

Supplementary Agenda



Tendering Committee

Date: Wednesday, 21 March 2018

Time: 09:15

Venue: Committee Room 3,
Council Offices, Garshake Road, Dumbarton

Contact: Scott Kelly, Committee Officer
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Dear Member

ITEM TO FOLLOW

I refer to the agenda for the above Meeting of the Tendering Committee which was issued on 8 March 2018 and now enclose a copy of the undernoted report relating to Item 8, 'Contract Authorisation Report – Roads Civils Framework Agreement', which was not available for issue at that time.

Yours faithfully

JOYCE WHITE

Chief Executive

Note referred to:-

8 CONTRACT AUTHORISATION REPORT – ROADS CIVILS 21 – 26 FRAMEWORK AGREEMENT

Submit report by the Strategic Lead - Resources seeking approval to authorise the Strategic Lead - Regulatory to conclude the award of the collaborative Roads Civils Framework Agreement.

Distribution:

Councillor J. Finn (Chair)
Councillor G. Casey
Councillor I. Dickson (Vice Chair)
Councillor D. Docherty
Provost W. Hendrie
Councillor M. McNair
Councillor L. O'Neill
Councillor B. Walker

All other Councillors for information

Strategic Director - Transformation & Public Service Reform
Strategic Lead - Regulatory

Date of Issue: 14 March 2018

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead – Resources

Tendering Committee: 21 March 2018

Subject: Contract Authorisation Report – Roads Civils Framework Agreement

1. Purpose

- 1.1 The purpose of this report is to seek the approval of the Tendering Committee to authorise the Strategic Lead –Regulatory to conclude the award of the collaborative Roads Civils Framework Agreement.

2. Recommendations

- 2.1 It is recommended that the Tendering Committee:

- a) Authorise the Strategic Lead Regulatory to conclude on behalf of West Dunbartonshire Council (the Council), the award of the collaborative Roads Civils Framework Agreement (FA) to the following bidders:

Lot 1 – Large

Rank	Tenderer Name	Location
1.	Luddon Construction Ltd	Glasgow
2.	Tarmac Ltd	South Normanton
3.	JH Civil Engineering Ltd	Airdrie
4.	Hillhouse Quarry Group Ltd	Troon
5.	MacLay Civil Engineering Ltd	Airdrie
6.	Mac Asphalt Ltd	Paisley

Lot 2 - Small

Rank	Tenderer Name	Location
1.	JH Civil Engineering Ltd	Airdrie
2.	Mac Asphalt Ltd	Paisley
3.	Newlay Civil Engineering	Airdrie
4.	Luddon Construction Ltd	Glasgow
5.	MacLay Civil Engineering Ltd	Airdrie
6.	Hillhouse Quarry Group Ltd	Troon
7.	Coltart Contracts Ltd	Kilmarnock
8.	Lightways (Contractors) Ltd	Larbert
9.	Newmac Asphalt Services Ltd	Paisley
10.	Tarmac Ltd	South Normanton
11.	John McGeady Ltd	Glasgow
12.	Centre Great	Bridgend

- b) Note that the FA shall be for a period of 2 years with the option to extend by a further 2 periods of 12 months. The value of the FA over the 4 year term for the 3 Councils is £21.5million, ex VAT.
- c) Authorise the Strategic Lead Regulatory to conclude on behalf of the 3 Councils, any contracts these Councils will award in the first 2 years of commencing the Roads Civils FA, with a total value no greater than £11.5million over the initial 2 year period, ex VAT.

3. Background

- 3.1** The purpose of the tender is to appoint suitable contractors, where needed, for the provision of Works that will cover a wide range of civil engineering related areas within West Dunbartonshire Council, East Dunbartonshire and Inverclyde Council boundary areas.
- 3.2** The Council's budget for Collaborative Roads Civils FA was approved at the IRED Committee on 14th December 2016. This procurement exercise has been conducted in accordance with the Council's Standing Orders and Financial Regulations and the Public Contracts (Scotland) Regulations 2015 for Works. A Contract Strategy document was also approved by the Corporate Procurement Manager.
- 3.3** A contract notice was published on the Public Contracts Scotland advertising portal and the Official Journal of the European Union (OJEU) on 11 December 2017. Forty-five bidders expressed an interest, with 14 bidders submitting a bid by the deadline for the submissions of 12 noon on 19th January 2018.

4. Main Issues

- 4.1** The 14 tender submissions were evaluated by representatives from the Roads service area, Corporate Procurement Unit, Health & Safety and Finance as well as Inverclyde and East Dunbartonshire Councils, against pre-determined selection criteria forming part of the published tender documents which assessed competence, experience, and capacity. Fourteen tender submissions passed the selection criteria.

Included as part of the evaluation process all bidders were required to evidence 3 examples within the past 5 years that demonstrate that they have the relevant experience and capacity to deliver similar Roads Civils works. The responses were evaluated by both the Roads and Procurement Teams and all bidders were found to have the appropriate experience and capacity to fulfil the needs of the framework.

