

To: Finance, Resources and Customer Services Policy Board

On: 8 February 2024

Report by: Report by the Director of Finance and Resources and the Director of Environment, Housing and Infrastructure

Heading: Contract Award: Paisley Grammar School Community Campus (PGSCC) – Principal Contractor (PC) Enabling Works (RC-CPU-21-247)

1. Summary

- 1.1 The purpose of this report is to obtain authority from the Finance, Resources and Customer Services Policy Board to award an Enabling Works package for Paisley Grammar School Community Campus (PGSCC) – Principal Contractor (PC) Enabling Works (RC-CPU-21-247) to Galliford Try Construction Limited, T/A Morrison Construction Scotland.
- 1.2 On 15 June 2022 a report was taken to the Finance, Resources and Customer Services Policy Board following a tender exercise to appoint a contractor for pre-construction services and a Design and Build Contract in respect of the Paisley Grammar School Community Campus. The report to that board set out that Galliford Try Construction Limited, T/A Morrison Construction Scotland was the most economically advantageous tenderer. At that Board the recommendation was approved to award the Pre-Construction Services Agreement for PGSCC to Galliford Try Construction Limited, T/A Morrison Construction Scotland. It was noted that a further report would be brought back to the Board once a more definite cost had been established in respect of the build element of the PGSCC Project.
- 1.3 An option, at the Council's discretion, to split the build element of the contract into two contracts, an Enabling Works Contract followed by a design and build

contract, was permitted within the original procurement exercise, which was conducted in accordance with the Competitive Procedure with Negotiation (CPN) under the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders Relating to Contracts. It has been established that utilising an Enabling Works package would help manage a challenging project programme.

- 1.4 A Contract Strategy addendum was approved by the Interim Corporate Procurement Manager and the Head of Facilities and Property Services on 16 November 2023. Verbal confirmation to proceed with this recommendation was obtained from the PGSCC Governance Board on 3 August 2023 and the Strategic Commercial & Procurement Manager on 29 August 2023.

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 an Enabling Works Contract for the Paisley Grammar School Community Campus (PGSCC) – Principal Contractor (PC) Enabling Works (RC-CPU-21-247) to Galliford Try Construction Limited, T/A Morrison Construction Scotland;
 - (b) Authorise the award of the Contract for the Contract Sum of £1,906,916 excluding VAT.
 - (c) Authorise the approved Contract value up to £2,097,607 excluding VAT, which includes £190,691 for risk and contingency.
 - (d) Note that the Contract is anticipated to start on 26 February 2024, with the Date for Completion of the Works anticipated to be 31 May 2024. The actual dates will be confirmed in the Council's Letter of Acceptance to Galliford Try Construction Limited, T/A Morrison Construction Scotland.

3. **Background**

- 3.1 Renfrewshire Council requires to replace the existing Paisley Grammar School and seeks to integrate the school with both the local community and enterprise organisations to form a new Paisley Grammar School Community Campus.

On 15 June 2022 the Finance, Resources and Customer Services Policy Board approved the recommendation to award a Contract for Pre-Construction Services Agreement for Paisley Grammar School Community Campus (PGSCC). The report noted that a further report would be brought to the Finance, Resources and Customer Services Policy Board seeking approval to enter into the Design and Build Contract with Galliford Try Construction.

- 3.2 At the time of the original tender, the tender exercise was being carried out against a background of a very challenging market place with fluctuating costs in labour and material post COVID and post Brexit and therefore there was also a recognition that it would be unreasonable to expect Contractors to tender a fixed price for construction works which were not designed and would not commence until 2 years post contract award. This was balanced against a very real benefit of early contractor engagement in respect of buildability and delivery of the school.
- 3.3 The original tender exercise was carried out on the basis that Tenderers submit a defined price for Pre-Construction Services and that they also tendered prelims, overheads and profit in respect of the construction works which would be applied to an estimated construction cost. This ensured that these elements were competitively tendered. It is part of the Pre-Construction Services contract that the Contractor must competitively tenders the various work packages to their supply chain to ensure best value for the Council; this is conducted as an open book procurement process with the Council's Property Services and the externally appointed cost manager reviewing and confirming the costs The procurement process undertaken by the Contractor will then produce the actual construction cost of the build element of the works, and the Contractor's competitively tendered prelims, overheads and profit from the original procurement exercise are applied to that cost to outturn the contract sum for the enabling works.
- 3.4 As the board will be aware, the PGSCC is being delivered against a challenging funding programme and it has been established that instead of awarding one Design and Build Contract, utilising the Council's option to instruct an Enabling Works Contract in advance of the full design and build contract will assist in meeting that programme. The enabling works contract is largely preparatory works and will include some design elements in relation to lime stabilisation and steelwork connections. At the point that the Council is ready to proceed to the construction phase, a further report will be brought to the Finance, Resources and Customer Services Policy Board seeking approval to enter into the Design and Build Contract with Galliford Try Construction Limited, T/A Morrison Construction Scotland. An Enabling

Works Contract was permitted in the original procurement exercise as set out in para 3.5 below.

