

To: Finance, Resources and Customer Services Policy Board

On: 30 March 2022

Report by: Chief Executive

Heading: Contract Award: Paisley Art Centre: Phase 2 - Main Works (RC-CPU-19-292)

1. **Summary**

- 1.1 The purpose of this paper is to seek approval of the Finance, Resources and Customer Services Policy Board to award a contract for the Paisley Art Centre: Phase 2 – Main works to Clark Contracts Limited.
 - 1.2 The procurement exercise was conducted as a Regulated Works contract in accordance with the Procurement Reform (Scotland) Act 2014, Procurement (Scotland) Regulations 2016 and Renfrewshire Council's Standing Orders relating to Contracts.
 - 1.3 A Contract Strategy was approved by the Procurement Manager and the Programme Director – City Deal and Infrastructure in May 2021 for this requirement.
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2. **Recommendations**

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

- 2.1 authorise the Head of Corporate Governance to award the Contract for the Paisley Art Centre: Phase 2 – Main Works (RC-CPU-19-292) to Clark Contracts Limited.

- 2.2 Authorise the award of this Contract for the Contract Sum of £2,698,040.70 excluding V.A.T and 2.29% contingency.
- 2.3 Note the anticipated Date of Possession of the Site is 16 May 2022 and anticipated Date for Completion of the Works is 18 March 2023. The actual dates will be confirmed in the Council's Letter of Acceptance.
- 2.4 Note the award of this Contract requires the provision of a Performance Bond, Collateral Warranties and adequate Public Liability Insurance as indicated within the tender documentation.
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3. **Background**

- 3.1 In January 2014 Renfrewshire Council approved the Paisley Town Centre Heritage Regeneration Strategy (The Untold Story), setting out the need for change to the function and performance of the town based on its outstanding heritage and cultural assets.
- 3.2 The upgrade of Paisley Arts Centre (PAC) is identified as a key element of the longer-term regeneration of Paisley Town Centre. The upgrade will improve: the technical capability of the venue to host a diversity of performances; improve the customer welcome, overall customer experience and dwell time; ensuring better sustainability over the long term.
- 3.3 The Arts Centre is housed in the old Laigh Kirk and has been used as an Arts Centre since 1987, and it has become well established on the theatre, music and comedy touring circuits. However, in the past 30 years, it has not received any significant investment or upgrade internally, and is now looking tired and dated, with a less than acceptable customer experience.
- 3.4 An advanced works contract for lightweight demolition and strip out works for the Paisley Art Centre was completed in January 2022. The advanced works contract was to prepare the building for the Phase 2 – Main Works Contract and de-risk the main construction works element of the project.
- 3.5 This report seeks approval to award a contract following the procurement exercise for the Paisley Art Centre: Phase 2 – Main

Works, the main construction works element of the Paisley Art Centre project (the “Contract”).

3.6 The form of contract for the works is the SBCC Standard Building Contract with Quantities for use in Scotland (SBC/Q/Scot), 2016 Edition as supplemented and amended by the Council specific “Employer’s Amendments”.

3.7 The Contract, a main works package, was tendered as a Regulated Contract for public works in accordance with the Procurement (Scotland) Regulations 2016 using the Competitive Procedure with Negotiation (CPN) in accordance with the Council’s Standing Orders relating to Contracts.

3.8 The CPN process that was adopted was mapped by the following stages:

- Stage 1 (Invitation to Participate);
- Stage 2 (Invitation to Tender – Initial);
- Stage 3 (Negotiation);
- Stage 4 (Final Tender).

The Council reserved the right to award at the end of Stage 2 if a fully compliant offer was received, which would mean that it was not necessary to proceed to stages 3 and 4.

3.9 Stage 1 of this process was open to all interested bidders, who met the minimum selection criteria and a Contract Notice for this Contract was dispatched via the Public Contracts Scotland advertising portal on 11 June 2021. The Stage 1 Invitation to Participate documentation (ITP) was available for downloading from the Public Contracts Scotland – Tender portal on the same date.

3.10 During Stage 1, there were twenty-four (24) expressions of interest in the Contract. By the closing date set for submission, 12 noon on 12 July 2021, six (6) Candidates had submitted a request to participate (RTP).

3.11 The RTPs were evaluated against a pre-determined set of criteria in the form of the Single Procurement Document (SPD) Scotland by representatives from the Council’s Corporate Procurement Unit. All six (6) Candidates satisfied the Council’s minimum requirements within the SPD selection criteria.

3.12 As part of the selection process, and to reduce the number of otherwise qualified Candidates, Candidates had to respond to questions relating to previous experience, technical capacity and capability with projects similar in nature, scope and scale to the PAC Main Works Contract.

3.13 A panel of representatives from the Renfrewshire Council's Property Services assessed the six (6) Candidate's response to the questions and the five (5) highest scoring Candidates were selected to proceed to the Stage 2 (Invitation to Tender – Initial). The contract notice indicated the Council's intention was to invite five Candidates to Stage 2, where a minimum of five compliant RTP's were received.

