

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

**On:** 31 March 2021

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**Report by:** The Chief Executive and the Programme Director – City Deal and Infrastructure

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**Heading:** Contract Award: Paisley Museum Re-Imagined– Main Works (RC-CPU-19-419)

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1. **Summary**

- 1.1 The purpose of this report is to seek approval of the Finance, Resources and Customer Services Policy Board to award a contract for the Paisley Museum Re-Imagined - Main Works to Kier Construction Limited.
  - 1.2 The procurement exercise was conducted in accordance with the Public Contracts (Scotland) Regulations 2015 and Renfrewshire Council's Standing Orders Relating to Contracts. The procurement exercise was tendered prior to the United Kingdom's EU exit on 31 December 2020 and continues to be subject to those procurement procedures.
  - 1.3 A Contract Strategy was approved by the Procurement Manager and the Head of Regeneration on 2<sup>nd</sup> September 2020 for this requirement.
  - 1.4 The tender was given approval to be released to the market in October 2020 by the Contract Oversight Board, with approval to proceed to award recommendation stage also received.
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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 a contract for the Paisley Museum Re-Imagined– Main Works (RC-CPU-19-419) to Kier Construction Limited.
- 2.2 Authorise the award of this contract for the Contract Sum of £23,511,906 excluding VAT, with an additional 10% contingency spend, noting that this Contract Sum may reduce prior to Contract Award as the Council continues to engage with Kier Construction Limited in Post Tender Negotiations. The concluding Contract Sum will be confirmed in the Letter of Acceptance and formal contract that will be issued.
  - 2.2.1 Following conclusion of Post Tender Negotiations, delegate authority to the Head of Policy and Commissioning in conjunction with the Programme Director – City Deal and Infrastructure to accept recommendation for a revised reduced offer from Kier Construction Limited following post tender negotiation and thereafter to authorise the Head of Corporate governance to make an award for that revised reduced value.
- 2.3 Note the anticipated Date of Possession of the Site is 7 June 2021 and anticipated Date for Completion of the Works is 2 December 2022. The actual dates will be confirmed in the Council's Letter of Acceptance and formal contract to be issued.
- 2.4 Note the award of this Contract is subject to the provision of a Performance Bond and Collateral Warranties 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. The redevelopment of Paisley Museum is the signature project identified within the Strategy. The ambition is to create a world class experience for visitors and local

communities, showcasing the internationally significant collections, and embodying the spirit and character of the communities of Renfrewshire and the regional connections with the world.

3.2 Paisley Museum Re-Imagined Project will deliver a cultural facility of significance for Scotland. The project will help to transform Paisley's perception of itself, develop a visitor economy, lead the regeneration of the town centre and once again give Paisley a confident, outward-facing profile to the world.

3.3 The project is underpinned by a series of high-level strategic aims that will turn it into a:

- leading international museum — telling the story of Paisley as a pattern and a town
- visitor destination drawing its audience from Scotland, UK and overseas
- hub for learning, skills development, innovation and research
- community resource at the heart of Paisley's local life; and
- means of restoring civic pride, and increased feeling of community ownership

3.4 This report seeks approval to award a contract following the procurement exercise for the main construction works element of the Paisley Museum Re-Imagined project.

3.5 The form of contract for the work contract 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".

3.6 After approval to go to tender was received from the Contract Oversight Board in October 2020, the main works package was tendered using the Open tender procedure, in accordance with both the Public Contract (Scotland) Regulations 2015 and the Council's Standing Orders Relating to Contracts. Associated risks had been carefully considered prior to approaching the market and mitigation of these directly informed the "Employer's Amendments" issued with the tender, including drafting to reduce the council's exposure of any implications that could result from the pandemic.

3.7 The Contract Notice was published in the Official Journal of the European Union on 4 September 2020 with the procurement documents available for download from the Public Contracts Scotland – Tender portal on the same date. Note, this procurement and tender were started prior to the United Kingdom exiting the European Union on 31 December 2020 and followed the procedure for procurement exercises required prior to that exit.

