

ANGUS COUNCIL

INFRASTRUCTURE SERVICES COMMITTEE

25 AUGUST 2009

B9128 HILLEND JUNCTION IMPROVEMENTS
ACCEPTANCE OF TENDER

REPORT BY THE DIRECTOR OF INFRASTRUCTURE SERVICES

ABSTRACT

This report gives details of the tenders received for the construction of the B9128 Hillend Junction Improvements and recommends acceptance of the lowest tender submitted by Dundee Plant Co. Ltd.

1 RECOMMENDATIONS

1.1 It is recommended that the Committee:

- i) agree to the acceptance of the lowest tender, that of Dundee Plant Co. Ltd. for the construction of the B9128 Hillend Junction Improvements for the sum of £250,541.74;
- ii) note the financial provision for the project.

2 BACKGROUND

- 2.1 The background to the B9128 Hillend Junction Improvements has been set out in Report No. 252/07 B9128 Hillend Junction Improvements, Select List of Tenderers, Acquisition of Land and Issue of Tenders – Infrastructure Services Committee – 8 March 2007; and Report No. 952/07 B9128 Hillend Junction Improvements – Update – Infrastructure Services Committee – 16 October 2007.
- 2.2 An advertisement for suitable contractors was placed in The Scotsman, The Courier and The Contract Journal in March 2007 following which 14 applications were received.
- 2.3 The applicants were assessed as per paragraph 3.4 of Report No. 252/07 and the five most suitable contractors were informed that they had been selected for the final tender list.
- 2.4 As the works were originally planned for the summer of 2007 it was necessary at the time to compile a select list of tenderers, issue the tender and progress the land purchase during a period when the council was in recess due to the timing of the forthcoming local elections at that time.
- 2.5 At the time the committee granted an exemption from paragraph 16.6.8 of the Financial Regulations to give the Head of Roads in conjunction with the Head of Finance delegated authority to compile a select list of tenderers, invite tenders and progress the purchase of the land in conjunction with the Head of Property and the Head of Law & Administration.
- 2.6 Because of delays and complications outwith the Council's control regarding the purchase of land, the Council have only now been in a position to issue tenders. The purchase of the final section of land was completed on 6 August 2009.

- 2.7 The 5 (no). tenderers from the original select list were contacted earlier this year and asked if they would still be interested in tendering for the works. The Head of Roads was satisfied they should still be considered to tender for the works based on their original submission to be included on the tender list. After submitting their most recent set of accounts the original list of tenderers were also approved by the Head of Finance as still suitable to tender for the works.
- 2.8 In accordance with the Council's Financial Regulations Tayside Contracts were also invited to tender bringing the number of tenders to be invited to six. The full list set out below is in no particular order:

Carillion Regional Civil Engineering	Huntershill Village 102 Crowill Road GLASGOW G64 1RP
Clachan Construction Limited	Ruthvenfield Road Inveralmond Industrial Estate PERTH PH1 3EE
Torith	Drumoig House Forgan Drive Drumoig Fife KY16 0DW
Ennstone Thistle Limited	Ennstone House Ethiebeaton Quarry Kingennie MONIFIETH Angus DD5 3RG
Dundee Plant	Longtown Street Dundee DD4 8LF
Tayside Contracts	Contracts House 1 Soutar Street Dundee DD3 8SS

3 **DETAILS**

- 3.1 Tender documents were issued by the Head of Roads on 14 July 2009 to the above six contractors. Tenders were returned on Friday 14 August 2009 and subsequently opened all in accordance with the Council's Financial Regulations.
- 3.2 Details of the tenders returned are as follows:-

Tenderer	Tender Sum £	Arithmetically Corrected Tender Sum £
Carillion Regional Civil Engineering	Did not submit tender	-
Clachan Construction Ltd	323,059.45	323,059.46
Torith Ltd	277,614.30	277,614.30
Ennstone Thistle Ltd	283,673.45	283,673.45
Dundee Plant Co. Ltd	244,151.74	250,541.74
Tayside Contracts	271,753.95	271,753.95

- 3.2 The 5 (no) tenders returned have been checked by the Head of Roads and the general level of pricing contained within the lowest tender is considered to be competitive having regard to the nature of the work involved.

4 FINANCIAL IMPLICATIONS

- 4.1 Provision has been made in the current Roads Capital Budget 2009/2010 to fund the project as part of the 2008/2012 Financial Plan as detailed below:

Financial Plan 2008/2012

B9128 Hillend Junction Improvements	Estimated Total Cost £000	Actual Costs to 31/3/09 £000	Provisional Budget 2009/2010 £000	Estimated Costs 2010/2011 £000
Roads	430	51	365	14
Total	430	51	365	14

- 4.2 The overall cost of the B9128 Junction Improvements can be broken down as follows:-

	£
Construction Costs (per lowest tender)	250,542
Land Acquisition (incl. fees)	7,000
Preparatory works incl site investigation	25,000
Engineering Admin.	26,000
Contract Preparation / Site Supervision	32,000
Contingencies	10,000
TOTAL	<u>350,542</u>

- 4.3 The project costs can be contained in the current Financial Plan and the balance will be reallocated to other capital projects within the 2009/10 Capital Financial Plan at its next review.

- 4.4 There are no significant revenue budget implications arising from this report other than the loan repayments on the borrowing required for the project which will be on average approximately £30,500 per annum over a loan period of 20 years.

