

Finance and Resources Committee

10.00am Thursday 1 December 2016

New Build Nursery and Gym Hall Facility at Leith Primary School, Edinburgh

Delegated Authority for Award of Contract

Item number	7.13
Report number	
Executive/routine	Executive
Wards	13

Executive Summary

The City of Edinburgh Council wishes to procure a suitably qualified and experienced contractor to undertake the construction of a new nursery building and gym hall facilities at Leith Primary School.

In order to meet a programmed start date on site of January 2017, this report seeks Committee approval to delegate authority to the Acting Executive Director of Communities and Families, in consultation with the Convener and Vice Convener of the Finance and Resources Committee, to appoint the Contractor that submits the most economically advantageous tender.

Links

Coalition Pledges	P3
Council Priorities	CP1 , CP2
Single Outcome Agreement	SO3

New Build Nursery and Gym Hall Facility at Leith Primary School, Edinburgh

Delegated Authority for Award of Contract

1. Recommendations

It is recommended that Committee:

- 1.1 Delegates authority to the Acting Executive Director of Communities and Families, in consultation with the Convener and Vice Convener of the Finance and Resources Committee, to appoint the contractor with the most economically advantageous bid to deliver the new build nursery and gym hall facility at Leith Primary School, Edinburgh.
- 1.2 Note that tenders have been received from 5 short listed building contractors. The Council has completed the quality assessment of the bids and is currently in the process of evaluating the commercial bids.

2. Background

- 2.1 The scope of this project is to construct a new 977m² two storey building comprising ground floor nursery and first floor gym hall accommodation for Leith Primary School.
- 2.2 The main objectives of the project include:
 - 2.2.1 Demolish rear part of building and provide new build gym and nursery;
 - 2.2.2 Make safe and secure the remaining building/space for development by others.
- 2.3 The budget for the project is £4,084,000.
- 2.4 The works are currently programmed, to be completed on site by January 2018 meeting the Council's objective to provide suitable facilities for Leith Primary School. This programme is dependent upon Delegated Authority to award the contract being granted. Delegated Authority is required because the next Finance and Resources Committee is not until 19 January 2017 and relying on this Committee for approval will result in the programme being delayed by approximately 6 weeks.

3. Main report

- 3.1 The Project Team was established in April 2014 to progress the project, which is being designed, procured and delivered by a combination of internal and external professionals led by the Corporate Property Building Programme Team (BPT) and Commercial and Procurement Services (CPS).
- 3.2 CPS, in conjunction with BPT, undertook a full tender exercise by placing a contract notice on the Public Contracts Scotland Portal as a two stage procedure on 25 May 2016.
- 3.3 Nineteen organisations noted their interest in the contract and were able to download the European Single Procurement Document (ESPD) which was attached to the notice. Fourteen organisations submitted a completed ESPD by the closing date of 8 June 2016.
- 3.4 The aim of the ESPD evaluation process was to allow the Council to identify suitably qualified and experienced bidders to be invited to tender by considering their financial stability, technical capability, capacity, experience and organisational processes and procedures evidenced by previous project examples. The ESPD replaces the previous Pre Qualification Questionnaire Documentation for works contracts in excess of £2m. As a result of the ESPD process, five bidders were selected to be invited to tender.
- 3.5 In the invitation to tender it was stated that the contract would be awarded on the basis of the Most Economically Advantageous Tender with 20% of the overall score being given to quality and 80% given to price. This ratio was determined due to the advanced stage of the high quality design of the school and the mandatory requirement for the bidders to price the Council's specification without alternatives unless written approval was sought.
- 3.6 The five tender submissions received were evaluated individually by the three members of the evaluation team to determine a score for quality. In accordance with the agreed ratio the weighted maximum score for quality was 20. Five evaluation criteria areas were identified, each having different weightings and being scored between 0 and 10 in accordance with the Evaluation Criteria Scoring Definitions included in the tender instructions issued to the bidders. Further details of the procurement process, including the members of the evaluation team and the five quality evaluation criteria and their respective weightings, are provided in Appendix 1.
- 3.7 On completion of the individual evaluation process a consensus meeting was held attended by the members of the evaluation team and the contract administrator from CPS. Individual evaluation criteria scores were reviewed and a consensus score reached for each bidder. The appropriate weighting was then applied to each of the individual evaluation criteria to arrive at a final quality score.

