

For Approval

To: The Chair, Vice Chair and Director
From: The Technical Services Manager
Subject: 48 Linnhead Drive – Tender Acceptance

1. Introduction/Purpose

1.1 The purpose of this report is to seek approval to appoint a contractor to carry out the refurbishment works of 5 flats and the close at 48 Linnhead Drive.

2. Background

2.1 We acquired these flats as part of our Acquisition Strategy at the Glenmuir Estate as individual acquisitions and several were subject to Compulsory Purchase Orders raised by GCC. The proposal is to refurbish the vacant flats along with refurbishment of the close. These properties and close were subject to fire damage several years ago. GCC have agreed to fund 50% of the works costs to the flats and 100% of the works costs to the close.

3. Refurbishment Works

3.1 Tender Process

3.1.1 Contractors were invited via Public Contracts Scotland website as a single stage competition to submit tenders. Tenders were received from four parties and evaluated on both price (60%) and quality (40%).

3.1.2 This approach is in accordance with the Purchasing, Procurement and Tenders Policy.

3.2 Tender Evaluation Report

3.2.1 The tender evaluation report has been prepared by Reid Associates and is contained in Appendix A for Committee's consideration. Please note all figures contained in Reid Associates report are exclusive of VAT.

3.2.2 In summary the report details the tender process, and a cost/quality evaluation of the tenders received and recommends the tender from MPMH be considered for acceptance. As the tender by MPMH was the best value tender by only a fine margin it was suggested that references be sought.

3.2.3 Positive references were received from the references provided by MPMH and further discussions with MPMH took place to gauge their overall interest in delivering the project for Rosehill. These were positive discussions.

3.3 Contract Sum

3.3.1 MPMH’s tender sum is £620,098.73 exclusive of VAT. Inclusive of VAT it is £744,118.48.

4. Budget v Contract Sum

4.1 As these works will only commence next financial year adequate budget provision will be made in the annual budget and 30 year financial projections. Further clarification on the exact amount GCC will provide in the form of a grant are currently being sought based on the tender return. Assurances have previously been sought from and given by GCC that funding will be made available.

5. Risk

5.1 When considering the refurbishment works at 48 Linnhead Drive we have identified the main risks under the following risk categories and the measures we have taken to mitigate such risks.

Risk Category	Mitigating Measure
Financial - <ul style="list-style-type: none"> • Poor contract management could lead to unknown increased costs • Building Warrant Not yet Granted potential abortive and / or increased costs due to delay. • Grant not awarded 	Having a reporting system in place along with using inhouse skills to manage the contract. Work closely with GCC to ensure this is granted on time. Awarding the contract pre building warrant we would only be liable for any abortive initial contract set up costs as no work would be commenced. Assurance by GCC that grant will be given previously sought.
Reputation- <ul style="list-style-type: none"> • Not delivering on our business plan objectives leading to tenant and GCC dissatisfaction 	Award Contract
Property/ Stock Condition- <ul style="list-style-type: none"> • Not refurbishing empty properties 	Award Contract

6. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
Delivery of refurbishment works	1. Provide high quality, affordable homes 3. Deliver value for money

7. Application of our Core Values

Area	Related Core Value(s)
Delivery of refurbishment works	Engaged and Responsive Fair and Approachable Accountable and Compliant

8. Compliance and Assurance

8.1 Awarding a refurbishment contract to provide new homes contributes to good governance. This approach means we are compliant with Regulatory requirements as follows:

Compliance Source	Details
The Scottish Social Housing Charter	4. Quality of Housing 5. Repairs, maintenance and improvements 13. Value for Money

8.2 Evidence Bank

Evidence	Assurance Exercise Location
• Tender Report	The Scottish Social Housing Charter

8.2.1 Committee is reminded that our Assurance Exercises are available in the Committee Log-in Area of our website, which Committee can access at any time.

9.0 Summary/Conclusions/Recommendations

9.1 In summary to deliver the refurbishment works of 5 flats and the close at 48 Linnhead Drive we need to employ a contractor to carry out these works. The appointment is based on best value tender.

9.2 Risk has been considered at Section 5.

- 9.3 Section 6 shows how carrying out these works, contributes to the delivery of our strategic objectives.
- 9.4 Section 7 shows how carrying out these works, contributes to the application of our Core Values.
- 9.5 You are asked to consider the above and approve the appointment of MPMH in the amount of £744,118.48 inclusive of VAT.

