

To: Finance, Resources and Customer Services Policy Board

On: 30 August 2017

Report by: Chief Executive and Director of Finance and Resources

Heading: Contract Authorisation Report: George Street Decommissioning

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to authorise the Head of Corporate Governance to enter into a negotiated contract for the decommissioning of boiler plant from seven boiler houses (incorporating asbestos removal and associated works), the removal of 160 water tanks and the timber lining of cupboards within 317 domestic properties at George Street, Paisley.
 - 1.2 A Contract Strategy was prepared by the Corporate Procurement Unit and approved by the Strategic Commercial and Procurement Manager and the Housing Asset and Investment Manager on the 10 April 2017.
 - 1.3 The recommendation to award is made, following a procurement process which was conducted in accordance with the Council's Standing Orders Relating to Contracts and the below EU Threshold Open Procedure for Works where only one bid was received and additional asbestos removal works was identified after the tender submission deadline.
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2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board authorise:

- 2.1.1 The Head of Corporate Governance to award the Contract for George Street Decommissioning to Advanced Energy Management Services Limited.
 - 2.1.2 The Contract Sum for the Works is to a maximum of £345,290.35, excluding VAT.
 - 2.1.3 The proposed Date for Commencement of the Works is early September 2017 with a contract duration of 2 years, which allows for any issues which may arise regarding gaining access to the properties. The actual Date of Commencement will be confirmed in the Letter of Acceptance.
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3. Background

- 3.1 Renfrewshire Council has recently completed a project to install gas fired central heating systems into properties previously supplied by a central boiler plant. Following the removal of the district heating scheme within the George Street area of Paisley, the Council now requires a Contractor to decommission the existing boiler plant from seven boiler houses, the removal of 160 water tanks and the distribution pipework from the 317 domestic properties previously part of the George Street district heating scheme. A Health and Safety survey carried out by the Council's Property Services, after the contract notice was published, identified the presence of Asbestos in the boiler houses and potential contamination of the equipment such as, but not limited to, electrical cables, lights and pipework.
- 3.2 A contract notice was published on the Public Contracts Scotland advertising portal on 31 March 2017. Three suppliers expressed an interest in the tender but only one response was received by the deadline for submissions of 12 noon on 20 April 2017.
- 3.3 The one bid received could meet the specification and met all the Bid Selection Criteria. However, after the tender submission date a survey carried out by Property Services, after the contract notice was published, identified that asbestos is present in the boiler houses.

In accordance with the terms of clause 14 of the Councils Standing Orders Relating to Contracts an approval to negotiate a Contract for these Works was signed by HOPAC on 27th July 2017 and the Council entered into negotiations with Advanced Energy Management Services Limited as the only Tenderer who submitted a response to the initial tender process.

- 3.5 It is recommended that the Contract be awarded to Advanced Energy Management Services Limited.

- 3.6 Community benefits were sought as part of this procurement exercise and Advanced Energy Management Services Limited has committed to the delivery of the following community benefits:

Description	Quantity
Work Experience Placements (16+ years)	1
Further Education Visits	5
School Visit	1
Supply chain Briefings with SMEs	4
Mentoring/business support for a third sector organisation	1
Non financial support for a Community Project Business Mentoring for an SME	3

Implications of the Report

1. Financial

The Council is satisfied that Advanced Energy Management Services meet the tender requirements in relation to financial stability.

2. HR & Organisational Development

N/A

3. Community Planning

Advanced Energy Management Services Limited has committed to deliver a number of community benefits for each of the contracts as detailed in section 3.6 of this report.

4. Legal

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

5. Property Assets

In carrying out the work involved with the Contract, the redundant plant will be removed from the 7 boiler houses at George Street following the removal of the district heating scheme.

6. Information Technology

No Information Technology implications have arisen 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. 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

Advanced Energy Management Services Limited's health and safety submission was 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 ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.

10. Risk

Advanced Energy Management Services Limited's insurances have been assessed and evaluated to confirm that they have met the minimum requirements regarding insurable risk.

11. Privacy Impact

N/A

List of background papers

(1) None

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