- 3.8 A minimum threshold of 50% of the total available marks for quality was set to ensure that any bidder failing to provide a satisfactory response to the published evaluation criteria requested within the tender documentation would not be considered further and would not have their pricing bid opened.
- 3.9 Following completion of the quality analysis as all bidders had achieved the minimum quality threshold score of 50% their pricing bids were opened and subject to a cost analysis.
- 3.10 Due to the complexity and nature of the works, the cost analysis is not expected to be complete until week after this Committee. The project involves connecting structurally into the remaining part of the Duncan Place resources centre. There will be a lot of clarifications to be carried out prior to agreeing a tender price.
- 3.11 Therefore, in order to ensure that the project is not delayed, under the Scheme of Delegation, the Project Team is seeking Delegated Authority to the Acting Executive Director of Communities and Families to award the contract providing the cost analysis demonstrates a positive outcome in terms of value for money and is within the budget allocation.

4. Measures of success

- 4.1 Delivery of the new nursery and gym hall facility on time, within budget and to a design specification which meets all related requirements.
- 4.2 Appointment of a contractor who has the suitable experience and capability to deliver a high quality nursery and gym hall facility.

5. Financial impact

- 5.1 The approved budget to complete the project is £4,084,000 (Demolition, Making Safe and new build). The budget portion for the new build is £3,111,158.
- 5.2 The pre-tender estimate for new build is £2,868,814 therefore it is expected the contract value will be able to be accommodated within this budget.
- 5.2 The costs associated with procuring this contract are estimated at up to £2,000.

6. Risk, policy, compliance and governance impact

- 6.1 There are no negative risk, policy, compliance and governance impacts arising from this report.

7. Equalities impact

- 7.1 There are no negative equality or human rights impacts arising from this report.

8. Sustainability impact

- 8.1 The new building significantly improves the overall sustainability of the old building.
- 8.2 The project reused the existing infrastructure of the old building in an attempt to reduce cost, leverage existing energy infrastructure and reduce impact on the school during development. The existing boiler house and switch room provided the heating and electricity to the new development via the old basement service tunnels.
- 8.3 The new building benefits from 72 roof mounted photovoltaic panels, an integrated passive design with enhanced insulation on external walls and uses wooden glulam beams in the gym roof. These measures are complemented by the use of natural ventilation throughout with low energy LED lighting. The LED lighting controls reduce energy use by intensifying natural light so lighting is only used when it is needed. This is reflected in an EPC rating of 'A' currently achieved by the integrated design.
- 8.4 The Council has a Community Benefits in Procurement Programme and as part of the evaluation process, the bidders are being assessed on their commitment to community benefits.

9. Consultation and engagement

- 9.1 Extensive public consultation and engagement has been undertaken during all stages of the project.

10. Background reading/external references

- 10.1 Not required.

Alistair Gaw

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11. Links

Coalition Pledges	P3 – Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools
Council Priorities	CP1 - Children and young people fulfil their potential CP2 - Improved health and wellbeing: reduced inequalities
Single Outcome Agreement	SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential
Appendices	Appendix 1 – Summary of Tendering and Tender Evaluation Process

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Principal Contractor of the Nursery & Gym Hall Facility at Leith Primary School, Edinburgh
Contract period	Period of construction estimated to be 1 year
Contract value	Not known at present
Standing Orders observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	www.publiccontractsscotland.co.uk
EU Procedure chosen	Restricted
Invitations to tender issued	Five
Tenders returned	Five
Tenders fully compliant	Not known at present
Recommended supplier	Not known at present
Primary criterion	Most economically advantageous tender to have met the qualitative and technical specification of the client department
Evaluation criteria and weightings	Organisation – 25% Delivery Methodology – 30% Risk Assessment – 25% Community Benefits - 10% Health and Safety - 10%
Evaluation Team	Project Manager, Building Programme Team, Resources Architect, Building Programme Team, Resources Architect, Building Programme Team, Resources