

## Notice of Special Meeting and Agenda Finance, Resources and Customer Services Policy Board

Date	Time	Venue
Friday, 10 December 2021	13:00	Teams Meeting,

KENNETH GRAHAM  
Head of Corporate Governance

### Membership

Councillor Tom Begg: Councillor Bill Brown: Provost Lorraine Cameron: Councillor Karen Devine-Kennedy: Councillor Audrey Doig: Councillor Neill Graham: Councillor Jim Harte: Councillor John Hood: Councillor Kenny MacLaren: Councillor Iain Nicolson: Councillor Jim Paterson: Councillor Jim Sharkey: Councillor Andy Steel:

Councillor John Shaw (Convener): Councillor John McNaughtan (Depute Convener):

### Recording of Meeting

This meeting will be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. If you have any queries regarding this please contact Committee Services on 0141 618 7103.

To find the recording please follow the link which will be attached to this agenda once the meeting has concluded.

### Apologies

Apologies from members.

### Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

## **Procurement**

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|----------|--|----------------|
| <b>1</b> | <b>Roads Capital Resurfacing - Overnight Working at Lincrive Interchange and Inchinnan Road</b>                            | <b>1 - 4</b>   |
|          | Joint report by Chief Executive and Director of Environment & Infrastructure.  |                |
| <b>2</b> | <b>Contract Works and Primary Public Liability insurance for the Clyde Waterfront and Renfrew Riverside (CWRR) Project</b> | <b>5 - 10</b>  |
|          | Report by Chief Executive.   |                |
| <b>3</b> | <b>Notification of Award of Contract for Paisley to Renfrew Active Travel Route</b>  | <b>11 - 18</b> |
|          | Report by Chief Executive.   |                |



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

**On:** 10 December 2021

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**Report by:** The Chief Executive and the Director of Environment and Infrastructure

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**Heading:** Roads Capital Resurfacing – Overnight Working at Lincrive Interchange and Inchinnan Road

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## 1. Summary

- 1.1 The purpose of this report is to seek the Board's approval for payment to be made to Finco Contracts Ltd to cover additional costs arising as a result of overnight working carried out at 1) North West Call Off 5 - A761 Lincrive Interchange and 2) North West Call Off 6 - Inchinnan Road.
  - 1.2 These increases in cost for each contract are reported in accordance with Standing Orders relating to Contracts 20.3.
  - 1.3 Approval was given at the Finance, Resources and Customer Services Policy Board on the 8 November 2017 to award a multi supplier Framework Contract for Maintenance & Improvements of Carriageways and Footways ("the Framework")
  - 1.4 These contracts were call off contracts made under Lot 1 of this Framework; the Framework is still live and expires on 10 December 2021.
  - 1.5 Officers from Environment & Infrastructure Services have reviewed the claims for overnight working and are satisfied that the claims are genuine and represent clear and reasonable costs the contractor will have incurred
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## 2. Recommendations

- 2.1 The Finance, Resources and Customer Services Policy Board is asked to:

- 2.1.1 Note that this report is made in accordance with Standing Order relating to Contracts 20.3 due to the increased value of these call off Contracts each which is in excess of the £100,000 or a further 25% of their awarded contract value.
- 2.1.2 Note that Agreement to vary these two contracts has been reached between the Director of Environment & Infrastructure, the Head of Corporate Governance and the Head Of Policy And Commissioning in accordance with the standing orders relating to Contracts 34.3.
- 2.1.3 As a result of the changes to the scope of works, authorise an increase in the price of these works:-
- North West Call Off 5 - A761 Linclive Interchange which had an original value of £176,536.82 excluding VAT to a value of £302,536 excluding VAT.
  - North West Call Off 6 - Inchinnan Road which had an original value of £112,935.80 excluding VAT to a value of £231,935 excluding VAT.
- 2.1.4 Note that the Framework has an approved spend of up to £20,000,000 and therefore these increases in value are within the spend agreed for these requirements.
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### **3. Background**

