

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

**On:** 15<sup>th</sup> June 2022

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**Report by:** Chief Executive and Director of Communities and Housing Services

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**Heading:** Contract Authorisation Report for Maintenance and Refurbishment Works – Void and Tenanted Properties (RC-CPU-21-248).

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## 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 Works Contract for the Maintenance and Refurbishment Works to our Voids and Tenanted Properties (RC-CPU-21-248) to City Gate Construction (Scotland) Limited.
  - 1.2 The recommendation to award the SBCC Measured Term Contract follows a procurement exercise conducted in accordance with the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders Relating to Contracts for an above Threshold Works contract using the Open Tender Procedure.
  - 1.3 A Contract Strategy was approved by the Head of Housing Services and the Strategic Commercial and Procurement Manager on 29<sup>th</sup> March 2022.
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## 2. Recommendations

It is recommended that the Finance, Resources and Customer Services Policy Board authorise the Head of Corporate Governance:

- 2.1 To award a Contract for the Maintenance and Refurbishment Works – Voids and Tenanted Properties (RC-CPU-21-248) to City Gate Construction (Scotland) Limited.
  - 2.2 Authorise up to the maximum contract value of £20,000,000.00 excluding VAT and
  - 2.3 Authorise the contract, with a proposed start date of 18<sup>th</sup> July 2022. The Contract Period of 2 years with the Council having the option to extend the Contract Period for up to 12 months on two (2) separate occasions. The proposed dates will be confirmed in the Letter of Acceptance.
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### 3. **Background**

- 3.1 A central requirement of Communities and Housing Services is to ensure that Council properties, facilities and assets are of a proper standard, are properly maintained in a manner that complies with statutory legislation and that the appropriate records are maintained.

The Council's own Building Services department will primarily deliver property maintenance where capacity allows however it is necessary to have an additional contractual agreement in place to ensure sufficient capacity is available to deliver the overall programme. This procurement is for a Measured Term Contract for the appointment of a suitably qualified contractor to carry out the maintenance and refurbishment works to both void and tenanted properties, including but not limited to; kitchens, bathrooms, rewire, heating, decoration and void repairs, where the requirement for these works cannot be met by Building Services.

The anticipated spend includes for an enhanced specification to deliver improvement measures in keeping with the Scottish Government's Warmer Homes Scotland programme. These measures include wall insulation, under floor insulation and works of a more specialist nature including renewable heating systems.

The award of this contract will ensure the Council's housing stock is maintained to the required regulatory standards, including the Scottish Housing Quality Standard (SHQS), and that properties are maintained and refurbished within an agreed timescale to ensure targets are met, particularly in relation to the reletting of void properties.

- 3.2 This is a Term Service contract with no guarantee of spend awarded under the SBCC Measured Term Contract 2011 Edition with Employer's Amendments. The maximum spend over the four (4) year period is up to £20,000,000 which is estimated to be £5,000,000 annually although annual

spend may exceed £5,000,000 as long as the cumulative value does not exceed the maximum spend.

- 3.3 To initiate this procurement process a contract notice was published on Find a Tender via the Public Contracts Scotland advertising portal on Friday 1<sup>st</sup> April 2022 with the tender documentation available for downloading from the Public Contracts Scotland – Tender portal from this date.
- 3.5 During the live tender period, twenty two (22) organisations expressed an interest in this opportunity. By the closing date set for the return of electronic tender submissions, 12 noon on Thursday 5<sup>th</sup> May 2022, six (6) contractors (Tenderers) submitted a response, five (5) declined and eleven (11) failed to respond.
- 3.6 All Tenderers were required to complete a Single Procurement Document (SPD) to be submitted with their tender submission in accordance with Regulation 60 of the Public Contracts (Scotland) Regulations 2015. The six (6) tender submissions received contained a completed SPD and each was evaluated against a pre-determined set of criteria in the form of the SPD by representatives from Housing Services, the Corporate Procurement Unit, Corporate Risk and Corporate Health and Safety. Each of the six (6) tender submissions received complied with the minimum selection criteria of the SPD.
- 3.7 All six (6) tender submissions progressed to evaluation against the published award criteria of 65% Price and 35% Quality.
- 3.8 The scores relative to the award criteria for each of the Tenderer tender submissions are noted below:

