

Clerk Name: Mark Hamill
Clerk Telephone: 07811294702
Clerk Email: hamillm@northlan.gov.uk



23 April 2024

Members of the Council

Chief Executive's Office

Archie Aitken
Chief Officer (Legal & Democratic)
Civic Centre, Windmillhill Street,
Motherwell ML1 1AB
www.northlanarkshire.gov.uk

Notice is given that a Meeting of the **Council** is to be held in the Council Chamber, Civic Centre, Windmillhill Street, Motherwell, ML1 1AB on Thursday, 02 May 2024 at 16:00 PM which you are requested to attend.

The agenda of business is attached.

Des Murray
Chief Executive

Members :

D Ashraf, A Ballinger, C Barclay, B Baudo, A Beveridge, M Boyd, H Brannan-McVey, G Brennan, B Burgess, A Bustard, J Cairns, A Campbell, T Carragher, C Costello, M Coyle, S Coyle, D Crichton, G Currie, P Di Mascio, K Docherty, K Duffy, A Duffy-Lawson, H Dunbar, T Fisher, F Fotheringham, W Goldie, K Harmon, M Hughes, J Hume, L Jarvie, D Johnston, T Johnston, J Jones, P Kelly, J Keltie, A Khan, K Larson, J Leckie, G Lennon, J Logue, H Loughran, F MacGregor, A Masterton, M McBride, B McCluskey, A McCrory, B McCulloch, M McCulloch, P McDade, F McKay, R McKendrick, J McLaren, C McManus, F McNally, M McPake, J McPhilemy, A McVey, L Mitchell, L Nolan, P Patton, J Reddin, L Roarty, D Robb, G Robinson, N Shevlin, W Shields, A Smith, K Stevenson, A Stubbs, L Stubbs, R Sullivan, A Thomas, J Toner, S Watson, C Williams, N Wilson, G Woods.

Agenda

- 1 **Declarations of Interest In Terms of the Ethical Standards In Public Life Etc. (Scotland) Act 2000**
- 2 **Membership of Committees, Sub-Committees, Panels, Working Group and Outside Bodies**
- 3 **The Enterprise Strategic Vehicle – Housing and Corporate Maintenance and Improvement Services Contract – Project Timeline** 5 - 34
Submit report by the Chief Officer (Assets and Procurement) providing a high level summary of the key project activity, including a synopsis of the previous reports provided to elected members and audit reports as they relate to the Housing and Corporate Maintenance and Improvement Contract element of the Enterprise Project.

EXCLUSION OF PUBLIC
The Council is asked to consider passing the following resolution: "That under Section 50A(4) of the Local Government (Scotland) Act 1973, the public be excluded from the meeting for agenda item 4 only on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 7A of the Act".
- 4 **Updated Risk Analysis – Housing and Corporate Maintenance and Improvement Services Contract**
Submit Joint report by the Depute Chief Executive and Chief Officer (Finance) advising of the risks presented by not awarding the new Enterprise Strategic Vehicle – Housing and Corporate Maintenance and Improvement Services Contract.
- 5 **The Enterprise Strategic Vehicle – Housing and Corporate Maintenance and Improvement Services Contract – Contract Award** 35 - 86
Submit joint report by the Chief Officer (Assets and Procurement), Chief Officer (Housing Property Services) and Chief Officer (Housing Management) seeking approval to award the contract for the future delivery of Housing and Corporate Maintenance and Improvement Services to Mears Limited following the completion of a procurement exercise undertaken in accordance with the Public Contracts (Scotland) Regulations 2015 and the Council's General Contract Standing Orders

North Lanarkshire Council Report

Council

Does this report require to be approved? ☐ Yes ☒ No

Ref JMcK/GP

Date 02/05/24

The Enterprise Strategic Vehicle – Housing and Corporate Maintenance and Improvement Services Contract – Project Timeline

From James McKinstry Chief Officer (Assets and Procurement)

E-mail mckinstryj@northlan.gov.uk

Telephone 07939281102

Executive Summary

The purpose of this report is to provide the Council with a high level summary of key project activity, including a synopsis of the previous reports provided to elected members and audit reports as they relate to the Housing and Corporate Maintenance and Improvement Contract element of the Enterprise Project.

Recommendations

It is recommended that the Council note the content of the report.

The Plan for North Lanarkshire

Priority All priorities

Ambition statement (24) Review and design services around people, communities, and shared resources

1. Background

Members will recall a series of reports to the Policy and Strategy Committee and the Council regarding the Enterprise Strategic Vehicle, updating on the progress and development of the Enterprise Project and in its previous form, the Enterprise Strategic Commercial Partnership.

At the meeting of the Council on 28 March 2024, it was decided that a report be provide to the next meeting of the Council providing a synopsis of these reports, the project timeline and a summary of key activity as they relate to the Housing and Corporate Maintenance and Improvement Contract element of the Enterprise Project.

2. Report

- 2.1 Initial planning and development of the Enterprise Strategic Vehicle concept commenced in late 2018. Since 2018, elected members have received a number of reports in relation to the Enterprise Project and in its previous form, the Enterprise Strategic Commercial Partnership. These reports included related project planning and development activity, sought approval for key project decisions, notified the outcomes of the various stages of the procurement exercise and provided general progress updates.
- 2.2 Internal audit has reported on the Enterprise Project, or its previous incarnation, on four separate occasions, the latest report being February 2024.
- 2.3 A synopsis of the previous reports provided to elected members, along with a summary of key activity and audit reports as they relate to the Housing and Corporate Maintenance and Improvement Contract element of the Enterprise Project is provided in Table 1.

