

To: Finance, Resources and Customer Services Policy Board

On: 8 November 2017

Report by: Chief Executive and the Director of Environment & Communities

Heading: Contract Authorisation Report: Framework Contract for Maintenance & Improvements of Carriageways and Footways

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to award a Framework Contract to the suitably qualified and experienced contractors recommended in this report for Maintenance and Improvements of Carriageways and Footways which was tendered in the form of a NEC3 Engineering and Construction Short Contract (April 2013 edition) for Lot 1 and 2 and NEC3 Term Service Short Contract (April 2013 edition) with bespoke amendments & additional Z Clauses for lots 3, 4 and 5.
- 1.2 The procurement exercise was conducted as a Regulated Procurement in accordance with the Council's Standing Orders Relating to Contracts and above EU Threshold Open Procedure for works.
- 1.3 A contract strategy document was prepared by the Corporate Procurement Unit and was approved by the Corporate Procurement Manager and Director of Community Resources on 29 March 2017.

2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board authorise the Head of Corporate Governance to:-
 - 2.1.1 Award a multi supplier Framework Contract for Maintenance & Improvements of Carriageways and Footways and any subsequent call-off (package orders) contracts per specific Lot as per Appendix 1.

- 2.1.2 To note the cumulative spend made under this Framework Contract and any related package orders will be up to the maximum value of £20,000,000 excluding VAT.
 - 2.1.3 The Framework Contract is intended to commence on 11 December 2017 or alternatively, the date confirmed in the Letter of Acceptance and will be for a period of three calendar years with an option to extend for one additional year at Council discretion.
 - 2.1.4 It is envisaged that the majority of individual package orders raised under this Framework Contract will not exceed £160,000 excluding VAT. Where best value cannot be determined for spend exceeding £160,000 excluding VAT using the framework ranking system, a mini competition will be conducted with the most economically advantageous tenderer awarded the contract.
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3. Background

- 3.1 Community Resources are responsible for the management and maintenance of all roads, excluding trunk roads, within the Council's boundaries.
- 3.2 Capital investment was announced at the Council budget meeting on 16 February 2017, announcing the largest single investment for maintenance of Renfrewshire's road network with £6.7million for key routes to keep Renfrewshire's economy moving freeing up extra resource for residential roads for 2017/2018.
- 3.3 This Framework Contract includes Maintenance & Improvements of Carriageways and Footways for the Council's Road Resurfacing Programme.
- 3.4 A contract notice was published on the Public Contracts Scotland advertising portal on the 17th August 2017 and in the Official Journal of the European Union (OJEU) on the 19th August 2017. During the tendering period 35 suppliers expressed an interest in the tender. By the deadline set for the return of tenders, 12 noon on the 26th September 2017, 15 suppliers had submitted a response, 5 declined to tender and 15 did not respond.
- 3.5 All 15 tender submissions were evaluated against a pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) by representatives from Corporate Procurement Unit, Corporate Risk and Corporate Health & Safety.
- 3.6 All 15 submissions confirmed compliance with the minimum criteria of the ESPD and were evaluated against a set of award criteria which were based on 30% Technical (Quality) and 70% Commercial (Price).
- 3.7 Following the outcome of this evaluation, it was determined that one tenderer had failed to submit a technical and commercial envelope and therefore their offer was deemed not compliant.

3.8 The scores relative to the Award Criteria for each tenderer in respect of each of the aforementioned lots are as follows:

Lot 1:- Carriageway Resurfacing			
Supplier	Commercial Score	Technical Score	Total Score
Finco Contracts Ltd	70.00%	29.70%	99.70%
Mac Asphalt Limited	61.12%	29.55%	90.67%
MacLay (Civil Engineering) Limited	46.40%	29.80%	76.20%
Newlay Civil Engineering Ltd	41.83%	26.00%	67.83%
Hillhouse Quarry Group Limited	38.89%	24.95%	63.84%
Luddon Construction Limited	46.90%	15.30%	62.20%
Aggregate Industries UK Limited	36.80%	23.75%	60.55%
Tarmac Trading Limited	36.95%	22.50%	59.45%
Enviroclean (Scotland) Ltd	26.85%	26.20%	53.05%
Complete Paving Requirement (Scotland) Ltd	26.12%	25.00%	51.12%
John McGeady Limited	17.49%	28.10%	45.59%

