

**WEST DUNBARTONSHIRE COUNCIL**

**Report by Strategic Director of Transformation and Public Reform**

**Tendering Committee: 28 August 2019**

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**Subject: Contract Authorisation Report - Design & Build Gruggies Burn  
Flood Prevention Scheme**

**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 contract for the professional services contract and construction contract Gruggies Burn Flood Prevention Scheme.

**2. Recommendations**

- 2.1** It is recommended that the Tendering Committee:

- a) Authorise the Strategic Lead Regulatory to conclude the direct award of a (call off) contract under the Scape Procure Scotland Limited (Scape) Framework Agreement (FA) for the professional services contract and construction contract for Gruggies Burn Flood Prevention Scheme to Balfour Beatty Civil Engineering Ltd - subject to the final construction costs from Balfour Beatty Civil Engineering Ltd being within the agreed budget of £15m, the programme meeting the Council's requirements and performance under the professional services contract being deemed satisfactory.

**3. Background**

- 3.1** The purpose of this contract is to appoint an experienced contractor for the Design and Build of the Gruggies Burn Flood Prevention.
- 3.2** A budget of £15m for delivery of the Gruggies Burn Flood Prevention Scheme was approved at the Council Meeting on the 6 February 2013. The proposed appointment to design and subsequently award the works contract will allow the Council to deliver the flood prevention scheme as set out in the General Services 10 Year Capital Plan and the Scottish Government's 2021 target date. Doing so and will ensure Scottish Government funding of £12m is secured to support the scheme.
- 3.3** This procurement exercise has been conducted in accordance with the Council's Standing Orders and Financial Regulations and the *Public Contracts (Scotland) Regulations 2015* (above the EU threshold) for Works. A Contract Strategy was approved by the Procurement Manager on 4 June 2019.

## 4. Main Issues

4.1 Tender submissions for the Scape FA, were evaluated by Scape representatives using the following weighted criteria 40%/60%:

<b><u>Scape FA Criteria</u></b>			
<b>Quality</b>		<b>Cost</b>	
<b>Criteria</b>	<b>Weighting %</b>	<b>Criteria</b>	<b>Weighting %</b>
Framework and Infrastructure	7.5%	Pricing Structure and Contract Scenarios	40%
Feasibility	5.0%		
Pre- Construction	10.0%		
Construction	12.5%		
Post Construction	7.5%		
Process Map	2.5%		
Commercial	5.0%		
Presentation	10.0%		

4.2 Balfour Beatty Civil Engineering Ltd where the most economically advantageous tenderer according to the weighted criteria above and scored 83.8%. Scape identified that Balfour Beatty Civil Engineering Ltd was the preferred bidder for this FA. On advice of Scape it not possible to give names of other bidders due to it being commercially sensitive. The scores relative to the award criteria of each tenderer, are as follows:

Bidder	Overall	Overall Rank	Quality	ITT Rank	Presentation Score	Presentation Rank	Commercial Score	Commercial Rank
Balfour Beatty Civil Engineering Ltd	83.8%	1	39.2%	1	7.0%	1	37.6%	4
Bidder 2	81.8%	2	38.9%	2	5.0%	4	37.9%	3
Bidder 5	81.5%	3	34.9%	3	7.0%	1	39.6%	2
Bidder 3	71.6%	4	26.6%	4	5.0%	4	40.0%	1
Bidder 4	48.7%	5	16.9%	5	7.0%	1	24.7%	5

**4.3** Using the Scape FA allows the Council to develop a design without first committing to the construction phase. The contract will include gateway reviews at each stage at an estimated maximum value of £15m ex VAT. The Council will not commit beyond the design stage if costs are not within the approved budget or if the performance of Balfour Beatty Civil Engineering Ltd at design stage is not sufficiently strong. The design and construction contract shall be for a period of 104 weeks and at a value of £15m ex VAT. Full costs for the overall construction contract will be developed through the professional services contract, at which point the costs and programme will be measured against the Council's project plan and approved budget to ensure the construction costs will be within the overall guaranteed maximum costs of £15m, excluding any additional variations which are not within the original specification identified.

**4.4** If it appeared that the project could not be delivered within budget or programme, the Council would then have three options: firstly, it could seek adjustments to costs and programme that still achieved project desired outcomes, but within acceptable cost and time parameters; secondly, it could halt the development and contract, obtain rights in respect of the design and go out to the market with that design or a variation of it to try to procure a better cost / programme; or thirdly, if it were considered that the design and performance were otherwise acceptable, and any cost overrun was simply due to prevailing market conditions, and the proposed scheme represented good value, then members may wish to increase the available budget to meet the project aims and secure the substantial Scottish Government investment.

**4.5** Balfour Beatty Civil Engineering Ltd has committed to follow Fair Working Practices as below:

- Pay above the living wage;
- Currently making an application to become a living wage accredited employer;
- Committed to 100% of suppliers being paid within 19 days;
- 20% of contract will utilise local labour and spend; and
- 85% of spend with small and medium enterprises (SME's).

**4.6** Balfour Beatty Civil Engineering Ltd have committed to delivery of various social benefits as part of the Scape FA. Social benefits will be agreed at the initial meeting and will aim to include a minimum of 190 social benefit points within the following:

- Employment, Skills and Training;
- Health and Wellbeing;
- Communities;
- Security and Crime;
- Fairly and Ethically Traded;
- Equality;
- Environment.

## **5. People Implications**

- 5.1** There are no people implications

## **6. Financial and Procurement Implications**

- 6.1** Financial costs in respect of this contract will be met from the approved Capital budget of the General Services 10 Year Capital Plan.
- 6.2** This procurement exercise was conducted in accordance with the agreed Contract Strategy produced by the Corporate Procurement Unit in close consultation with Roads and Transportation officers and the provisions of Contract Standing Orders, the Financial Regulations and relevant procurement legislation.
- 6.3** The Gruggies Burn Flood Prevention Scheme will contribute to delivery of the Council strategic priorities through delivering our capital projects within budget and agreed timescales. Through the contract provisions, the following additional benefits will be achieved; reduced risk of flooding and the associated costs and disruption to residents, businesses and stakeholders.

## **7. Risk Analysis**

- 7.1** The recommended contractor has 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 the project and will have financial implications as the Council will likely lose £12m grant funding in line with the Scottish Government's Flood Risk Management Plan. The risk of flooding is increased along with associated costs and disruption to residents and businesses as well as having an environmental impact to the area.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** An equalities impact assessment was undertaken for this project. The assessment identified Positive health and socio-economic impacts by protecting health, protecting residents and business from financial and economic loss.

## **9. Consultation**

- 9.1** Roads and Transportation, Legal Services and Financial Services have been consulted regarding the contents of this report. Further consultation will take place with the local community once design proposals have been developed.

## 10. Strategic Assessment

**10.1** The provision of the Gruggies Burn Flood Prevention scheme will contribute to the delivery of the following:

- A Strong local economy and improved employment opportunities.
- Meaningful community engagement with active empowered and informed citizens who feel safe and engaged.

**Name:** Angela Wilson

**Designation:** Strategic Director of Transformation and Public Service Reform

**Date:**

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**Appendices:** EIA

**Background Papers:** The Contract Strategy  
Full Council Meeting 6 February 2013- General Services  
10 Year Capital Plan

**Wards Affected:** Dumbarton

