

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

**On: 30 August 2017**

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**Report by: Chief Executive and the Director of Community Resources**

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**Heading: Contract Authorisation Report: Traffic Management Works**

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## **1. Summary**

- 1.1 The purpose of this report is to seek the approval of Finance, Resources and Customer Services Policy Board to award a Framework Contract with a number of suitably qualified and experienced Suppliers for Traffic Management Works which was tendered in the form of a NEC3 Engineering and Construction Short Contract (June 2013 edition).
- 1.2 The procurement exercise which was conducted as a Regulated Procurement in accordance with the Council's Standing Orders Relating to Contracts and the below EU Threshold Open Procedure for Works.

A contract strategy document was prepared by the Corporate Procurement Unit and was approved by the Strategic Commercial & Procurement Manager and Director of Community Resources on 31 January 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 Traffic Management Works and any subsequent call-off (Package Orders) contracts per specific Lot as follows:

<b>Traffic Management Works</b>	<b>Recommended Tenderer</b>	<b>Ranking</b>
Lot 1 – Road Markings	1. Finco Contracts Ltd	1
	2. Markon Limited	2

	3. WJ North Ltd Trading as WJ Scotland	3
Lot 2 – Minor Traffic Improvement Works	1. Finco Contracts Ltd	1
	2. WI & A Gilbert Ltd	2
	3. Newlay Civil Engineering Limited	3

2.1.2 The cumulative spend made under this Framework Contract and any related Package Orders will be up to the maximum value of £2,200,000 excluding VAT.

2.1.3 The Framework Contract is intended to commence on 18<sup>th</sup> September 2017 or alternatively, the date confirmed in the Letter of Acceptance and will be for a period of four calendar years.

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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 Traffic Management Works for the Council's Road Resurfacing Programme.
- 3.4 The Framework Contract was tendered as two lots based on the nature of the requirements. Lot one consisted of road markings and Lot two consisted of minor traffic improvement works. The tender stipulated that the Council reserved the right to award the Framework Contract to one supplier or three or more suppliers per Lot.
- 3.5 A contract notice was published on the Public Contract Scotland advertising portal on Tuesday 14 June 2017 with the tender documentation available for downloading from the Public Contract Scotland – Tender website. During the tendering period eight (8) companies expressed an interest in the Framework Contract. By the closing date set for return of electronic tenders, 12 noon on Wednesday 12 July 2017, all eight (8) companies submitted a response.
- 3.6 All 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 Corporate Procurement Unit, Corporate Risk and Corporate Health & Safety.
- 3.7 All eight (8) submissions confirmed compliance with the minimum criteria of the ESPD and were evaluated against a set of award criteria which were based on 25% Technical (Quality) and 75% Commercial (Price).

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

<b>Lot 1:- Road Markings</b>			
<b>Supplier</b>	<b>Commercial Score</b>	<b>Technical Score</b>	<b>Total Score</b>
Finco Contracts Ltd	75.00%	25.00%	100.00%
Markon Limited	50.64%	21.50%	72.14%
WJ North Ltd Trading as WJ Scotland	40.09%	21.25%	61.34%
Mainline Roadmarking Ltd	35.13%	22.50%	57.63%

<b>Lot 2:- Minor Traffic Improvement Works</b>			
<b>Supplier</b>	<b>Commercial Score</b>	<b>Technical Score</b>	<b>Total Score</b>
Finco Contracts Ltd	75.00%	25.00%	100.00%
WI & A Gilbert Ltd	41.80%	22.50%	64.30%
Newlay Civil Engineering Limited	37.96%	23.25%	61.21%
Lochwynd Ltd	20.59%	25.00%	45.59%

- 3.10 Following evaluation, places on the Framework Contract are being awarded as follows:
- Lot 1 to the top three (3) Suppliers; and
  - Lot 2 to the top three (3) Suppliers.
- 3.11 Award of Package Orders under the Framework Agreement 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.
- 3.12 The value of any Package Order raised under this Framework Contract is not envisaged to exceed £75,000.
- 3.13 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 Contract.
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## **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 Contract and each respective Lot.

### **2. HR & Organisational Development**

No TUPE implications have arisen or are anticipated.

### **3. Community Planning**

The recommended Suppliers detailed within 2.1.1 of this report have committed to deliver a number of Community Benefits as detailed within section 3.13 and Appendix 1 of this report.

### **4. Legal**

The procurement of this Framework Contract has been conducted as an open tender procedure in accordance with the Council's Standing Orders relating to Contracts for a Regulated Procurement for below the EU threshold for Works Contracts

### **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.

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**List of background papers**

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

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## Appendix 1 – Community Benefits Offered

<b>Finco Contracts Ltd ( Lot 1 and Lot 2)</b>	
<b>Description of Community Benefit Offered</b>	<b>Number of People/Activity</b>
New Entrant - Minimum of 12 weeks.	2
Graduates - New Start	1
Apprenticeship – New Start	1
Work Experience Placements (16 + years of age) - Minimum of 4 weeks for an unemployed person	2
Work Experience Placements (14-16 years of age) – Minimum of 5 days placement	2
Skills and Training – Schools Visits	1
Skills and Training – S/NVQ (or equivalent) for an existing employee	2
Skills and Training – S/NVQ (or equivalent) for a new employee	1
Supply Chain Development – Supply Chain Briefings with SME's	2
Skills and Training – Meet the Buyer Events	2
Community Engagement – Financial Support for a Community Project	2
Community Engagement – Non Financial Support for a Community Project	2

<b>Markon Limited (Lot 1)</b>	
<b>Description of Community Benefit Offered</b>	<b>Number of People/Activity</b>
New Entrant - Minimum of 12 weeks.	1
Work Experience Placements (16 + years of age) - Minimum of 4 weeks for an unemployed person	1
Work Experience Placements (14-16 years of age) – Minimum of 5 days placement	1

<b>WJ North Ltd Trading as WJ Scotland (Lot 1)</b>	
<b>Description of Community Benefit Offered</b>	<b>Number of People/Activity</b>
Work Experience Placements (16 + years of age) - Minimum of 4 weeks for an unemployed person	1
Work Experience Placements (14-16 years of age) – Minimum of 5 days placement	1
Skills and Training – Schools Visits	1
Skills and Training – Career Events	1
Skills and Training – Meet the Buyer Events	2
Community Engagement – Non Financial Support for a Community Project	1

<b>WI &amp; A Gilbert Ltd (Lot 2)</b>	
<b>Description of Community Benefit Offered</b>	<b>Number of People/Activity</b>
New Entrant - Minimum of 12 weeks.	1
Indirect New Entrant - Recruited from sub contractor	1
Skills and Training - Further Education Visits	1
Skills and Training - 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

<b>Newlay Civil Engineering Limited (Lot 2)</b>	
<b>Description of Community Benefit Offered</b>	<b>Number of People/Activity</b>
New Entrant - Minimum of 12 weeks.	1
Skills and Training – Schools Visits	1
Skills and Training – S/NVQ (or equivalent) for a new employee	1
Skills and Training – S/NVQ (or equivalent) for an existing employee	1
Skills and Training – Meet the Buyer Events	1
Community Engagement – Non Financial Support for a Community Project	1