- 3.8 Sixteen (16) tenderers noted interest in the project with two (2) tenderers submitting a Tender by the tender deadline of 23 November 2020 at 12noon.
- 3.9 Tenders were assessed by an evaluation panel consisting of the Paisley Museum Re-Imagined Project Team, Corporate Procurement Unit, Renfrewshire Council Health and Safety, Renfrewshire Council Risk team and the appointed consultants for the project.
- 3.10 During the tender evaluation period, the Council issued clarifications to each tenderer to clarify their bid. Following review of the responses to clarifications received, one (1) of the two (2) tender submissions were deemed non-compliant as the tender was deemed irregular and did not adhere to the requirements set out in the Procurement Documents so was therefore excluded from the tender process.
- 3.11 The remaining tenderer met the minimum requirements of the European Single Procurement Document (ESDP) and was then assessed against the pre-set Award Criteria for Stage 2; 70% Quality/ 30% Price for which they achieved the following scores.

		Price (30%)	Quality (70%)	Total (100%)
1	Kier Construction Limited	30.00%	57.61%	87.61%

- 3.12 The contract notice stated an estimated total value of £21,400,000 and while the proposed value is in excess of the estimated value the Council is satisfied that the tender submission by Kier Construction Limited is the most economically advantageous tender submission. Standing Order 26 of the Standing Orders Relating to Contracts 2017 allows for the use of Post Tender Negotiations. Post Tender Negotiation (PTN) may be used to refine and improve the bid identified as the most economically advantageous offer however the negotiation process must be managed in strict accordance with the Standing Orders Relating to Contracts and statutory Guidance. .
- 3.13 PTN is ongoing and it is anticipated that this will continue until Mid-April any reductions to the contract value as a result of PTN will be reported.

- 3.14 Approval was sought from the Contract Oversight Board in March 2021 to proceed with taking the tender award recommendation to this Finance, Resources and Customer Service Board in March 2021.
- 3.15 Community Benefits were requested as part of this procurement process and Kier Construction Limited confirmed in their offer that the following Community Benefits would also be made available to the Council for this contract:

Community Benefit Description	No of People / Activity
Job for an unemployed individual from a Priority Group	1
Job for an unemployed individual	2
Job for a young person (age 16-24) - from the councils most deprived local datazones (SIMD 1 and 2)	1
Modern Apprenticeship	2
Graduate	1
Work Experience Placement for an individual 16+ years of age from the councils most deprived local datazones (SIMD 1 and 2)	4
Work Experience Placement for an individual in full time education	3
Business advice/support to a local SME /Social Enterprise/ Voluntary organisation	1
Commitment to ensure that supply chain opportunities are prioritised for Renfrewshire based businesses	1
Event to promote supply chain opportunities	1

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## 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 tender selection criteria – which Kier Construction 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 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 Museum Re-Imagined Project will deliver a cultural facility of significance for Scotland. The £42m project will help to transform Paisley's perception of itself, develop a visitor economy, lead the regeneration of the town centre and once again give Paisley a confident, outward-facing profile to the world. It will also bring a £79million economic boost to the town over the next 30 years, with 138 jobs supported during construction, and 48.5 jobs per year through revenue and visitor spending.
- *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, employment for graduates, work placements, support with careers events and a range of business and mentoring support opportunities. Accessibility within the facility will be significantly improved.
- *Creating a sustainable Renfrewshire for all to enjoy* – 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. The redevelopment of Paisley Museum is the signature project identified within the Strategy. The ambition is to create a world class experience for visitors and local communities, showcasing the amazing internationally significant collections, and embodying the spirit and character of the communities of Renfrewshire.
- *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. The project team have already worked with more than approximately 1800 people and undertaken over 200 events to capture and help tell their stories and these will feature in the museum when it reopens.

4. **Legal** - The procurement of this works contract has been conducted in accordance with an above EU Threshold Open Procedure of the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders Relating to Contracts. The procurement exercise was tendered

prior to the United Kingdom's EU Exit on 31 December 2020 and continues to be subject to those procurement procedures.

5. **Property/Assets** – The project is underpinned by a series of high-level strategic aims that will turn it into a:
  - leading international museum — telling the story of Paisley as a pattern and a town
  - visitor destination drawing its audience from Scotland, UK and overseas
  - hub for learning, skills development, innovation and research
  - community resource at the heart of Paisley's local life; and
  - means of restoring civic pride, and increased feeling of community ownership
6. **Information Technology** – No IT 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** - Kier Construction Limited 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** – Kier Construction Limited 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 Risk** – The level of impact associated with the works has been assessed using the Scottish Government Sustainability Test and is considered to be low risk.
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