- 3.1 Environment and Infrastructure is responsible for the management and maintenance of all roads, excluding trunk roads, within the Council's boundaries.
- 3.2 These contracts are part of this road infrastructure and both contracts were let as direct awards through Lot 1 – Carriageway Resurfacing of the Council's NEC3 Framework Contract for Maintenance and Improvements of Carriageways and Footways, reference RC/FA/152/17 to the current first ranked Contractor, Finco Contracts Limited, which became the first ranked Contractor following the price refresh in October 2020.
- 3.3 Due to the nature of the strategic routes involved and the traffic sensitivity of the roads, these works required to be performed overnight. The current roads framework does not provide rates for overnight working and as such the contractor has to submit a claim for additional expenditure incurred through this overnight working.
- 3.4 The service has reviewed the claim submitted for additional expenditure and is satisfied that this is a genuine reflection of the costs incurred for the overnight working.
- 3.4.1 The increase in the costs for these direct awards call off contracts made under Lot 1 – Carriageway Resurfacing of the Framework is noted below:

## **Linclive Interchange**

- North West Call Off 5 - A761 Linclive Interchange was awarded to Finco Contracts Limited on the 11 June 2021. The call off contract was awarded for a price of £176,536.82 excluding VAT.
- The Council asked that these works be carried out overnight to minimise disruption.
- The contractor omitted to submit rates for the overnight element of the work.
- The claim for payment for the overnight working element is £85,994.64, in addition to 8 nights of specialist traffic management of £40,000, giving a total of £125,994.64 as a result of the work being carried out at a connection with the trunk road network.

## **Inchinnan Road, Paisley**

- North West Call Off 6 - Inchinnan Road was awarded to Finco Contracts Limited on the 30 June 2021. The call off contract was awarded for a price of £112,935.80 excluding VAT.
- The contractor omitted to submit rates for the overnight element of the work.
- The claim for payment for the overnight working element is £118,242.63. There was no specialist traffic management associated with this work.

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## **Implications of the Report**

1. **Financial**  
The cost of this Contract will be met by the Capital – General Services budget.
2. **HR & Organisational Development**  
Not applicable.
3. **Community/Council Planning –**  
Reshaping our place, our economy and our future – the Contract proposed will support the delivery of this outcome.
4. **Legal**  
The Works Contract was a direct call off contract made under an existing Council Framework and is subject to the Framework conditions for award and the Council's Standing Orders Relating to Contracts.
5. **Property/Assets**

This Contract will improve the Council's roads infrastructure.

6. **Information Technology**

No Information Technology implications have been identified 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**

Finco Contracts 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**

Finco Contracts Limited have been assessed and evaluated to confirm that they have met 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 implications have arisen or are anticipated.

13. **Climate Risk**

The level of impact associated with the provision of this work has been assessed using the Scottish Government Sustainability Test and is considered to be low risk.

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**Author:** **Graeme Beattie, Strategic Commercial Category Manager**



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

**On: Friday 10 December 2021**

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**Report by: The Chief Executive**

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**Heading: Contract Works and Primary Public Liability insurance for the Clyde Waterfront and Renfrew Riverside (CWRR) Project**

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**1. Summary**

- 1.1 The purpose of this report is to request that the Finance, Resources and Customer Services Policy Board homologate a decision of the Programme Director – City Deal and Infrastructure and Head of Policy and Commissioning to procure the Contract Works and Primary Liability insurance for the Clyde Waterfront and Renfrew Riverside (CWRR) Project on 1<sup>st</sup> November 2021 outside the board cycle due to a contractual obligation for the Council to place an Owner Controlled Insurance Policy prior to site works starting for the CWRR design and construction works.
- 1.2 This procurement exercise was conducted as a negotiated procedure in accordance with 33.1(a) of the Public Contract (Scotland) Regulations 2015 and the Council's Standing Orders Relating to Contracts 2017.
- 1.3 It was necessary to proceed to place the policy in advance of obtaining a board approval due to late notification from the CWRR contractor of a commencement date of 1<sup>st</sup> November 2021.
- 1.4 The costs of the Insurance Contract are contained within the overall budget for the CWRR project as reported to Leadership Board in February 2021.

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## 2. **Recommendations**

The Finance, Resources and Customer Services Policy Board is requested to:

- 2.1 Homologate the decision taken by the Programme Director – City Deal and Infrastructure and Head of Commissioning to procure the Contract Works and Primary Liability insurance for the Clyde Waterfront and Renfrew Riverside (CWRR) Project from Berkshire Hathaway and Co-insurers.
- 2.2 Note the Contract value will be £775,651.00 excluding Insurance Premium Tax (£868,729.00 including Insurance Premium Tax).
- 2.3 Note that the insurance will be in place until completion of the CWRR design and construction works anticipated to be early 2025.

