

Finance and Resources Committee

10.00am, Thursday, 8 September 2022

Depot Rationalisation Programme – Bankhead Depot Refurbishment Award of Contract

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
 - 1.1.1 Approves the award of a contract for Bankhead Depot Refurbishment to Tilbury Douglas Construction Limited at a value of £3,402,119.74; and
 - 1.1.2 Notes that it is anticipated the contract will commence in October 2022 and have a programme duration of 11 months.

Paul Lawrence

Executive Director of Place

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Depot Rationalisation Programme – Bankhead Depot Refurbishment Award of Contract

2. Executive Summary

- 2.1 This report seeks approval to award a contract for the Bankhead Depot Refurbishment to Tilbury Douglas Construction Limited, to commence in October 2022 for a period of 11 months at a total value of £3,402,119.74.
- 2.2 The Bankhead Depot refurbishment works form part of the larger depot rationalisation programme.

3. Background

- 3.1 On [2 February 2016](#), Finance and Resources Committee approved a report setting out the investment strategy for the Council's depot estate. Revised at Finance and Resources Committee on [4 December 2018](#), the Depots Gateway Review went much further than previously proposed, consolidating from 16 to 6 depot sites. This included the disposal of Murrayburn Depot for mixed tenure housing.
- 3.2 The Depots Strategy is a self-funding depot rationalisation programme based on the savings achieved delivering the necessary funding for new investment. This is achieved through the reduction in the number of depot sites delivering those property savings. The strategy has a "domino" effect, in that the exit of properties is reliant on new investment being delivered at the receiving sites. Should new investment not be available, the depot rationalisation strategy cannot be delivered.
- 3.3 The Bankhead Depot Refurbishment Project facilitates the exit of Russell Road Depot and Murrayburn Depot. Both facilities require major maintenance and are no longer fit for purpose. The Bankhead Depot Refurbishment Project unlocks opportunities to enhance and share support services, such as fleet maintenance, reducing dead mileage and associated staff time with transporting vehicles to a single workshop facility on the west of the city.

4. Main report

- 4.1 Commercial and Procurement Services (CPS) conducted a mini competition utilising the Crown Commercial Services (CCS) Framework RM6088 – Construction Works and Associated Services Framework (Lot 2.4 - Construction Works and Associated Services – Scotland (Value band £3 - £10m).
- 4.2 To identify the tender offering best value the tender evaluation included an emphasis on quality as well as price and submissions were assessed to determine the most economically advantageous tender.
- 4.3 Framework suppliers were invited to participate in the mini competition on 20 June 2022.
- 4.4 Two suppliers submitted a bid via Public Contracts Scotland for this contract opportunity.
- 4.5 Prior to their appointment to the CCS Framework, all suppliers were pre-vetted to ensure that they satisfied the requirements necessary for the delivery of the Works, including consideration of financial probity (relating to insurance and financial standing), health and safety and environmental management.
- 4.6 In order to identify the most economically advantageous tender, submissions were assessed on the basis of 70% Quality and 30% Cost. Given the high degree of regulation on prices within the industry, Quality was weighted highly to ensure the technical capacity of the suppliers was considered sufficiently.
- 4.7 The tender results, combining the quality scores and the price evaluation to derive an overall score for each supplier out of a maximum of 100, are:

Bidder	Price	Quality	Total
Tilbury Douglas	30.00	55.30	85.30
Supplier 2	26.78	38.50	65.28

- 4.8 A summary of the tender evaluation criteria is provided in Appendix One.

5. Next Steps

- 5.1 Subject to Committee approval, the contract will commence in October 2022.
- 5.2 Once established, the contract will be managed by Strategic Asset Planning, the Contract Manager will ensure that effective contract management is delivered throughout the contract lifecycle. A Contract Management and Handover Report, detailing the necessary steps and measures, will be produced and agreed.
- 5.3 It is envisaged that proactive contract management, to include robust monitoring of all appropriate management information, key performance indicators and

budget/savings tracking) will assist in the delivery of an effective and efficient delivery of the works throughout the duration of the contact.

6. Financial impact

- 6.1 The contract value of £3,402,119.74 is similar to that estimated within the Depots Rationalisation Programme Business Case and the sum falls within subsequent budget allocation.
- 6.2 Financial assessments have been carried out, Tilbury Douglas Construction Limited has demonstrated acceptable financial status and appointment is considered to be of limited risk to the council.
- 6.3 During the contract period the Contract Manager will be responsible for the tracking the budget. The contract is a fixed sum however in the current economic climate cost certainty surrounding other project aspects should be closely monitored.
- 6.4 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.

