

Finance and Resources Committee

10.00am, Thursday, 4 March 2021

Award of Contract for site re-development works at North Cairntow Traveller Site

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
 - 1.1.1 Approves the award of contract to George Sharkey & Sons Ltd for re-development works at the Traveller site at North Cairntow; and
 - 1.1.2 Notes that the contract will commence on 12 March 2021 for a period of up to 18 months with an estimated contract value of £3,844,733.04.

Paul Lawrence

Executive Director of Place

Contact: Willie Gilhooly, Acting Housing Property Manager

E-mail: willie.gilhooly@edinburgh.gov.uk | Tel: 0131 529 7866

Award of Contract for site re-development works at North Cairntow Traveller Site

2. Executive Summary

- 2.1 This report seeks approval to award a contract for re-development works at the North Cairntow Traveller site to the most economically advantageous organisation identified following a competitive tendering process.
- 2.2 The works are necessary to modernise the site and form part of the Housing Revenue Account (HRA) capital investment programme for existing homes and estates.
- 2.3 If the report recommendations are approved, an order for the new chalet units will be placed on or around 12 March 2021 however, due to an increase in demand due to COVID-19, the manufacturers have indicated that it will take approximately 12 months for the chalets to be received. The contract is therefore for up to 18 months to allow for the delivery, installation and other site works to be completed.

3. Background

- 3.1 The Traveller site at North Cairntow was built in 1984 and consists of 20 pitches, serviced by 10 semi-detached utility blocks which each contain a kitchen, shower and toilet.
- 3.2 The current accommodation on the site needs to be modernised to provide better accommodation and to improve the experience of living on site through the upgrade of utilities and services supplied (to help reduce fuel poverty) and to deal with on-going maintenance issues which cannot be resolved with normal day to day repairs and maintenance.
- 3.3 A Tenants' Survey in 2017 revealed increasing levels of dissatisfaction with the current facilities on the site and since then there has been an on-going programme of community engagement to understand the issues and to co-design site improvements.

- 3.4 The design phase was comprehensive and sought to ensure that the proposed design addresses fuel poverty, mainstreams equalities and opportunity for digital inclusion and ensures that tenants current issues are addressed.
- 3.5 Tenants have worked directly with the commissioned architect and Council officers, supported by the Minority Ethnic Carers for Older People Project (MECOP), and through working in partnership have developed and agreed a design that includes:
- 3.5.1 A reconfiguration of the overall footprint of the site through demolition of a disused play park and turning circle. This means that each individual bay will be increased in size to host a chalet unit, space for a trailer, two vehicle parking spaces and a small storage/utility unit;
- 3.5.2 Planned work for demolition and ground preparation is extensive with the installation of a gas mains, relocation of utility pipework, installation of a street water mains (to meet Scottish Fire and Rescue Service safety requirements) and cabling to provide improved online connectivity. Necessary forestry is underway to maximise public safety with a landscaping plan for replacement trees to retain screening and privacy for tenants. This work has been informed by conservation guidance; and
- 3.5.3 The works include provision of a new Community Hub to replace the existing portacabin and site office.
- 3.6 A Clear Site Action Plan has been agreed with residents and has been reviewed throughout COVID lockdown restrictions. The plan offers a suite of options that can be tailored to support the needs of each household, to assist with temporary accommodation and associated costs during the programme of demolition and construction.
- 3.7 Consultation with residents has continued through the current COVID-19 pandemic, in line with Scottish Government guidance with specific advice on contingency arrangements to support family members required to self-isolate or shield, to access Council services, to access financial assistance and mental health counselling.
- 3.8 The residents have been informed of the delay in the manufacturing of chalets and were consulted on the option to complete demolition in 2021, meaning a longer term period of relocation, or to delay site vacation until Spring 2022 in line with the off site build of the chalets. The majority of residents opted for the latter option of Spring 2022 site start. They remain reassured that the programme of work is being progressed, although they are disappointed at the delay.

4. Main report

- 4.1 All relevant permissions for the works are in place, including planning permission and building warrants.

