

## Notice of Meeting and Agenda Procurement Sub-committee

| Date                     | Time  | Venue  |
|--------------------------|-------|--|
| Wednesday, 16 March 2016 | 14:30 | Council Chambers (Renfrewshire),<br>Council Headquarters, Renfrewshire<br>House, Cotton Street, Paisley, PA1 1AN |

KENNETH GRAHAM  
Head of Corporate Governance

### Membership

Councillor Derek Bibby: Councillor Audrey Doig: Councillor Christopher Gilmour: Councillor Jim Harte: Councillor Jacqueline Henry: Councillor Brian Lawson: Councillor Paul Mack: Councillor Kenny MacLaren: Councillor Mags MacLaren: Councillor Alexander Murrin: Councillor Allan Noon: Councillor Tommy Williams:

Councillor Michael Holmes (Convener): Councillor Eddie Grady (Depute Convener)

### Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at [www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx](http://www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx)

For further information, please either email [democratic-services@renfrewshire.gov.uk](mailto:democratic-services@renfrewshire.gov.uk) or telephone 0141 618 7112.

### Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.



## Items of business

### 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.

- |             |   |                |
|-------------|---|----------------|
| <b>1(a)</b> | <b>Contract Authorisation Report: Year 7 Measured Term Contract made under Lot 1 of Framework Agreement for Housing Capital Investment Internal Works</b> | <b>5 - 8</b>   |
|             | Joint report by the Chief Executive and the Director of Development & Housing Services  |                |
| <b>1(b)</b> | <b>Contract Authorisation Report: Postal Goods and Services</b>   | <b>9 - 12</b>  |
|             | Joint report by the Chief Executive and the Director of Finance & Resources   |                |
| <b>1(c)</b> | <b>Contract Authorisation Report: Supply and Installation of CircoSense Units</b>   | <b>13 - 16</b> |
|             | Joint report by the Chief Executive and the Director of Development & Housing Services  |                |
| <b>1(d)</b> | <b>Contract Authorisation Report: Treatment of Co-mingled Dry Recyclates</b>  | <b>17 - 20</b> |
|             | Joint report by the Chief Executive and the Director of Community Resources   |                |



**To: Procurement Sub Committee**

**On: 16<sup>th</sup> March 2016**

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**Report by:**

**Joint Report  
by  
The Chief Executive and Director of Development and Housing  
Services**

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**Heading:**

**Contract Authorisation: Year 7 Measured Term Contract made under Lot 1 of  
the Framework Agreement for Housing Capital Investment Internal works  
Programme (Years 6-9) reference RC1407\_2637 (ITT 5324)**

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## **1. Summary**

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub-Committee to award the Years 7 Measured Term Contract (MTC) under Lot 1 of the Framework Agreement for the Housing Capital Investment Internal Works Programme (Years 6-9): RC1407\_2637 (ITT 5324).
  - 1.2 The Council's Framework Agreement was tendered in accordance with the above EU Threshold Open Procedure for Works and the Council's Standing Orders Relating to Contracts.
  - 1.3 A contract Strategy was approved by the Strategic Commercial and Procurement Manager and the Head of Housing Services on 27<sup>th</sup> August 2014.
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## 2. Recommendations

- 2.1 It is recommended that the Procurement Sub-Committee authorise the Head of Corporate Governance to award the Year 7 MTC made under Lot 1 of the Framework Agreement for the Housing Capital Investment Internal Works Programme (Years 6-9): RC1407\_2637(ITT 5324). to Mitie Property Services (UK) Limited.
- 2.2 The anticipated spend will be up to £1m, excluding VAT.
- 2.3 The MTC will be for a Contract Period of 12 months from the award of this Package Order (MTC). The anticipated date of award is the 31<sup>st</sup> March 2016, however the actual date will be confirmed in the Council's letter of Acceptance for this MTC.
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## 3. Background

