy Board

On: 13 June 2024

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

Heading: Contract Award: Tandlemuir Farm Peatland Restoration (RC-CPU-23-247)

1. **Summary**

- 1.1 The purpose of this report is to seek approval of the Finance, Resources and Customer Services Policy Board to award a Works Contract for Tandlemuir Farm Peatland Restoration (RC-CPU-23-247) to McGowan Environmental Engineering Ltd.
- 1.2 The recommendation to award the Contract follows a procurement exercise conducted in accordance with the Council's Standing Orders Relating to Contracts for a below Regulated (Works) contract using the Open Procedure.
- 1.3 A Contract Strategy was approved by the Strategic Commercial Category Manager and the Head of Economy and Development Services on 28 March 2024.
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2. **Recommendations**

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

- (a) Authorises the Head of Corporate Governance to award a Works Contract in the form of NEC3 Engineering and Construction Short Contract with Z clauses, for Tandlemuir Farm Peatland Restoration (RC-CPU-23-247) to McGowan Environmental Engineering Ltd, subject to confirmation of funding from NatureScot.
 - (b) Authorises the award of the Contract for the Total of the Prices (Approved Contract Value) of £297,498.22 excluding VAT, subject to confirmation of funding from NatureScot.
 - (c) Notes that the anticipated starting date is 2 September 2024, and the completion date is 16 weeks from the starting date. The actual dates will be confirmed in the Council's Letter of Acceptance to McGowan Environmental Engineering Ltd.
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3. **Background**

- 3.1 The Planning and Climate Change Board on 7 November 2023 noted the development of the Glasgow City Region 'Clyde Peatlands' project and delegated authority to the Head of Economy and Development to progress implementation of peatland restoration works at West Tandlemuir Farm, Lochwinnoch. As Renfrewshire Council is aiming to be net zero by 2030, this project will have a positive impact by reducing the risk of flooding and the impact of climate change. The project will support the Council's response to climate change and the delivery of Renfrewshire's Plan for Net Zero through the storage of carbon emissions and works which support, enhance and connect existing habitats. This is one of the most effective ways of locking in carbon, offering a clear nature-based solution to the climate crisis.
- 3.2 The works comprise of Peatland Restoration within an area of 250 hectares at Tandlemuir farm Clyde Muirshiel Regional Park, Lochwinnoch.
- 3.3 The award of this contract at Tandlemuir Farm Peatland Restoration is dependent upon Peatland Action funding from NatureScot. The Council expects to know the outcome of this funding application in June 2024.
- 3.4 To initiate this procurement process, a Contract Notice was published on the Public Contracts Scotland advertising portal on 8 April 2024 with the tender documentation available for downloading from the Public Contracts Scotland- Tender portal from this date.

- 3.5 During the live tender period, twenty organisations expressed interest in the tender. By the closing date set for the return of electronic tender submissions, 12 noon on Thursday 2 May 2024, five organisations submitted responses and fifteen organisations did not respond.
- 3.6 In accordance with the Council’s Standing Order relating to Contracts standing order 11.5, Tenderers were required to complete a Single Procurement Document (SPD) to be submitted along with their tender submission. One of the tenderers failed SPD question 4C.1 as none of the examples provided demonstrated relevant experience to deliver the work as stated within the Contract Notice and Works Information, therefore they were removed from the procurement process. The remaining four tender submissions were evaluated against a pre-determined set of criteria in the SPD by representatives from the following Council services: Regeneration, NatureScot, the Corporate Procurement Unit, Corporate Risk and Corporate Health & Safety.
- 3.7 The remaining four tender submissions received each complied with the minimum selection criteria of the SPD. Each tender submission was then evaluated against the Award Criteria of 60% Quality and 40% Price.
- 3.8 The scores relative to the Award Criteria for each of the four tender submissions are noted below:

| Tenderer | Price (40%) | Quality (60%) | Total (100%) |
|--|--------------------|----------------------|---------------------|
| McGowan Environmental Engineering Ltd | 27.47% | 57.25% | 84.72% |
| Net Zero (North) Limited | 40.00% | 34.25% | 74.25% |
| Robertson Fencing Ltd | 20.44% | 38.75% | 59.19% |
| DC Restoration Contracts Ltd | 29.48% | 12.50% | 41.98% |

