
To: Finance, Resources and Customer Services Policy Board

On: 31 January 2018

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

Heading: Refurbishment of St Anthony's Primary School, Johnstone (RC/OC/425/18)

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 Contract for the Refurbishment of St Anthony's Primary School, Johnstone to Esh Construction Ltd trading as Esh Border Construction.
 - 1.2 The recommendation to award the Contract follows a procurement exercise which was conducted in accordance with the relevant procurement Regulations and the Council's Standing Orders relating to Contracts.
 - 1.3 A Contract Strategy was approved by the Head of Property Services and the Corporate Procurement Manager on 22 June 2017
-

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 Contract for the Refurbishment of St Anthony's Primary School, Johnstone (RC/OC/425/18) to Esh Construction Ltd trading as Esh Border Construction,
 - (b) the Contract Sum £3,622,624.24 excluding VAT.
 - (c) the use of a potential Risk Allowance (where required) of £362,262 excluding VAT.;

- (d) the total contract period of sixty four (64) weeks with the date of possession scheduled to be on Monday 12 March 2018 with the estimated completion date being 24 May 2019. Confirmation of the actual timescales and dates will be confirmed in the Council's letter of Acceptance to Esh Construction Ltd trading as Esh Border Construction, and
 - (e) 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 A central requirement of the Council's Property Services is to ensure that Council operated properties, facilities and assets are maintained in a manner that complies with statutory legislation. Renfrewshire Council estate has a large number of properties, including school buildings, which have been subject to a variety of maintenance regimes, upgrades, alterations etc. over recent years.

St Anthony's Primary School, Johnstone, has been identified as requiring a major refurbishment to upgrade its infrastructure and the resulting contract shall be in the form of an SBCC Standard Building Contract with Quantities for use in Scotland (SBC/Q/Scot) 2011 Edition.

- 3.2 A contract notice was published on the Public Contract Scotland advertising portal and the Official Journal of the European Union (OJEU) on Friday 13 October 2017 with the tender documentation available for downloading from the Public Contract Scotland – Tender platform.

During the tendering period twenty-eight (28) companies expressed an interest in the Contract. By the closing date set (12 noon, Wednesday 22 November 2017) for return of electronic tender submissions, five (5) companies submitted a tender response.

- 3.3 All five (5) tender submissions were evaluated against a pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) by representatives from Property Services, the Corporate Procurement Unit, Corporate Risk and Corporate Health & Safety.
- 3.4 All five (5) tender submissions confirmed compliance with the minimum criteria of the ESPD and progressed to evaluation of Quality Criteria which was based on an overall weighting of 60%.
- 3.5 To ensure that only suitably qualified and experienced tenderers progressed to the evaluation of Price Criteria (which was based on an overall weighting of 40%), the Council included a clause within the tender documentation confirming that only tenderers who obtained a total Quality score of 35.00% and above (out of the 60.00% Quality weighting available) would progress to evaluation of pricing submission.

Tenderers who obtained a score of 34.99% and below (out of the 60.00% Quality weighting available) would not progress to the next stage and would no longer be considered in the process.

In total, four (4) tenderers progressed to have their pricing submissions evaluated with one tenderer no longer being considered.

- 3.6 The scores relative to the award criteria of the tenderers are noted below:

		Quality (60%)	Price (40%)	Total (100%)
1	Esh Construction Ltd trading as Esh Border Construction	43.69	40.00	83.69
2	Heron Bros. Ltd.	48.25	32.99	81.4
3	ENGIE Regeneration Ltd trading as Keepmoat Regeneration	42.95	34.37	77.32
4	Clark Contracts Ltd	35.74	39.15	74.89

- 3.7 The evaluation of tender submissions received identified that the submission by Esh Construction Ltd trading as Esh Border Construction was the most economically advantageous tender.
- 3.8 £3,939,000 of the total Capital Budget available for this contract was allocated to the undertaking of works required within this procurement process. Based on the Contract Sum being awarded to Esh Construction Ltd trading as Esh Border Construction, this represents a non-cashable saving of circa £316,376 against the works tendered.
- 3.9 Community Benefits were requested as part of the procurement process and Esh Construction Ltd trading as Esh Border Construction advised within their tender submission that the following Community Benefits would be made available to the Council:

Community Benefit Description	No of People / Activity
New Entrant	1
New Entrant - Employability Support	1
Indirect New Entrant	1
Apprenticeship	1
Work Experience Placements (16 + years of age)	2
Further Education Visits	2
School Visits	2
Careers Event	1
S/NVQ (or equivalent) for an existing employee	1
S/NVQ (or equivalent) for new entrants	1

S/NVQ (or equivalent) for sub-contractor employee	1
Supply Chain Briefings with SME's	1
Mentoring/ business support for a third sector organisation	1
Financial Support for a Community Project	1
Non-financial support for a Community Project	1

Implications of the Report

1. Financial

The financial status of Esh Construction Ltd trading as Esh Border Construction was assessed on 22 November 2017 by undertaking a Dun and Bradstreet evaluation and it confirmed that the company satisfied the Council's requirements in relation to financial stability.

2. HR & Organisational Development

No TUPE implications have arisen or are anticipated.

3. Community Planning

Esh Construction Ltd trading as Esh Border Construction has committed to deliver a number of Community Benefits as detailed within section 3.9 of this report.

4. Legal

The procurement of this Contract was conducted via a Regulated Procurement Procedure in accordance with the Procurement (Scotland) Regulations 2016 and the Council's Standing Orders relating to Contracts

5. Property/Assets

The project will facilitate a refurbishment of the existing school both internally and externally. This will be done on a phased programme of works, as the school will be operational over the project duration. On completion, the property will be refurbished to a modern standard and provide a much improved learning environment.

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**

Esh Construction Ltd trading as Esh Border Construction 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**

Esh Construction Ltd trading as Esh Border Construction insurances have been assessed and evaluated to confirm that they have met the 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

Author: Euan Walker, Senior Procurement Specialist, Corporate Procurement Unit, Tel: 0141 618 7791

Endorsed By: Laura Gillan. Strategic Commercial and Category Manager, Corporate Procurement Unit, Tel: 0141 618 7464