7. Stakeholder/Community Impact

- 7.1 Tilbury Douglas Construction Limited has committed to delivery of appropriate localised Community Benefits and have signed the Council's construction charter. Potential community benefits will include:
- 7.2 Employability and Skills – facilitating training, work experience, jobs and apprenticeship opportunities which create employment, promote local economic growth and skills development, such as:
 - 7.2.1 Creating apprenticeships to help increase levels of youth employment;
 - 7.2.2 Creating jobs for unemployed people and priority groups;
 - 7.2.3 Providing work placements and training opportunities to unemployed people, to help them gain work experience to aid their job search; and
 - 7.2.4 Providing work experience to students and pupils to help them make career choices.
- 7.3 Community Engagement and Improvement – supporting resident and community projects and improvement schemes across a range of themes. This could include donations of materials, equipment, facilities, goods, staff time, volunteering, or expertise:
 - 7.3.1 Support for local recreational, environmental, health, wellbeing, arts, heritage, or sports activity – such as community enhancement (i.e., community landscaping projects), improvements to local physical infrastructure (i.e., repair works to community spaces), contributing to public art projects or city dressing/streetscape enhancements; and

- 7.3.2 Contributions to agreed projects supporting local capacity building and services which address challenges associated with inequalities.
- 7.4 Education and outreach – developing business partnerships with schools and colleges which contribute to their curriculum and help promote an integrated and inclusive society such as:
- 7.4.1 Construction curriculum support programmes in schools and colleges;
 - 7.4.2 Workplace visits for schools or college students, careers events, awareness days or workshops; and
 - 7.4.3 Mentoring sessions with local schools, or job shadow opportunities.
- 7.5 Supply chain and business collaboration – supporting the principles of community wealth building through supporting local supply chains:
- 7.5.1 Offer sub-contract opportunities to local SMEs, social enterprises and third sector suppliers; and
 - 7.5.2 Provision of supplier time, skills or mentoring/training support which help build supply chain, supported business or third sector capacity (i.e., accounting, Human Resources and Health & Safety advice).
- 7.6 Tilbury Douglas Construction Limited pay the Real Living Wage and have committed to progressing towards adopting the Fair Work First criteria for workers in the delivery of this contract.
- 7.7 Tilbury Douglas Construction Limited have committed to the following environmental measures:
- 7.7.1 Environmental risk assessment;
 - 7.7.2 Preparation and implementation of an Environmental Management Plan;
 - 7.7.3 Preparation of an Environmental Emergency Plan;
 - 7.7.4 Preparation and Implementation of a Site Waste Management Plan; and
 - 7.7.5 Environmental Inspection and audit regime.
- 7.8 Tilbury Douglas Construction Limited provided detailed targets and measures for waste reduction and the maximisation of recycling.
- 7.9 All of the affected services to be relocated within the Bankhead Depot have been involved in the development of the proposals.

8. Background reading/external references

- 8.1 None.

9. Appendices

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

Appendix 1

Contract	CT2828 – Bankhead Depot Refurbishment Award of Contract	
Contract period (including any extensions)	11 Months, with the option to extend to completion at the discretion of the Council.	
Estimated Contract Value (including extensions)	£3,402,119.74	
Procurement Route Chosen	Mini-competition from Framework (Crown Commercial Services) RM6088 – Construction Works and Associated Services (Lot 2.4 - Construction Works and Associated Services – Scotland (Value band £3 - £10m)).	
Tenders Returned	2	
Name of Recommended Supplier(s)	Tilbury Douglas Construction Limited	
Price / Quality Split	Price (30%)	Quality (70%)
Evaluation Criteria and Weightings	Question	Weighting
	Quality and the Cole Report	25%
	Personnel	20%
	Programme	15%
	Risk Management	10%
	Health and Safety	5%
	Supply Chain Management	10%
	Environment & Sustainability	5%
	Community Benefits	5%
	Fair Employment Practices	5%
	Fair Work Management Information	Not Scored
Evaluation Team	Naveed Mohammed – Project Manager, Place. Ian Ramsey – Architectural Manager, Place. Andrew Bushell – Architect, Place.	