

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 28 FEBRUARY 2017

**SOUTH MONTROSE SPINE ROAD – SECTION 1
PROCUREMENT AUTHORITY APPROVAL REQUEST**

REPORT BY HEAD OF TECHNICAL AND PROPERTY SERVICES

ABSTRACT

Report seeking the authority for the proposed procurement where the maximum value of the contract is above the Chief Officer's delegated authority limit.

1. RECOMMENDATION

1.1 It is recommended that the Committee:

- (i) approves the procurement authority for the South Montrose Spine Road - Section 1 contract used for the construction of the spine road and associated construction activities, as contained in this report, in accordance with the process stated in section 16.8 of the Financial Regulations.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/CORPORATE PLAN

2.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- We have a sustainable economy with good employment opportunities
- Angus is a good place to live in, work and visit
- Our natural and built environment is protected and enjoyed

3. BACKGROUND

3.1 Reference is made to Committee Report 359/13 regarding the regeneration of South Montrose and Committee Report 119/14 regarding the approved planning permission for the construction of a spine road in South Montrose.

4. CURRENT POSITION

4.1 The compulsory purchase order for properties that require to be demolished/altered for the creation of the spine road has now been approved by the Scottish Government ministers and advertised as per the appropriate procedures. The contract for the construction of the spine road will now be prepared and tendered. This contract will be named "South Montrose Spine Road – Section 1". Estimates have shown that the value of these works will be above the Chief Officer's delegated authority limit.

4.2 The Head of Technical and Property Services has been commissioned by Economic Development to assist with the design and procurement of the South Montrose Spine Road – Section 1 contract.

4.3 The works under the South Montrose Spine Road – Section 1 contract will include demolition/alteration of four properties, various utility diversions, road construction works, drainage, landscaping, street lighting and traffic management along with making good various adjacent properties and boundaries.

5. PROCUREMENT AUTHORITY

- 5.1 The sourcing strategy for the demolition and construction works under the South Montrose Spine Road scheme has identified that the nature of the works leads to the requirement to procure an external contractor to carry out the works. The nature of these works, with demolition works, utility service diversions and road construction works over a reasonably large site, leads the necessity to procure all of the works under a single, multi-phase, contract. This will allow a single main contractor to control the risks involved in working with multiple sub-contractors and utility companies. This strategy should also lead to reduced disturbance for local residents due to more efficient construction, time management and co-ordinated traffic management within this area of Montrose.
- 5.2 It is proposed that tender documents will be issued to contractors from the Roads Divisions existing standing list of contractors, in April 2017. In this case, the existing standing list for "Lot 5 - Roads Construction" will be used. Contract awarded is due late May 2017, with an expected site start at the end of July 2017, with works due to take nine months to complete.
- 5.3 The total estimated value of the contract is £1,100,000. This is above the Head of Technical and Property Services delegated authority limits and therefore procurement authority is requested in line with the Angus Council Financial Regulations section 16.8.
- 5.4 The tenders will be evaluated and the contract awarded on the basis of the most economically advantageous tender (MEAT) having regard to the following criteria which are weighted according to importance. Price is to be given a weighting of 70%, with the other quality related criteria listed below to be given a total weighting of 30% in accordance with the Financial Regulations. To ensure that application of this weighting does not result in the acceptance of unacceptably low quality tenders, a minimum quality score threshold of 70% will be applied below which tenders will not be accepted. Once the tenders have been evaluated, as noted below, then an acceptance will be issued to the tenderer providing the highest MEAT score.

Price Criterion

- The weighted price of 70% will be evaluated on the basis of the lowest total price received following a check for arithmetical and rating errors.

Quality Criterion

- Detailed methodology for providing all phases of work, including utility diversions, demolition (including making good of adjacent properties), traffic management and the co-ordination of the works. (15%)
 - Programme for the delivery of the works, linking to the submitted methodology and identifying any holiday periods or similar ahead of the completion date. (5%)
 - Demonstration that adequate levels of appropriately experienced staff will be appointed to work on this project. Please identify number, role, qualifications and management of staff. (5%)
 - Provide evidence of having the necessary experience in delivering services similar to the required works. (5%)
- 5.5 This procurement is not considered to be a "major procurement" in accordance with the new arrangements (i.e. one which would account for a significant part of the Chief Officer's approved budget or is expected to be of significant public interest), therefore tender evaluation and award information will be provided to the Head of Finance and reported to Committee retrospectively as required in accordance with Financial Regulation 16.8.
- 5.6 The Committee is therefore asked to authorise the Head of Technical and Property Services to procure the South Montrose Spine Road – Section 1 contract in accordance with the process stated above. In accordance with Financial Regulation 16.8, approval of this report would mean that, subject to overall costs following receipts of the tenders being within the approved budget then the contract can be accepted without further approval by this committee.

6. FINANCIAL IMPLICATIONS

- 6.1 The total estimated value of this contract is £1,100,000 and this can be met from the funding of £2,156,000 identified within the 2016-2021 Financial Plan under “Montrose South Regeneration”.

7. OTHER IMPLICATIONS

Risks

- 7.1 A risk assessment is being undertaken for this project and other than the normal risks inherent in carrying out a project of this size and complexity, no other significant risks have yet been identified. Technical and Property Services have extensive experience of procuring projects of this nature in a timely manner and every measure will be taken to ensure this contract is effectively managed.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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