

**WEST DUNBARTONSHIRE COUNCIL**

**Report by Chief Officer – Regulatory & Regeneration**

**Tendering Committee: 5 June 2024**

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**Subject: Contract Authorisation Report – Measured Term Contract for Servicing and Maintenance of Mechanical Installations at West Dunbartonshire Non-Housing Properties**

**1. Purpose**

**1.1** The purpose of this report is to seek the approval of the Tendering Committee to conclude the award of the contract for Measured Term Contract for Servicing and Maintenance of Mechanical Installations at West Dunbartonshire Non-Housing Properties.

**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 Measured Term Contract for Servicing and Maintenance of Mechanical Installations at West Dunbartonshire Non-Housing Properties to Valley Group.
- b) Agree that the contract shall be for a period of two years with the option of a two x 12-month extension and at a value of £176,343 inclusive of VAT and £146,952.50 exclusive of VAT over two years and £352,686 inclusive of VAT and £293,905 exclusive of VAT should the contract be extended. The estimated commencement date of the contract is July 2024.

**3. Background**

**3.1** West Dunbartonshire Council (the Council) has an ongoing statutory requirement to maintain and service all non-housing mechanical installations to ensure that they are safe meet current legislative requirements.

**3.2** The overall budget for Measured Term Contract for Servicing and Maintenance of Mechanical Installations at West Dunbartonshire Non-Housing Properties was approved at The Council Meeting on 1 March 2023. The period of budget was for four years. The budget for this specific contract which is allocated from the Central Repairs Allocation which is a reoccurring budget.

**3.3** This procurement exercise has been conducted in accordance with the Council's Standing Orders and Financial Regulations and the Public Procurement Regulations. A Contract Strategy document was also approved on 26 June 2023.

#### 4. Main Issues

- 4.1** It was recommended that the Council carry out an Open Tender for this requirement. This approach would allow for the utilisation of a wider supplier base allowing for a more competitive tender. It would also allow the Council to define the scope of works and requirements fully and better than if it was to utilise one of the above framework options.
- 4.2** A contract notice was published on the Public Contracts Scotland advertising portal and the Find a Tender Service on 15 March 2024. 15 potential bidders expressed an interest, with three bidders submitting a response by the deadline on 16 April 2024.
- 4.3** The three tender submissions were evaluated by representatives from Asset Management, and Corporate Procurement Unit. against pre-determined selection criteria forming part of the published tender documents which assessed competence, experience, and capacity. Three tender submissions passed the selection criteria.
- 4.4** The tender submissions were evaluated against a set of award criteria which was based on Price / Quality ratio of 60% / 40%. The scores relative to the award criteria of each tenderer are as follows:

	Weighting	Dalkia Operations Ltd	Skanska Construction UK Limited	Valley Group
<b>Quality (40%)</b>				
Method Statement	<b>(5.6%)</b>	4.2%	4.2%	4.2%
Programme	<b>(4%)</b>	3%	4%	3%
Phasing of Works	<b>(2.4%)</b>	2.4%	2.4%	1.2%
Emergency Response	<b>(2.4%)</b>	1.8%	2.4%	1.8%
Escalation Process	<b>(1.6%)</b>	1.2%	1.2%	0.8%
Contract Service – Delivery Team Structure	<b>(1.2%)</b>	0.6%	1.2%	0.9%
Contract Service – Delivery Team Skills	<b>(6.8%)</b>	3.4%	5.1%	5.1%
Business Continuity Arrangements & Communication	<b>(2.4%)</b>	1.8%	2.4%	1.8%
Service Continuity	<b>(1.6%)</b>	1.2%	1.6%	1.2%

Phase Out Plan & Exit Strategy	(4%)	3%	4%	2%
Social Benefits	(4%)	4%	2%	4%
Sustainability Measures in Place	(2%)	1.5%	2%	1%
Commitment to Fair Work First	(2%)	1.5%	2%	1.5%
<b>Quality Sub-Total %:</b>	<b>(40%)</b>	<b>29.6%</b>	<b>34.5%</b>	<b>28.5%</b>
<b>Price (60%)</b>				
<b>Price Sub Total £</b>	-	<b>£263,546.02</b>	<b>£196,569.82</b>	<b>£146,952.50</b>
<b>Price Sub Total %</b>	<b>(60%)</b>	<b>33.46%</b>	<b>44.86%</b>	<b>60%</b>
<b>Total Score</b>	<b>100%</b>	<b>63.06%</b>	<b>79.36%</b>	<b>88.5%</b>

**4.5** It is recommended that the contract is awarded to Valley Group, of Glasgow who has provided the most economically advantageous tender. The contract shall be for a period of two years with the option of a two x 12-month extension and at a value of £176,343 inclusive of VAT over two years and £146,952.50 exclusive of VAT over two years. The value of the contract shall be £352,686 inclusive of VAT and £293,905 exclusive of VAT should the contract be extended.

**4.6** Valley Group has committed to paying all staff as a minimum the real Living Wage (£11.44 per hour) and promotes Fair Working Practices across their organisation. Further, Valley Group has committed to delivery of the following social benefits as a direct result of delivery of this contract:

- Recruitment a member of staff from within the West Dunbartonshire geographical area.
- Use of West Dunbartonshire based organisations for sub-contracting opportunities.
- Deliver quarterly workshops, covering career skills, mock interviews etc., within a school or community learning environment.
- Facilitate quarterly work experience opportunities covering a range of work-based skills.
- Donation of goods to local food-share scheme.

The social benefits will be discussed at the implementation meeting with Valley Group and actions to take these forwards will be agreed.

## **5. People Implications**

**5.1** Tupe applies as this will be a contractor-to-contractor transfer however, there will be no people implications.

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

**6.1** Financial costs in respect of this Contract will be met from the approved Central Repairs Allocation reoccurring budget which sits within Asset Management.

**6.2** The figures in the recommendations have been provided as inclusive of VAT in line with Scottish Government guidance. As the Council is able to recover VAT it may be of interest to note that the prices referred to in Paragraph 2.1(b) exclusive of VAT will be £293,905 over four years.

**6.3** This procurement exercise was conducted in accordance with the agreed Contract Strategy produced by the Corporate Procurement Unit in close consultation with Asset Management officers and the provisions of Contract Standing Orders, the Financial Regulations and Public Procurement Regulations.

## **7. Risk Analysis**

**7.1** Valley Group 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, may have financial implications and reputational ramifications and impact on delivery of statutory compliance requirements.

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

**8.1** An equalities screening was undertaken for this report to determine if there is an equalities impact. The results where:

- There is no equalities impact.

## **9. Consultation**

**9.1** Asset Management, Finance Services and Legal Services have been consulted on the contents of this report.

## **10. Strategic Assessment**

**12.1** The Measured Term Contract for Servicing and Maintenance of Mechanical Installations at West Dunbartonshire Non-Housing Properties 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 & Regeneration

**Date:** 23 May 2024

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**Person to Contact:** Procurement Officer  
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**Appendices:** This section should list all appendices attached to the report.

**Background Papers:** Contract Strategy  
EIA Screening

**Wards Affected:** All