



To: Procurement Sub Committee

On: 18 May 2016

Report by:

**Joint Report
by
The Chief Executive and the Director of Development and Housing Services**

**Contract Authorisation Report: Alterations and Internal Refurbishment Works
at New Museum Storage Facility**

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub Committee to enter into a Standard Building Contract with Quantities for use in Scotland (SBC/Q/Scot (2011 edition)) for Alterations and Internal Refurbishment Works at New Museum Storage Facility, Contract Reference, RC/OC/123/16 which forms part of the work detailed in the Paisley Heritage Asset Strategy, relating to the creation of the new Museum Store.
 - 1.2 The Contract was tendered in accordance with the below EU Threshold Open Procedure for Works and the Council's Standing Orders Relating to Contracts.
 - 1.3 A Contract Strategy was prepared by the Corporate Procurement Unit and approved by the Strategic Commercial and Procurement Manager and the Head of Policy and Regeneration on 3rd February 2016.
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2. Recommendations

2.1. It is recommended that the Procurement Sub Committee authorise:

- 2.1.1 The Head of Corporate Governance to award the contract RC/OC/123/16 for Alterations and Internal Refurbishment Works at New Museum Storage Facility to Project Management & Construction Limited.
 - 2.1.2 The estimated contract value is £1,880,243.78 excluding VAT.
 - 2.1.3 The contract is anticipated to commence on or around the 31st May 2016 or from the date stated on the Letter of Acceptance and will be for a total term of 48 weeks.
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3. Background

- 3.1 Paisley and its town centre are vital to the economic and social performance of all of Renfrewshire. The Paisley Heritage Asset Strategy which was approved in January 2014 sets out an ambitious vision for Paisley including the development of a signature museum project of national status, developing opportunities to improve the visitor offer and rebrand Paisley as a visitor destination, providing employment and regeneration opportunities. The Strategy highlights the potential to significantly improve the performance of Paisley's tourism economy, creating a potential 800 new jobs in the town.
- 3.2 The Paisley Museum redevelopment is the flagship project of the regeneration strategy, contributing 238 new jobs to the overall target. Central to the success of the Paisley Museum redevelopment is the Paisley Museum Store project. Its purpose is to relocate the Council's museum collections storage facility from Whitehaugh Barracks into the lower ground floor of the former Littlewoods store on Paisley High Street and also to provide proper storage of those objects not on display at the Museum. In addition, during the proposed extensive refurbishment works at the Museum, the objects, which are currently on display there, will be temporarily stored in the Museum Store.
- 3.3 Current conditions at Whitehaugh Barracks do not provide the opportunity for those collections not on display at the museum to be viewed by the public. The project will make them available for controlled public access, with the opportunity of using vacant town centre space for this purpose, therefore contributing to increased footfall in the town centre.
- 3.4 The project programme for delivery of the new Museum Store is a critical dependency for the museum refurbishment works. It is currently anticipated that the Store is required to be available to allow for decant of the Museum by September 2017.

- 3.5 As a result in order to meet the programme it was agreed that the delivery of the new Museum Store should be delivered under two separate contracts; the first, a contract for the design and installation of racking and shelving that will safely house the invaluable collection and, the second, a contract for Alterations and Internal Refurbishment Works at New Museum Storage Facility to construct a suitable space and environment within the new Museum Store location. The focus of this report is the second contract for Alterations and Internal Refurbishment Works at New Museum Storage Facility.
- 3.6 The Contract was procured using the Open Tender procedure for a below EU threshold contract for works in accordance with the Council's Standing Orders Relating to Contracts. A contract notice advertising the opportunity was sent to the Public Contracts Scotland portal on the 3rd February 2016. Tender documentation was available for immediate download through the online e-tender system.
- 3.7 Twenty-two (22) suppliers noted an interest of which three (3) tender submissions were received by the closing date for the receipt of tender submissions at noon, on 11th March 2016.
- 3.8 Tender submissions were evaluated using a two stage process of Bid Selection and Award criteria published in the tender. The tender submissions were first evaluated by representatives from the Corporate Procurement Unit, Finance and Resources, Health & Safety and Corporate Risk against pre-determined Bid Selection criteria which assessed their capacity, experience & track record and their technical and financial capabilities. All tender submissions met the minimum requirements moving on to stage 2.
- 3.9 Tenderers were then evaluated against pre-determined award criteria of 50% price and 50% quality. Price evaluation was carried out by CPU and Armour Construction Consultants Ltd who have been engaged as part of the design team. The technical evaluation was carried out by the service. During the evaluation process it became apparent that tender received from City Gate Construction (Scotland) Ltd contained omissions in terms of their pricing, during clarification the Tenderer withdrew their Tender as they could not hold the Tendered price. The outcome of the evaluation process is detailed in Table 1 below.

