

## Item 6

23rd November 2023



**Glasgow City Council**

**Contracts and Property Committee**

**Report by Director of Legal and Administration**

**Contact: Maureen Fitzpatrick Ext: 76406**

### **The Provision of Civils and Infrastructure Core Works – Framework Agreement**

**Tender Reference: - GCC005635CPU**

#### **Purpose of Report:**

To submit details of the tenders received to be appointed to the framework agreement for the provision of civils and infrastructure core works and recommend acceptance of the most economically advantageous tenders as detailed in this report.

#### **Recommendations:**

The Contracts and Property Committee is requested to approve the award of a framework agreement for civils and infrastructure core works and to appoint the contractors as listed at Appendix A.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes  No  consulted: Yes  No

## 1 Background and Tender

- 1.1 Glasgow City Council's ("the council's") annual spend on civils and infrastructure works, procured via the council's existing construction and trades framework agreement, was approximately £31,000,000 per annum (£124,000,000 over the 4 year period of the framework).
- 1.2 The council is seeking to appoint contractors to a new framework for the delivery of various works packages associated with civils and infrastructure core works. The framework will be utilised predominantly by Neighbourhoods, Regeneration and Sustainability (NRS) but can also be used by all council Service areas and the council's Arm's Length External Organisations (ALEOs).
- 1.3 The framework can also be used by the following participating local authorities:  
- North Lanarkshire; Renfrewshire; East Renfrewshire; East Dunbartonshire; West Dunbartonshire and Inverclyde.
- 1.4 The overall spend projected to be procured via the new framework is estimated at up to £400,000,000 over the 4 year period of the new framework. This increase takes account of anticipated spend on business as usual projects, City Deal projects, Active Travel Transformation projects, bus corridor works projects, spend from other participating local authorities, and a contingency of 30% for other potential requirements. The table below sets out our projected estimated spend across the various projects:

Works category	Estimated spend over 4 years
GCC Business as Usual	£60m
City Deal projects	£65m
Active Travel Transformation projects	£70m
Bus corridor works projects	£100m
Other participating local authorities	£13m
Contingency	£92m

- 1.5 A commodity team consisting of stakeholders from NRS was formed to develop the sourcing strategy and delivery a new framework.
- 1.6 As part of the sourcing strategy developed the framework agreement was split into 16 distinct lots. These lots were as follows:-

Lot	Core Works Description	Estimated council business as usual spend (over 4 years)
1	Road Surfacing Works	£8m
2	Civil Engineering Road Works - Minor value £250k and under	£6m
3	Civil Engineering Road Works - Major value over £250k	£10m
4	Proprietary Thin Surfacing Treatments on Carriageways and Footways	£8m

5	Proprietary Carriageway Repairs	£200k
6	Vehicle Restraint Systems	£200k
7	Proprietary Ironwork Repairs	£200k
8	Planing	£1.2m
9	Road & Surface Marking	£800k
10	Anti-skid/High Friction Surfacing	£400k
11	Temporary Traffic Management	£1m
12	Streetscape and Public Realm Works	£14m
13	Road and Decorative Lighting Works, Civil and Electrical	£6m
14	Landscape Construction & Ground Maintenance	£1m
15	Tree works – Remedial and Emergency Works	£200k
16	Playground Installation and Surfacing Works	£2.8m

It is anticipated that the majority of City Deal projects, Active Travel Transformation projects, and bus corridor works projects will be procured using Lots 2, 3 and 12 of the framework.

- 1.7 It was agreed that an open tender process would be the most appropriate method to deliver this framework agreement. The opportunity was advertised via UK Find a Tender Service and Public Contracts Scotland.
- 1.8 The duration of the framework agreement is 4 years, commencing December 2023.
- 1.9 The framework will be available to the whole council family and the participating authorities detailed in section 1.3 above.

## **2 Evaluation**

- 2.1 The open tender process resulted in 45 contractors submitting bids across all lots with several contractors bidding for multiple lots. The table in paragraph 2.3 shows the number of contractors that expressed an interest and the number of contractors that submitted a bid for each lot.

- 2.2 The evaluation was carried out in two stages, pre-selection stage and award stage. The Single Procurement Document (SPD) was used to capture the contractor's response to pre-selection evaluation questions.
- 2.3 Following evaluation of the SPD responses, 1 contractor was eliminated due to submission of a substantially incomplete tender. 6 other contractors were eliminated from specific lots due to failure to meet the required minimum score threshold of 50% for Technical & Professional Ability.