- 3.1 The Framework Agreement was approved by the Procurement Sub-Committee on 3<sup>rd</sup> December 2014.
- 3.2 The first MTC (year 6) made under Lot 1 was issued on 2 February 2015 to start on the same date. On the anniversary date of the MTC for Year 6, all three contractors awarded onto Lot 1 of the framework submitted a review of their prices for Year 7.
- 3.3 The submission of prices for Year 7 was evaluated and given a commercial (Price) score out of 60%, the score for each contractor was then added with their Quality score evaluated and identified at the Framework Agreement award stage. The cumulative score bringing together the Price and Quality elements for each tenderer is noted as follows:

| Contractor                           | Price (60%) | Quality (40%) | Total (100%) |
|--------------------------------------|-------------|---------------|--------------|
| Mitie Property Services (UK) Limited | 43.71       | 37.90         | <b>81.61</b> |
| Keepmoat Regeneration Limited        | 44.87       | 36.65         | <b>81.52</b> |
| McTear Contracts Limited             | 60.00       | 14.25         | <b>74.25</b> |

- 3.4 The evaluation of submissions received identified that the submission by Mitie Property Services (UK) Limited was the most economically advantageous.
- 3.5 Financial costs in respect of this contract will be met by the Service's Revenue Budget.
- 3.6 Community benefits were secured at inception of the Framework:

| <b>Community Benefit</b>  | <b>No of People/Activity</b> |
|---|------------------------------|
| Modern Apprenticeships  | 2                            |
| Graduates   | 1                            |
| Job (Unemployed)  | 2                            |
| Trainee Position  | 1                            |
| Career Events   | 2                            |
| Supply Chain Briefings with SME's   | 2                            |
| Business Support Social Enterprises, Supported Businesses, Third Sector Organisations | 2                            |
| Mentoring Third Sector Organisations  | 2                            |
| S/NVQ's or equivalent for Existing Employees  | 5                            |
| S/NVQ's or equivalent for New Entrants  | 2                            |
| S/NVQ's or equivalent for Sub-contract staff  | 2                            |

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## **Implications of the Report**

### **1. Financial**

The financial status of Mitie Property Services (UK) Limited has been assessed by undertaking a Dun and Bradstreet evaluation and it is confirmed that the company have satisfied the Council's requirements in relation to financial stability.

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

No TUPE implications have arisen or are anticipated.

### **3. Community Planning**

Mitie Property Services (UK) Limited has a commitment to deliver a number of Community Benefits under this contract as detailed in section 3.6 of this report.

### **4. Legal**

The tendering procedures for the establishment of the Framework Agreement were in accordance with the Renfrewshire Council's Standing Orders Relating to Contracts and the Public Contracts (Scotland) Regulations 2012 (as

amended). This MTC has been awarded in accordance with the Framework Agreement requirements and the Council's Standing Orders relating to Contracts.

5. **Property Assets**

The refurbishment of kitchens and bathrooms, rewiring and the upgrading of heating systems will ensure that the council's property assets are kept up to a modern standard.

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 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**

The contractor's health and safety was vetted as part of the establishing of the Framework Agreement.

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**

Insurance levels were provided by Corporate Risk and insurance documents submitted as part of the tendering process were evaluated. Mitie Property Services (UK) Limited have sufficient cover in place.

11. **Privacy Impact**

N/A

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**List of background papers**

(a) Background Papers - Contract Authorisation: Framework Agreement for Housing Capital Investment Internal works Programme (Years 6-9) RC1407\_2637 (ITT 5324)

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**Author: David Taggart** Strategic Commercial Category Manager, Corporate Procurement Unit. Tel. 0141 618 6905



**To: Procurement Sub Committee**

**On: 16 March 2016**

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**Report by:**

**Joint Report  
by  
The Chief Executive & Director of Finance & Resources**

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**Heading:**

## **Contract Authorisation Report – Postal Goods & Services**

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### **1. Summary**

1.1 The purpose of this report is seek approval from the Procurement Sub-Committee to enter into a contract for Postal Goods & Services to be made under the Crown Commercial Service (CCS) framework for Postal Goods & Services RM1063 Lot 3 from 4 April 2016 to 3 April 2018, with the Council reserving the option to extend for up to two 12 month periods.