Table 1

Tenderer	Quality Score (%)	Price Score (%)	Total Score (%)
Project Management & Construction Limited	31.66	50.00	81.66
Clark Contracts Ltd	35.30	45.21	80.51

- 3.10 Based on the evaluation carried out the tender from Project Management & Construction Limited represents the best value and the most economically advantageous tender.

- 3.11 The Invitation to Tender required a construction period of 54 weeks which was the basis of the evaluation detailed in Table 1. However as part of their Tender, Project Management & Construction Limited have confirmed they can deliver the works in 48 weeks for the tendered sum. The contract will commence on 31st May 2016 for a duration of 48 weeks. The defects period will run for 12 months following practical completion.
- 3.12 The cost of this project is funded from the capital budget within the Regeneration Fund and is within the overall project budget. This is supported by a grant of up to a maximum of £39,600 from Museum Galleries Scotland.
- 3.13 As part of this tender Project Management & Construction Limited have committed to the delivery of the following community benefits during the delivery of this contract:

Description	Quantity
Jobs (Unemployed)	1
Work Experience Placements (16+ years of age)	2
Work Experience Placements (14-16 years of age)	2
Career Events	1
Industry Awareness Days	2
Business Support Social Enterprises, Supported Businesses, Third Sector	1
Mentoring Third Sector Organisations	1
S/ NVQ's or equivalent for Existing Employees	1

Implications of the Report

1. **Financial** – The financial status of Project Management & Construction Limited has been assessed as part of the evaluation process and met with the Council's minimum requirements for this contract.
2. **HR & Organisational Development** - None
3. **Community Planning/ Council Plan Implications** – Project Management & Construction Limited has a commitment to deliver a number of community benefits under this contract as detailed in section 3.13 of this report. The work under this contract will also contribute to the benefits under the Paisley Heritage Asset Strategy:

Community Care, Health & Well-being - The delivery of actions within the Heritage Asset strategy have the potential to positively impact on physical, emotional and mental health and wellbeing.

Jobs and the Economy – The strategy will contribute to meeting all of the outcomes of the Plan, for Renfrewshire to –

- Be one of the best locations in Scotland to invest, in terms of its people, businesses and local communities.
- Have a growing local economy creating employment for a well trained, qualified and motivated workforce — where unemployment is reduced and employment opportunities are growing.
- Be the best connected local economy in Scotland, internationally, nationally and regionally.
- Have attractive environments and successful town centres created through successful area regeneration that contribute positively to local community and economic growth

Safer and Stronger - Implementing the strategy will assist Renfrewshire citizens to have a positive attitude to their community.

4. **Legal** – The tendering procedures for the establishment of a contract were conducted in accordance with the requirements of the Public Contracts (Scotland) Regulations 2012, as amended, and Renfrewshire Council's Standing Orders Relating to Contracts for below EU Threshold Works Contracts.
5. **Property Assets** – The works resulting from this contract are part of the Heritage Asset Strategy and will deliver suitable storage facilities for the collections.
6. **Information Technology** – Dialogue has been commenced with IT Business Relationship Officers re provision of ICT infrastructure to the Museum Store to ensure appropriate consideration during technical design.
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** – Project Management & Construction Limited health and safety submission was evaluated by Renfrewshire Council's Health and Safety section and met the minimum requirements regarding health & safety for this contract.

9. **Procurement** – The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures.
 10. **Risk** – Project Management & Construction Limited insurances have been assessed and evaluated to confirm that they meet the minimum requirements regarding risk.
 11. **Privacy Impact** – None
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List of background papers

- (a) **Economy and Jobs Policy Board Paper 29th January 2014:**
Paisley Heritage Asset Strategy
 - (b) **Economy and Jobs Policy Board Paper, 21st May 2014, 19th November 2014 and 20th May 2015:**
Paisley Heritage Asset Strategy Progress Reports
 - (c) **Economy and Jobs Policy Board Paper, 18th November 2015:**
Paisley Heritage Asset Strategy: Progress Report 4
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