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

**On:** 31 January 2018

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

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**Heading:** Contract Authorisation Report - Procurement of Demolition Works at the old St Fergus Primary School, Paisley

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## **1. Summary**

- 1.1 The purpose of this report is to inform the Finance, Resources and Customer Services Policy Board that a contract was awarded to Reigart Contracts Ltd to undertake Demolition Works at the old St Fergus Primary School, Paisley, PA3 1NB.
  - 1.2 This procurement exercise has been tendered in accordance with a negotiated procurement procedure in accordance with the Council's Standing Orders Relating to Contracts 9.1c
  - 1.2 A Request to Negotiate to undertake Demolition Works at the old St Fergus' Primary School was approved by the Strategic Commercial and Procurement Manager on 23 August 2017
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## **2. Recommendations**

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board note:
  - 2.1.1 That the Director of Finance and Resources and the Head of Policy and Commissioning authorised the award of a contract to Reigart Contracts Ltd, under the terms of Clause 9.1 (c) of the Standing Orders Relating to Contracts (2017), to undertake Demolition Works at the old St Fergus' Primary School, Paisley, PA3 1NB due to the emergency situation arising following a fire at the school;
  - 2.1.2 For a period of 26 weeks, commencing on 23 August 2017; and
  - 2.1.3 At a contract value of £462,371.69 excluding VAT.

### **3. Background**

- 3.1 The old St Fergus' Primary School was situated opposite the newly constructed St Fergus' Primary School. Pupils and staff moved to the new primary school in May 2017.
- 3.2 The Council had initially tendered the works required via a mini-competition under Lot 2: Low Complexity Demolition Works of the Renfrewshire Council Framework Agreement for Demolition Works, RC1211\_572
- 3.3 By the closing date of the mini competition set for return of electronic tenders of 12 noon on 4th April 2017, 2 of the 3 tenderers awarded to Lot 2 of the framework submitted a response. Following evaluation of submissions received, the tender submitted by Reigart Contract Ltd was the Most Economically Advantageous Tender.
- 3.4 The award of this mini-competition was delayed due to an agreement requiring to be reached with regards to the inclusion of a privately owned property within the demolition site. A decision was taken in July 2017 that the property was not to be included in the demolition. However, the Renfrewshire Council Framework Agreement for Demolition Works, RC1211\_572(ITT1178) expired 19th May 2017, an award under this framework was no longer possible.
- 3.5 As a result, it was the Council's intention to undertake a new mini-competition under the Scotland Excel Framework for Demolition Services (Ref: 11-15) which has been in place since 4th January 2017 with procurement documentation being prepared for issued.
- 3.6 On 19th August 2017, a fire caused significant damage at the old St Fergus' Primary School which resulted in part of the building and surrounding area being deemed a significant health and safety risk. This part of the building required to be demolished immediately.
- 3.7 In accordance with the Council's Standing Orders Relating to Contracts 9.1c, a request to negotiate was agreed with Property Services and approved by the Strategic Commercial and Procurement Manager on 23 August 2017 following consultation with the Director of Finance and Resources, to proceed with awarding a negotiated contract to Reigart Contract Ltd on the basis of their tender submission from the initial mini-competition conducted under Lot 2: Low Complexity Demolition Works of the Renfrewshire Council Framework Agreement for Demolition Works, RC1211\_572.

#### **9.1 (c) of Standing Orders Relating to Contracts 2017:**

*"In the opinion of the Director of the procuring department, or of the Chief Executive, action is urgently required to prevent danger to life, serious risk to health or damage to property. For the avoidance of doubt, where practicable, the Director or the Chief Executive shall consult with the HOPAC before taking any action under this standing order and any relevant requirements of the Treaty Principles, the EU Procurement Rules, and the Procurement Reform Rules shall be complied with. In all circumstances where this exemption has been used, the HOPAC shall be notified as soon as reasonably practicable following which a report will be submitted to the Finance, Resources and Customer Services Policy Board at the first available subsequent*

*meeting detailing both the circumstances justifying use of this exemption and the action taken.”*

- 3.8 Due to the urgent nature of the Works required, the formal Agreement was issued after the works had started with the Agreement being issued in November 2017.
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## **Implications of the Report**

### **1. Financial**

The financial stability of Reigart Contract Ltd was assessed at the inception of Renfrewshire Council Framework Agreement for Demolition Works, RC1211\_572.

### **2. HR & Organisational Development**

No TUPE implications are expected to arise via the award of demolition works.

### **3. Community Planning**

With the buildings being unoccupied for a number of months, there was an increased risk of anti-social behaviour from trespassers, which subsequently resulted in considerable damage to the buildings on site. Following the demolition of the property and site clearance, the land occupied will be left as a future development site.

### **4. Legal**

The negotiated contract was agreed in accordance with regulation 33.1a of the Public Contracts (Scotland) Regulations 2015 and the Councils Standing Orders Relating to Contracts 9.1c.

### **5. Property Assets**

Following the completion of the construction of the new St Fergus' Primary School, the old school buildings have been vacated and are no longer required.

### **6. Information Technology**

No Information Technology implications have arisen or are anticipated.

### **7. Equality and Human Rights**

Reigart Contract Ltd were 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.

### **8. Health & Safety**

There are no health and safety implications associated with the award of the contract

## 9. **Procurement**

The negotiated contract was agreed in accordance with regulation 33.1a of the Public Contracts (Scotland) Regulations 2015 and the Councils Standing Orders Relating to Contracts 9.1c.

## 10. **Risk**

Reigart Contract Ltd insurances were evaluated at the inception of Renfrewshire Council Framework Agreement for Demolition Works, RC1211\_572. and were deemed to meet the minimum requirements. Additionally, updated copies of insurance documentation were requested as part of the initial mini competition.

## 11. **Privacy Impact**

It is not anticipated that a Privacy Impact Assessment will be required.

## 12. **Cosla Policy Position**

No Cosla Policy Position implications have arisen or are anticipated.

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### **List of background papers**

(a) None

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