
To: Finance, Resources and Customer Services Policy Board

On: 5 March 2021

Report by: The Chief Executive

Heading: Contract Award: Design and construction works for the Clyde Waterfront and Renfrew Riverside (CWRR) Project (RC/OC/349/18)

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 Contract for the Design and construction of the Clyde Waterfront and Renfrew Riverside (CWRR) Project to John Graham Construction Limited.
 - 1.2 The recommendation to award the contract follows a procurement procedure conducted in accordance with the Competitive Procedure with Negotiation of the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts.
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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 design and construction works for the Clyde Waterfront and Renfrew Riverside (CWRR) Project to John Graham Construction

- Limited subject to the provision of a Performance Bond as required by the tender documentation;
- b) authorise the award of the Contract for the total of the Prices at £79,457,719.00 excluding VAT;
 - c) authorise the approved contract value up to £88,680,605.00 excluding VAT which includes for quantified risk and contingency; and
 - d) note that the contract period is anticipated to be 30 months with the *starting date* anticipated to be in April 2021 with the *completion date* anticipated to be in October 2023. Actual dates to be confirmed within the formal contract to be issued.
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3. **Background**

- 3.1 The Glasgow City Region City Deal is an agreement between the UK Government, Scottish Government and eight member local authorities across the Glasgow City Region (including Renfrewshire Council). The overall aim of the City Deal is to support an increase in the economy within this area by delivery of key projects, three of which are within the Renfrewshire area (Clyde Waterfront and Renfrew Riverside (CWRR), Glasgow Airport Investment Area (GAIA) and Airport Access Project (AAP)).
- 3.2 The Clyde Waterfront & Renfrew Riverside project aims to regenerate the Clyde Waterfront as an attractive riverside and urban area that supports existing and promotes new residential, industrial, commercial, business, retail and leisure opportunities. With the construction of a new opening bridge across the River Clyde, which will accommodate vehicles, pedestrians and cyclists, and the construction of the Renfrew North Development Road, the project will better link communities and businesses on both sides of the river. This will increase the potential for business growth, as businesses and residents on both sides of the river are better connected to a number of key locations including the Clyde Riverside, the Advanced Manufacturing and Innovation District Scotland (AMIDS), Clydebank, Renfrew, Paisley Town Centre and Braehead Centre.
- 3.3 The area also includes a number of vacant, derelict and underused sites that offer immense potential for development of new and enhanced commercial, business and housing uses. Improved connections between key educational and health centres, such as: Queen Elizabeth University Hospital; Golden Jubilee Hospital; West

College Scotland (Clydebank and Paisley Campuses) and University of the West of Scotland, would also improve educational and health opportunities for people within the local communities as well as aiding employees to access these major employment centres.

- 3.4 The works to be undertaken in the awarded contract include, but are not limited to:
- An opening bridge over River Clyde connecting Dock Street, Clydebank to Meadowside Street, Renfrew at Lobnitz Dock;
 - New road linking Meadowside Street to the A8 at Argyll Avenue;
 - New/ improved active travel routes connecting to the new infrastructure including pedestrian and cycling links;
 - New and upgraded infrastructure to link into the surrounding road network;
 - New and improved junctions; and
 - A lay-by berth facility for ships at Rothesay Dock.
- 3.5 The contract was tendered as an above EU Threshold Works Contract in accordance with the Competitive Procedure with Negotiation (CPN) under the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts.
- 3.6 A contract notice for this Contract was dispatched via the Public Contracts Scotland advertising portal with the notice published by the Official Journal of the European Union (OJEU) on 05 December 2018. The invitation to participate documentation (ITP) was available for downloading from the Public Contracts Scotland – Tender portal from the 07 December 2018, the date the contract notice was published on Public Contract Scotland.
- 3.7 During the ITP stage (Selection Stage), forty-four (44) organisations expressed an interest in the Contract. By the closing date set for submission, 12 noon on 28th February 2019, five (5) Candidates had submitted a request to participate (RTP).
- 3.8 The RTPs were evaluated against a pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) by representatives from the Council's Corporate Procurement Unit and all five (5) Candidates satisfied the Council's minimum requirements within the ESPD selection criteria.
- 3.9 As part of the selection process, and to reduce the number of otherwise qualified Candidates, in accordance with the Public Contracts (Scotland) Regulations 2015 Regulation 66, Candidates had to respond to eight (8) questions relating to previous experience, technical capacity

and capability with projects similar in nature, scope and scale to the design and construction works for the CWRR project.

