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**To: Procurement Sub Committee**

**On: 8 June 2016**

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**Report by: Joint Report by The Chief Executive and Director of Children's Services**

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**Contract Authorisation Report: Proposed New Shared Campus- Bargarran Primary School and St John Bosco Primary School and Nursery Class- Enabling Works**

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**1. Summary**

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub Committee to enter into a Standard Building Contract Minor Works Building Contract for use in Scotland (MW/Scot (2011 edition)) for the Proposed New Shared Campus- Bargarran Primary School and St John Bosco Primary School and Nursery Class- Enabling Works Contract Reference RC/OC/141/16 which forms part of the work detailed in the School Estate Management Plan (SEMP 2014).
  - 1.2 The Contract 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 for this requirement including approach to market was agreed on 11<sup>th</sup> March 2016.
  - 1.4 A Contract Authorisation Report was approved at the May Procurement Sub-Committee but prior to Contract Award the recommended Contractor Cleantech Civils Limited withdrew their Tender on 30 May 2016.
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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 contract for the Proposed New Shared Campus- Bargarran Primary School and St John

Bosco Primary School and Nursery Class- Enabling Works  
RC/OC/141/16 to Luddon Construction Ltd.

2.1.2 The estimated contract value is £371,839.26 excluding VAT.

2.1.3 The contract is anticipated to commence on the 15<sup>th</sup> June 2016 or on the date confirmed in the letter of acceptance to allow for suitable mobilisation with work on site commencing on 28<sup>th</sup> June 2016 with a duration of 6 weeks and 2 days.

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### **3. Background**

- 3.1 Renfrewshire Council's vision for its school estate is to promote learning and achievement, and to give our children and young people the opportunity to learn in the best possible environment.
- 3.2 School estate management planning is central to Renfrewshire Council's asset management strategy. Children's Services are required to provide the Scottish Government with an outline of its School Estate Management Plan (SEMP), an exercise which contributes to the Council's corporate asset management plan; designed to ensure effective management of all council assets.
- 3.3 To support the delivery of the New Shared Campus for Bargarran Primary School and St John Bosco Primary School and Nursery Class there is a requirement to carry out preparatory works encompassing: drainage, gas, electricity and telecoms diversions along with the formation of playground areas and vehicular surfacing in front of St John Bosco Primary School is required, in advance of the main building contract being awarded.
- 3.4 This tender opportunity followed the open tender procurement procedure for a below EU threshold contract for works in accordance with the Council's Standing Orders Relating to Contracts. A contract notice advertising the opportunity was sent to the Public Contracts Scotland portal and the Official Journal of the European Union (OJEU) on 11<sup>th</sup> March 2016. Tender documentation was available for immediate download through the online e-tender system.
- 3.5 Eighteen (18) suppliers noted an interest, of which, three (3) tender submissions were received by the closing date for the receipt of tender submissions at noon, on 7<sup>th</sup> April 2016.
- 3.6 Tender submissions were evaluated using a two stage process of Bid Selection and Award criteria. The tender submissions were first evaluated by representatives from the Corporate Procurement Unit, Finance and Resources, Health & Safety and Corporate Risk against pre-determined Bid Selection criteria which assessed their capacity, experience & track record and their technical and financial capabilities. All tender submissions met the minimum requirements moving on to stage 2.
- 3.7 The tenderers, who met the minimum requirements as outlined above, were then evaluated against a set of Award Criteria, based on a price / quality

matrix of 60% price / 40% quality. The price and quality scores were combined to give each tenderer a score as detailed in Table 1 below.

**Table 1**

<b>Tenderer</b>	<b>Quality Score (%)</b>	<b>Price Score (%)</b>	<b>Total Score (%)</b>
Cleantech Civils Ltd	19.95	60.00	79.95
Luddon Construction Limited	20.25	51.37	71.62
MacKenzie Construction Ltd	30.95	37.17	68.12

- 3.8 Based on the evaluation carried out the tender from Cleantech Civils Ltd represented the best value and the most economically advantageous tender and a Contract Authorisation Report was submitted and approved at the May Procurement Sub-Committee.
- 3.9 Prior to the formal award of the Contract Cleantech Civils Ltd withdrew their tender on 30<sup>th</sup> May 2016. It is therefore recommended that the tender submitted by Luddon Construction Limited now represents the most economically advantageous tender and Luddon Construction Limited should be awarded the Contract.
- 3.10 The cost of this project is funded from the capital budget within the SEMP 2014 programme and is in line with pre-tender estimates.
- 3.11 As part of this tender Luddon Construction Ltd have committed to the delivery of the following community benefits during the delivery of this contract:

<b>Description</b>	<b>Quantity</b>
Work Experience Placement (16+ years of age)	1
Career Event	1
Supply Chain Briefings with SMEs	1
S/NVQ's or equivalent for existing employees	1

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## **Implications of the Report**

- 1. Financial** – The financial status of Luddon Construction Ltd has been assessed as part of the evaluation process and met with the Council's minimum requirements for this contract.
- 2. HR & Organisational Development** - None

3. **Community Planning/ Council Plan Implications** – Luddon Construction Ltd has a commitment to deliver a number of community benefits under this contract as detailed in section 3.11 of this report. The works under this contract will also have overarching benefits:

Children and Young People	An improved school environment supports learning and achievement.
Community Care, Health and Well-being	An improved school environment supports health and wellbeing.
Empowering our Communities	None
Greener	Sustainable approaches to ensuring high quality assets will be developed.
Jobs and the Economy	None
Safer and Stronger	None

4. **Legal** – The tendering procedures for the establishment of the contract were conducted in accordance with the requirements of the Public Contracts (Scotland) Regulations 2012, as amended, and Renfrewshire Council's Standing Orders Relating to Contracts for a below EU Threshold Works Contracts.

5. **Property Assets** – The works resulting from this contract are part of the School Estate Management Plan, which is designed to provide sustainable accommodation that is fit for education in the 21<sup>st</sup> century.

6. **Information Technology** – None.

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. 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** – Luddon Construction Ltd health and safety submission was evaluated by Renfrewshire Council's Health and Safety section and met the minimum requirements regarding health & safety for this contract.

9. **Procurement** – The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures.

10. **Risk** – Luddon Construction Ltd insurances have been assessed and evaluated to confirm that they meet the minimum requirements regarding risk.

11. **Privacy Impact** – None

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#### **List of background papers**

(a) **Education Policy Board Paper, 8<sup>th</sup> May 2014:**

**Report on the consultation to develop the School Estate Management Plan (SEMP) and proposals to address the property challenges in the primary and pre 5 estate.**

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**Author:** David Taggart, Strategic Commercial Category Manager, Tel 0141 618 6905