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## 3. **Background**

- 3.1 The Council is contractually obliged to procure an Owner controlled insurance policy (OCIP) as part of the terms and conditions of the CWRR design and construction works contract. The CWRR design and construction works project was approved by the FRCS Policy Board on 5<sup>th</sup> March 2021.
- 3.2 Under an OCIP, the Employer places insurance in the joint names of himself, funders, Contractor and all sub-contractors of any tier working on the Project. With an OCIP the Employer can secure broader cover, reduce the administrative burden and retain control of the protection of their assets and liabilities. Advantages of this type of programme include certainty of cover, savings in time and administration, reductions in the exposure for errors and omissions, avoids delays if a dispute as to causal responsibility arises (between different insurers). Improved cash flow and control over incidents, losses and claims – which impinges upon each of the above points.
- 3.3 An Invitation to Tender (ITT) was published to the open market in May 2021; the closing date for tender submissions was 17<sup>th</sup> June 2021. By the closing date and time no bids were received and only 1 tenderer registered an interest in the ITT. The tenderer was contacted to ascertain why they did not return a bid and the reason given was that the Council's requirements did not align to their core business.



- 3.4 The Public Contracts (Scotland) Regulations 2015 regulation 33.1(a) states that where no suitable tenders have been submitted in response to a procedure with a call for competition, the Council is able to use the negotiated procedure without prior call for competition, provided that the initial conditions of the contract are not substantially altered. In accordance with Council's Standing Orders relating to Contracts 14.2 and 14.4, the Head of Policy and Commissioning must also be satisfied this is a suitable approach.
- 3.5 A request was submitted to and approved by the Strategic Commercial Procurement Manager to instruct Aon UK Limited (Aon), the Council's insurance advisers and broker, to seek quotations for the agreed project insurances.
- 3.6 After initial engagement with a number of insurers for the Contract Works and Primary Public Liability insurance, indicative bids were received from two insurers – Munich Re and Berkshire Hathaway. Neither insurer offered to provide 100% capacity which is the market normal for large construction projects of this nature. After assessment the two bids received by Aon, it was considered that the initial offer from Berkshire Hathaway best met the needs of the project and the Council.
- 3.7 The Council, Aon, the CWRR Contractor (John Graham Construction Limited t/a GRAHAM) and the Contractors designers and sub-contractors engaged in further discussion and clarification with the insurer's underwriters and technical specialists – bridge design and hydrologists.
- 3.8 In September 2021, final proposals from Berkshire Hathaway were submitted to the Council with Aon's recommendation that these best met the needs of all parties to the project and of the Council in particular. Details of the proposed cover were also made available to the Contractor and their insurance advisers. Aon were instructed to seek offers to complete to 100% placement. The schedule of insurers is as follows:

Insurer	Percentage of placement
Berkshire Hathaway (lead)	25%
Swiss Re	20%
QBE	15%
HDi Global-SE	10%
Munich Re	10%
Generali	5%
Total	100%

- 3.9 A recommendation to place the insurance could not be submitted during the normal board cycles because confirmation of 100% placement and

the CWRR Contractor's start date were required to conclude the Insurance contract following which the insurance required to commence immediately. The start date was confirmed to the Council on 1 November triggering the contractual obligation to place the OCIP with immediate effect.

- 3.10 Due to the nature of this requirement, no contractual community benefits were sought or secured with the insurance providers.

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## Implications of the Report

1. **Financial** - Costs in respect of this Contract will be funded from the existing City Deal funding package.
2. **HR & Organisational Development** - No TUPE implications have arisen or are anticipated.
3. **Community/Council Planning –**
  - **Working together to improve outcomes** – this Contract will ensure the Council continues to protect assets and liabilities.
4. **Legal** - This procurement was carried out in accordance with the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders Relating to Contracts.
5. **Property/Assets** – The procurement of the Contract Works and Primary Public Liability insurance ensures protection of Council assets and property.
6. **Information Technology** – None.
7. **Equality & Human Rights -**
  - (a) 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** – None.
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** –insurance policies were assessed by Aon UK Limited as part of the evaluation for the procurement.
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.
13. **Climate Risk** – The level of impact associated with provision of this service is considered to be low risk.