3.10 A panel of representatives from the Renfrewshire Council's City Deal project team, assessed the five (5) Candidates responses to the six (6) questions and the three (3) highest scoring Candidates were selected to proceed to the initial invitation to tender stage. The contract notice indicated the Council's intention was to invite a minimum of three (3) Candidates to the Award Stage.

3.11 The selection score for each Candidate within the RTP stage is noted below:

Candidate	Score (100%)	Ranking
John Graham Construction Ltd	77.00%	1 st
Roadbridge Holdings Limited	76.00%	2 nd
Balfour Beatty Group Ltd	71.50%	3 rd
Farrans (Construction) Limited	57.50%	4 th
BAM Nuttall Ltd	55.50%	5 th

3.12 The initial invitation to tender (ITT) was made available for downloading by the three (3) shortlisted Candidates via the Public Contracts Scotland -Tender portal on 1 August 2019. By the closing date and time of 12 noon on 10 February 2020, two (2) Candidates (then Tenderers) each submitted an initial tender.

3.13 The two (2) initial tenders received were assessed against the published Award Criteria based on an overall weighting of 70% Price and 30% Quality by a suitably qualified evaluation panel which included members of the City Deal project team, Corporate Procurement Unit and representatives from Sweco Limited, the appointed lead consultant for the CWRR project.

3.14 The Tenderers' proposals relating to the following areas were assessed as part of the quality element of the Award Criteria:

- Project Management/ Delivery Team
- Carbon Reduction Initiatives
- Consideration for operation and maintenance at design stage
- BIM Methodology
- Stakeholder Engagement/ Management plan
- Community Benefits Delivery
- Fair Working Practices

3.15 In the contract notice, the Council reserved the right to award the Contract following the initial tender stage or conduct successive stages of negotiation and retender with one or more tenderers to improve tenders with consideration to:

- a reduction or increase of the Scope required within the initial ITT (within the limits of the Statement of Requirements) to best meet the Council's needs in terms of functionality and affordability,
- negotiation on the particular characteristics of the core and supplementary requirements, and
- negotiation of the conditions of contract and risk allocation within the Contract

3.16 The Council elected to invite the two (2) Tenderers compliant at initial tender stage to negotiation meetings in April 2020 and both Tenderers accepted the Council's invitation to negotiate.

3.17 The negotiation phase was conducted in accordance with Public Contracts (Scotland) Regulations 2015 (Regulation 30) and the Council ended the phase on 26 October 2020.

3.18 Subsequent to that negotiation, the Council issued a Final ITT via the Public Contract Scotland – Tender portal on 19 October 2020, inviting the remaining two (2) Tenderers to submit a final tender. By the final tender submission deadline of 12 noon on 1 December 2020, two (2) Tenderers had submitted a final tender.

3.19 The two (2) final tenders received were assessed against the published Award Criteria by a suitably experienced panel which included members of the City Deal project team, Corporate Procurement Unit and representatives from Sweco Limited, the appointed lead consultant for the project and Jacobs, The Council's Technical Assurance Adviser for the project. The Tenderer's scores relative to the Award Criteria are detailed in the table below:

Tenderer	Technical Score	Price Score	Total Score	Ranking
John Graham Construction Ltd	21.75%	70.00%	91.75%	1
Roadbridge Holdings Limited	20.18%	67.81%	87.99%	2

- 3.20 The evaluation of final tenders identified that the submission by John Graham Construction Limited was the most economically advantageous tender.
- 3.21 The total contract approval value of £88,680,605.00 includes an allowance for quantified risks and an additional contingency as is prudent in construction contracts, which together total £9,222,886.00.
- 3.22 The form of contract is an NEC4 Engineering and Construction Contract Option C Target Cost contract with employer amendments and additional clauses. A target cost contract promotes collaboration and provides value for money through incentivising the Contractor to control costs. The outturn financial risks are shared between the Council and the Contractor in an agreed proportion. The Council has made appropriate provision of £4,222,886.00 within Council resources should this be required.
- 3.23 The Quantified Risk Assessment (QRA) (£5,000,000) has been compiled to identify and quantify risks that could potentially lead to delay and increased cost, including:
- changes to scope as a consequence of changing statutory and, or key stakeholder requirements;
 - changes to scope as a consequence of the availability of new / updated information;
 - encountering previously unknown utilities; and
 - later than anticipated entry to land / servitudes
 - Impacts of Covid-19 and Brexit
- 3.24 The Contract includes a 5% retention which will be released in stages until completion of the Contractor's obligations under the Contract.
- 3.25 Community Benefits were requested as part of the procurement process and John Graham Construction Limited have committed to delivering the following community benefits for the Glasgow City Region as part of the contract:

Community Benefit Outcomes/ Activity	No. of Outcome/ Activity
New Entrant - City Deal Priority Group	4
New Entrant - no relevant experience	7
New Entrant - Graduate	2
New Entrant - Apprenticeship	4
Additional employment opportunities to be advertised using local media outlets and Invest in Renfrewshire to recruit locally based experienced workers	15+
Work Experience Placements (16 + years of age)	10

Site Visits/ - Colleges/ Universities	6
Structured Career Events – Schools	8
Vocational Training opportunities	40
Advertise sub-contracts on PCS portal	Opportunities over £10k
Supply chain development sessions	12 days
Volunteering Time Bank	40 – person days of volunteering
Non- financial community benefit support	1
Financial Community Benefit support	10

Implications of the Report

1. **Financial** – as set out in the Full Business Case the requirement in the Contract will be funded through the agreed City Deal funding package which includes UK and Scottish government grant funding as well as an approved Council contribution to the project, the funding of which is fully incorporated within the Council's long term financial planning arrangements.

John Graham Construction Limited's financial standing was assessed the RTP stage and confirmed as part of the final tender assessment by a finance officer for the Council. John Graham Construction Limited satisfy the Council's minimum requirements for financial and economic standing. Contract award will be subject to provision of a Performance Bond.

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

3. **Community/Council Planning** –

- *Our Renfrewshire is thriving* – The opening bridge will help regenerate the Clyde Waterfront as an attractive riverside and urban area that supports existing and promotes new residential, industrial, commercial, business, retail and leisure opportunities. The project will better link communities and businesses on both sides of the river to a number of key locations including the Clyde Riverside, the Advanced Manufacturing and Innovation District Scotland (AMIDS), Clydebank, Renfrew, Paisley Town Centre and Braehead Centre. The project will help improve the attractiveness of the vacant, derelict and underused sites that offer immense potential for development of new and enhanced commercial, business and housing uses. Improved connections between key educational and health centres would also improve educational and

health opportunities for people within the local communities as well as aiding employees to access these major employment centres. Projects outcomes are envisioned to reduce traffic congestion in Renfrew town centre and aid in improving air quality.

- *Our Renfrewshire is well* – The new safer walking and cycling infrastructure will help encourage active travel by children and young people.
- *Our Renfrewshire is fair* - Tenderers were assessed within Award Criteria regarding 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
- *Reshaping our place, our economy and our future* - The completed CWRR infrastructure will provide connectivity and access to new and existing jobs for people in our communities and across the Glasgow City Region.
- *Tackling inequality, ensuring opportunities for all* – the employment related community benefit commitments create job opportunities for all but targeted at hard to reach citizens through liaison with Invest in Renfrewshire and similar Glasgow City Region employability services.
- *Creating a sustainable Renfrewshire for all to enjoy* – The completed infrastructure will help enable active travel and improve access to public transport links for people in our communities.
- *Working together to improve outcomes* – The CWRR project includes works within the boundaries of 3 local authorities: Renfrewshire Council; West Dunbartonshire Council and Glasgow City Council. The Council has worked closely with these other Glasgow City Region Member Authorities and Peel Ports, the Harbour Authority to take the project forward.

4. **Legal** – The procurement of this Contract was conducted in accordance with Competitive Procedure with Negotiation of the Public Contracts Scotland Regulations 2015, the Council's Standing orders Relating to Contracts and the Council's Financial Regulations.
5. **Property/Assets** – creation of new infrastructure assets for the Council and enhancement in value of developability of land owned by the Council.
6. **Information Technology** – none.
7. **Equality & Human Rights**

- (a) 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** – John Graham Construction Limited's health and safety credentials were evaluated and meet the Council's minimum requirements regarding health and safety.
9. **Procurement** - The procurement procedures outlined within this report shall ensure the Council meets its statutory obligations in respect of the Public Contracts Scotland Regulations 2015, the Council's Standing orders Relating to Contracts and the Council's Financial Regulations.
10. **Risk** - Project specific and Programme level risk registers have been established. These will be kept under regular review and reported to the Council's internal City Deal Programme Board.
- John Graham Construction Limited's insurances have been assessed and it is confirmed that they have met the minimum requirements regarding insurable risk or have committed to obtain the required levels of insurance prior to award of the contract.
11. **Privacy Impact** -none
12. **Cosla Policy Position** – not applicable.
13. **Climate Risk** – the project has been designed based on the climate change parameters applicable at the time. The project has been designed in accordance with PAS 2080 which aims to reduce embedded carbon within the project development.

List of Background Papers

None

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