

# North Lanarkshire Council Report

## Communities and Housing Committee

approval  noting

Ref HO PM/17 093

Date 13/02/2019

## Contract Extension Option – Measured Term Contract for Lead Mains Replacement 2018-2023

**From** Brian Lafferty, Head of Business (Housing Property and Projects)  
**Email** starbucks@northlan.gov.uk **Telephone** Siobhan Starbuck,  
Contract Support  
Manager 01698 520 704

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### Executive Summary

Members will recall that the Measured Term Contract for Lead Mains Replacement 2018-2023 was approved by Enterprise and Housing Committee on 14 November 2018 (copy attached for ease of reference) for a period of three years plus the option to extend for one year.

The Contract documents and tender acceptance were issued for a period of three years plus the option to extend for one year plus a further one year.

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### Recommendations

Committee is asked to approve the duration of the Measured Term Contract for Lead Main Replacement 2018-2023 for a period of three years plus the option to extend for one year plus one further year.

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### Supporting Documents

**Committee Report** MTC for Lead Mains Replacement 2018-2023 Enterprise and Housing Committee 14 November 2018.

## **1. Background**

- 1.1 This procurement is for the provision of a Measured Term Contract for Lead Mains Replacement 2018-2023.
  - 1.2 The November report noted the contract duration as three years plus a potential one year extension (4 years in total), this report is to clarify the tender was issued for a period of three years plus a potential one, plus one year extension from award of the Contract (5 years in total).
  - 1.3 The overall value of work to be spent through the Contract remains estimated to be Three Million Pounds (£3,000,000.00) including the possible extension periods.
  - 1.4 The works comprise of the replacement of existing lead water mains with polyethylene pipe in domestic properties throughout North Lanarkshire.
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## **2. Equality and Diversity**

### **2.1 Fairer Scotland**

The contract will work towards improving outcomes for people and communities by assisting the Council to reduce inequalities of outcome caused by socio-economic disadvantage.

### **2.2 Equality Impact Assessment**

The Council will continue to carry out Equality impact assessments to determine if policies, practices, decisions, functions and strategies identify any negative impact on any particular group covered by the protected characteristics of the Equality Act 2010.

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## **3. Implications**

### **3.1 Financial Impact**

- 3.1.1 To ensure flexibility and allow for any contingencies which may arise, the Contract was advertised up to an estimated overall value of £3,000,000.00.
- 3.1.2 The costs associated with contract delivery will be contained within the HRA Capital budget.

### **3.2 HR/Policy/Legislative Impact**

The Tenderer recommended for contract award has demonstrated commitment to delivering community benefits including, new/local employment, apprentice opportunities, work placements, mock interviews, engagement and opportunities for the local community, staff volunteer days for local projects and school engagement activities to raise awareness of site safety.

### 3.3 Environmental Impact

The Contract has the following environmental impacts; encourage sustainable and safe environment; promote health and wellbeing; safe removal and disposal of materials.

### 3.4 Risk Impact

Risk will be minimised and managed by a designated Contract Manager in accordance with the works specification and in accordance with the Councils agreed approach to Contract and Supplier Management.

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## 4. Measures of success

4.1 It is anticipated that the award of the Contract will deliver the following successful outcomes:

Provide safe, improved and sustainable properties within the boundaries of North Lanarkshire Council.

4.2 Ensure the properties within North Lanarkshire Council meet or exceed the current standards both now and for the life of the properties.

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**Brian Lafferty**  
**Head of Business (Housing Property and Projects)**

## **Supporting Document – Committee Report**

MTC for Lead Mains Replacement 2018-2023 Enterprise and Housing Committee  
14 November 2018.

# North Lanarkshire Council Report

## Enterprise and Housing Committee

approval  noting

Ref HO PM/17 093

Date 14/11/2018

## Contract Award for Approval – Measured Term Contract for Lead Mains Replacement 2018-2023

**From** Brian Lafferty, Head of Business (Housing Property and Projects)  
**Email** starbucks@northlan.gov.uk **Telephone** Siobhan Starbuck,  
Contract Support  
Manager 01698 520 704

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### Executive Summary

This report is to seek the approval of the Committee to award the Measured Term Contract for Lead Mains Replacement 2018-2023 (the 'Contract').

The duration of the Contract will be three years plus a potential one year extension from award of the Contract.

The overall value of work to be spent through the Contract is estimated to be Three Million Pounds (£3,000,000.00) including the possible extension period.

This recommendation follows the completion of a procurement exercise, where the tender recommended for award has been evaluated as providing the most economically advantageous tender in terms of cost and quality for the Council.

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### Recommendations

It is recommended that the Committee approves the award of the Measured Term Contracts for Lead Mains Replacement 2018-2023 to;

Belac Group Ltd.