1.2 The Direct Award has been enabled under the following Lot 3 as detailed within the Crown Commercial Services (CCS) Framework Contract RM1063 Postal Goods & Services:

#### **LOT 3: HYBRID MAIL OFF SITE SOLUTION**

Lot 3 offers a hybrid mail solution that is wholly external. Lot 3 suppliers will receive work electronically and will be responsible for the printing, addressing, enveloping and delivery (physical or electronic) of mail items. Suppliers will offer a range of electronic and physical delivery options, such as SMS or email and will provide supporting software where necessary.

1.3 A contract strategy document for Postal Goods & Services was signed in February 2016 by the Strategic Commercial & Procurement Manager and the Head of Customer and Business Services.

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## 2. Recommendations

2.1 It is recommended that the Procurement Sub-Committee authorise:

- The Head of Corporate Governance to make a Direct award Call off Contract for Postal Goods & Services under Lot 3 of the Crown Commercial Services (CCS) Framework Contract RM1063 Postal Goods and Services to Critiqom Limited.
- The value of the contract will be up to a total value of £860,000 excluding VAT where the Council's option to extend on two separate occasions is utilised.
- The Call-Off Contract will commence on the 4<sup>th</sup> April 2016 to 3<sup>rd</sup> April 2018 with the option to extend for up to two 12 month periods, on two separate occasions to no later than 3 April 2020.

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## 3. Background

- 3.1 The Crown Commercial Service provides national contracts for central government and the wider public sector to utilise in order to make savings.
- 3.2 A Direct Award can be made from the Crown Commercial Service Framework RM1063 Lot 3 - Hybrid Mail Off-Site Solution
- 3.3 Analysis of the RM1063 Framework Agreement rates was undertaken by officers of Finance and Resources and the Corporate Procurement Unit, in order to determine the best value for the Council.
- 3.4 The Council will achieve best value by utilising the Direct Award option with Critiqom Limited.
- 3.5 Savings from utilising the Direct Award procedure with Critiqom Limited will be in the region of £17,000 per annum.

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## Implications of the Report

1. **Financial** - Financial costs in respect of this Contract will be met from the Service's capital and revenue budgets
2. **HR & Organisational Development** – None
3. **Community Planning** - None
4. **Legal** - The procurement exercise was tendered in accordance with the Direct Award conditions of the Crown Commercial Services (CCS) Framework

Contract RM1063 Postal Goods and Services and with Council's Standing Orders Relating to Contracts for contracts awarded under a pre-existing framework agreement.

5. **Property Assets** - None
6. **Information Technology** - None
7. **Equality & Human Rights** - None
8. **Health & Safety** The procurement exercise was tendered in accordance with the Direct Award conditions of the Crown Commercial Services (CCS) Framework Contract RM1063 Postal Goods and Services and with Council's Standing Orders Relating to Contracts for contracts awarded under a pre-existing framework agreement.
9. **Procurement** – The procurement procedure outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and Modern Government
10. **Risk** – The procurement exercise was tendered in accordance with the Direct Award conditions of the Crown Commercial Services (CCS) Framework Contract RM1063 Postal Goods and Services and with Council's Standing Orders Relating to Contracts for contracts awarded under a pre-existing framework agreement.
11. **Privacy Impact** – due to be undertaken on 2 March 2016

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**List of background papers** – Not Applicable

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**Author:** *Suzanne Gibb – Procurement Operations Manager, 0141 618 7042*



**To: Procurement Sub Committee**

**On: 16<sup>th</sup> March 2016**

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**Report by:**

**Joint Report  
by  
The Chief Executive and Director of Development and Housing Services**

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### **Contract Authorisation Report**

#### **Supply and Installation of CircoSense Units**

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## **1. Summary**

- 1.1 The purpose of this report is to seek the approval of the Procurement Sub-Committee to award an NEC3 Supply Short Contract for the Supply and Installation of CircoSense Units to existing hot water systems.
  - 1.2 This procurement exercise has been conducted in accordance with the above EU Threshold negotiated procedure without prior publication of a contract notice (Supply) and the Council's Standing Orders Relating to Contracts.
  - 1.3 The request to negotiate was prepared by the Corporate Procurement Unit and approved by the Strategic and Commercial Procurement Manager on 8<sup>th</sup> January 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 Supply and Installation of CircoSense Units, reference RC/OC/118/16 to Campbell & Kennedy Limited.
  - 2.1.2 The value of this contract will not exceed £399,963.41, excluding VAT.