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#### **List of Background Papers**

None.

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

**On:** 10 December 2021

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**Report by:** The Chief Executive

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**Heading:** Notification of Contract Award for Paisley to Renfrew Active Travel Route (RC-CPU-20-146) authorised for award under clause 9.1j) of Standing Orders relating to Contracts

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**1. Summary**

- 1.1 The purpose of this report is to notify the Finance, Resources and Customer Services Policy Board of a Contract for Paisley to Renfrew Active Travel Route authorised for award to JH Civil Engineering Limited by Head of Economy and Development on 23rd November 2021 under clause 9.1j) of Council Standing Orders Relating to Contracts.
- 1.2 The Council was successful in its grant application to the Scottish Government Clyde Mission Fund 2020/21. The conditions of the funding agreement required that funds be committed by 31<sup>st</sup> March 2021 in order to be eligible. If the conditions of the funding agreement could not be met, the Council would not receive the grant funding. To ensure that the grant could be utilised, the Head of Policy and Commissioning approved the use of standing order 9.1j) Council Standing Orders Relating to Contracts with the requirement for retrospective reporting to this Policy Board.

- 1.3 The award of the contract was delayed from March 2021 to November 2021 due to ongoing negotiations with Railway Paths Ltd to take ownership of part of the route in their ownership. Funds were drawn down on the 31 March 2021 and the grant funder was made aware of this situation and allowed this delay in use of the grant.
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## 2. **Recommendations**

The Finance, Resources and Customer Services Policy Board is asked to note:

- 2.1 that a Contract for Paisley to Renfrew Active Travel Route was awarded by the Council to JH Civil Engineering Limited (RC-CPU-20-146). This Contract was authorised by the Head of Economy and Development in accordance with clause 9.1j) of Council Standing Orders Relating to Contracts due to the conditions of grant timescales for committing the grant.
- 2.2 that the Contract had a revised starting date of 31 January 2022 with a completion date of 21 December 2022.
- 2.3 the approved total of the Prices under the Contract is £942,911.21 excluding VAT.
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## 3. **Background**

- 3.1 The Contract is for the construction of a shared pedestrian/ cycle track on the abandoned rail solum between Abercorn Street, Paisley and Wright Street, Renfrew, including surfacing, drainage and street lighting. Design and Build on-carriageway, way-finding signs and road markings plus minor civil and toucan traffic signal works associated with an on-road cycle route from Paisley Gilmour Street Rail Station to the south end of the abandoned rail solum and then from the north end of the abandoned rail solum to Renfrew Riverside.
- 3.2 The proposed active travel route between Renfrew Riverside and the River Clyde and Paisley Town Centre will complete a significant gap in the existing Renfrewshire active travel network. This route is identified in the approved Renfrewshire Cycling Strategy as the top priority.
- 3.3 When delivered, this new route will offer extensive benefits to businesses, communities and visitors in terms of accessing numerous nearby facilities as well as connecting some of Renfrewshire's most

important regeneration areas and future-proofing them for an era when active travel becomes more predominant in local area movement to work, education and for leisure.

- 3.4 The Scottish Government Clyde Mission Fund was identified, and an application was submitted by the Head of Regeneration in November 2020.
- 3.5 The funding conditions for awarding by end of March 2021 meant it was not possible within the timescales to seek authority from the Finance, Resources and Customer Services Policy Board. To ensure the grant could be accepted and utilised, the Head of Policy and Commissioning approved the use of standing order 9.1j) of the Council's Standing Orders relating to Contracts and this retrospective report to the board.
- 3.6 The contract award was delayed from March to November 2021 due to ongoing negotiations with Railway Paths Ltd to take ownership of part of the route in their ownership. The grant funder was kept informed during this time and accepted the delay in use of the grant.
- 3.7 A Contract Strategy was prepared by the Corporate Procurement Unit. This was approved by the Head of Economy and Development, the Head of Operations & Infrastructure and the Corporate Procurement Manager on 02 February 2021.
- 3.8 A contract notice was dispatched via the Public Contracts Scotland advertising portal with the notice published on 03 February 2021 and the tender documentation available for downloading from the Public Contracts Scotland – Tender platform.  
  