3.14 The selection score for each Candidate within Stage 1 - RTP is noted below:

Candidate	Score (100%)	Ranking
Tilbury Douglas Construction Limited	76.50%	1
Clarks Contracts Limited	73.00%	2
Fleming Buildings Limited	70.50%	3
Linear Projects Limited	63.50%	4
Colorado Construction & Engineering Limited	59.00%	5
McKelvey Construction Limited	54.50%	6

3.15 The Stage 2(Invitation to Tender – Initial) (ITT) was made available for downloading by the five (5) shortlisted Candidates via the Public Contracts Scotland – Tender portal on 22 October 2021. By the closing date and time of 12 noon on 15 December 2021, two (2) Candidates (then Tenderers) had each submitted an initial tender. Three (3) Candidates declined to respond during the tender period. Reasons for not responding included lack of capacity due to current projects and unwillingness to agree to the published Employer's Amendments.

3.16 During the tender evaluation period, the Council issued clarifications to each tenderer to clarify their bid. One (1) of the two (2) initial tender submissions was withdrawn in accordance with the information and instructions to tenderers as the tenderer could not remove qualifications which were deemed non-compliant.

3.17 The remaining tender submission received was assessed against the published Award Criteria with a weighting of 50% Price and 50% Quality by a suitably qualified evaluation panel which included members of the Council's Property Services and Corporate Procurement Unit. The Tenderer's scores relative to the Award Criteria are detailed in the table below:

Tenderer	Technical Score	Price Score	Total Score
Clark Contracts Limited	31.65%	50.00%	81.65%

- 3.18 The Council is satisfied that the tender submission by Clark Contracts Limited is the most economically advantageous tender.
- 3.19 The Council had the option within the CPN to proceed to further stages of negotiation and final tender (Stages 3 and 4). As the tender submission by Clark Contracts Limited is compliant and within budget, the project team is utilising the right to award the contract at the conclusion of stage 2 of the CPN process in accordance with the process outlined in paragraph 3.8 of this report.
- 3.20 Mandatory community benefits were required for this Contract and Clark Contracts Limited confirmed the commitment to deliver one (1) employment opportunity for either an unemployed individual from a Priority Group and/ or a young person (age 16-24) from the Council's most deprived local data zones (SIMD 1 and 2).

In addition to the mandatory community benefits required, Clark Contracts Limited confirmed in their offer that the following community benefits will be delivered through this Contract:

Community Benefit Description	No of People / Activity
Job for young person (age 16-24) (SIMD 1 and 2)	1
Work Experience for individual in full time education	1
Industry Awareness Event	1
S/NVQ for existing or new employee	1
Financial Support for a Community Project	1

Implications of the Report

1. **Financial** - No financial implications have arisen or are anticipated. Financial and Economic Standing have been assessed as part of the selection criteria – which Clark Contracts Limited passed. The project will be funded from existing approved resources.
2. **HR & Organisational Development** – No HR & Organisational Development implications have arisen or are anticipated
3. **Community/Council Planning** –

- *Our Renfrewshire is thriving* – the refurbishment of the Paisley Art Centre will contribute to the regeneration of Paisley, helping establish the town as place to host culture and art events.
- *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 contract will deliver the refurbishment of Paisley Art Centre, establishing the facility as an arts venue contributing to the regeneration of Paisley and associated economic benefits for Renfrewshire.
- *Tackling inequality, ensuring opportunities for all* – The contract will deliver a broad range of Community Benefits including employment opportunities for individuals currently in receipt of employability support, work placements, support with careers events and a range of business and mentoring support opportunities.
- *Creating a sustainable Renfrewshire for all to enjoy* – the contract will deliver refurbishment of a Grade A listed building, situated in the centre of Paisley creating an attractive and functional space for building users and improving the environment for all. Sustainability Key Performance Indicators (KPIs) will be tracked through the project.
- *Working together to improve outcomes* – consultation with key stakeholders and user groups is ongoing to ensure that the building achieves the ambition of the town.

4. **Legal** - The procurement of this Regulated works contract has been conducted in accordance with the Procurement Reform (Scotland) Act 2014, Procurement (Scotland) Regulations 2016 and the Council's Standing Orders Relating to Contract.
5. **Property/Assets** - The purpose of this project is to implement the design, upgrade and modernisation of the category A listed Paisley Art Centre as part of the longer-term regeneration of Paisley Town Centre. The use of the building is leased to Renfrewshire Leisure Limited, trading as One Ren therefore the Contractor is required to provide Collateral warranties and Sub-Contractor Collateral warranties to One Ren as a third-party beneficiary of the works.
6. **Information Technology** – No IT implications have arisen or are anticipated.

7. **Equality & Human** - 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** - Clark Contracts 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 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** – Clark Contracts Limited's insurances have been assessed and evaluated and confirm that they will meet 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.
13. **Climate** – The level of impact associated with the works has been assessed using the Scottish Government Sustainability Test and supports the Council's aims to protect and preserve Paisley's heritage and cultural assets. Sustainability KPIs have been set in the Contract and will be monitored by the project team for the duration of the works.

List of Background Papers

None.

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