The table below shows a summary of the expression of Interests, bids received for each lot, the number of suppliers that passed the pre-selection stage and progressed to the award evaluation stage.

Lot	Expression Of Interest	Bids submitted	Progressed to Award Stage
1	18	10	10
2	45	19	17
3	42	18	17
4	16	2	2
5	15	2	1
6	13	4	1
7	13	1	1
8	14	5	5
9	15	4	4
10	15	4	4
11	21	8	8
12	33	12	10
13	11	3	3
14	34	10	10
15	19	4	4
16	26	6	6

- 2.4 The award evaluation was based on the following criteria and weightings per each respective lot is follows:

Lot	Price	Quality	Fair Work First
1	60%	35%	5%
2	50%	45%	5%
3	50%	45%	5%
4	45%	50%	5%
5	45%	50%	5%
6	45%	50%	5%
7	45%	50%	5%
8	55%	40%	5%
9	55%	40%	5%
10	55%	40%	5%
11	55%	40%	5%
12	50%	45%	5%
13	60%	35%	5%

14	55%	40%	5%
15	55%	40%	5%
16	55%	40%	5%

- 2.5 There has been an increase in pricing ranging from 22% to 36% across most lots with a few exceptions. Lot 4 is showing a modest increase of 3.21% and Lots 8 and 11 are showing reductions. Lots 8 and 11 rates were compared with last year's rates from the price refresh and not the original framework rates. The data indicates that pricing for the most part has risen significantly since the last framework, which was priced pre-pandemic, Brexit etc. Market indications show that pricing is coming down a little bit and becoming more stable, but still remains significantly higher than original framework pricing. Most high value projects will continue to be subject to mini-competitions where contractors have the opportunity to improve on their framework pricing to improve their chances of being successful.
- 2.6 The evaluation scoring of the contractors which have been recommended for award within each respective lot is shown in the table at Appendix A.

### 3 Framework Implementation and Call Off

The framework call off options are outlined below:-

#### 3.1 Direct Award process

Applicable to lots 8, 9 and 11.

The panel of contractors will be ranked in accordance with their scoring achieved at framework award stage. Where the council identifies a requirement for works, they will approach contractors in rank order to check on capacity to deliver the requirement.

The council can use this process when it has a requirement to purchase works which are equal to or less than the thresholds noted in the table below:-

<b>Lot Number</b>	<b>Description</b>	<b>Threshold for Direct Awards (equal to or less than)</b>
8	Planing	<b>£100,000</b>
9	Road & Surface Marking	<b>£20,000</b>
11	Temporary Traffic Management	<b>£30,000</b>

Works with a value greater than the above thresholds will be procured by conducting a Mini-Competition A process (see section 3.3 below).

### 3.2 Mini Competition B Process

Applicable to lots 1, 2, 4, 5, 6, 7, 10, 13, 14, 15 and 16.

All contractors on the relevant lot will be evaluated, based on their framework rates for the required scope of work, and this will form the basis of the commercial assessment. The commercial assessment will then be scored in accordance with the pre-set evaluation criteria and combined with quality and Fair Work First scoring that the contractor achieved when appointed to the framework. This process is utilised to identify the preferred bidder for award, subject to the contractor's capacity which is confirmed post the assessment.

The council can use this process when it has a requirement to purchase works which are equal to or less than the thresholds noted in the table below:-

<b>Lot Number</b>	<b>Lot Description</b>	<b>Threshold for Mini Competition B (equal to or less than)</b>
1	Road Surfacing Works	£250,000
2	Civil Engineering Road Works – Minor value £250K or less	£250,000
4	Proprietary Thin Surfacing Treatments on Carriageways and Footways	£250,000
5	Proprietary Carriageway Repairs	£100,000
6	Proprietary Ironwork Repairs	£100,000
7	Vehicle Restraint Systems	£100,000
10	Anti-Skid / High Friction Surfacing	£50,000
13	Road and Decorative Lighting works, civil and electrical	£100,000
14	Landscape Construction & Ground Maintenance	£100,000
15	Tree works – Remedial and Emergency Works	£100,000
16	Playground Installation and Surfacing Works	£100,000

Works with a value greater than the above thresholds will be procured by conducting a Mini-Competition A process.

### 3.3 Mini Competition A process

Applicable to all lots. All contractors on the relevant lot are invited to mini-competition for the requirement and will submit either: -

- Option 1 – Pricing only specific to requirement with quality and fair work first scoring carried forward from framework or
- Option 2 – Pricing and Quality response specific to requirement.

