
To: Finance, Resources and Customer Services Policy Board

On: 06 June 2018

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

Heading: Contract Award: Dargavel Village New Build Housing (RC/OC/460/18)

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 Contract for the Dargavel Village New Build Housing (RC/OC/460/18) to Lovell Partnerships Limited.
 - 1.2 The recommendation to award the Contract follows a procurement exercise which was conducted in accordance with the Restricted Procedure of the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts.
 - 1.3 A Contract Strategy was approved by the Strategic Procurement Manager and the Head of Planning and Housing Services on 22 November 2017.
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2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board:
- (a) authorise the Head of Corporate Governance to award a Design and Build Contract for the Dargavel Village New Build (RC/OC/460/18) to Lovell Partnerships Limited;
 - (b) authorise the award of a Contract in the Sum of £9,977,220.75 excluding VAT and;
 - (c) note the total contract period is 18 months with an anticipated start date of 2 July 2018. The actual start date will be confirmed in the Council's Letter of Acceptance.
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3. Background

- 3.1 The objective of the Project is to provide high quality housing available for social rent and to drive community sustainability and meet identified housing needs. The Housing and Community Safety Policy Board agreed in August 2014 that a tender process should be conducted to procure a contract for the design and construction of 80 new build homes within Dargavel Village, Bishopton for social rent. Subsequent reports to the Policy Board on Renfrewshire's Strategic Housing Investment Plan indicated that funding provision has been made for around 80 new build Council houses at Dargavel Village.
- 3.2 The project will provide a good opportunity to secure local community benefits such as skills development and employment for the duration of the contract. This contract is being supported by the Council's Development and Housing Services, as part of Renfrewshire Council's housing new build programme and the Strategic Housing Investment Plan (SHIP) for Renfrewshire.

- 3.3 For the procurement of the Contract, a two-stage Restricted Procedure was undertaken. The contract notice was published in the Official Journal of the European Union and Public Contracts Scotland advertising portal on 24 November 2017 with the invitation to participate documents available for download from the Public Contracts Scotland – Tender portal.
- 3.4 During the invitation to participate stage (ITP) (stage 1), fifteen (15) companies expressed an interest. By the tender return date, 15 January 2018 at 12 noon, six (6) companies submitted a request to participate (RTP).
- 3.5 All six (6) RTP submissions were evaluated against a set of pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) by representatives from Development and Housing Services and the Council's Corporate Procurement Unit. All six (6) RTP submissions satisfied the Council's minimum requirements within the ESPD selection criteria.
- 3.6 As part of the selection process and to reduce the number of candidates in accordance with the Public Contracts (Scotland) Regulations 2015 Regulation 66, candidates had to respond to six (6) questions about their previous experience in context of their application.
- 3.7 The responses to those six (6) questions from each of the six (6) RTP submissions, were evaluated by a panel formed of employees from the Council's Development and Housing Services and the top five (5) candidates were selected for Stage 2 (Invitation to Tender). The selection score for each Candidate within the RTP Stage 1 is noted below:

		Selection (100%)
1	CCG (Scotland) Ltd	94.00%
2	ENGIE Regeneration Ltd	92.50%
3	McTaggart Construction Ltd	91.50%
4	Lovell Partnerships Limited	90.50%
5	Cruden Building & Renewals Ltd	85.50%
6	Esh Construction Limited	83.00%

3.8 The Invitation to Tender (stage 2) documentation was made available to download by the five (5) selected candidates via the Public Contract Scotland – Tender portal on 22 March 2018. By the closing date, 12 noon on 03 May 2018, four (4) of the five (5) companies had submitted a response. Due to other work commitments CCG (Scotland) Ltd pulled out from the tendering process.

3.9 All 4 tender submissions were evaluated against the published Award Criteria, based on a weighting of 60% Quality and 40% Price. The scores relative to the Award Criteria of the tenderers are noted below:

		Quality (60%)	Price (40%)	Total (100%)
1	Lovell Partnerships Limited	58.75	38.49	97.24
2	ENGIE Regeneration Ltd	55.20	37.67	92.87
3	Cruden Building & Renewals Ltd	51.25	39.36	90.61
4	McTaggart Construction Ltd	50.20	40.00	90.20

3.10 The evaluation of tender submissions received identified that the submission by Lovell Partnerships Limited was the most economically advantageous tender submission.

- 3.11 The costs for this project will be met by the Scottish Government's Affordable Housing Grant funding.
- 3.12 Community Benefits were sought as part of this contract, Lovell Partnerships Limited have committed to deliver the following under this Contract:

Community Benefit Description	No of People / Activity
New Entrant	1
New Entrant from target key priority group	1
Indirect New Entrant	2
Apprenticeship	2
Work Experience Placements (16+ years of age)	4
Further Education Visits	2
Work Experience Placements (14 - 16 years of age)	2
School Visits	2
Careers Event	2
S/NVQ (or equivalent) for an existing employee	2
S/NVQ (or equivalent) for new entrant	1
S/NVQ (or equivalent) for sub-contractor employee	3

Implications of the Report

1. Financial

The financial status of Lovell Partnerships Limited was assessed by undertaking a Dun and Bradstreet evaluation and it confirmed that the company satisfied the Council's requirements in relation to financial stability.

2. HR & Organisational Development

No TUPE implications.

3. Community/Council Planning

- Our Renfrewshire is fair –Tenderers were assessed within this procurement process regarding their approach to ensuring fair working practices throughout their organisation and supply chain i.e. payment of the living wage, training and development opportunities etc.
- Creating a sustainable Renfrewshire for all to enjoy – Lovell Partnerships Limited has committed to deliver the Community Benefits detailed in section 3.11 of this report.

4. **Legal**

The procurement of this Works Contract was conducted in accordance with the Restricted Procedure of the Public Contracts (Scotland) Regulations 2015 and Council's Standing Orders relating to Contracts for above EU threshold Works.

5. **Property/Assets**

The contract award will provide the design and construction of 80 new build homes within Dargavel Village, Bishopston for social rent.

6. **Information Technology**

No Information Technology implications 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**

Lovell Partnerships Limited's 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 outline within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.

10. **Risk**

Lovell Partnerships Limited's insurances have been assessed and evaluated and confirm that they will meet 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 Position implications have arisen or are anticipated.

List of Background Papers

(a) *None*

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