Lot 2:- Footway Resurfacing			
Supplier	Commercial Score	Technical Score	Total Score
Finco Contracts Ltd	70.00%	29.70%	99.70%
Mac Asphalt Limited	55.90%	29.55%	85.45%
MacLay (Civil Engineering) Limited	55.07%	29.80%	84.87%
J.H. Civil Engineering Limited	53.32%	26.50%	79.82%
Enviroclean (Scotland) Ltd	51.95%	26.20%	78.15%
Newlay Civil Engineering Ltd	46.37%	26.00%	72.37%
Luddon Construction Limited	43.34%	15.30%	58.64%
John McGeady Limited	28.10%	28.10%	56.20%
Complete Paving Requirement (Scotland) Ltd	28.86%	25.00%	53.86%

Lot 3:- Environment Network Improvement			
Supplier	Commercial Score	Technical Score	Total Score
Finco Contracts Ltd	70.00%	29.70%	99.70%
J.H. Civil Engineering Limited	69.97%	26.50%	96.47%
MacLay (Civil Engineering) Limited	62.56%	29.80%	92.36%
Mac Asphalt Limited	58.49%	29.55%	88.04%
Newlay Civil Engineering Ltd	48.66%	26.00%	74.66%
Luddon Construction Limited	54.07%	15.30%	69.37%
Mackenzie Construction Limited	25.83%	29.70%	55.53%
Complete Paving Requirement (Scotland) Ltd	28.86%	20.00%	48.86%
Enviroclean (Scotland) Ltd	23.82%	23.70%	47.52%
John McGeady Limited	16.28%	28.10%	44.38%

Lot 4:- Carriageway Defect Patching			
Supplier	Commercial Score	Technical Score	Total Score
Finco Contracts Ltd	70.00%	29.70%	99.70%
Mac Asphalt Limited	61.32%	29.55%	90.87%
MacLay (Civil Engineering) Limited	61.06%	29.80%	90.86%
J.H. Civil Engineering Limited	63.04%	26.50%	89.54%
Newlay Civil Engineering Ltd	48.88%	26.00%	74.88%
Luddon Construction Limited	51.31%	15.30%	66.61%
Complete Paving Requirement (Scotland) Ltd	32.12%	25.00%	57.12%
Enviroclean (Scotland) Ltd	23.46%	26.20%	49.66%
John McGeady Limited	12.56%	28.10%	40.66%

Lot 5:- Pothole Maintenance			
Supplier	Commercial Score	Technical Score	Total Score
Finco Contracts Ltd	70.00%	29.70%	99.70%
Mac Asphalt Limited	70.00%	29.55%	99.55%
John McGeady Limited	68.65%	28.10%	96.75%
Newmac Asphalt Services Limited	61.82%	27.95%	89.77%
MacLay (Civil Engineering) Limited	49.79%	29.80%	79.59%
Luddon Construction Limited	63.81%	15.30%	79.11%
Enviroclean (Scotland) Ltd	51.74%	26.20%	77.94%
J.H. Civil Engineering Limited	49.58%	26.50%	76.08%
Complete Paving Requirement (Scotland) Ltd	31.78%	25.00%	56.78%
Newlay Civil Engineering Ltd	34.00%	26.00%	60.00%

- 3.9 The invitation to tender stipulated that a maximum of six suppliers be approved for inclusion on each lot. Environment and Communities and Corporate Purchasing Unit make the recommendation to reduce the number of suppliers as follows:
- Lot 1 to the top three (3) Suppliers;
 - Lot 2 to the top three (3) Suppliers;
 - Lot 3 to the top four (4) Suppliers;
 - Lot 4 to the top four (4) Suppliers;
 - Lot 5 to the top four (4) Suppliers;
- 3.10 Award of package orders less than £160,000 under the Framework Contract will be made by Direct Award, where the supplier ranked 1st will be offered the package order. Should the 1st ranked supplier reject the offer, the 2nd ranked supplier will be offered the package order and so on until the package order has been awarded.
- 3.11 As explained and recommended within paragraph 2.1.4 of this report, where best value cannot be determined for spend exceeding £160,000 using the framework ranking system, a mini competition will be conducted with the most economically advantageous tenderer awarded the contract.
- 3.12 The ranking is detailed in paragraph 2.1.1 will be fixed for year one of the Framework Contract. From the end of year one and no later than 2 months prior to each

