

21st Century Homes for Edinburgh– Appointment of Contractor for Greendykes Phase C

Finance and Resources Committee

31 July 2012

Purpose of report

- 1 To request Committee approve the award of a contract to build 60 new affordable homes at the Greendykes Phase C site as part of the 21st Century Homes for Edinburgh Programme.

Main report

- 2 At the 11 October 2011 meeting of the Health, Social Care and Housing Committee approval was granted to procure a contractor to build 60 new homes at the Greendykes 'C' site. A map of the area is shown at Appendix 1.
- 3 Originally part of the PARC regeneration project in Craigmillar, responsibility for completing the design, procurement and construction was transferred to the 21st Century Homes for Edinburgh Programme within Services for Communities. This Programme will see the delivery of up to 1400 new homes for sale and rent across key regeneration sites in the city.
- 4 Funding for part of the project was secured from the Scottish Government Innovation & Investment Fund in September 2011. This funding will subsidise 14 social rented homes with the remainder of the site (46 homes) proposed for mid market rent. This will provide a total of 60 homes on the Greendykes 'C' site.
- 5 The tender was undertaken following Official Journal of the European Union (OJEU) requirements. In line with these requirements the contract was advertised in the European Journal on 26 January 2012. Twenty-three contractors originally expressed an interest in the project with 17 contractors submitting fully completed Pre Qualification Questionnaires (PQQs) for evaluation. These were assessed against pre-set selection criteria and the five bidders short-listed to the tender stage and invited to submit tenders were:
 - Lovell Partnership Ltd
 - Hart Builders (Edinburgh) Ltd
 - T&A Kernoghan
 - CBC Property & Construction Group
 - CCG Ltd

- 6 The formal tendering process has now been concluded and all five short-listed contractors returned tenders on 25 June 2012. The process was administered by the Council's Corporate Procurement Team and included a two stage process to evaluate quality through the PQQs and the tenders. The assessment processes and procedures were carried out in compliance with the Public Contracts (Scotland) Regulations 2006. The Council's Legal Services Team provided advice during the selection process to ensure compliance with procurement legislation. The weightings for the selection of the contractor were 60/40 (quality/price).
- 7 The five tender returns were checked for technical compliance and were all deemed compliant by the evaluation panel which comprised representatives from the City of Edinburgh Council and the externally appointed cost consultants.
- 8 As all five tenderers passed the quality threshold which was necessary to permit the commercial tenders to be opened, the costs were then examined and scored in accordance with pre-determined award criteria. David Adamson & Partners, the project cost consultants, undertook a separate analysis and arithmetical check of the commercial tenders. All five tender submissions were confirmed as being fully compliant from a technical and commercial perspective.
- 9 The five short-listed contractor's scores were as follows:

Principal contractor procurement scores:

Company	Quality Score	Price Score	Combined Total
Hart	56.1	32.8	88.9
CBC	54.5	30.6	85.1
Lovell	44.8	40.0	84.8
TA Kernoghan	49.2	32.5	81.6
CCG	49.4	32.0	81.3

- 10 Following detailed analysis of the tender returns, the most economically advantageous tender is considered to be that from Harts (Edinburgh) Ltd in the sum of £5,132,401.00. Harts (Edinburgh) Ltd achieved a Quality Score of 56.1 and a Price Score of 32.8 a combined overall score of 88.9.
- 11 In accordance with OJEU regulations all bidders will be notified of the results of the tendering process and start the mandatory standstill process which requires at least a 10-day standstill period for any feedback and/or challenge by the unsuccessful contractors before the contract is awarded.

Financial Implications

- 12 The total value of the contract was estimated at between £5m and £5.5m. The contract price is within this budget and funding has been allocated as part of the 21st Century Homes capital budget within the Housing Revenue Account.
- 13 The contract price will also be subsidised by Scottish Government funding of £420,000 towards the cost of building the new homes for social rent.

Equalities Impact

14 There are no direct equalities impact arising from this report.

Environmental Impact

15 This investment will result in the provision of much needed new quality affordable houses which will be energy efficient and comply with current building standards.

Recommendations

16 Committee is recommended to:

Approve the appointment of Harts (Edinburgh) Ltd as the Contractor to build 60 affordable homes on the Greendykes Phase C development as part of the 21st Century Homes for Edinburgh Programme.

Mark Turley
Director of Services for Communities

Appendices	Appendix 1 –Map of Greendykes Phase C
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Wards affected	17 – Portobello/Craigmillar
Single Outcome Agreement	Single Outcome 10 – We live in well designed, sustainable places where we are able to access the amenities and services we need. Single Outcome 12 – We value and enjoy our built and natural environment and enhance it for future generations.
Background Papers	21 Century Homes for Edinburgh Business Plan Scottish Government Innovation and Investment Fund – Report to Health, Social Care and Housing Committee, 11 October 2011 *

Appendix 1 – Map of Greendykes 'C'

