

North Lanarkshire Council

Report

Communities and Housing Committee

approval noting

Ref PH/TM

Date 11/09/19

New Build Programme - former Plains Primary School site – Contract Award

From Pamela Humphries, Head of Planning and Regeneration

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Executive Summary

The purpose of this report is to ask the Committee to approve the award of the contract for the Construction of New Build Housing at the site of the former Plains Primary School, Plains to Mears Ltd (the 'Contract').

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

Recommendations

It is recommended that the Committee:

- 1) Approve the award of the contract for the Construction of New Build Housing on the site of the former Plains Primary School, to Mears Ltd at a cost of £2,893,819.60

The Plan for North Lanarkshire

Priority Improve economic opportunities and outcomes

Ambition statement (1) Ensure a housing mix that supports social inclusion and economic growth

1. Background

- 1.1 The Enterprise and Housing Committee in November 2018 approved the procurement strategy for the village sites programme which currently comprises the following three sites:
- Former Plains Primary School, Plains
 - Mossburn Road, Waterloo
 - McArthur Avenue, Glenmavis
- 1,2 Following completion of the Sourcing Methodology and finalisation of the best route to market, the procurement for these sites is being progressed by a competitively tendered restricted process. Tender documents were issued for Lot 1 the former Plains Primary School site to five shortlisted contractors.
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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 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. The Restricted procurement procedure was adopted.
- 2.3 Based on the criteria and scoring methodology set out in the procurement documents, an evaluation of the selection stage responses received was completed by members of the UIG, the five highest ranked compliant responses were then invited to tender.
- 2.4 Based on the criteria and scoring methodology set out in the procurement documents, an evaluation of tender responses received was completed by members of the UIG.
- 2.5 The contract award recommendation is made on the basis of the Contractor who submitted the most economically advantageous tender. The tender submitted by Mears Ltd has been evaluated as representing the most economically advantageous tender.
- 2.6 Appendix 1 confirms the scoring achieved by each Contractor at Selection Stage Evaluation Outcome and the Award Stage Evaluation Outcome. Further details of the procurement process is provided in Appendix 2.
- 2.7 The designated Contract Manager within Enterprise and Communities will be responsible for managing the Contract which will be undertaken in accordance with the Council's agreed approach to Contract and Supplier Management.
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3. Equality and Diversity

3.1 Fairer Scotland Duty

The new build programme has accounted for measures that will reduce inequalities of outcome via a number of activities relating to design parameters including:

- Housing for Varying Needs;
- Secure by Design;
- Achieving the Scottish Government requirements for Greener Homes to reduce the incidence of fuel Poverty;
- The inclusion of design standards relating to access to internet capabilities including 'fibre to the property'.

3.2 Equality Impact Assessment

An Equality Impact Assessment has been conducted for the Delivery of additional housing stock via the New Supply Team and the contribution to Local Housing Strategy, Strategic Housing Outcomes.

4. Implications

4.1 Financial Impact

The funding for this project can be met from the Housing Revenue Account budget for the New Build Programme. Grant support is also provided by the Scottish Government.

4.2 HR/Policy/Legislative Impact

The contract will be awarded in accordance with the Council's Contract Standing Orders.

4.3 Environmental Impact

The works contract will ensure that the impact on the Council's carbon footprint is mitigated. The specifications incorporated within the contract documentation will: deliver reduced energy need; encourage sustainable construction; promote health and wellbeing; reduce waste and resources through effective storage, collection and composting of waste and recyclable materials and; include measures which will reduce CO2 emissions.).

4.4 Risk Impact

Risk associated with the New Supply Programme is managed within the Enterprise & Communities Risk Register process. By undertaking detailed ground investigation and other relevant site assessments prior to proceeding with the development of any particular site, the council is mitigating the risk of unforeseen costs relating to ground conditions, although this risk cannot be eliminated entirely.

5. Measures of success

- 5.1 The measure of success will be the cost effective delivery of the council's new supply programme which aims to deliver 5,000 homes by 2035
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6. Supporting Documents

- Appendix 1 Summary of Evaluation Process
- Appendix 2 Summary of Procurement and Evaluation Process

A handwritten signature in black ink, appearing to read 'P. Humphries'.

Pamela Humphries
Head of Planning and Regeneration

Appendix 1 – Summary of Evaluation Process

Selection Stage Evaluation Outcome

Contractors Name	Part III Exclusion Grounds	Part IV Financial, Insurance, Quality Assurance & Environmental	Part IV Technical and Professional Ability	Final Ranking
Marshall Construction Limited	Pass	Pass	90.00%	1
Forrme Ltd	Pass	Pass	85.00%	2
*JR Construction (Scotland) Ltd	Pass	Fail	81.67%	3
Mears Limited	Pass	Pass	78.33%	4
JB Bennett (Contracts) Ltd	Pass	Pass	76.67%	5
McTaggart Construction Ltd	Pass	Pass	73.33%	6
**ENGIE Regeneration	Pass	Fail	50.00%	7

* Failed to meet ratio requirements therefore not taken through to invitation to tender stage.

**Failed to meet Technical and Professional Ability minimum criteria and Economic and Financial Standing – Ratio's therefore not taken through to invitation to tender stage.

Award Stage Evaluation Outcome

Contractors Name	Final Tender Score	Final Rank
Mears Limited	91.67%	1
McTaggart Construction Ltd	89.50%	2
JB Bennett (Contracts) Ltd	84.50%	3
Forrme Ltd	84.01%	4

Appendix 2 – Summary of Procurement and Evaluation Process

Contract title	Contractor Design and Construction of New Build Social Housing at Plains Village, Airdrie
Estimated contract start date	January 2020 – January 2021
Initial contract period adopted by the Council (months)	12 months
Contract period defects period	12 months
Estimated total contract value including defects and contingency	£2,893,819.60
Governing UK Regulation	Public Contracts (Scotland) Regulations 2015
Procurement procedure adopted	Restricted Procedure
Interest List – number of Contractors that downloaded the procurement documents from the procurement portal	30
Number of selection stage documents received	7
Number of Contractors invited to tender	5
Number of tenders received	4
Number of non-compliant tenders	0
Number of compliant tenders	4
Number of recommended Contractors	1
Basis of contract award	Most economically advantageous tender <ul style="list-style-type: none">• 40% Quality• 60% Price
Evaluation Team	New Supply