## 4 **Contractor and Framework Management**

4.1 The council's Contract Management Assessment Tool (CMAT) has deemed this framework to be categorised as a medium management. The contractors will be monitored in line with our contract and supplier management process which includes tracking the contractors performance against the key performance indicators and working collaboratively to identify opportunities of improvement and innovation.

4.2 The agreed community benefits outcomes and Fair Work First commitments will be monitored via Cenefits which is a web based monitoring tool. We will also capture sustainable commitments within the CPU Sustainable Register.

## 5 **Policy and Resource Implications**

### **Resource Implications:**

#### *Financial:*

The framework was advertised with an estimated spend of up to £400m over the next 4 years.

Funding for projects during the framework period will come from various sources including services capital and revenue budgets, and external funding arrangements.

The potential impact to budgets has been set out in out in paragraph 2.5. Cost avoidance achieved will be reported on a contract-by-contract basis as appropriate.

#### *Legal:*

The report raises no new legal issues.

The Director of Legal and Administration will be responsible for concluding the framework.

*Personnel:* No direct personnel implications.

*Procurement:* The procurement process was carried out as outlined in section 1.7 above.

**Council Strategic Plan:** Grand Challenge 2, Mission 2.  
Grand Challenge 3, Mission 1.  
Grand Challenge 4, Mission 1.

**Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2021-25* Yes - the Sustainable Procurement Duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

*What are the potential equality impacts as a result of this report?* An EQIA was not required for this framework as there is no impact. This will be included in a project-by-project basis.

*Please highlight if the policy/proposal will help address socio economic disadvantage.* Fair Work First was included as part of the award criteria with a weighting of 5%. Contractors were assessed on their commitment to fair work practices for workers engaged in the delivery of this framework and those in the supply chain of the contractor.

See Appendix B which shows the key Fair Work Practice undertaken for each of the recommended appointed contractors.

The framework allows for community benefits to be requested as a mandatory requirement at mini-competition stage assessed at mini competition stage and via aggregated spend from the mini-competition B process.

See Appendix C which shows the mandatory points and thresholds for each Lot.

**Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:* Yes - Themes 3, 4, and 5 are supported via this framework.



Actions 22, 36, and 51 are supported via this framework.

*What are the potential climate impacts as a result of this proposal?*

This proposal will contribute to Glasgow's climate plan including reducing the City's carbon footprint, reducing emissions, increase in green infrastructure, and improved infrastructure for walking, cycling, and public transport.

*Will the proposal contribute to Glasgow's net zero carbon target?*

Yes, by improving infrastructure that will promote behaviour change and working in collaboration with contractors to support sustainable business practices.

**Privacy and Data Protection impacts:**

No data protection impacts identified.

## **6 Recommendations**

The Contracts and Property Committee is requested to approve the award of a framework agreement for civils and infrastructure core works and to appoint the contractors as listed at Appendix A.

**Appendix A - Contractors recommended for award within each Lot.**

Lot	Contractor Name	Companies House Number	Rank
1	Cairn Construction Ltd Hamilton Tarmac Hillhouse Quarry Group Limited JH Civil Engineering Limited John McGeady Ltd Luddon Construction Limited MacLay (Civil Engineering) Limited Newlay Civil Engineering Ltd Roadlay Ltd Tarmac Trading Limited	SC744683 Sole Trader SC135103 SC195621 SC080553 SC057943 SC058460 SC425918 SC627525 453791	Not Ranked
2	Cairn Construction Ltd Centregreat Limited Covanburn Contracts Limited George Leslie Limited Hamilton Tarmac Hillhouse Quarry Group Limited JH Civil Engineering Limited John McGeady Ltd Kelburne Construction Limited Lochwynd Limited Luddon Construction Limited MacLay (Civil Engineering) Limited Newlay Civil Engineering Ltd Rainton Construction (Scotland) Ltd RJ McLeod (Contractors) Limited Roadlay Ltd Stepford Contracts Ltd	SC744683 1169341 SC263761 SC251886 Sole Trader SC135103 SC195621 SC080553 SC068853 SC143213 SC057943 SC058460 SC425918 SC565812 SC028565 SC627525 SC644529	Not Ranked
3	Advance Construction (Scotland) Ltd Cairn Construction Ltd Centregreat Limited Covanburn Contracts Limited George Leslie Limited Hamilton Tarmac Hillhouse Quarry Group Limited I & H Brown Limited JH Civil Engineering Limited John McGeady Ltd Lochwynd Limited	SC202570 SC744683 1169341 SC263761 SC251886 Sole Trader SC135103 SC040891 SC195621 SC080553 SC143213	Not Ranked

