

To: Finance, Resources and Customer Services Policy Board

On: 21 June, 2017

**Joint Report
by
Chief Executive and the Director of Children's Services**

**Contract Authorisation Report for Design and Build of Linwood Close
Support Unit**

1. Summary

- 1.1. The purpose of this report is to request the Finance, Resources and Customer Services Policy Board to authorise the Head of Corporate Governance to enter into a contract for the Design and Build of a Close Support Unit at Brediland Road, Linwood.
 - 1.2. This procurement exercise has been tendered as a Mini Competition via Lot 1 "Contractors Framework Agreement - Low Value Contracts" of the Link Group Limited's "Framework Agreement for Main Building Contractors for New Build Housing", and considering the Renfrewshire Council's Standing Orders Relating to Contracts for below EU Threshold Procedure for Works.
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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 the contract for the Design and Build of Linwood Close Support Unit to McTaggart Construction Ltd.
 - b. the Contract Sum for the Works is to a maximum of £956,339.00 excluding VAT.

- c. the Contract will commence on 3rd July 2017 or the date stated in the Council's Letter of Acceptance and the Date of Possession will be six (6) weeks from contract award. The Completion Date will be forty (40) weeks from the Date of Possession.
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3. Background

- 3.1. In December 2015, the Leadership Board approved the construction of new build accommodation to house a new Close Support Service for up to four young people aged between 12-18 years who require a more intensive level of care and support. The principal aim of this new service will be to provide high quality services and accommodation for some of our most complex and challenging children and young people who require to be placed in a smaller group with higher staff to young people care ratios.
- 3.2. The overall objective of this contract was to employ a suitably qualified and experienced contractor capable of carrying out the design and build of new purpose built accommodation to enhance Renfrewshire Council's existing Children's Services residential estate.
- 3.3. On 10 October 2016 the Link Group Limited awarded a Framework Agreement for Main Building Contractors for New Build Housing across 4 Lots to support delivery of the Scottish Government's target of delivering at least 50,000 affordable homes by 2021. Lot 1 of this framework agreement supported delivery of low value contracts up to £1.5 million and was awarded to 10 building contractors.
- 3.4. In April 2016, following consultation with the Link Group and Council officers, Renfrewshire Council indicated that the Council wished to be named as a participant in the Framework Agreement. A Contract Notice was published by the Link Group Limited on 30 May 2016 naming Renfrewshire Council and confirming that the projects tendered under Lot 1 would range in size and type from mainstream housing to a variety of special needs projects.
- 3.5. In consultation with the Service, the Strategic Commercial Category Manager for Construction agreed that a mini competition, run under the terms of the Link Group Limited's framework agreement would allow delivery of the key project objectives within the timescales.
- 3.6. This contract was tendered as a SBCC Design and Build Contract (DB/Scot), 2011 Edition including Amendment 1 - Issued March 2015 (Effective from 6th April 2015) and incorporating the Council' Employers Amendments.
- 3.7. A tender open to all ten (10) participants under Lot 1 of the aforementioned framework was published on the Public Contract Scotland – Tender website on 9th February 2017 with the tender documentation available for immediate download. By the closing date of 10th April 2017 at mid day two (2) Tenderers had submitted a response.
- 3.8. The two (2) bids were evaluated against a set of award criteria which was based on the Framework Agreement Award Criteria of 70% Quality and 30% Price.

- 3.9. The technical and commercial responses of the Tenders were analysed and the scores relative to the award criteria for each Tenderer are noted below:

	Quality(70%)	Price (30%)	Total (100%)
McTaggart Construction Ltd	57.25	30.00	87.25
J H Civil Engineering Ltd	55.25	22.93	78.18

- 3.10. The evaluation of tenders received identified that the tender submitted by McTaggart Construction Ltd is the most economically advantageous.
- 3.11. Children's Services confirmed that the budget available for this Contract is £960,000. The original Contract Sum submitted by McTaggart Construction Limited was £1,025,989.00 which represented an over spend on budget of 6.87%. Representatives of Procurement and Property Services conducted a post tender negotiation process with McTaggart Construction Ltd on behalf of Children's Services to review the costings, this resulted in a revised contract sum of £956,339.00 a cost avoidance saving of 0.38%.
- 3.12. Community Benefits were requested as part of this Contract and McTaggart Construction Ltd has committed the following Community Benefits:

Description	Qty
Skills and Training	
Work Experience Placements (14-16 years of age)	2
Work Experience Placements (16 + years of age)	6
Work Experience Placement Graduate	1
Careers Event	2
School Mentoring or Enterprise Programme	2
Vocational Training	
S/NVQ (Or equivalent) / Vocational training	2
Supply Chain Development	
Supply Chain Briefings with SME's including micro businesses	1
Community Engagement	
Non financial support for a Community Project	2

Implications of the Report

1. Financial

The financial status of McTaggart Construction Ltd was assessed 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

Children and Young People: Providing good quality care is central to ensuring that the most vulnerable children in Renfrewshire are provided with an opportunity to be cared for in a safe and nurturing environment.

Safer and Stronger: Providing children and young people with safe, supportive and nurturing placements, increases the likelihood of them becoming effective citizens who contribute productively to the communities in which they live

Empowering our Communities: The community benefits submitted under this contract are listed within section 3.12 of this report.

4. **Legal**

The procurement exercise for this contract was conducted as a Mini Competition under the Link Group Limited's Framework Agreement for Main Building Contractors for New Build Housing in accordance with the requirements for mini-competitions under that Framework. This is the first contract by the Council to be awarded under this framework.

5. **Property Assets**

In carrying out the work involved within the contract the overall infrastructure at the site will be improved.

6. **Corporate Services**

None

7. **Information Technology**

None

8. **Equality and 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.

9. **Health & Safety**

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

10. **Procurement**

The procurement procedures outlined within this report were conducted in accordance with the terms and conditions of Lot 1 of the Link Group Limited's a Framework Agreement for Main Building Contractors for New Build Housing and shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.

11. Risk

McTaggart Construction Ltd insurances have been assessed and evaluated to confirm they meet the minimum requirements regarding insurable risk.

12. Privacy Impact

No Privacy Impact Assessment requirements were identified within this procurement.

List of background papers

None

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