During the tendering live period thirty-nine (39) companies expressed an interest in the tender. By the closing date set (12 noon, 17 March 2021) for return of electronic tender submissions five (5) companies submitted a response, twelve (12) declined to respond and twenty-two (22) companies did not respond.
- 3.9 All five (5) tender submissions complied with the minimum selection criteria of the SPD and progressed to evaluation of the Award Criteria which was based on a weighting of 30% Quality 70% Price.
- 3.10 One (1) tenderer withdrew their Tender Submission after clarifications on the commercial response.
- 3.11 The scores relative to the award criteria for each of the four (4) remaining Tender Submissions are noted below:

		Quality (30%)	Price (70%)	Total (100%)
1	JH Civil Engineering Limited	21.00%	70.00%	91.00%
2	John McGeady Ltd	28.75%	54.81%	83.56%
3	Caley Construction Ltd	18.00%	61.67%	79.67%
4	Noel Regan and Sons Building and Civil Engineering Contractors UK Ltd	17.75%	40.18%	57.93%

3.12 The evaluation of Tender Submissions received identified that the Tender Submission by JH Civil Engineering Limited was the most economically advantageous to the Council.

3.13 Community Benefits were requested as part of the procurement process and JH Civil Engineering Limited confirmed that the following Community Benefits would be made available to the Council for this Contract:

Community Benefit Description	No of People / Activity
Job for an unemployed individual	1
Work Experience Placement for an individual 16+ years of age	2

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## Implications of the Report

1. **Financial** – Grants awarded to the Council will be monitored in accordance with the terms and conditions of grant. The Council will liaise with Scottish Government to comply with Clyde Mission drawdown requirements and financial reporting requirements.
2. **HR & Organisational Development** – No TUPE implications have arisen or are anticipated.



3. **Community/Council Planning –**

- Our Renfrewshire is thriving – Community-led regeneration projects result in a stimulus to the local economy via contracts won and visitors and user numbers. The Renfrew Riverside to Paisley Town Centre Active Travel Route will support the objectives to develop Renfrewshire's economy, including its town centres as thriving places, supporting local places, businesses and communities.
- Our Renfrewshire is well - The delivery of actions through the projects have the potential to positively impact on physical, emotional and mental health and wellbeing. Implementing the projects will assist Renfrewshire citizens to have a positive attitude to their community.
- Our Renfrewshire is safe - Working in partnership with community, public and private sector stakeholders and organisations to achieve positive outcomes.
- Reshaping our place, our economy and our future - The projects will secure the productive re-use of a former railway line route and provide opportunities for active travel and further investment along its route. Increased usage of our town centres offers potential increases in leisure trips and footfall to traders, assisting the economy of our town centres.

4. **Legal** – The procurement of this Contract has been conducted as a below Regulated Threshold (Works) Open Procurement Procedure in accordance with the Council's Standing Orders Relating to Contracts.

5. **Property/Assets** - The Council concluded the missives and now own the land that was previously owned by Railway Paths Ltd. All land on the route transferred to the Council will now become part of its overall maintenance responsibility once the active travel route is constructed and in place.

6. **Information Technology** - None.

7. **Equality & Human Rights** -

- (a) 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** - Following evaluation, the recommended Tenderers Health and Safety credentials will be evaluated by the Councils Health and Safety team and deemed suitable before any Contract will be awarded.
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** - Following evaluation, the recommended Tenderers Insurance certificates will be evaluated by the Councils Risk Manager and deemed suitable before any Contract will be awarded.
11. **Privacy Impact** - None.
12. **Cosla Policy Position** - No COSLA Policy Position implications have arisen or are anticipated.
13. **Climate Risk** - The level of impact associated with the provision of this work has been assessed using the Scottish Government Sustainability Test. Vehicles and large machinery are routinely used in this type of works. The Tenderer will be required to hold ISO14001 Environmental Management System certification. The implementation of this new active travel route can assist in achieving the modal shift required to reduce the number of journeys made by private car, improving air quality and reducing traffic congestion in Renfrewshire.

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### List of Background Papers

- (a) "Scottish Government "Clyde Mission" Fund 2020: Award of Grant Funding" – Leadership Board 24 February 2021
  - (a) Contract for Paisley to Renfrew Active Travel Route (RC-CPU-20-146) under clause 9.1j) of Standing Orders relating to Contracts – Finance, Resources and Customer Services Policy Board 31 March 2021
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