TENDER EVALUATION

CLIENT: ROSEHILL HOUSING ASSOCIATION
TITLE: 48 LINNHEAD DRIVE
REFURBISHMENT OF EXISTING BLOCK OF FLATS

QUANTITY SURVEYOR: REID ASSOCIATES
ADDRESS: 13 SANDYFORD PLACE
GLASGOW
G3 7NB
TEL: 0141 248 6545

JANUARY 2025



ROSEHILL HOUSING ASSOCIATION

48 LINNHEAD DRIVE

REFURBISHMENT OF EXISTING BLOCK OF FLATS

TENDER EVALUATION

1.0 TENDER DOCUMENTS

Tender Documents were issued by Reids via the Public Contracts Scotland as a single stage procedure on 18th October 2024 for return not later than 12 noon on 22nd November 2024.

2.0 TENDER RETURN

TENDERER	TENDER AMOUNT
1. Go-Wright	£594,171.54
2. MPMH	£597,624.27
3. CCG	£630,458.23
4. Lochlie	£722,271.61

2.1 The Tenders were checked in accordance with Alternative 2 of JCT Tendering 2017 Practice Note and the amounts are noted below:

TENDERER	CORRECTED TENDER AMOUNT
1. Go-Wright	£594,171.54
2. MPMH	£620,098.73
3. CCG	£636,418.80
4. Lochlie	£722,271.61

3.0 QUALITY/ PRICE ASSESSMENT

3.1 See Appendix A for details.

4.0 COMMENTS ON TENDERERS IN FIRST AND SECOND PLACE AFTER QUALITY/ PRICE ASSESSMENT

4.1 MPMH

4.1.1 Clerical errors, summation and tender qualifications has increased this offer by £22,474.46.

4.1.2 The tenderer issued a letter with tender clarifications as part of their offer. We would highlight the following:

4.1.2.1 The tenderer noted that the M&E and TV/ Satellite installations costs were provisional. The tenderer was asked to remove the provisional sum. The tenderer confirmed an addition of £11,865 to their offer to remove the provisional sums.

4.1.3 The tenderer excluded 12 months maintenance of landscaping from their offer. The tenderer was asked to remove the exclusion. The tenderer confirmed an addition of £9,791.25 to remove the exclusion.

- 4.1.4 The tenderer was asked to confirm rates for Martec close entrance door as they appeared low in comparison. The tenderer confirmed an addition of £10,495.01 to price the correct product.
- 4.1.5 Clear and obvious pricing errors within the electrical works decreased the tenderers offer by £9,676.80.
- 4.1.6 The tenderer confirmed the proposed sub-contractors for the following works: demolition, metal works, roofing, window film, PVC windows, decoration, flooring, tiling and electrical.
- 4.1.7 The tenderer was asked to confirm that they had priced the M&E works as per the M&E drawings and specification as their tender allowance appeared low in comparison. The tenderer since confirmed that they had priced as per the M&E drawings and specification and that all required plant was included.

4.2 CCG

- 4.2.1 Clerical errors, summation and tender qualifications has increased this offer by £5,960.57.
- 4.2.2 The tenderer issued a letter with tender clarifications as part of their offer. We would highlight the following:
 - 4.2.2.1 The tenderer included a provisional sum for supply and installation of blown cavity insulation. The tenderer was asked to remove the provisional sum. The tenderer confirmed an addition of £3,747.45 to their offer to remove the Provisional Sum.
 - 4.2.2.2 The tenderer included a provisional sum for supply and install of heat meters for the heating system. The tenderer was asked to remove the provisional sum. The tenderer confirmed an addition of £2,213.12 to their offer to remove the provisional sum.
 - 4.2.2.3 The tenderer's kitchen unit price is based on JTC Bellini range. Rosehill Housing have since confirmed that this is an acceptable equal and approved product.
 - 4.2.2.4 The tenderer's white goods price is based on BEKO as a substitute for Zanussi, following advice that Zanussi is being discontinued. Rosehill Housing have since confirmed that this is an acceptable equal and approved product.
 - 4.2.2.5 The tenderer's offer allows for Martec Premier shield door. They were advised by Martec that this product supersedes the specified premier plus door. The Architect, John Gilbert, has contacted Premier to check the specification however doesn't see any issues if the door supersedes the specified door and is still SBD compliant.
 - 4.2.2.6 The tenderer confirmed that they have priced the windows on an alternative specification to Walker Profiles. John Gilbert Architects are currently reviewing the alternative specification however do not envisage costs increasing from the tender value.
- 4.2.3 The tenderer was asked to confirm that they had priced the heating system as per the M&E drawings and specification as their tender allowance appeared low in comparison. The tenderer has since confirmed that they had priced as per the M&E drawings and specification.