5 HUMAN RIGHTS IMPLICATIONS

- 5.1 There are no human rights implications arising from the proposals in this report.

6 EQUALITIES IMPLICATIONS

- 6.1 The issues dealt with in this Report have been the subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment is not required.

7 SINGLE OUTCOME AGREEMENT

- 7.1 This report contributes to the following local outcome(s) contained within the Single Outcome Agreement for Angus.

- Communities in Angus are safe, secure and vibrant.

8 CONSULTATION

- 8.1 The Chief Executive, Director of Corporate Services, Head of Finance, Head of Law and Administration, and Head of Property Services were consulted in the preparation of this report.

9 **CONCLUSION**

- 9.1 On the basis of the tenders received it is recommended that the Committee approve the acceptance of the lowest tender for the construction of the B9128 Hillend Junction Improvements submitted by Dundee Plant Co. Ltd. checked in accordance with the Financial Regulations for the sum of £250,541.74.

ERIC S LOWSON
DIRECTOR OF INFRASTRUCTURE SERVICES

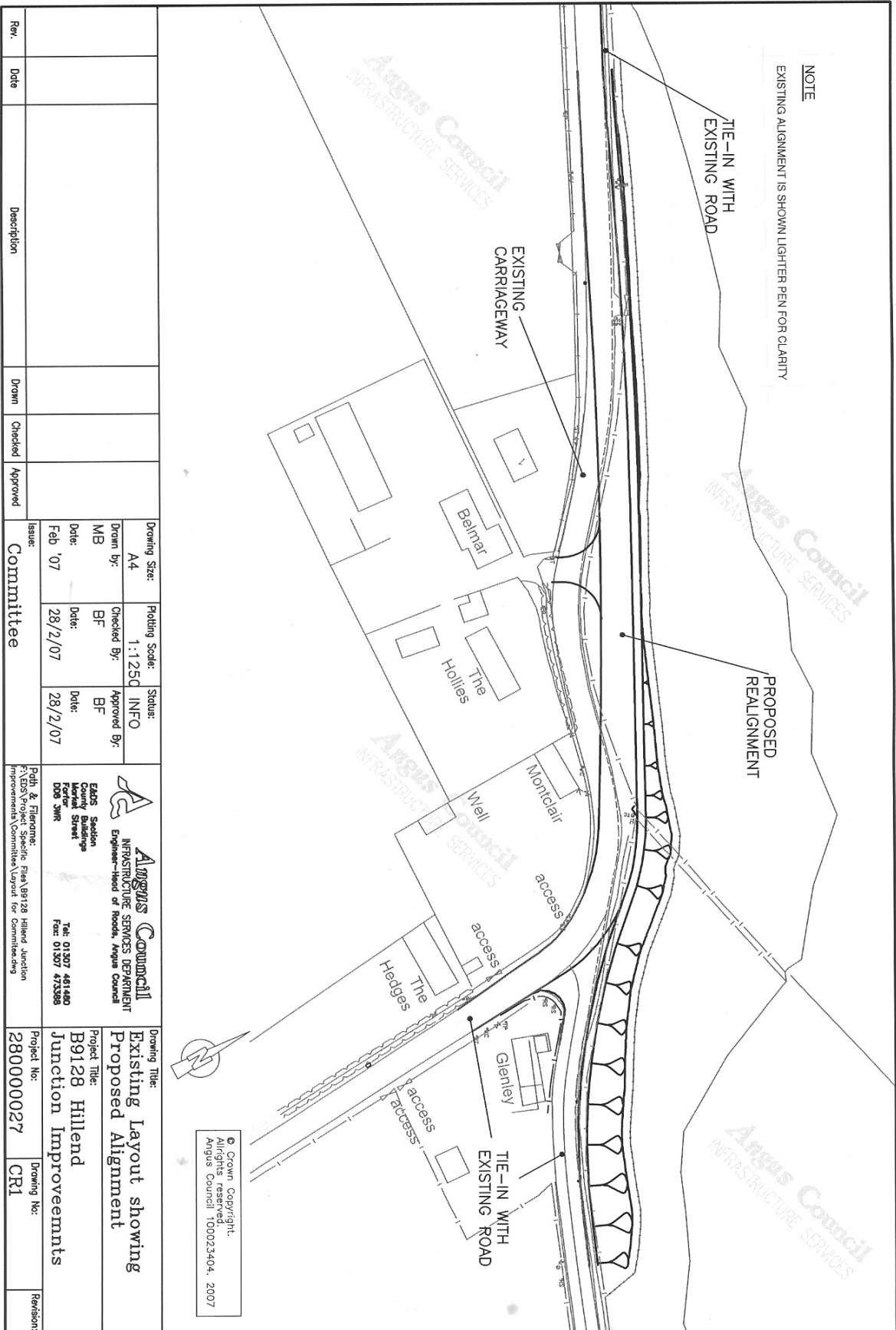
NOTE:

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this Report:-

Report No. 252/07 - B9128 Hillend Junction Improvements, Select List of Tenderers, Acquisition of Land and Issue of Tenders - Infrastructure Services Committee - 8 March 2007.

Report No. 952/07 – B9128 Hillend Junction Improvements – Update – Infrastructure Services Committee – 16 October 2007.

Roads/JG/BF



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