- 2.1.3 The Contract has an anticipated start date of 28th March 2016 and has an end date of 27<sup>th</sup> March 2018 with the option to extend for a further 24 months for additional maintenance.

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### **3. Background**

- 3.1 The Council has a requirement for the installation of specialist equipment for the control of secondary return hot water systems in a number of Renfrewshire Council's commercial properties; there have been 35 properties identified for installation of specialist equipment. The Energy Team within the Council has estimated that the Council will make a 40% saving from the energy used for heating the hot water and it will reduce carbon emissions significantly.
- 3.2 After extensive market research the Procurement department and the Energy Team have identified that CircoSense, supplied by Campbell and Kennedy Limited is the only product on the market to deliver the requirements. A patent application has been submitted on behalf of CircoSense due to the unique nature of the product with its intelligent technology. In addition, CircoSense is exclusively distributed, marketed and installed by Campbell and Kennedy Limited.
- 3.3 The value of the contract is above the EU threshold level for Supplies. Due to technical reasons and as the units are exclusively distributed, marketed and installed by Campbell and Kennedy Limited in protection of exclusive rights of (insert producers name) the contract has been negotiated with Campbell and Kennedy Limited in accordance with the negotiated procedure without call for competition under The Public Contract (Scotland) Regulations 2012, section 14(1)(a) (iii) and the Council's Standing Orders relating to Contracts.
- 3.4 Financial costs in respect of this contract will be met by the Energy Team's Capital Budget for Financial Year 2015/16. It is anticipated that within five years of installation the money saved should pay back the cost of the purchase and installation of the CircoSense Units.
- 3.5 Community benefits were sought as part of this Contract and, Campbell and Kennedy Limited have agreed to one modern apprentice, one work experience placement (16+), one industry awareness day, one work place visit for a student and will provide business mentoring for SME's.

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### **Implications of the Report**

1. **Financial**  
The financial status of Campbell and Kennedy Limited has been assessed by undertaking a Dun and Bradstreet evaluation and it is confirmed that the company have satisfied the Council's requirements in relation to financial stability.
2. **HR & Organisational Development**  
N/A
3. **Community Planning**

Campbell and Kennedy Limited have agreed to discuss and commit to community benefits, they would be particularly interested in participating in work placements and school mentoring.

4. **Legal**

The tendering procedures for the establishment of this contract were in accordance with The Public Contracts (Scotland) Regulations 2012 and Renfrewshire Council's Standing Orders Relating to Contracts for above EU Threshold Supply contracts.

5. **Property/Assets**

N/A.

6. **Information Technology**

N/A

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. **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**

Campbell and Kennedy Ltd insurances have been assessed and evaluated to confirm that they have met the minimum requirement regarding risk.

11 **Privacy Impact**

N/A

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**List of Background Papers**

None

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**Author:** *David Taggart, Strategic and Commercial Category Manager, tel no 0141 618 6905 david.taggart@renfrewshire.gov.uk.*





**To: Procurement Sub Committee**

**On: 16 March 2016**

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**Report by:**

**Joint Report  
by  
The Chief Executive & Director of Community Resources**

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## **CONTRACT AUTHORISATION REPORT – TREATMENT OF CO-MINGLED DRY RECYCLATES**

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### **1. Summary**

- 1.1 The purpose of this paper is to request authorisation from the Procurement Sub Committee to award a contract to Regen Waste Ltd for the Treatment of Co-Mingled Dry Recyclates (blue bin waste) from 15 June 2016 to 14 June 2017 with the Council reserving the option to extend for up to 12 months.
- 1.2 The contract will be awarded under the following Lot as detailed within the Scotland Excel Framework for the Treatment of Recyclable and Residual Waste:
  - Lot 8, Model B:- Treatment of Co-Mingled Dry Recyclable Waste (Mixed Papers, News & PAMs, Cardboard, Plastic Bottles, Plastic Containers, Plastic Film, Beverage Cartons, Cans and similar metal and Glass)
- 1.3 A contract strategy document for the Treatment of Co-Mingled Dry Recyclable Waste was signed in March 2016 by the Strategic Commercial & Procurement Manager and Director of Community Resources.

