

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: Calside Underground Pipe Installation

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 the Contract for Calside Underground Pipe Installation to Highland Wood Energy Ltd (HWEnergy).
 - 1.2 The recommendation to award this works Contract follows a procurement exercise which was conducted in accordance with 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 27 April 2018.
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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 Contract for the Calside Underground Pipe Installation to Highland Wood Energy Ltd;
 - (b) authorise the award of a Contract in the sum of £304,053.00 excluding VAT;
 - (c) note the starting date is anticipated to be the 02nd July 2018 with the completion date being 3 months from the start date. The actual starting date will be confirmed in the Letter of Acceptance.
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3. Background

- 3.1 A central requirement of the Development and Housing Services department is to ensure the 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 Contract is to replace the existing underground pipework in relation to the Biomass District Heating System at Calside, Paisley. The replacement of the pipework will improve the efficiency of the whole Biomass system and alleviate the current leakage issues.
- 3.2 A contract notice was published on the Public Contract Scotland advertising portal on 27 April 2018 with the tender documentation available for downloading from the Public Contract Scotland – Tender platform.
- 3.3 During the tendering period twelve (12) companies expressed an interest. By the tender return date, 11 May 2018, two (2) companies declined to respond, seven (7) failed to respond and three (3) submitted a response.

3.4 In accordance with Standing Order 11.5 all three (3) tender submissions were evaluated against a pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) by representatives from Development and Housing Services, the Corporate Procurement Unit, Corporate Risk and Corporate Health & Safety. All three (3) tender submissions confirmed compliance with the minimum selection criteria set within the ESPD and progressed to the Award stage which was based on a weighting of 30% Quality and 70% Price.

3.5 The scores relative to the Award Criteria for each tenderer is noted below:

	Quality (30%)	Price (70%)	Total (100%)
Highland Wood Energy Ltd	28.75	68.75	97.50
Alternative Heat Ltd	28.75	68.16	96.91
Vital Energi Utilities Ltd	25.00	38.49	63.49

3.6 The evaluation of the three (3) tender submissions received identified that the tender submission by Highland Wood Energy Ltd was the most economically advantageous tender submission.

3.7 Community Benefits were sought as part of this contract, Highland Wood Energy Ltd have committed to the following benefits under this Contract:

Community Benefit Description	No of People / Activity
School Visits	2
Non-financial support for a Community Project	1
Financial support for a Community Project	1

Implications of the Report

1. Financial

The cost for this project will be met through the Housing Revenue Account (HRA) capital funding

2. HR & Organisational Development

No TUPE implications.

3. Community/Council Planning

- Our Renfrewshire is fair –Tenderers were assessed within this procurement process in regards 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 etc.
- Our Renfrewshire is safe – A central requirement of the Property Services department is to ensure that Council operated property, facilities and assets are properly maintained in a manner that complies with existing statutory legislation (Statutory Compliance) and that appropriate records are retained.
- Creating a sustainable Renfrewshire for all to enjoy – Highland Wood Energy Ltd has committed to deliver a number of Community Benefits as detailed within section 3.7 of this report.

4. Legal

The procurement of this works Contract was conducted in accordance with the Council's Standing Orders relating to Contracts for below EU and Regulated Threshold works contracts.

5. **Property/Assets**

The Contract award will improve the efficiency of the whole Biomass system.

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**

Highland Wood Energy Ltd.'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**

Highland Wood Energy Ltd.'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) Not Applicable

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