

North Lanarkshire Council

Report

Housing and Regeneration Committee

approval noting

Ref PH/TM

Date 20/05/20

New Build Programme Tender Award - Burnhall Place, Waterloo

From Pamela Humphries, Head of Planning and Regeneration

Email mallaghant@northlan.gov.uk **Telephone** Tony Mallaghan, Housing Development Manager, 01236 632866

Executive Summary

Committee is asked to approve the award of the Contract for the Construction of New Build Housing at Burnhall Place, Waterloo (the 'Contract') to; McTaggart Construction Limited.

The Contract is for a period of 18 months (due to commence in May 2020). Due to the ongoing Covid-19 pandemic, it is anticipated that the Contract will not commence works on site until it is practical and safe to do so.

The value of the Contract is Three million, seven hundred and eight thousand, and seven hundred and sixty eight pounds and four pence (£3,708,768.04) which includes a contingency allowance of circa 8%.

Recommendations

It is recommended that the Committee approves the award of the Contract for the Construction of New Build Housing at Burnhall Place, Waterloo to McTaggart Construction Limited for the sum of £3,708,768.04.

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

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 Contract is for the Construction of New Build Housing (20 units) at Burnhall Place, Waterloo.
 - 1.2 The Enterprise and Housing Committee in November 2018 approved the procurement strategy for the village sites programme currently comprising the following three sites:
 - Former Plains Primary School, Plains
 - Burnhall Place, Waterloo
 - McArthur Avenue, Glenmavis
 - 1.3 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. Following the award of Lot 1 for the former Plains Primary School site, tender documents were issued for Lot 2 for the Burnhall Place, Waterloo site to five shortlisted contractors.
-

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 procedure be undertaken in accordance with the Public Contracts (Scotland) Regulations 2015. The contract opportunity was published in the OJEU and 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 tender responses was completed by members of the UIG, the five highest ranked compliant responses were then invited to tender for Lot 2.
- 2.4 The contract award recommendation is made on the basis of the Tenderer who submitted the most economically advantageous tender.
- 2.5 The tender submitted by McTaggart Construction Limited has been evaluated as representing the most economically advantageous tender.
- 2.6 Appendix 1 confirms the scoring achieved by each Tenderer, further details of the procurement procedure is provided in Appendix 2.
- 2.7 Officers from Enterprise and Communities will be responsible for managing the Contract which will be undertaken in accordance with the Councils agreed approach to Contract and Supplier Management.

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 value of the contract is £3,708,768.04 including an 8% contingency allowance.

The costs associated with contract delivery will be contained within the New Supply budget.

Savings

The Contract is required to deliver new build social housing. It will not deliver specific savings to the Council as part of this contract but it will improve the housing stock of the Council.

Price Stability

This is a fixed price lump sum contract, prices do not require to be adjusted for inflation.

4.2 HR/Policy/Legislative Impact

Community Benefits

The Council is committed to maximising the delivery of community benefits. The procurement included a community benefit requirement, this approach is designed to deliver local community benefits where possible. The successful Tenderer has committed to delivering a range of community benefits, these include;

Outcome	No of Outcomes Offered
New Sustainable Jobs for entrants from Key Priority Groups	2
Work Experience Placement (16+ Years of Age)	5
Work Experience Placement (14 - 16 years of age)	1
Careers Event	6
Financial Support for a Community Project	2
Non-Financial Support for a Community Project	2

The community benefits that will be delivered specifically include the creation of two jobs but no apprenticeships.

Fair Work Practices

The successful Tenderer has also demonstrated commitment to Fair Work practices including payment of the real Living Wage to staff employed in the delivery of the Contract.

Equalities

The procurement procedure excludes any Tenderer where a complaint had been upheld after investigation by the Equality and Human Rights commission or its predecessors and a failure to take remedial action.

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 New Supply 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.

4.5 Contract Award during Covid-19 Restrictions

The Contract was due to commence in May 2020 however due to the ongoing Covid-19 pandemic, it is anticipated that Contract will not commence works on site until it is practical and safe to do so.

The Contract will be awarded in accordance with the Council's Contract Standing Orders whilst legal and procurement advice will be sought and adhered to with regards to commencing the Contract whilst Covid-19 restrictions are in place or being withdrawn. Risks of awarding the Contract during the current restrictions will be identified and mitigated where possible.

Furthermore, the Council may develop a Contract mobilisation plan with the successful Tenderer which shall take cognisance of the current restrictions and set out a plan to commence the Contract on site when safe to do so

5. Measures of success

The Contract will deliver the following outcomes;

- a) The appointment of a Contractor who has the experience and capability to deliver new build social housing;
- b) The procurement procedure is compliant with the procurement legislation and internal procedures;
- c) That best value is both demonstrable and achieved;
- d) That the Contract secures a range of community benefits;
- e) That the Contract supports payment of the real Living Wage to staff employed in the delivery of the Contract;
- f) That the Contract performance is proactively managed against a number of Key Performance Indicators.

6. Supporting documents

Appendix 1	Summary of Evaluation Process
Appendix 2	Summary of Procurement Procedure
Appendix 3	SME Status and Location of all Tenderers

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

Candidates 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
Forme 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

Tenderers Name	Final Tender Score	Final Rank
McTaggart Construction Ltd	96.75%	1
Mears Limited	94.62%	2

Appendix 2 – Summary of Procurement Process

Contract Title	Contractor Design and Construction of New Build Social Housing at Burnhall Place, Waterloo, Wishaw
Estimated Contract start date	May 2020 – November 2022
Initial Contract Period	18 months (6 months design phase and 12 months construction phase)
Contract period defects period	12 months
Estimated total contract value including contingency	£3,708,768.04 (£3,434,044.48 + £274,723.56)
Governing UK Procurement Regulation	Public Contracts (Scotland) Regulations 2015
Procurement procedure adopted	Restricted Procedure
Interest List – number of organisations 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 non-compliant tenders	1
Number of compliant tenders	2
Number of recommended providers	1
Basis of contract award	Most economically advantageous tender <ul style="list-style-type: none"> • 40% Quality • 60% Price
Evaluation Team	Growth and Investment New Supply

Appendix 3 – SME Status and Location of all Tenderers

Tenderers Name	Size of Tendering Organisation (Micro, Small, Medium or Large)	Location (Local Authority / Council Area)
McTaggart Construction Limited	Medium	North Ayrshire
Mears Limited	Large	North Lanarkshire