- 4.2 The procurement process has been conducted, as required by the Procurement Reform Act (Scotland) 2014, by way of a mini competition utilising the Crown Commercial Services Framework RM6088, Lot 2.4: Construction Works and Associated Services – Scotland, the tender opportunity was published on Public Contracts Scotland (PCS) on 1 December 2020.
- 4.3 To identify the provider offering best value, the tender evaluation included an emphasis on quality as well as price and submissions were assessed to identify the most economically advantageous tender. A cost quality ratio of 40% price, 60% quality was applied to achieve a suitable balance between quality and the most economical price.
- 4.4 A total of four companies expressed an interest in submitting a tender in response to a request to participate.
- 4.5 Tender submissions have been evaluated, placing an emphasis on quality, as well as price.
- 4.6 The quality analysis was based on weighted award criteria questions, which were scored using a 0 to 10 matrix.
- 4.7 Following completion of the quality analysis, tenders that passed the minimum threshold of 50% were subject to a cost analysis.
- 4.8 All the bids submitted are based on a Bill of Quantities.
- 4.9 The competition outcome is as follows:

Supplier	Quality Score 60%	Price Score 40 %	Overall score 100%
George Sharkey & Sons Ltd	47.40	40.00	87.40
Supplier B	51.90	Non-Compliant	
Supplier C	42.00	Non-Compliant	
Supplier D	40.80	Non-Compliant	

- 4.10 All four bidders passed the quality threshold. However, three bidders qualified the commercial element of their bids. It was assessed that, by not removing the qualifications, their bids were deemed non-compliant.
- 4.11 The Summary of the Tendering and Tender Evaluation Process is in Appendix 1
- 4.12 The works were due to start in April 2021 however, due to COVID-19 there has been a surge in sales of chalet units. The manufacturers have confirmed that they expect they will be are not being able to fulfil the order of the new units for a period of at least 12 months.

5. Next Steps

- 5.1 If Committee approve the recommendations in this report, the contract will be managed by Housing Property.
- 5.2 The contract will commence on 12 March 2021 and the contractor will immediately place the order for the chalet units. Once received, the residents will be advised and relocation arrangements for them will be made to enable the re-development works on the site to commence.
- 5.3 Council officers will meet with the contractor regularly to review the programme of works, financials and to obtain updates on the manufacturing of the chalets. The residents will be kept updated on progress and arrangements made with them for relocation during the works.
- 5.4 The Contractor will meet the residents on site and talk through the programme of works, ensuring, Health and Safety and COVID-19 restrictions are adhered to.
- 5.5 The Council will provide storage for caravans and personal belongings during the works, through an existing framework for residents who wish to use them.

6. Financial impact

- 6.1 The cost of the re-development will be met from the HRA Capital Budget, along with £90,600 of Scottish Government funding to assist with Improving Gypsy/Travellers Sites.
- 6.2 The estimated contract value £3,844,733.04.
- 6.3 The costs associated with procuring this contract are estimated to be up to £35,000.

7. Stakeholder/Community Impact

- 7.1 The contract recommended for award is compliant with procurement regulations and the Council's Contract Standing Orders.
- 7.2 If these works are not undertaken, then it will have an impact on the residents of the North Cairntow Traveller site as their current accommodation requires to be improved.
- 7.3 Communication with residents has been maintained through provision of a site-based service provision through the patch Housing Officer, phone calls, text alerts and notice board posters to continue the flow of information and enable routes for tenants to raise questions and concerns. Through partnership with MECOP, progress is being made to re-establish site meetings on a virtual platform.
- 7.4 These improvements are in line with the Scottish Government [report](#) on Improving the Lives of Gypsy/Travellers and is supported by the community and Local Councillors. The co-design approach has been recognised by both the Scottish

Government and COSLA and is being used as a case study for other Scottish Local Authorities and development of a national Quality Design Standard Framework.

