

To: Procurement Sub Committee

On: Wednesday 30 November 2016

Report by:

**Joint Report
by
The Chief Executive and the Director of Community Resources**

Heading:

Contract Authorisation Report

**Repairs, Maintenance and Improvements to Roads Related
Structures**

RC/FA/117/16

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub-Committee to award a Framework Agreement for the Repair, Maintenance and Improvements to Roads Related Structures.
 - 1.2 The Framework Agreement 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 was approved by the Strategic Commercial and Procurement Category Manager and the Director of Community Resources.
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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 Framework Agreement for the Repair, Maintenance and Improvements to Roads Related Structures to the parties noted in the table below:

| Lots | Recommended Tenderer |
|--|--|
| Lot 1 – Works up to and including the value of £50,000 | 1. W I & A Gilbert Ltd 2. MacAsphalt Ltd 3. Mackenzie Construction Ltd |
| Lot 2 – Works over £50,000 | 1. W I & A Gilbert Ltd 2. Mackenzie Construction Ltd 3. Highway Barrier Solutions Ltd 4. Robertson Construction Group Limited |

2.1.2 The Framework Agreement is intended to commence on 14 December 2016 and is for a period of 4 years.

2.1.3 To note, the spend under this Framework Agreement will be up to the value of £800,000 excluding VAT.

2.1.4 Any Package Orders awarded through this Framework Agreement will be subject to Council Standing Orders Relating to Contracts.

3. Background

3.1 The Council's Community Resources Service is responsible for the management and maintenance of all public roads, excluding trunk roads, within the Council's boundaries. This obligation includes all Council owned/ adopted bridges, underpasses and retaining walls which are collectively referred to as roads related structures.

3.2 In order to ensure timely access to pre-selected, appropriately experienced and qualified contracts to provide these Works it was agreed that a Framework Agreement would be established.

3.3 The Framework Agreement was tendered as a below EU Threshold Works Contract in accordance with the Open Procedure and this is also below the Regulated threshold for Works.

3.4 In accordance with the Council's Standing Orders Relating to Contracts, a contract notice was published on the Public Contracts Scotland advertising portal on 21 September 2016.

- 3.5 Twenty eight (28) organisations expressed an interest in participating in the tender process with the tender documentation available for downloading from the Public Contract Scotland – Tender website. By the closing date set for return of electronic tenders, 12 noon on 5th October 2016, eight (8) companies submitted a response, seven (7) declined to respond and thirteen (13) did not reply.
- 3.6 Of the eight (8) organisations who submitted a tender, six (6) were bidding for inclusion on Lot 1 and all eight (8) were bidding for inclusion on Lot 2.
- 3.7 The eight (8) tender submissions were evaluated against a pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) by representatives from the Corporate Procurement Unit and Health and Safety against pre-determined criteria which assessed competence and expertise. All tenderers met the minimum requirements.
- 3.8 Bids were then evaluated against a set of award criteria which was based on a price/quality ratio of 70%/30%. The price score for each Lot was combined with the quality score to give an overall total.
- 3.9 The quality weighting at this stage of the evaluation considered the methodology and approach to delivering the type of Works required under this Framework Agreement, including community benefits and workforce matters.
- 3.10 The scores relative to the award criteria for each tenderer in respect of the individual Lot are as follows:

| Lot 1 – Works up to and including the value of £50,000 | | | | | |
|---|-------------------------------|------------------------------|---------------------------------------|--------------------------------------|--------------------|
| Contractor | Final Commercial Score | Final Technical Score | Final Community Benefits Score | Final Workforce Matters Score | Total Score |
| W I & A Gilbert Ltd | 65.62% | 15.00% | 9.60% | 5.00% | 95.22% |
| Mac Asphalt Ltd | 70.00% | 7.50% | 10.00% | 5.00% | 92.50% |
| MacKenzie Construction Ltd | 61.89% | 15.00% | 10.00% | 5.00% | 91.89% |
| Chemcem Scotland Ltd | 62.74% | 7.50% | 7.65% | 5.00% | 82.89% |
| Murdoch Mackenzie Construction Ltd | 61.10% | 7.50% | 9.55% | 3.75% | 81.90% |
| Highway Barrier Solutions Ltd | 56.85% | 3.75% | 6.45% | 3.75% | 70.80% |

| Lot 2 – Works over £50,000 | | | | | |
|------------------------------------|------------------------|-----------------------|--------------------------------|-------------------------------|-------------|
| Contractor | Final Commercial Score | Final Technical Score | Final Community Benefits Score | Final Workforce Matters Score | Total Score |
| W I & A Gilbert Ltd | 70.00% | 15.00% | 9.60% | 5.00% | 99.60% |
| MacKenzie Construction Ltd | 41.34% | 15.00% | 10.00% | 5.00% | 71.34% |
| Highway Barrier Solutions Ltd | 50.12% | 3.75% | 6.45% | 3.75% | 64.07% |
| Robertson Construction Group Ltd | 34.04% | 15.00% | 9.50% | 3.75% | 62.29% |
| Chemcem Scotland Ltd | 41.19% | 7.50% | 7.65% | 5.00% | 61.34% |
| Coffey Construction | 34.72% | 11.25% | 9.50% | 5.00% | 60.47% |
| Murdoch Mackenzie Construction Ltd | 39.14% | 7.50% | 9.55% | 3.75% | 59.94% |
| Mac Asphalt Ltd | 30.19% | 7.50% | 10.00% | 5.00% | 52.69% |

3.11 Following evaluation, places on the Framework agreement are being awarded as follows:

- Lot 1 to the top three (3) Contractors; and
- Lot 2 to the top four (4) Contractors.