- 3.9 The evaluation of tender submissions received identified that the tender submission by McGowan Environmental Engineering Ltd was the most economically advantageous tender.
- 3.10 The form of Contract is NEC3 Engineering and Construction Short Contract with Z Clauses.
- 3.11 The costs for the Tandlemuir Farm Peatland Restoration are dependent on Peatland Action grant funding from NatureScot.

3.12 Community Benefits were requested as part of the procurement process and McGowan Environmental Engineering Ltd confirmed that the following Community Benefit would be made available to the Council for this Contract.

| Community Benefit Outcome Description | No of People / Activity |
|---|-------------------------|
| Financial support for a Social Enterprise | 1 |

Implications of the Report

1. **Financial-** The cost of £297,498.22 excluding VAT will be fully funded by a Peatland Action grant from NatureScot. If the full amount of funding is not received this contract will not be awarded. The anticipated starting date is 02 September for a period of 16 weeks.

2. **HR & Organisational Development** - None directly arising from this report.

3. **Community/Council Planning –**

Creating a Sustainable Renfrewshire for all to enjoy - Clyde Peatlands will support the Council’s response to climate change and delivery of Renfrewshire’s Plan for Net Zero and Renfrewshire Biodiversity Strategy 2018-2022 through the storage of carbon emissions and works which support, enhance and connect existing habitats.

 - **Place-** Adopting a 'place shaping' approach to developing our communities - working together to maximise our collective impact and influence across economic, social, physical, cultural and environmental policies and practices.
 - **Economy-** Improving lives and securing wellbeing through a stronger, inclusive and sustainable economy, being creative, imaginative and linking opportunities to enhance the benefits for Renfrewshire. McGowan Environmental Engineering Ltd has committed to deliver Community Benefits as set out within 3.12 of this report.
 - **Green-** Protecting and enhancing nature in Renfrewshire and encouraging equal access to opportunities to enjoy nature across all people and communities.

4. **Legal-** The Procurement of this Contract was conducted as a below Regulated (Works) Open Procedure in accordance with the Council's Standing Orders Relating to Contracts.
5. **Property/Assets-** The contract will facilitate Peatland Restoration works at west of Tandlemuir farm, Clyde Muirshiel Regional Park, Lochwinnoch.
6. **Information Technology** - None directly arising from this report.
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** – McGowan Environmental Engineering Ltd 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 ensures that the Council meets its statutory requirements in respect of procurement procedures, efficiency, and modern Government. The contract will only be awarded on confirmation of the Peatland Action grant funding from NatureScot.
10. **Risk** – McGowan Environmental Engineering Ltd insurances have been assessed and evaluated to confirm that they meet the minimum requirement regarding insurance risk.
11. **Privacy Impact** - None directly arising from this report.
12. **Cosla Policy Position** – None directly arising from this report.

13. **Climate Risk** – The level of impact associated with provision of these works has been assessed using the Scottish Government Sustainability Test and it is considered a Low Risk. Energy will be consumed while carrying out this work through the use of vehicles and machines on site. Until they are restored, peatland can be a significant emitter of carbon and once restored, are one of the most effective ways of locking in carbon, offering a clear nature-based solution to the climate crisis.
- **Carbon Energy Consumption** – The contractor is required to consider energy saving measures where possible, as part of the peatland restoration works.
 - **Waste Production** – None directly arising from this report.

List of Background Papers

- (a) Clyde Peatlands – Update, Planning and Climate Change Board, 7 November 2023

Author: Abimbola Olutola, Procurement Advisor, Corporate Procurement Unit,
Abimbola.olutola@renfrewshire.gov.uk