- 4.2** Fourteen tender submissions were evaluated against a set of award criteria which was based on a price (70%) / quality (30%) split. The scores relative to the award criteria of each tenderer, are as follows:

Lot 1 - Large

Rank	Tenderer Name	Quality Score (30%)	Price Score (70%)	Total Score (100%)	Total Price
1	Luddon Construction Ltd	22.50%	65.28%	87.78%	£8,275,914.28
2	Tarmac Ltd	22.73%	59.53%	82.26%	£9,074,841.69
3	JH Civil Engineering Ltd	11.78%	70.00%	81.78%	£7,718,004.31
4	Hillhouse Quarry Group Ltd	19.50%	60.95%	80.45%	£8,863,922.68
5	MacLay Civil Engineering Ltd	22.50%	57.72%	80.22%	£9,359,851.21
6	Mac Asphalt Ltd	13.75%	60.86%	74.61%	£8,875,800.35
7	Newlay Civil Engineering	13.50%	57.53%	71.03%	£9,391,719.56
8	Complete Paving Requirement (Scotland)	22.73%	41.41%	64.14%	£13,045,322.86
9	RJ McLeod (Contractors) Ltd	22.28%	36.46%	58.74%	£14,817,276.49
10	Lightways (Contractors) Ltd	12.00%	43.95%	55.95%	£12,293,727.66
11	Centre Great Ltd	5.57%	8.03%	13.60%	£96,977,531.74

Lot 2 - Small

Rank	Tenderer Name	Quality Score (30%)	Price Score (70%)	Total Score (100%)	Total Price
1	JH Civil Engineering Ltd	11.78%	70.00%	81.78%	£440,536.16
2	Mac Asphalt Ltd	13.75%	67.38%	81.13%	£457,700.60
3	Newlay Civil Engineering	13.50%	63.46%	76.96%	£485,975.35
4	Luddon Construction Ltd	22.50%	46.95%	69.45%	£656,795.95
5	MacLay Civil Engineering Ltd	22.50%	42.37%	64.87%	£727,866.18
6	Hillhouse Quarry Group Ltd	19.50%	43.07%	62.57%	£715,962.51
7	Coltart Contracts	14.25%	45.71%	59.96%	£674,578.61
8	Newmac Asphalt Services Ltd	11.48%	47.64%	59.12%	£647,313.40
9	Tarmac Ltd	22.73%	35.40%	58.13%	£871,121.79
10	Lightways (Contractors) Ltd	12.00%	45.51%	57.51%	£677,673.34

11	John McGeady	16.20%	39.99%	56.19%	£771,074.10
12	Centre Great Ltd	5.57%	12.02%	17.59%	£2,566,376.66

As per the contract notice, it was agreed that there would be a maximum of 6 contractors represented on *Lot 1 - Large* and 12 contractors on *Lot 2 - Small*. One bidder in *Lot 1 – Large*, did not have the required turnover for this Lot and therefore was not evaluated.

- 4.3** It is recommended that the FA is awarded to the first six contractors on *Lot 1 – Large* and the first 12 contractors on *Lot 2 – Small*. These contractors have provided the most economically advantageous tenders. The FA shall be for a period of 2 years with the option to extend by a further 2 periods of 12 months. The FA will operate on a Direct Award basis which means that the Council will go to the first ranked contractor on the required Lot and if that contractor does not have the capacity, then the Council will go to the second ranked contractor, and so on.
- 4.4** As this is a FA, levels of spend are not fixed, therefore it is not possible to identify cashable savings. However, having compared a basket of items based on current costs with those with Luddon Construction Ltd, the ranked 1 contractor for *Lot 1 - Large*; the indicative savings are estimated at 30%. Similarly, JH Civil Engineering Ltd, the ranked 1 contractor for *Lot 2 - Small*; the indicative savings are estimated are 12.8%.
- 4.5** The contractors were asked how they will commit to Fair Working Practices and a variety of responses were provided, including:
- Commitment to the living wage;
 - Equality and diversity inclusion;
 - Flexible working arrangements;
 - Trade Union representation;
 - Equitable training opportunities; and
 - Modern slavery/human trafficking policies.
- 4.6** As this is a FA, any additional community benefits shall be through the contracts placed under the FA and not through the FA itself.

5. People Implications

- 5.1** There are no people implications.

6. Financial and Procurement Implications

- 6.1** Financial costs in respect of this FA in relation to West Dunbartonshire Council will be met from the approved revenue and capital budgets of Regeneration, Environment & Growth.

Anticipated spend for the Councils over the contract as detailed in the table below:

Council	Spend p.a	Spend over 2 yrs	Spend over 4 yrs (max. term)
West Dunbartonshire	£4.5M	£7.5M	£13.5M
East Dunbartonshire	£1.65M	£3.3M	£6.6M
Inverclyde	£0.35M	£0.70M	£1.4m
Totals	£6.5M	£11.5M	£21.5M

7. Risk Analysis

- 7.1** The successful bidders have no known links to Serious and Organised Crime which would have significant political and reputational ramifications for the Council.
- 7.2** Should the Tendering Committee decide not to proceed as recommended then this will delay all future roads maintenance programmes. These may have financial implications and may result in legal challenge.

8. Equalities Impact Assessment (EIA)

- 8.1** An equalities screening was undertaken for this reports to determine if there is an equalities impact. The result was there is no equalities impact.

9. Consultation

- 9.1** Legal, Finance, Regeneration Environment & Growth and East Dunbartonshire and Inverclyde Councils have been consulted regarding the contents of this report.

10. Strategic Assessment

- 10.1** This report contributes to the Council's Strategic Priorities and in particular towards:
- A Strong local economy and improved employment opportunities.
 - Efficient and effective frontline services that improve the everyday lives of residents.

Name: Stephen West

Designation: Strategic Lead - Resources

Date: 20 February 2018

Person to Contact:

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Appendices:

Nil

Background Papers:

Contract Strategy – Roads Civils (Collaboration)
Equalities Impact Assessment Screening – Roads Minor
Civils
Infrastructure, Regeneration and Economic Development
Committee Report – 14th December 2016

Wards Affected:

All