# Supplementary Agenda



# **Tendering Committee**

Date: Wednesday, 25 April 2018

**Time:** 09:15

Venue: Council Chamber, Clydebank Town Hall,

Dumbarton Road, Clydebank

Contact: Scott Kelly, Committee Officer

Tel: 01389 737220 scott.kelly@west-dunbarton.gov.uk

Dear Member

#### ADDITIONAL ITEM OF BUSINESS

I refer to the agenda for the above Meeting of the Tendering Committee which was issued on 12 April 2018 and would advise that Councillor Finn, Chair, has agreed that the undernoted report be considered as an additional item of business.

Yours faithfully

#### **JOYCE WHITE**

Chief Executive

Note referred to:-/

#### Note referred to:-

# 7 REVISED CONTRACT AUTHORISATION REPORT – ROADS 21 – 27 CIVILS FRAMEWORK AGREEMENT

With reference to the Minutes of Meeting of the Tendering Committee held on 21 March 2018, submit revised report by the Strategic Lead - Resources:-

- (a) advising of an arithmetical error contained in the report which was submitted to the Committee on 21 March 2018 in relation to this matter; and
- (b) seeking approval of the recommendations contained in the revised report and to authorise the Strategic Lead - Regulatory to conclude the award of the revised outcome of the collaborative Roads Civils Framework Agreement conducted in conjunction with East Dunbartonshire Council and Inverclyde Council.

#### **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: 20 April 2018

## WEST DUNBARTONSHIRE COUNCIL

### Report by Strategic Lead – Resources

**Tendering Committee: 25 April 2018** 

Subject: Revised Contract Authorisation Report – Roads Civils Framework Agreement

# 1. Purpose

- **1.1** This report seeks the approval is to update the Tendering Committee with regards to an arithmetical error which occurred on the "Roads Civils Framework Agreement" evaluation. This error resulted in inaccurate information being reported to the Tendering Committee and to bidders on 21<sup>st</sup> March 2018.
- 1.2 The Strategic Lead Resources, seeks the approval of the Tendering Committee to approve this revised report and authorise the Strategic Lead – Regulatory to conclude the award of the revised outcome of the collaborative Roads Civils Framework Agreement conducted in conjunction with East Dunbartonshire Council and Inverclyde Council.

#### 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 to the bidders detailed below:

Lot 1 - Large

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

#### Lot 2 - Small

Rank	Tenderer Name	Location
1.	Mac Asphalt Ltd	Paisley
2.	JH Civil Engineering Ltd	Airdrie
3.	Newlay Civil Engineering	Airdrie
4.	Luddon Construction Ltd	Glasgow
5.	MacLay Civil Engineering Ltd	Airdrie

6.	Hillhouse Quarry Group Ltd	Troon		
7.	Lightways (Contractors) Ltd	Larbert		
8.	Coltart Contracts Ltd	Kilmarnock		
9.	Newmac Asphalt Services Ltd	Paisley		
10.	Tarmac Ltd	South Normanton		
11.	John McGeady Ltd	Glasgow		
12.	Centre Great	Bridgend		

- b) Note that the Framework Agreement 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 Framework Agreement over the 4 year term for the 3 Councils is £21.5million, ex VAT.
- c) Authorise the Strategic Lead Regulatory to conclude any contracts the Council awards in the first 2 years of commencing the Roads Civils Framework Agreement, with a total value no greater than £11.5millionex 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 each councils' boundary areas.
- 3.2 The West Dunbartonshire Council's budget for Collaborative Roads Civils Framework Agreement was approved at the IRED Committee on 14<sup>th</sup> 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 19<sup>th</sup> January 2018.

#### 4. Main Issues

- 4.1 An arithmetical error occurred on the Framework Agreement evaluation and this error resulted in inaccurate information being reported to the Tendering Committee and bidders on the 21 March 2018. This report presents the accurate information to permit Committee to consider the award of the Framework Agreement.
- **4.2** Communication has been sent to all bidders advising that the Relevant Standstill Period has been cancelled and will restart as soon as possible subject to Committee approval.
- **4.3** As the report seeks to correct an error in a previous report to Committee and a

failure to correct this would lead to an improper award of a contract, Legal Services have advised that Standing Order 20(a) (i) applies, and there is no requirement to suspend Standing Orders to consider this item.