Lot	Contractor Name	Companies House Number	Rank
	Luddon Construction Limited MacLay (Civil Engineering) Limited Newlay Civil Engineering Ltd Rainton Construction (Scotland) Ltd RJ McLeod (Contractors) Limited Stepford Contracts Ltd Wills Bros Civil Engineering Limited	SC057943 SC058460 SC425918 SC565812 SC028565 SC644529 7253083	
4	JH Civil Engineering Limited Kiely Bros Limited	SC195621 3487871	Not Ranked
5	Kiely Bros Limited	3487871	Not Ranked
6	Sharp Asphalt Ltd	6782185	Not Ranked
7	Highway Barrier Solutions Limited	NI67706	Not Ranked
8	John McGeady Ltd Hillhouse Quarry Group Limited Markon Limited Multevo Limited	SC080553 SC135103 SC076319 7308583	1 2 3 4
9	Mainline Road Marking Ltd WJ North Limited Markon Limited Central Traffic Management Limited	SC405761 2884681 SC076319 SC284264	1 2 3 4
10	Central Traffic Management Limited Mainline Road Marking Ltd Markon Limited WJ North Limited	SC284264 SC405761 SC076319 2884681	Not Ranked
11	Total Traffic Safety & Management Ltd Markon Limited Glenmavis Traffic Management Ltd Sunbelt Rentals Limited Central Traffic Management Limited Lochwynd Limited Contraflow Limited Class One Traffic Management Ltd	SC733046 SC076319 SC453478 444569 SC284264 SC143213 SC105179 SC160959	1 2 3 4 5 6 7 8
12	Covanburn Contracts Limited Hillhouse Quarry Group Limited	SC263761 SC135103	Not Ranked

Lot	Contractor Name	Companies House Number	Rank
	JH Civil Engineering Limited Luddon Construction Limited MacLay (Civil Engineering) Limited P1 Solutions Ltd Rainton Construction (Scotland) Ltd RJ McLeod (Contractors) Limited Stepford Contracts Ltd Wills Bros Civil Engineering Limited	SC195621 SC080553 SC058460 SC062396 SC565812 SC028565 SC644529 7253083	
13	Centregreat Limited Lightways (Contractors) Limited Pegasus Power and Communications Ltd	1169341 SC064413 SC209245	Not Ranked
14	Advance Construction (Scotland) Ltd Cairn Construction Ltd Covanburn Contracts Limited JH Civil Engineering Limited John McGeady Ltd Landcare Solutions (Scotland) Ltd M Squared (Scotland) Ltd P1 Solutions Ltd Stepford Contracts Ltd Tivoli Group Limited	SC202570 SC744683 SC263761 SC195621 SC080553 SC258750 SC479137 SC062396 SC644529 11120774	Not Ranked
15	Ayrshire Tree Surgeons Limited Covanburn Contracts Limited Ljx Ltd Tivoli Group Limited	SC351860 SC263761 SC344512 11120774	Not Ranked
16	Covanburn Contracts Limited John McGeady Ltd Landcare Solutions (Scotland) Ltd Landscapes and Contracts Limited M Squared (Scotland) Ltd Stepford Contracts Ltd	SC263761 SC080553 SC258750 SC223969 SC479137 SC644529	Not Ranked

## Appendix B - Fair Work Practices undertaken by Contractors

Suppliers	FWF Criteria Included
Advance Construction (Scotland) Ltd	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
Ayrshire Tree Surgeons LTD	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
Cairn Construction Ltd	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
Central Traffic Management Ltd	Real Living Wage, Inappropriate use of zero hours, Employee Voice, Flexible Working
Centre Great Ltd	Training and Development, Real Living Wage
Contraflow Ltd	Inappropriate use of zero hours, Training and Development, Employee Voice, Real Living Wage
Covanburn Contracts Limited	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
George Leslie Limited	Real Living Wage, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
Glenmavis Traffic Management Ltd	Real Living Wage, Inappropriate use of zero hours, Training and Development, Flexible Working
Hamilton Tarmac	Real Living Wage, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
HBS Ltd	Real Living Wage, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
Hillhouse Quarry Group Ltd t/a MacAsphalt	Real Living Wage, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
I & H Brown Ltd	Real Living Wage, Inappropriate use of zero hours, Training and Development
J H Civil Engineering Ltd	Real Living Wage, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
John McGeady Ltd	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working