		<b>Quality (35%)</b>	<b>Price (65%)</b>	<b>Total (100%)</b>
<b>1</b>	<b>City Gate Construction (Scotland) Limited</b>	34.25%	65.00%	<b>99.25%</b>
<b>2</b>	<b>Bell Decorating Group Limited</b>	33.00%	51.46%	<b>84.46%</b>
<b>3</b>	<b>Hugh LS McConnell Limited</b>	34.25%	48.33%	<b>82.58%</b>
<b>4</b>	<b>Procast Property Services Ltd.</b>	28.00%	51.29%	<b>79.29%</b>
<b>5</b>	<b>Novus Property Solutions Limited</b>	29.75%	48.96%	<b>78.71%</b>
<b>6</b>	<b>Mears Facilities Management</b>	31.50%	43.08%	<b>74.58%</b>

- 3.9 The evaluation of tender submissions received identified that the tender submission by City Gate Construction (Scotland) Limited was the most economically advantageous tender.
- 3.10 The form of Contract will be SBCC Measured Term Contract 2011 Edition.
- 3.11 Mandatory Community Benefits were included as a condition of this Contract which City Gate Construction (Scotland) Limited confirmed they will adhere to. The commitment is to deliver four (4) Employment Opportunities, from the table as detailed below:

<b>Mandated Community Benefits Requested</b>
Job for an unemployed individual from a Priority Group
Job for an unemployed individual
Modern Apprenticeship

The Mandatory Community Benefits to be delivered from the table above, will be agreed at the mobilisation meeting.

- 3.12 In addition to the mandatory Community Benefits requested, community benefits were requested for every £1,000,000 (£1m) worth of spend made under this Contract. The Community Benefits offered will be delivered each time the spend increases by £1m and City Gate Construction (Scotland) Limited has committed to deliver the following Community Benefits:

<b>Community Benefits Description</b>	<b>No of People/ Activity</b>
Job for an unemployed individual from a Priority Group	1
Job for an unemployed individual	1
Graduate	1
Work Experience Placement for an individual 16+ years of age	1
Non financial support for a Community Project	1

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## **Implications of the Report**

1. **Financial** – The costs for this Contract will be met from the Housing Revenue Account (HRA) capital budget for the refurbishment works and the HRA revenue repairs budget for the maintenance works.

2. **HR & Organisational Development** – No TUPE implications
3. **Community/Council Planning** –
  - **Our Renfrewshire is fair** - Tenderers were assessed within this procurement process in regard to their approach to ensuring fair working practices throughout their organisation and supply chain i.e. payment of the living wage, training and development opportunities.
  - **Creating a sustainable Renfrewshire for all to enjoy** – City Gate Construction (Scotland) Limited has committed to deliver Community Benefits as detailed within section 3.11 and 3.12 of this report.
  - **Our Renfrewshire is thriving** – Maximising economic growth, which is inclusive and sustainable.
  - **Building strong, safe and resilient communities** – Ensure our neighbourhoods are safe and attractive.
  - **Tackling inequality, ensuring opportunities for all** – Improving housing conditions for both Council tenants and owners.
  - **Creating a sustainable Renfrewshire for all to enjoy** – The works will ensure that the housing stock is up to standard and protected for the future.
4. **Legal** – The Procurement of this Works Contract has been conducted as an above Threshold Open Procedure in accordance with the Public Contracts (Scotland) Regulations 2015 and Renfrewshire Council's Standing Orders relating to Contracts.
5. **Property/Assets** – The contract will provide refurbishment works and maintenance/repair to the Council's void and tenanted domestic properties.
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 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** – City Gate Construction (Scotland) Limited health and safety credentials have been evaluated and passed by Corporate Health and Safety confirming that they met the Council's minimum requirements regarding health and safety.
9. **Procurement** - The procurement procedure outlined within this report ensures that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern government.
10. **Risk** – City Gate Construction (Scotland) Limited insurances are being assessed and evaluated to confirm that they meet the minimum requirements regarding insurable risk. Any award will be subject to our internal Insurance and Risk Management Coordinator confirming that City Gate Construction (Scotland) Limited meet the minimum requirements.
11. **Privacy Impact** – All Tenderers were asked to confirm that they agree to the form of our Data Processor Agreement, City Gate Construction (Scotland) Limited confirmed adherence to it.
12. **Cosla Policy Position** – No Cosla Policy Position implications have arisen or are anticipated.
13. **Climate Risk** – Tackling Climate Change and working towards Net Zero are addressed throughout this contract. The environmental impacts considered are broad and range from the disposal of waste generated from the works being carried out to the type of vehicles and machinery being used on the site. The Contractor will require to consider the emissions from their vehicles when working on site and to switch engines off when not in use to prevent unnecessary emissions. The level of impact associated with provision of these works has been assessed using the Scottish Government Sustainability Test and is considered to be overall low risk.

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### List of Background Papers

- (a) None

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