

Members' Library Service Request Form

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Originator	Iain Farquhar
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Document Title	Proposed Mechanical and Electrical Services Works and Building Alterations to Provide New Office Accommodation at Penston House, Macmerry

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Cabinet

Additional information:

Authorised By	Douglas Proudfoot
Designation	Head of Development
Date	23/12/15

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REPORT TO: Members' Library Service

MEETING DATE:

BY: Depute Chief Executive (Partnerships and Community Services)

SUBJECT: Proposed Mechanical and Electrical Services Works and Building Alterations to Provide New Office Accommodation at Penston House, Macmerry

1 PURPOSE

- 1.1 To note the decision to award the contract for the Proposed Mechanical and Electrical Services Works and Building Alterations to Provide New Office Accommodation at Penston House, Macmerry to Messrs William Coates Ltd.

2 RECOMMENDATIONS

- 2.1 Cabinet is asked to note the decision of the Head of Development in consultation with the Head of Council Resources to accept Messrs William Coates Ltd's Tender amounting to £499,846.22 after checking, correction and adjustment and noting that it is open for consideration until 17th January 2015 for the Proposed Mechanical and Electrical Services Works and Building Alterations to Provide New Office Accommodation at Penston House, Macmerry.

3 BACKGROUND

- 3.1 The Torness Strategic Coordination Centre (TSCC) is currently located within the environs of Cockenzie Power Station. The power station is no longer in use and is currently being demolished.

EDF has a statutory duty to maintain an operational Strategic Coordination Centre for Torness during its operation and until the end of the decommissioning period.

An area to accommodate the TSCC has been identified within Penston House. This is over 2 levels and is proposed to be re-configured to suit the TSCC. Some of the spaces will require to be dedicated to the TSCC to ensure that they are capable of being activated quickly, in the event of an emergency. Other areas, including the Council's Training Centre, will generally be available for use by the Council except for periods of TSCC training and exercises in connection with the operation of the TSCC.

The proposals also include the relocation of the Council's Emergency Coordination Centre from John Muir House to Penston House.

3.2 The works comprise:

Internal alterations to provide suitable secure segregated office accommodation, essential electrical, IT, heating and ventilation improvements with backup generator provision.

3.3 An Invitation to Tender was lodged on the Public Contracts Scotland website inviting open submissions and Tenders were returned on 19th October 2015. These Tenders were subjected to detailed assessment on a Quality and Price basis and the value of Tenders received was as follows:

Ref	Contractor	Tender Amount Before Checking	Tender Amount After Checking	Lowest Checked Tender Amount
1	William Coates Ltd., Edinburgh	£598,625.52	£598,654.52	<u>£598,654.52*</u>
2	EDS Ltd., Magherafelt	£686,084.00	£680,149.50	
3	Clark Contracts Ltd., Edinburgh	£720,948.26	£685,633.46	
4	Arthur McKay & Co Ltd., Loanhead	£728,702.00	Unchecked	
5	Taylor and Fraser Ltd., Paisley	£762,585.98	Unchecked	
6	Cablecom Electrical Ltd., Edinburgh	£775,826.15	Unchecked	
7	Emtec Building Services Ltd., Glasgow	£776,000.75	Unchecked	

- 3.4 In addition to detailed compliance and arithmetic checks, the Tenders were subjected to a quality evaluation process. This Tender evaluation criteria included emphasis on service in addition to price, and a Tender evaluation matrix was used which covered the following aspects:
1. Methodology for completing the works within the allocated timescale
 2. Method statement of their approach to contract management of the project
 3. Sustainability
 4. Tender Price
- 3.5 As indicated at 3.3 Messrs William Coates Ltd's Tender amounting to £598,654.52 after detailed checking and correction remains the lowest of the offers submitted and has been competitively priced throughout.
- 3.6 Messrs William Coates Ltd came fourth in the Quality section of their Tender submission: however when added to the Price section they scored highest overall. Even although William Coates Ltd were fourth in the Quality section they still demonstrated an understanding of the Council's requirements for this Contract. Attached is Appendix A – Summary of Quality/Price Scores.
- 3.7 The above lowest Tender was in excess of EDF's budget for the works and it was agreed that savings would be required. In line with the Tendering Code of Practice used by the Council, the lowest placed Tenderer was identified as the Preferred Contractor and the Council entered into savings negotiations with this Tenderer. The schedule of savings and the revised specification of works has been approved by EDF. Following the application of agreed savings, the final Tender amount becomes £499,846.22.
- 3.8 The Contract is prepared on a firm price basis in terms of the standard Building Contract With Quantities for use in Scotland (2011 Edition) incorporating Amendment 1 (March 2015) and the Contractor has undertaken to complete the works by 26th February 2016 if the Tender is accepted on or before 7th December 2015.

4 COMMUNITY BENEFITS IN PROCUREMENT (CBIP)

- 4.1 This proposed project requires William Coates Ltd to engage with East Lothian Works to discuss what Community benefits can be sought from this Contract.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well-being of equalities groups and an Equalities Impact Assessment is not required.

6 POLICY IMPLICATIONS

6.1 None.

7 RESOURCE IMPLICATIONS

7.1 Financial – As a result of the lowest Tender being in excess of EDF's budget for this project, a Value Engineering exercise was undertaken and savings have been identified. The savings have been achieved by changing specifications, altering partition locations and reducing the scope of the cooling systems. These changes have all been approved by EDF and will not affect the operation or functionality of the accommodation.

Based on the revised project costs, the total expenditure of the project has been assessed as follows:

Lowest Checked Tender submitted by Messrs William Coates	£598,654.52
<u>Deduct</u> Negotiated savings	-£98,808.30
Amount of Revised Tender	£499,846.22

This expenditure will be contained within the maximum £500,000.00 contribution committed to the works by EDF. The technical information contained within the Tender documentation is fully detailed and costed by the contractor, reducing the risk to the Council of cost overruns.

EDF have confirmed that they will separately fund the IT installation which is not included in the Tender documentation.

The major element of this expenditure (£492,348.00) will be in financial year 2015/2016 with the remaining retention monies (£7,498.22) allocated in 2016/2017 financial year.

EDF will enter into an agreement to occupy the accommodation at an amount of £39,800 per annum for rent and service charge for a period of 30 years, subject to periodic review.

7.2 Personnel – None.

7.3 Other – None.

8 BACKGROUND PAPERS

Appendix A – Summary of Quality/Price Scores

AUTHOR'S NAME	Douglas Proudfoot
DESIGNATION	Head of Development
CONTACT INFO	Liz McLean/Iain Farquhar – Ext 7353/7317 IF – 4 December 2015

	<u>Arthur McKay</u>	<u>CableCom</u>	<u>Clark Contracts</u>	<u>EDS</u>	<u>Emtec</u>	<u>Taylor & Fraser</u>	<u>William Coates</u>
Price	57.48%	54.01%	61.12%	61.61%	54.00%	54.95%	70.00%
Quality	23.75%	15.00%	24.17%	17.92%	14.58%	27.92%	20.42%
Total	81.23%	69.01%	85.29%	79.53%	68.58%	82.87%	90.42%
rank	4	6	3	2	7	5	1