

# North Lanarkshire Council Report

## Finance & Resources Committee

approval  noting

Ref JMcK/GK

Date 07/02/2019

## Contract for Noting - Civic Centre, Ground Floor (Civic Suite) Upgrade

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### Executive Summary

This report is to inform Committee of the decision taken by the Executive Director of Enterprise and Communities to approve the recommendation from the Head of Asset & Procurement Solutions to award the Contract: Phase 4 Smarter Working Office Accommodation Projects – Refurbishment works at Ground Floor and Basement of Civic Centre, Motherwell, ML1 1AB (the ‘Contract’) to Hub South West Scotland Ltd for the sum of £1,096,982 inclusive of Hub Project Development Fees.

This recommendation follows the completion of a combined Stage 1 and 2 procurement exercise by Hub South West Ltd, where the costs received from the tier 1 contractor, GHI Contracts Ltd, were recommended for contract award and have been evaluated as being the most economically advantageous in terms of cost and quality for the Council.

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### Recommendations

The Committee is asked to note that in accordance with the delegated authority given to the Executive Director of Enterprise and Communities, the Contract has been awarded to Hub South West Ltd.

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### Supporting Documents

**Council business** NL Business Plan  
**plan to 2020**

#### 1. Background

- 1.1 Procurement Route: The Policy & Resources (Property) Sub Committee on 16 February 2012 approved that North Lanarkshire Council become one of the public participants for the South West Hub and one of the shareholders and in November 2012 Hub South West Scotland Limited, the public private development partnership, was formed.
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## **2. Report**

- 2.1 A Sourcing Methodology has been completed and approved which determined that the procurement would be handled on behalf of the Council by Hub South West (HuBCo).
  - 2.2 The Hubco model is seen as a strategic long-term approach to the procurement of public sector based infrastructure projects across Scotland. By delivering value for money projects through Hub South West, the development timescales would be met; while value-for-money could be ensured through a tested procurement route by early involvement of a contractor. As signatories to the Territories Partnership Agreement, NLC contract directly with the Hub; with the Hub contracting with the successful tenderers and providing a project management role.
  - 2.3 Hub South West are required to demonstrate best value for all contracts within their own governance agreements and this also provides reassurance to North Lanarkshire Council.
  - 2.4 Hub South West will appoint GHI Contracts to undertake the works.
  - 2.5 Anticipated completion: May 2019.
  - 2.6 The designated Contract Managers within Asset and Procurement Solutions 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 report is not about a key strategic decision and not subject to the Fairer Scotland Duty.

### **3.2 Equality Impact Assessment**

An Equality Impact Assessment is not required.

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## **4. Implications**

### **4.1 Financial Impact**

Funding is contained within the Asset and Procurement Solutions capital budget. It should be noted that the contract figure detailed above is exclusive of any contingency which may be required and this is included in the overall budget for the project.

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

The Tenderers recommended for contract award have demonstrated commitment to Fair Work practices including paying their workforce employed on delivering the Contracts a Living Wage Foundation rate wage.

#### 4.3 **Environmental Impact**

The Contracts have the following environmental impacts; encourage sustainable construction; promote health and wellbeing; safe removal and disposal of materials.

#### 4.4 **Risk Impact**

4.4.1 All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy (September 2012), Services manage these as part of their overall corporate and service planning processes.

4.4.2 Refurbishment works to buildings of the age of Civic Centre by their complex nature generally have a higher potential increased risk impact. All risks associated with this project will be tracked, managed and where practicable mitigated.

4.4.3 The risk impact overall relates to the potential for increased unexpected expenditure and contract period.

4.4.4 The works to these buildings are subject to the Construction (Design & Management) Regulations 2015 (CDM).

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#### 5. **Measures of success**

5.1 Efficient office standards in line with the Council's office transformation aspirations.

5.2 Appointment of contractors who have suitable experience and capability to deliver against the programme of works.

5.3 Best Value is both demonstrable and achieved.

5.4 The Contracts support payment of the living wage to staff employed in the delivery of the Contracts.

5.5 Completion within budget and project timelines.

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**James McKinstry**  
**Head of Asset & Procurement Solutions**