5.0 TENDER RETURN BREAKDOWN - MPMH & CCG

- 5.1 See Appendix B for a breakdown of MPMH and CCG's tender returns.

6.0 TENDER EXPIRY DATE

- 6.1 Tenders remain open for acceptance until 20th February 2025.

7.0 SUMMARY STATEMENT

7.1 As you will see from Appendix A, MPMH are the best value tenderer by a very fine margin.

As Go-Wright's (the lowest priced tenderer) was not fully analysed due to their quality score, we also carried out the calculation in Appendix A excluding their tender offer and we can confirm that MPMH were still the top ranked bidder.

6.2 Reids advised that we anticipated tender costs to be around the £600,000.00 mark. Although only one offer received was within the cost estimate bracket, we believe that both offers from MPMH and CCG are 'fair and reasonable'.

6.3 Rosehill may wish to explore cost savings, Reids are happy to work with all parties to collate a suggested savings list.

6.4 Rosehill may also take the opportunity to contact client's referenced in response to Question 1 of the quality assessment questionnaire before awarding the contract.

13 Sandyford Place
Glasgow
G3 7NB

17th January 2025

Reported



Chartered Quantity Surveyors

ROSEHILL HOUSING ASSOCIATION

48 LINNHEAD DRIVE

REFURBISHMENT OF EXISTING BLOCK OF FLATS

TENDER EVALUATION

APPENDIX A

QUALITY/ PRICE ASSESSMENT

1.0 GENERAL

1.1 The evaluation criteria for selecting the contractor is on a Quality/ Price basis (40%/ 60%).

2.0 QUALITY ASSESSMENT

2.1 The Quality Assessment document was examined by Rosehill Housing Co-operative Limited and the average scoring is noted below:

<u>Tenderer</u>	<u>Average Score (100)</u>	<u>Adjusted Score</u>
CCG	79.67	100.00
MPMH	77.00	96.65
Lochlie	63.67	79.92
Go-Wright	48.00	60.25

3.0 PRICE ASSESSMENT

3.1 The Tender prices are detailed in the main report as follows. Full marks is awarded to the lowest tenderer.

<u>Tenderer</u>	<u>Price</u>	<u>+ On Lowest Tender</u>	<u>%</u>	<u>Score</u>
Go-Wright	£594,171.54	0	0.00	100.00
MPMH	£620,098.73	£25,927.19	4.36	95.64
CCG	£636,418.80	£42,247.26	7.11	92.89
Lochlie	£722,271.61	£128,100.07	21.56	78.44

4.0 OVERALL QUALITY/ PRICE ASSESSMENT

4.1 We detail below the final weighted Quality/ Price assessment:

<u>Tenderer</u>	<u>Quality Score (40%)</u>		<u>Price Score (60%)</u>		<u>Total Score</u>
MPMH*	96.65 x 0.40 =	38.66	95.64 x 0.60 =	57.38	96.04
CCG	100.00 x 0.40 =	40.00	92.89 x 0.60 =	55.73	95.73
Go-Wright	60.25 x 0.40 =	24.10	100.00 x 0.60 =	60.00	84.10
Lochlie	79.92 x 0.40 =	31.97	78.44 x 0.60 =	47.06	79.03

* Best Value Tenderer after Quality/ Price Assessment.

ROSEHILL HOUSING ASSOCIATION

48 LINNHEAD DRIVE

REFURBISHMENT OF EXISTING BLOCK OF FLATS

TENDER EVALUATION

APPENDIX B

TENDER RETURN BREAKDOWN - MPMH & CCG

	MPMH	CCG
Prelims	135,501.77	172,264.94
Downtakings	75,120.00	76,131.65
Site Excavations	1,920.00	440.18
Concrete	6,655.00	4,929.20
Masonry	1,312.50	807.15
Joinery/ Steelwork	40,918.73	27,007.13
Roofing	2,397.72	6,206.20
Linings	33,086.07	33,020.11
Windows & Doors	63,931.15	56,630.07
Surface Finishes	36,075.40	30,829.94
Fittings & Furniture	20,957.72	22,316.13
Building Fabric Sundries	25,823.76	27,642.83
Site Works	13,700.00	4,957.78
M&E	<u>115,720.40</u>	<u>126,429.83</u>
	573,120.22	589,613.14
Provisional Sums/ Dayworks	<u>17,450.00</u>	<u>16,500.00</u>
	590,570.22	606,113.14
Contingencies	<u>29,528.51</u>	<u>30,305.66</u>
	<u>£ 620,098.73</u>	<u>£ 636,418.80</u>