3.12 It is therefore recommended that the following tenderers are awarded a place on the Framework Agreement in respect of these individual Lots who, based on this evaluation, have provided the most economically advantageous tender responses:

| Lots | Recommended Tenderer |
|--|--|
| Lot 1 – Works up to and including the value of | 1. W I & A Gilbert Ltd 2. Mac Asphalt Ltd |

| | |
|----------------------------|---|
| £50,000 | 3. Mackenzie Construction Ltd |
| Lot 2 – Works over £50,000 | 1. W I & A Gilbert Ltd 2. Mackenzie Construction Ltd 3. Highway Barrier Solutions Ltd 4. RobertsonConstruction Group Limited |

3.11 The recommended tenderers have offered Community Benefits and these are shown in Appendix 1.

The Community Benefits will be achieved as a direct result of Package Orders being awarded through the Framework Agreement.

Implications of the Report

1. Financial

The financial stability of each recommended tenderer has been assessed as part of the evaluation procedure and met with the Council's minimum requirements for this Framework Agreement and each respective Lot.

2. HR & Organisational Development

Not applicable.

3. Community Planning

Not applicable.

4. Legal

The tendering procedures for the establishment of this Framework Agreement were in accordance with Renfrewshire Council's Standing Orders Relating to Contracts for under EU Threshold Works contracts.

5. Property Assets

Not applicable.

6. Information Technology

Not applicable.

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**

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

11. **Privacy Impact**

Not applicable.

List of background papers

None

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Appendix 1 – Community Benefits Offered

| W I & A Gilbert Ltd | |
|--|----------------------------------|
| Description of Community Benefit Offered | Number of People/Activity |
| Employment Benefits – New Entrant for a minimum employment period of 12 weeks. | 1 |
| Employment Benefits – Indirect New Entrant for a minimum employment period of 12 weeks recruited from a sub-contractor | 1 |
| Skills and Training – Further Education visits | 1 |
| Supply Chain Development – Mentoring/business support for a third sector organisation. | 1 |
| Community Engagement – Financial Support for a Community Project | 1 |
| Community Engagement – Non Financial Support for a Community Project | 1 |

| Mac Asphalt Ltd | |
|--|----------------------------------|
| Description of Community Benefit Offered | Number of People/Activity |
| Employment Benefits – New Entrant for a minimum employment period of 12 weeks. New Entrant is from target key priority group and is eligible for employment support. | 1 |
| Employment Benefits – Apprenticeship. New start, progression or completion to be defined per contract. | 1 |
| Skills and Training – Work Experience Placements for those over the age of 16 | 1 |
| Skills and Training – Work Experience Placements for those between the ages of 14 and 16 | 1 |
| Skills and Training – S/NVQ (or equivalent) for an existing employee | 1 |

| Mackenzie Construction Ltd | |
|---|----------------------------------|
| Description of Community Benefit Offered | Number of People/Activity |
| Skills and Training – Work Experience Placements for those over the age of 16 | 2 |
| Skills and Training – Schools Visits | 2 |
| Supply Chain Development – Supply Chain Briefings with SME's | 2 |

| Highway Barrier Solutions Ltd | |
|---|----------------------------------|
| Description of Community Benefit Offered | Number of People/Activity |
| Employment Benefits – New Entrant for a minimum employment period of 12 weeks. | 1 |
| Employment Benefits – New Entrant for a minimum employment period of 12 weeks. New Entrant is from target key priority group and is eligible for employment support.. | 1 |
| Skills and Training – Work Experience Placements for those over the age of 16 | 1 |
| Skills and Training – Work Experience Placements for those between the ages of 14 and 16 | 1 |
| Skills and Training – Schools Visits | 1 |
| Community Engagement – Financial Support for a Community Project | 1 |
| Community Engagement – Non Financial Support for a Community Project | 1 |

| Robertson Construction Group Limited | |
|--|----------------------------------|
| Description of Community Benefit Offered | Number of People/Activity |
| Employment Benefits – New Entrant for a minimum employment period of 12 weeks. | 1 |
| Employment Benefits – Graduate. New start, progression or completion to be defined per contract. | 1 |
| Employment Benefits – Apprenticeship. New start, progression or completion to be defined per contract. | 1 |
| Skills and Training – Work Experience Placements for those between the ages of 14 and 16 | 1 |
| Skills and Training – Schools Visits | 4 |
| Skills and Training – Careers Event | 1 |
| Community Engagement – Non Financial Support for a Community Project | 1 |