- 3.5 The Stage 1 – Invitation to Participate – Selection procurement documents published on 8 November 2021 and subsequently Stage 2 – Invitation to Tender – Initial ITT published on 17 January 2022 reserved the right to split the construction phase into an Enabling/advance Works package and a Main Works package at the pre-construction stage.
 - 3.6 The Conditions of Contract for this Contract for the Enabling Works are the SBCC Standard Building Contract Without Quantities for use in Scotland (SBC/XQ/Scot/2016), 2016 Edition as amended and supplemented by the Employer’s Amendments.
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Implications of the Report

1. **Financial** – The value of the Enabling Works Contract will be up to £2,097,607 exclusive of VAT. This is part-funded by the Scottish Futures Trust (SFT) within the Stage 2 Learning Estate Investment Programme (LEIP), as well as the Council’s Non-Housing Capital Programme.
2. **HR & Organisational Development** - None arising directly from this report.
3. **Community/Council Planning –**
 - *Our Renfrewshire is fair* - Tenderers were assessed within Award Criteria regarding their approach to ensuring fair working practices throughout their organisation and supply chain i.e. payment of the living wage, training and development opportunities etc.
 - *Reshaping our place, our economy and our future* - The work from the design to the main works will create many employment opportunities across Renfrewshire. The Community Campus itself will redevelop an empty space and it will provide a base for learning and development for current and future generations.
 - *Building strong, safe and resilient communities* - The new Paisley Grammar is not just a school, but a Community Campus a place that provides space for those in Community, a place of safety and security that will help nurture and bring communities together.
 - *Tackling inequality, ensuring opportunities for all* - The objectives and work that will be achieved has the power to tackle the inequalities that exist here in Renfrewshire throughout all communities. It has the ability to deliver opportunities for all this

could be through Community Benefits and the wider work of the project.

- *Creating a sustainable Renfrewshire for all to enjoy* - In the design, the main works and the final outcome of the new Paisley Grammar School Community Campus it will provide a fresh new learning base for over a thousand young people. It will give back to the communities that it serves a new community space to be utilised and it will create a sustainable energy efficient place for all to enjoy and be part of.
- *Working together to improve outcomes* - The new Paisley Grammar School Community Campus will improve many outcomes throughout its lifetime. This will be through the strengthening of the partnership working between school and community. Providing good quality services and improving new ICT developments and opportunities.

4. **Legal** - The procurement of this contract was conducted in accordance with the Competitive Procedure with Negotiation under the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders Relating to Contracts. The decision to split the works element into an Enabling Works Contract and a Main Works Contract is reflected in the original procurement and therefore this modification is permitted in accordance with Regulation 72(1)(a) of the Public Contracts (Scotland) Regulations 2015.
5. **Property/Assets** – The Council identified the construction of a new Paisley Grammar Community Campus as its learning estate investment priority in May 2019 and the purpose of this project is to inform the design of environmentally and economically sustainable buildings. The Council's investment in its learning estate offers the opportunity for a place-based approach to local outcomes, integrating local services to support communities.
6. **Information Technology** - None arising directly 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** – Galliford Try Construction Limited, T/A Morrison Construction Scotland’s health and safety credentials were assessed in the original procurement exercise and met the Council’s requirements regarding health and safety.
9. **Procurement** – The decision to split the works element into an Enabling Works Contract and a Main Works Contract is reflected in the original procurement and therefore this modification is permitted in accordance with Regulation 72(1)(a) of the Public Contracts (Scotland) Regulations 2015.
10. **Risk** – Galliford Try Construction Limited, T/A Morrison Construction Scotland insurances were assessed in the original procurement exercise and met the requirements regarding insurable risk.
11. **Privacy Impact** – None arising directly from this report.
12. **Cosla Policy Position** – No Cosla Policy Position implications have arisen or are anticipated.
13. **Climate Risk** - Tackling Climate Change and working towards Net Zero are addressed throughout the PGSCC Project. The environmental impacts considered are broad and range from the disposal of waste generated from the works being carried out to the type of vehicles and machinery being used on the site. The Contractor will require to consider the emissions from their vehicles when working on site and to switch engines off when not in use to prevent unnecessary emissions. The level of impact associated with provision of these works has been assessed using the Scottish Government Sustainability Test and is considered to be overall low risk.

List of Background Papers

- 1) Contract Authorisation Report - Paisley Grammar School Community Campus Principal Contractor, approved by the Finance, Resources and Customer Services Policy Board on 15 June 2022.

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