Suppliers	FWF Criteria Included
Kelburne Construction	Real Living Wage, Inappropriate use of zero hours
KIELY BROS LTD	Real Living Wage, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
Landcare Solutions (Scotland) Ltd	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
Landscapes and Contracts	Real Living Wage, Inappropriate use of zero hours, Training and Development, Fire and Rehire, Flexible Working
Lightways (Contractors) Ltd	Real Living Wage, Inappropriate use of zero hours, Training and Development, Fire and Rehire, Employee Voice, Flexible Working
LIX LTD	Real Living Wage, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
Lochwynd Ltd	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
Luddon Construction Ltd	Real Living Wage, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
M Squared Scotland LTD	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
MacLay Civil Engineering Ltd	Real Living Wage, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
MAINLINE ROADMARKING LTD	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire
Markon Limited	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
Multevo Ltd	Training and Development, Inappropriate use of zero hours, Real Living Wage, Fire and Rehire
Newlay Civil Engineering	Fire and Rehire, Employee Voice
P1 Solutions Ltd	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working

Suppliers	FWF Criteria Included
Pegasus Power & Communications Ltd	Real Living Wage, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
Rainton Construction (Scotland) Limited	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
RJ McLeod (Contractors) Ltd	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
Roadlay Ltd	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
SHARP ASPHALT	Employee Voice, Training and Development, Real Living Wage, Flexible Working
Stepford Contracts Ltd	Real Living Wage, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
Sunbelt Rentals Limited	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Flexible Working
Tarmac Limited	Real Living Wage, Inappropriate use of zero hours, Gender Pay Gap, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
Tivoli Group Ltd	Inappropriate use of zero hours, Training and Development, Employee Voice, Flexible Working
Total Traffic Safety & Management Ltd	Real Living Wage, Training and Development, Employee Voice, Flexible Working
Wills Bros Civil Engineering Ltd.	Real Living Wage, Gender Pay Gap, Inappropriate use of zero hours, Training and Development, Employee Voice, Fire and Rehire, Flexible Working
WJ Scotland (a trading division of WJ North Ltd)	Inappropriate use of zero hours, Real Living Wage, Flexible Working

## Appendix C - Community Benefits provision under the framework

### Mini-Competition A - Works Contracts > £500k (>£50k City Deal)

As part of the mini-competition, Bidders will be requested to complete a Community Benefits Menu and offer Community Benefits that meets the CBP's specified within the Invitation to Mini-Competition document. The CBP's requested will be in accordance with the estimated value and duration of the contract per the table below.

<b>COMMUNITY BENEFITS MATRIX</b>					
<b>Works Contracts – Mini-Competition A</b>					
<b>Value</b>	<b>Duration</b>				
	<b>Up to 6 Months</b>	<b>6 to 12 Months</b>	<b>12 to 24 Months</b>	<b>24 to 36 Months</b>	<b>36 to 60 Months</b>
£50k - £99k	5	5	5	5	5
£100k - £249k	5	5	10	10	15
£250k - £499k	10	20	30	40	50
£500k - £999k	40	40	50	50	60
£1m - £2.99m	50	50	60	70	80
£3m - £4.99m	70	70	80	90	100
£5m - £9.99m	90	100	110	120	130
£10m - £19.99m	120	130	140	150	160
£20m - £30m	150	160	170	180	190



## Appendix C (Cont.d) - Community Benefits provision under the framework

Mini-Competition B and Direct Awards - Works Contracts < £500k (excluding City Deal)

An aggregated award value process will be utilised for provision of Community Benefits.

The aggregation is inclusive of all mini-competition B and direct awards across all lots under this framework. Where a contractor reaches aggregate award value thresholds shown in the table below, they are required to commit to deliver community benefit outcomes to the value of the CBP's shown for the threshold.

<b>COMMUNITY BENEFITS MATRIX</b> <b>Works Contracts – Aggregated mini-competition B and direct awards</b>		
<b>Aggregate Award Values Threshold</b>	<b>Community Benefit Points (CBP's) to be provided</b>	<b>Cumulative CBP total</b>
£500k	60	
£1m	20	80
£3m	20	100
£5m	30	130
£10m	30	160
£20m	30	190