- 4.4 The 14 tender submissions were evaluated by representatives from the Roads service area, Corporate Procurement Unit, Health & Safety and Finance as well as IC and EDC, against pre-determined selection criteria forming part of the published tender documents which assessed competence, experience, and capacity. 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 Agreement. Fourteen tender submissions passed the selection criteria.
- **4.5** 14 tender submissions were evaluated against a set of award criteria which was based on a price (70%) / quality (30%) split. The scores reported at the last committee along with the revised scores relative to the award criteria of each tenderer, are as follows:

Lot 1 – Large

Initial Score			Revised Score			Remains throughout	
Tenderer	Quality Score	Commer cial Score	Total Score	Quality Score	Commer cial Score	Total Score	Total Price
Luddon Construction Ltd	22.50%	65.28%	87.78%	22.50%	22.50%	87.78%	£8,275,914.28
Tarmac Ltd	22.73%	59.53%	82.26%	22.73%	59.53%	82.26%	£9,074,841.69
JH Civil Engineering Ltd	11.78%	70%	81.78%	11.78%	70%	81.78%	£7,718,004.31
Hillhouse Quarry Group Ltd	19.50%	60.95%	80.45%	21%	60.95%	81.95%	£8,863,922.68
MacLay Civil Engineering Ltd	22.50%	57.72%	80.22%	22.50%	57.72%	80.22%	£9,359,851.21
Mac Asphalt Ltd	13.75%	60.87%	74.62%	13.75%	60.87%	74.62%	£8,875,800.35

# Summary of changes in *Lot 1 – Large:*

- JH Civil Engineering Ltd moves from Ranking 3 to Ranking 4; and
- Hillhouse Quarry Group moves from Ranking 4 to Ranking 3.

Lot 2 - Small

	Initial Score			Revised Score			
Tenderer	Quality Score	Commercial Score	Total Score	Quality Score	Commercial Score	Total Score	Total Price
MacAsphalt Ltd	13.75%	67.37%	81.12%	16.73%	67.37%	84.10%	£457,700.60
JH Civil Engineering							
Ltd	11.78%	70.00%	81.78%	11.78%	70.00%	81.78%	£440,536.16
Newlay Civil Engineering	13.50%	63.45%	76.95%	15.00%	63.45%	78.45%	£485,975.35
Luddon Construction Ltd	22.50%	46.95%	69.45%	22.50%	46.95%	69.45%	£656,795.95
MacLay Civil Engineering Ltd	22.50%	42.37%	64.87%	22.50%	42.37%	64.87%	£727,866.18
Hillhouse Quarry Group Ltd	19.50%	43.07%	62.57%	21.00%	43.07%	64.07%	£715,962.51
Lightways (Contractors)	12.00%	45.51%	57.51%	15.00%	45.51%	60.51%	£677,673.34
Coltart Contracts	14.25%	45.71%	59.96%	14.25%	45.71%	59.96%	£674,578.61
Newmac Asphalt	44 400/	47.040/	F0.400/	44.400/	47.040/	50.400/	0047.040.40
Services Ltd	22.73%	47.64%	59.12%	11.48%	47.64%	59.12%	£647,313.40
Tarmac Ltd John McGeady	22.13%	35.40%	58.13%	22.73%	35.40%	58.13%	£871,121.79
Ltd	16.20%	39.99%	56.19%	17.70%	39.99%	57.69%	£771,074.10
Centre Great Ltd	5.57%	12.02%	17.59%	8.03%	12.02%	20.05%	£2,566,376.66

# Summary of changes in *Lot 2 – Small:*

- JH Civil Engineering Ltd moves from Ranking 1 to Ranking 2;
- MacAsphalt Ltd moves from Ranking 2 to Ranking 1;
- Coltart Contracts Ltd moves from Ranking 7 to Ranking 8; and
- Lightways (Contractors) Ltd moves from Ranking 8 to Ranking 7

- 4.6 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.
- 4.7 It is recommended that the Framework Agreement 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 Framework Agreement shall be for a period of 2 years with the option to extend by a further 2 periods of 12 months. The Framework Agreement 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.
- **4.8** As this is a Framework Agreement, 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, Mac Asphalt Ltd, the ranked 1 contractor for *Lot 2 Small*; the indicative savings are estimated are 12.8%.
- **4.9** 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.
- **4.10** As this is a Framework Agreement, any additional community benefits shall be through the contracts placed under the Framework Agreement and not through the Framework Agreement itself.

#### 5. People Implications

**5.1** There are no People implications.

## 6. Financial and Procurement Implications

**6.1** Financial costs in respect of this Framework Agreement 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.
- **7.3** The Corporate Procurement Unit will ensure that all future reports to Tendering Committee will have been reviewed and vetted for accuracy by an officer independent of the specific tender.

# 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; and
- Efficient and effective frontline services that improve the everyday lives of residents.

Name: Stephen West

**Designation:** Strategic Lead - Resources

**Date:** 18 April 2018

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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 – 14<sup>th</sup> December 2016

Wards Affected: All