

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Officer – Regulatory & Regeneration****Tendering Committee: 11 October 2023**

Subject: Contract Authorisation Report – Faifley Campus Project**1. Purpose**

- 1.1** The purpose of this report is to seek the approval of the Tendering Committee to conclude the award of the construction contract for the Faifley Campus Project.

2. Recommendations

- 2.1** It is recommended that the Tendering Committee:
- a) Authorise the Chief Officer - Regulatory and Regeneration to conclude on behalf of West Dunbartonshire Council (the Council), the award of the Contract for the construction of the new Faifley Campus Project through Hub West Scotland within the total approved budget of £35.614M.
 - b) Note that the construction contract shall be for a period of 121 weeks at a value of £34,041,529. The estimated commencement date of the contract is November 2023 subject to the issue of the contract award notice. It should be noted that the construction contract does not include the Council's Direct Costs.

3. Background

- 3.1** The purpose of the tender was to appoint an experienced contractor to deliver the construction contract for the new Faifley Campus.
- 3.2** The budget of £35.614M was approved at the Council meeting on 1 March 2023 and is funded from the General Services Capital.
- 3.3** This procurement exercise has been conducted in accordance with the Council's Standing Orders and Financial Regulations and the Public Procurement Regulations. Following an extensive Option Appraisal process, Hub West Scotland were appointed to deliver the Faifley Campus Project on behalf of West Dunbartonshire Council.

4. Main Issues**Procurement Options Appraisal**

- 4.1** The Corporate Procurement Unit published an options appraisal market research questionnaire regarding route to the market on 19 October 2020, as

part of a Prior Information Notice (PIN) in the Official Journal of the European Union (OJEU).

- 4.2** The options appraisal market research questionnaire could be completed by any organisation that could undertake an end-to-end process for this requirement. 61 contractors recorded interest in the opportunity, with seven responding to the questionnaire by closing date of 11 November 2020.
- 4.3** Of the seven responses, four responses were received from Framework Agreement providers, with three responses received from contractors recommending various routes to market. In total, six routes to market were evaluated across the seven responses received. Breakdown:

Organisation	Framework Agreement provider or Main Contractor	Route to market
Balfour Beatty	Main Contractor	Crown Commercial Services Framework Agreement
Crown Commercial Services	Framework Agreement Provider	CCS Framework Agreement
hub West Scotland	Framework Agreement Provider	hub West Scotland Framework Agreement
McLaughlin & Harvey Construction	Main Contractor	Scape Framework Agreement
Pagabo	Framework Agreement Provider	Pagabo Framework Agreement
Robertson Construction	Main Contractor	Procurement Hub Framework Agreement
Scottish Procurement Alliance	Framework Agreement Provider	Scottish Procurement Alliance Framework Agreement

- 4.4** The options appraisal market research questionnaire asked questions relevant to this project, on the subjects of: past experiences, the proposed delivery vehicle / Alliance Framework Agreement, project management and managing performance, risks and risk control measures including Covid-19 and European Union (EU) Exit, form of contract, liabilities, fees, supply chains, value engineering, and social benefits.
- 4.5** The options appraisal was evaluated and scored by a focused group of officers from Capital Investment, Education, and Corporate Procurement Unit. Financial Services and Legal Services provided support during the process.

- 4.6** The outcome of the scored route to the market options appraisal identified that the response from hub West Scotland represented the preferred route to market.
- 4.7** Based on the recommendation to adopt hub West Scotland, the form of contract proposed by hub West Scotland is to use the Scottish Government and SFT's sponsored Design and Build Development Agreement (DBDA).
- 4.8** Form of contract is identified as a risk and was part of the further clarifications and risk mitigation actions requested previously by the Learning Estate Project Board before approval of the adoption of hub West Scotland as the preferred route to market for this requirement.
- 4.9** Legal Services and the Capital Investment Team carried out further discussions with hub West Scotland to agree on solutions to mitigate risks. These were presented as part of the wider clarifications to the Learning Estate Project Board prior to granting approval of the adoption of hub West Scotland as the preferred route to market for this requirement.
- 4.10** Legal Services will continually be involved in the process of agreeing individual terms within the form of contract between the Council, hub West Scotland and the appointed Contractor.

