



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

**On:** 15 June 2022

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**Report by:** The Chief Executive and the Director of Environment and Infrastructure

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**Heading:** Contract Authorisation Report for a Framework Contract for Works to Roads Related Structures (RC-CPU-21-427)

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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 enter into a Framework Contract with a number of suitably qualified and experienced Suppliers for Works to Roads Related Structures (RC-CPU-21-427).
  - 1.2 The tendering procedure for this Framework Contract was conducted in accordance with the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016 and Renfrewshire Council's Standing Orders Relating to Contracts using the open procedure for a Regulated Procurement threshold Works contracts.
  - 1.3 A Contract Strategy was approved by the Head of Operations and Infrastructure and the Procurement Manager in February 2021.
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## 2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board:
- 2.1.1 Authorise the Head of Corporate Governance to enter into a Framework Contract for Works to Roads Related Structures (RC-CPU-21-427) (“Framework Contract”) with each of the Suppliers shown in 3.11;
  - 2.1.2 Note the cumulative spend made under this Framework Contract will be up to the maximum value of £2,000,000 excluding VAT;
  - 2.1.3 Note that the Framework Contract is intended to commence on 11 July 2022 or alternatively, the date confirmed in the Council’s Letter of Acceptance issued to each Supplier and will be for a period of two years with the Council having the sole option to extend on two (2) separate occasions for a period of up to twelve (12) months on each occasion;
  - 2.1.4 Note Call -Off Contracts made under this Framework Contract will be awarded by way of a Package Order using the selection procedure or the quotation procedure contained in the Framework Contract. Selection of the most appropriate procedure is at the discretion of the Council and will be subject to Council Standing Orders Relating to Contracts, the requirements of the individual Package Order (Call-off Contract) for the works and the need to secure best value.

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### **3. Background**

- 3.1 Renfrewshire Council has a statutory obligation to maintain roads related structures within the Council boundary.
- 3.2 This Framework Contract includes repairs, maintenance and improvements of roads related structures.
- 3.3 The Framework Contract will be formed under the NEC3 Framework Contract April 2013 with bespoke Z Clauses. Call-off Contracts awarded under the Framework Contract will be formed using the NEC3 Term Service Short Contract April 2013 with bespoke Z Clauses.
- 3.4 The Framework Contract was tendered as a Regulated Threshold Works Contract in accordance with the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016, as amended and Council Standing Orders relating to Contracts using the Open Procedure. The contract notice was published on the Public Contracts Scotland portal on 28 March 2022. The tender documents were available for download through the Public Contracts Scotland – Tender portal.

- 3.5 During the tendering period, eighteen (18) companies expressed an interest in the Framework Contract. By the closing date set for return of electronic tenders, 12 noon on Thursday, 28 April 2022, five (5) companies provided a response, four (4) declined to respond and nine (9) failed to respond. The five (5) Tender Submissions received were evaluated by a panel comprising representatives from Environment and Infrastructure, Health and Safety, Risk and the Corporate Procurement Unit.
- 3.6 One (1) bid was rejected at this stage as the Invitation to Tender had a selection requirement which placed a limit on fee percentages Tenderers were to include within their Tender Submission. The Invitation to Tender stipulated that Tenderers who tendered a fee percentage in excess of this limit would have their bid rejected.
- 3.7 The remaining Tenderers were evaluated against a pre-determined set of criteria in the form of the Single Procurement Document, SPD (Scotland). All four (4) remaining Tenderers satisfied the Council's requirements in respect of their responses to the SPD (Scotland).
- 3.8 The technical and commercial responses contained in each Tender Submission were scored against the award criteria of 30% technical (Quality) and 70% commercial (Price). The scores achieved by each Tenderer are noted as follows:

Tenderer	Price	Quality	Total
W I & A Gilbert Limited	55.72%	28.75%	84.47%
Geo-Structural Ltd	70.00%	7.50%	77.50%
Mackenzie Construction Limited	40.05%	28.75%	68.80%
Taziker Industrial Limited	20.15%	28.75%	48.90%

- 3.9 The Invitation to Tender stipulated that it was anticipated that four (4) Suppliers would be approved for inclusion in the Framework Contract. However, the Council reserved the right to increase or decrease the number of Suppliers as deemed appropriate by the Council.
- 3.10 The Framework Contract ordering procedures contains the selection procedure and the quotation procedure. Where the selection procedure is applied then the Supplier ranked first will be invited to apply for the Package Order (Call-Off Contract). Should the first ranked Supplier reject the invitation, the second ranked Supplier will be invited to apply for the Package Order (Call-Off Contract) and so on until the Package Order has been awarded.

Where the quotation procedure is used the Package Order will be awarded to the most economically advantageous tenderer.

- 3.11 The Supplier ranking information for the first year of the Framework Contract is as follows:

<b>Lot 1 – Carriageway Resurfacing</b>	
<b>Tenderer</b>	<b>Ranking on Lot</b>
W I & A Gilbert Limited	1st
Geo-Structural Ltd	2nd
Mackenzie Construction Limited	3rd

- 3.12 The ranking will be fixed for the first year of the Framework Contract. From the end of the first year and no later than 2 months prior to each anniversary of the start date, Suppliers may submit an application for price increase or decrease in accordance with the terms of the Framework Contract for the purpose of re-evaluating the Suppliers' competitiveness. This annual re-evaluation will be in respect of prices and rates only. Where the revised prices and rates are accepted by the Council these will replace any earlier prices and rates quoted by that Supplier. The Council shall evaluate the new prices and rates and add this score to the quality score achieved by each Supplier in the original evaluation of Tender submissions for the Framework Contract. Suppliers will be re-ranked in accordance with the revised score. Where ranking positions are amended, the Council will notify all Suppliers awarded under this Framework Contract of their new ranking position prior to the commencement of the next year of the Framework Contract. The new ranking will apply for Package Orders (Call-Off Contracts) awarded after that anniversary of the Framework Contract.
- 3.13 All Suppliers accepted onto this Framework Contract have committed to providing Community Benefits. The level of Community Benefits provided will be based on the value of any Package Orders (Call-Off Contracts) awarded to each Supplier. The Community Benefits to be delivered will be in line with the Council's Community Benefits Outcome Menu.

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## **Implications of the Report**

- 1. Financial**  
The cost of all Package Orders (Call-Off Contracts) issued under this Framework Contract will be met by the individual Service budgets.
- 2. HR & Organisational Development**  
Not applicable.

3. **Community/Council Planning**  
Reshaping our place, our economy and our future – the Framework Contract proposed will support the delivery of this outcome.
4. **Legal**  
The tendering procedure for this Framework Contract was conducted in accordance with.
5. **Property/Assets**  
The Council's roads infrastructure will be maintained to a high standard.
6. **Information Technology**  
No Information Technology implications have been identified 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. 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**  
All Suppliers health and safety credentials were evaluated by Corporate Health and Safety and met the Council's 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**  
All Suppliers 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 implications have arisen or anticipated.
13. **Climate Risk**

The level of impact associated with works connected with the Framework Contract has been assessed using the Scottish Government Sustainability Test and is considered to be high risk. Suppliers awarded Package Orders (Call-off Contracts) under the Framework Contract will be required to organise their activities in such a way that the impact they have on the environment is minimised.

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### **List of Background Papers**

None

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