anniversary of the award of the Framework Contract, suppliers may submit an application for price increase / decrease in accordance with the Framework Contract for the purpose of re-evaluating the suppliers' competitiveness. This annual re-evaluation will only be in respect of prices and rates. Where the revised prices and rates are accepted by the Council these will replace any earlier prices and rates quoted by the supplier. The Council shall re-rank the suppliers by scoring the new prices and rates and adding these scores to the quality scores achieved by the suppliers in the original evaluation of tenders for the Framework Contract. Where ranking positions are amended, the Council will notify all suppliers awarded under this Framework Contract of their new ranking position prior to the commencement of the next year of the Framework Contract. The Council may subsequently award package orders to the highest ranked supplier capable of undertaking work packages based on these new combined scores.

- 3.13 All Tenderers accepted onto this Framework Contract have committed to providing Community Benefits. The level of Community Benefits provided will be based on the value of any contractual spend through each supplier. The level of spend will be monitored on a 3 monthly basis and the types of Community Benefits achieved will be in line with the Councils Community Benefits Outcome Menu.

Implications of the Report

1 Financial

The cost of all work issued under this Framework Contract will be met by the individual Service budget's as and when required.

2. HR & Organisational Development

No TUPE implications have arisen or are anticipated.

3 Community Planning

Community Care, Health & Well-being

Supporting independent living by being able to call upon appropriately experienced contractors to carry out adaptation works

Empowering our Communities

Potential to assist communities in charitable and voluntary work through Community Benefits linked to the Framework.

Greener

All Suppliers accepted onto this Framework will require to be accredited to BS14001 or have an Environmental Policy in place.

Jobs and the Economy

Potential to offer work experience placements to local unemployed people to assist them in gaining full time work through Community Benefits linked to the Framework.

Safer and Stronger

All Suppliers accepted onto this Framework will require to have appropriate policies and procedures in place to promote equality and diversity.

4. Legal

The procurement of this Framework Contract has been conducted as an open tender procedure in accordance with the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts for above EU threshold for works.

5. Property Assets

In carrying out the work under package orders from the Framework Contract, it shall prepare the road network for surface treatment works that will ultimately improve council maintained roads and transport infrastructure.

6. Information Technology

No Information Technology implications have arisen or are anticipated.

7. 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.

8. Health & Safety

All tenderers being awarded a place on the Framework Contract have had their health and safety submissions evaluated by Corporate Health and Safety and meet the 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

All tenderers being awarded a place on the Framework Contract have had their insurances assessed and evaluated to confirm that they meet the minimum requirement regarding insurable risk.

11. Privacy Impact

No Privacy Impact Assessment requirements were identified within this procurement.

12. Cosla Policy Position

No Cosla Policy Position implications have arisen or are anticipated.

List of background papers

Non Housing Capital Investment Programme 2017/18 – 2019/20 – Agenda Item 2

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Appendix 1

NOTE: The ranking reflects the first year only and the process for reviewing the ranking is detailed in paragraph 3.12 of this report.

Maintenance & Improvements of Carriageways and Footways	Recommended Tenderer	Ranking
Lot 1 – Carriageway Resurfacing	1. Finco Contracts Ltd 2. Mac Asphalt Limited 3. MacLay (Civil Engineering) Limited	1 2 3
Lot 2 – Footway Resurfacing	1. Finco Contracts Ltd 2. Mac Asphalt Limited 3. MacLay (Civil Engineering) Limited	1 2 3
Lot 3 - Environment Network Improvement	1. Finco Contracts Ltd 2. J.H. Civil Engineering Limited 3. MacLay (Civil Engineering) Limited 4. Mac Asphalt Limited	1 2 3 4
Lot 4 - Carriageway Defect Patching	1. Finco Contracts Ltd 2. Mac Asphalt Limited 3. MacLay (Civil Engineering) Limited 4. J.H. Civil Engineering Limited	1 2 3 4
Lot 5 - Pothole Maintenance	1. Finco Contracts Ltd 2. Mac Asphalt Limited 3. John McGeady Ltd 4. Newmac Asphalt Services Limited	1 2 3 4