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## **2. Recommendations**

It is recommended that the Procurement Sub-Committee Authorise:

- 2.1 The Head of Corporate Governance to award a contract to Regen Waste Ltd for the Treatment of Co-Mingled Dry Recyclable Waste under Lot 8, Model B of the Scotland Excel Framework Agreement for the Treatment of Recyclable and Residual Waste (Contract Schedule Number 14-13):
- 2.2 The spend on this contract will be up to £3,110,000 excluding VAT, if the option to extend is utilised.
- 2.3 The contract to commence on 15 June 2016 to 14 June 2017 with the Council reserving the option to extend for up to 12 months.

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## **3. Background**

- 3.1 Scotland Excel established a framework agreement for the Treatment of Recyclable and Residual Waste in July 2014. The framework offers a suite of compliant treatment options for a host of waste materials commonly collected by councils via their existing individual collection services, including metals, cans, glass, paper, textiles, plastics and wood. Furthermore, options are included for the treatment and disposal of the material remaining when all other possible reusable or recyclable material has been removed, commonly referred to as “residual” waste.
- 3.2 There are a number of operating factors which have impacted on the recyclable waste market as a whole. The reduction in commodity resale and the quality of items such as glass, metals and plastic has meant that materials recycling facilities have to charge more to process materials.
- 3.3 The procurement process undertaken to establish the Framework Agreement was the open tender procedure and was conducted in compliance with the EU Procurement Legislation.
- 3.4 An evaluation of offers was undertaken by Scotland Excel and a User Intelligence Group, which included representation from the Council. Thirty five suppliers were awarded onto the framework agreement across the twenty three lots.
- 3.5 The Scotland Excel Framework Agreement for Treatment of Recyclable and Residual Waste provides the facility to make direct award of contract to a supplier where best value can be demonstrated. The Council considered the current Framework Agreement rates and analysis carried out by the Council demonstrated that best value will be achieved by entering into a contract with Regen Waste Ltd prior to 1 April 2016 with the service to start from 15 June

2016. This approach is in the interest of the Council and will ensure the Council secures this competitive rate which is available for a very short period of time at a price considerably lower than normal market prices.

- 3.6 The Council's spend on this contract until 14 June 2018 is up to £3,110,000 excluding VAT however the actual spend will vary depending on the actual tonnage collected and the levels of contamination. The pricing under this contract will remain fixed until 14 June 2017 with the Council conducting a best value analysis prior to entering into any contract extension.
- 3.7 Regen Waste Ltd have committed to delivery of the following community benefits:
- Support local employment by sub contracting the handling and transportation of the Co-Mingled Dry Recyclable Waste to a local Renfrewshire company.
  - Provide financial support towards an intern's salary.
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## **Implications of the Report**

1. **Financial** – Financial costs will be met from existing Council resources for each financial year.

The financial status of Regen Waste Ltd was assessed, and satisfied the Council's requirements.

2. **HR & Organisational Development** – None

3. **Community Planning** – Regen Waste Ltd has committed to delivery of community benefits as outlined in Section 3.6 of the report.

4. **Legal** – The procurement exercise has been carried out in compliance with Council Standing Orders relating to Contracts and Framework Agreement requirements.

5. **Property Assets** - None.

6. **Information Technology** – None.

7. **Equality & Human Rights** – Regen Waste Ltd Equality & Human Rights has been assessed under the Scotland Excel Framework Agreement for the Treatment of Recyclable & Residual Waste and have confirmed their compliance with their statutory obligations in respect of Equality and Human Rights.

8. **Health & Safety** – Regen Waste Ltd Health & Safety has been assessed under the Scotland Excel Framework Agreement for the Treatment of Recyclable &

Residual Waste to ensure that they met the minimum requirements regarding Health & Safety.

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

10. **Risk** – None

11. **Privacy Impact** – Not Applicable

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**List of background papers** – Not Applicable

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**Author:** Karen Thomson, telephone number 0141 618 7466, email address Karen.thomson@renfrewshire.gov.uk