Main Contractor Option Appraisal

- 4.11** Hub West Scotland undertook a mini competition between the six main contractors available to participate. The main contractors were:
- Balfour Beatty
 - BAM Nuttall;
 - Kier Construction;
 - Morgan Sindall;
 - Morrison Construction;
 - Robertson Construction.
- 4.12** Hub West Scotland managed the mini competition process, although the Council was involved at all stages e.g. agreeing final weightings, evaluation, etc. Following the mini competition exercise, Morrison Construction were appointed as the main contractor.
- 4.13** Morrison Construction has committed to paying all staff as a minimum, the real Living Wage and promotes Fair Working Practices across their organisation. Further, Morrison Construction has committed to delivery of the following social benefits as a direct result of delivery of this contract:

Council Engagement Strategy	2022/2023- Pre Construction
Early learning and primary schools	Dino City programme
	STEM Activities
	Donation on mini PPE to help create mini construction sites and nurseries and schools
High schools	STEM Activities
	Advice and guidance on job, college and university applications
	Stem Futures programme
	CV mentoring and interview prep
	Support and guidance in applying for graduate apprenticeship with Morrison Construction
	Pathways to positive destinations
	Meaningful work placement opportunities
Those with barriers to learning and employment opportunities and parents of families most likely to be affected by poverty	
	Pathways to positive destinations
	Information and guidance sessions to support employment opportunities that may become available
	Drop in sessions with Job centre plus
	Support and guidance in applying for graduate apprenticeship with Morrison Construction
Support for local businesses	
	Meet the Buyer events
	Support and guidance in the upskilling of staff

	Quarterly forums to allow businesses to engage with project delivery team, supply chain partners and commercial teams
Support for local community groups	Volunteering days to support initiatives in the local community

The social benefits are discussed at the Benefits Social Value/Community Benefits Group along with Morrison Construction and actions to take these forward.

5. People Implications

- 5.1** There are no known people implications at this stage; however, a full assessment of Facilities Management staff will be carried out prior to the new Campus going operational.

6. Financial and Procurement Implications

- 6.1** Financial costs in respect of this Contract will be met from the approved General Services Capital budget of Educational Services.
- 6.2** This procurement exercise was conducted in accordance with the agreed Contract Strategy produced by the Corporate Procurement Unit in close consultation with Corporate Asset Management and Educational Services officers and the provisions of Contract Standing Orders, the Financial Regulations and Public Procurement Regulations.

7. Risk Analysis

- 7.1** Morrison Construction has no known links to Serious and Organised Crime that 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 the project, will have financial implications and reputational ramifications.
- 7.3** It should be noted that the project received planning permission on 20 September 2023 and was granted the Stage 1 building warrant on 4 October 2023. This is positive progress and limits our risks in reaching financial close as planned.
- 7.4** The Council will publish a Contract Award Notice prior to award of the construction stage contract to Hub West Scotland / Morrison Construction.

8. Equalities Impact Assessment (EIA)

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

9. Consultation

- 9.1** Corporate Asset Management, Educational Services, Finance Services, Legal Services, Corporate Procurement, Planning and Roads & Neighbourhood have been consulted on the contents of this report.

10. Strategic Assessment

- 10.1** The Faifley Campus Project will contribute to the delivery of the Council's strategic priorities:

- Our communities are resilient and thriving;
- Our environment promotes a greener future;
- Our economy is strong and flourishing

Name: Alan Douglas,

Designation: Chief Officer - Regulatory and Regeneration

Date: 3 October 2023

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Appendices: None

Background Papers:

1. Procurement Route Option Appraisal
2. Equality Impact Assessment
3. Learning Estate Improvement Plan – Educational Services Committee, 9 June 2021.
4. Council Budget Report, 1 March 2023.
5. Proposal Paper and launch of statutory consultation for the construction of a new campus in Faifley – Educational Services Committee, 21 September 2021.
6. Response on Statutory Consultation for the construction for a new campus in Faifley – Educational Services Committee, 16 March 2022.

Wards Affected: Clydebank Central