- 7.5 New units will bring the accommodation on site up to current standard in terms of lower energy use, improved heating, improvement in the health and well-being of the residents and will address all the resident's concerns about the current accommodation. The residents have been involved in the design of the new proposed accommodation and on completion of the refurbishment, tenants will have a Scottish Secure Tenancy Agreement.
- 7.6 George Sharkey & Sons Ltd are a local SME who pay above the living wage and are working towards being an accredited living wage employer.
- 7.7 This project will contribute considerable community benefits including local high school work experience, a work experience placement for long term unemployed person, education initiatives with the local primary schools and other relevant local groups. A comprehensive action plan has been provided and the Environment, Community Benefits and Fair Work Practices were part of the tender evaluation process.

8. Background reading/external references

None.

9. Appendices

- 9.1 Appendix 1 - Summary of Tendering and Tender Evaluation Processes.

Appendix 1

Summary of Tendering and Tender Evaluation Processes

Contract	Site Re Development Works, North Cairntow, Traveling Peoples Site																																					
Period	18 Months																																					
Estimated Contract Value (including extensions)	£3,000,000 to £4,000,000																																					
Procurement Route Chosen	mini competition from the Crown Commercial Services Framework RM6088, Lot 2.4 Construction Works and Associated Services – Scotland, using PCS-Tender portal.																																					
Name of invited Providers	Bowmer and Kirkland Limited George Sharkey & Sons Limited Interserve Construction Limited Morgan Sindall Construction & Infrastructure Ltd																																					
Price / Quality Split	60 % Quality	40 % Cost																																				
	<p>The emphasis on Quality was to reflect the need for a high level of service for end users.</p> <p>Quality was evaluated as below for each Lot;</p> <table border="1"> <thead> <tr> <th>PART B</th> <th>STAGE TWO – AWARD CRITERIA</th> <th>Weighting %</th> </tr> </thead> <tbody> <tr> <td>Q.1</td> <td>DELIVERY TEAM STRUCTURE</td> <td>20%</td> </tr> <tr> <td>Q.2</td> <td>PROJECT APPROACH AND LOGISTICS STRATEGY</td> <td>15%</td> </tr> <tr> <td>Q.3</td> <td>LOCALITY ENGAGEMENT</td> <td>10%</td> </tr> <tr> <td>Q.4</td> <td>RISK MANAGEMENT</td> <td>10%</td> </tr> <tr> <td>Q.5</td> <td>HEALTH AND SAFETY</td> <td>15%</td> </tr> <tr> <td>Q.6</td> <td>THE ENVIRONMENT</td> <td>10%</td> </tr> <tr> <td>Q.7</td> <td>FAIR WORK PRACTICES</td> <td>10%</td> </tr> <tr> <td>Q.8</td> <td>COMMUNITY BENEFITS</td> <td>10%</td> </tr> <tr> <td>Q.10</td> <td>COVID-19 METHOD STATEMENT</td> <td>PASS/FAIL</td> </tr> <tr> <td>Q.10</td> <td>ADDED VALUE/INNOVATION</td> <td>N/A</td> </tr> <tr> <td>Q.11</td> <td>ZERO HOURS CONTRACTS & THE LIVING WAGE</td> <td>N/A</td> </tr> </tbody> </table>		PART B	STAGE TWO – AWARD CRITERIA	Weighting %	Q.1	DELIVERY TEAM STRUCTURE	20%	Q.2	PROJECT APPROACH AND LOGISTICS STRATEGY	15%	Q.3	LOCALITY ENGAGEMENT	10%	Q.4	RISK MANAGEMENT	10%	Q.5	HEALTH AND SAFETY	15%	Q.6	THE ENVIRONMENT	10%	Q.7	FAIR WORK PRACTICES	10%	Q.8	COMMUNITY BENEFITS	10%	Q.10	COVID-19 METHOD STATEMENT	PASS/FAIL	Q.10	ADDED VALUE/INNOVATION	N/A	Q.11	ZERO HOURS CONTRACTS & THE LIVING WAGE	N/A
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Evaluation Team	Tenders were evaluated by Council Officers from Housing Property.																																					