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### Supporting Documents

- |                                      |   |
|--------------------------------------|---|
| <b>Council business plan to 2020</b> | This report reflects the action to improve the economic opportunities and outcomes by providing improved quality housing within the geographical boundaries of North Lanarkshire Council. |
| <b>Appendix 1</b>                    | Summary of Evaluation Process   |
| <b>Appendix 2</b>                    | Summary of Procurement Process  |

## **1. Background**

- 1 This procurement is for the provision of a Measured Term Contract for Lead Mains Replacement 2018-2023.
  - 1.1 The works comprise of the replacement of existing lead water mains with polyethylene pipe in domestic properties throughout North Lanarkshire.
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## **2. Report**

- 2.1 A user intelligence group (the 'UIG') of technical and procurement representatives was formed to review technical specifications, discuss trading processes, market conditions and trends, ways to maximise community benefits and sustainability and to agree the procurement strategy that would deliver maximum benefit for the Council.
- 2.2 The forecast spend for the Contract is based on previous practices and historical information. To ensure continued flexibility and to allow for any significant maintenance programmes that may arise, the Contract shall be let for a period of three years plus a potential one year extension from award of the Contract.
- 2.3 The value of the Contract dictated that the procurement be undertaken in accordance with the Public Contracts (Scotland) Regulations 2015. The contract opportunity was published on the Public Contracts Scotland website. An Open style procedure was adopted.
- 2.4 Based on the criteria and scoring methodology set out in the procurement documents, an evaluation of the Tenders received was completed by members of the UIG. Award stage submissions were evaluated first, only the highest scoring compliant Tenderer was then checked to ensure that they met the Councils selection criteria.
- 2.5 The contract award recommendation is being made on the basis of the Tenderer who submitted the most economically advantageous tender along with the outcome of further due diligence.
- 2.6 The tender submitted by Belac Group Ltd has been evaluated as representing the most economically advantageous tender.
- 2.7 Appendix 1 confirms the scoring achieved by each Tenderer, further details of the procurement process is provided in Appendix 2.
- 2.8 The designated Contract Manager within Housing Property and Projects will be responsible for managing the Contract which will be undertaken in accordance with the Councils agreed approach to Contract and Supplier Management.

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### **3. Equality and Diversity**

#### **3.1 Fairer Scotland**

The contract will work towards improving outcomes for people and communities by assisting the Council to reduce inequalities of outcome caused by socio-economic disadvantage.

#### **3.2 Equality Impact Assessment**

The Council will continue to carry out Equality impact assessments to determine if policies, practices, decisions, functions and strategies identify any negative impact on any particular group covered by the protected characteristics of the Equality Act 2010.

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### **4. Implications**

#### **4.1 Financial Impact**

4.1.1 To ensure flexibility and allow for any contingencies which may arise, the Contract was advertised up to an estimated overall value of £3,000,000.00.

4.1.2 The costs associated with contract delivery will be contained within the HRA Capital budget.

#### **4.2 HR/Policy/Legislative Impact**

The Tenderer recommended for contract award has demonstrated commitment to delivering community benefits including, new/local employment, apprentice opportunities, work placements, mock interviews, engagement and opportunities for the local community, staff volunteer days for local projects and school engagement activities to raise awareness of site safety.

#### **4.3 Environmental Impact**

The Contract has the following environmental impacts; encourage sustainable and safe environment; promote health and wellbeing; safe removal and disposal of materials.

#### **4.4 Risk Impact**

Risk will be minimised and managed by a designated Contract Manager in accordance with the works specification and in accordance with the Councils agreed approach to Contract and Supplier Management.

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**5. Measures of success**

5.1 It is anticipated that the award of the Contract will deliver the following successful outcomes:

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5.2 Ensure the properties within North Lanarkshire Council meet or exceed the current standards both now and for the life of the properties.

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**Brian Lafferty**  
**Head of Business (Housing Property and Projects)**



## **Appendix 1 – Summary of Evaluation Process**

### **Stage 1 – Award Stage Evaluation Outcome**

Tenderers' price scores were added to their quality scores to obtain their final tender scores. Details are contained in Table 1 below:

**TABLE 1**

<b>Tenderer Name</b>	<b>Total Tender Score</b>	<b>Rank</b>
Belac Group Ltd	93.93	1
McTear Contracts Ltd	82.36	2
Innovative Utilities (UK) Ltd	81.04	3
Morrison Construction	69.24	4
EEG Utilities	Disqualified	-

### **Stage 2- Selection Stage Evaluation Outcome**

<b>Tenderer Name</b>	<b>Part 3 A, B, C &amp;D</b>	<b>Part 4 A &amp; B</b>	<b>Part 4 C</b>	<b>Selection Requirements Met? (Yes/No)</b>
	<b>Selection Criteria</b>	<b>Selection Criteria</b>	<b>Selection Criteria</b>	
	<b>Pass/Fail</b>	<b>Pass/Fail</b>	<b>Score</b>	
Belac Group Ltd	Pass	Pass	11.67	Yes

## **APPENDIX 2 – Summary of Procurement Process**

Contract title	Measured Term Contract for Lead Mains Replacement 2018-2023
Estimated contract start date	3 December 2018
Initial contract period adopted by the Council (months)	36 months
Contract period extension option (Months)	12 months
Estimated total value of contract	£3,000,000.00
Governing UK Regulation	Regulated – PCSR 2015.
Procurement procedure adopted	Open style procedure
Interest List- number of organisations that downloaded the procurement documents from the national procurement portal	34
Number of selection documents received	Not applicable - Open Style Procedure
Number of organisations invited to tender	Not applicable - Open Style Procedure
Number of tenders received	5
Number of non-compliant tenders	1
Number of compliant tenders	4
Number of recommended providers	1
Basis of contract award	Most economically advantageous tender Price 60% and Quality 40%
Evaluation team	Staff from Housing Property and Projects