Table 1

Ref	Date	Activity
1.	Dec 2018 – Feb 2019	Initial planning/development of Enterprise Strategic Vehicle concept.
2.	28 Feb 2019	<u>Report to the Policy and Strategy Committee</u> <ul style="list-style-type: none">• initial planning undertaken to support the development of an Enterprise Contract;• initial stages of the procurement of an Enterprise Contract for North Lanarkshire, including the consideration of potential delivery vehicle options;• procurement of appropriate specialist advice to support the procurement exercise; and• a Prior Information Notice to be published to notify the market of the Council's intention to procure a new delivery vehicle for a range of interconnected property, community asset and infrastructure investments.
3.	26 Sept 2019	<u>Report to the Policy and Strategy Committee</u> <ul style="list-style-type: none">• scope agreed for the Enterprise Strategic Commercial Partnership for the purposes of developing the final Outline Business Case;• final Outline Business Case, including the final recommended approach for the main procurement, will be provided a future meeting of the Committee for consideration; and• existing contracts be kept under review, with the option of implementing extensions until the Enterprise Partnership fully in place.
4.	Nov 2019	Pre Procurement - Prior Information Notice published - Enterprise Strategic Commercial Partnership.
5.	Dec 2019 – Jan 2020	Pre Procurement - Market Engagement, test proposed Enterprise Strategic Commercial Partnership model and approach with the market.

6.	Mar 2020	<u>Internal Audit Report</u> <ul style="list-style-type: none"> Internal Audit report – “adequacy and effectiveness of the council’s governance arrangements in respect of the Enterprise Strategic Commercial Partnership” <ul style="list-style-type: none"> the audit provided a “reasonable assurance” opinion; Audit recommendations arising – clarity on future governance arrangements; and The audit recommendations accepted by management.
7.	19 Mar 2020	<u>Report to the Policy and Strategy Committee,</u> <ul style="list-style-type: none"> outcomes of the Outline Business Case for the Enterprise Strategic Commercial Partnership project; project scope; preferred model - full Strategic Single Joint Venture Partnership for no less than a 20 year concession period; definitive Preferred Model and partnership concession duration would be developed and finalised through the procurement process; the procurement procedure, likely to involve competitive dialogue; commercial and procurement aspects of the project could only be dealt with as high level principles at the Outline Business Case stage and would be developed as part of the procurement stage, with finalisation of some areas at preferred bidder stage; and high level indicative timeline for procurement and transition arrangements of the new partnership.
8.	Mar 2021	<u>Internal Audit Report</u> <ul style="list-style-type: none"> Internal Audit report – “adequacy and effectiveness of the council’s governance arrangements in respect of the Enterprise Strategic Commercial Partnership” <ul style="list-style-type: none"> the audit provided a “reasonable assurance” opinion; audit recommendations arising – a more formal approach to the management of project risk registers; and the audit recommendations accepted by management.
9.	Apr 2021	Procurement - Contract Notice Published – Enterprise Strategic Commercial Partnership – formal launch of the procurement.
10.	Jun 2021	Procurement - Selection Stage submission deadline – despite positive market engagement - insufficient market response to the Enterprise Strategic Commercial Partnership opportunity.
11.	Jun 2021	Market Engagement – feedback sought from the market as to why non-participation in the Enterprise Strategic Commercial Partnership opportunity.
12.	Jul 2021 – Sep 2021	Development of the revised delivery model.
13.	Sep 2021	Project Board approve the principles of the revised delivery model.
14.	Oct 2021 – Mar 2022	Pre Procurement - Market Engagement, test revised delivery model and proposed approach with the market.

15.	2 Dec 2021	<u>Report to the Policy and Strategy Committee,</u> <ul style="list-style-type: none"> despite positive market engagement - insufficient market response to the Enterprise Strategic Commercial Partnership opportunity; discontinuation of the Enterprise Strategic Commercial Partnership procurement, project renamed as the Enterprise Project; revised delivery model incorporating a hybrid approach, small number of strategic 'best in class' service providers; not a Joint Venture; shorter contract period than the 20 years previously envisaged; separate contracts for Housing and Corporate, Roads and Infrastructure and Place shaping (the phase 1 procurements); the commencement of the Phase 1 procurements; development of intelligent client function; market indicates appetite for council's proposals; and limited market.
16.	May 2022	<u>Internal Audit Report</u> <ul style="list-style-type: none"> Internal Audit report – "adequacy and effectiveness of the council's governance arrangements in respect of the Enterprise Project"; <ul style="list-style-type: none"> the audit provided a "reasonable assurance" opinion; audit recommendations arising – formal contingency plans be developed; and the audit recommendations accepted by management.
17.	Jun 2022	Project Board approve updated Outline Business Case – Enterprise Project.
18.	Jun 2022	Procurement - Contract Notice Published – Housing and Corporate Contract - formal launch of the procurement
19.	Aug 2022	Procurement - Selection Stage submission deadline – despite positive market engagement, single selection stage response received.
20.	Sep 2022	Procurement - Selection Stage submission assessment complete – bidder satisfies the selection criteria
21.	Sep 2022	Project Board: <ul style="list-style-type: none"> the procurement should progress with one bidder, with appropriate risk mitigation, to the stage in the procurement process where the initial tender submission has been received and reviewed; and in parallel, given the significant change in financial and economic circumstances since service delivery options were originally appraised, the council should re-validate the other available service delivery options.
22.	1 Dec 2022	<u>Report to the Policy and Strategy Committee - Press and Public Excluded</u> <ul style="list-style-type: none"> update on status of the procurement; despite positive market engagement – only one request received to participate in the procurement;

		<ul style="list-style-type: none"> the procurement should progress with one bidder, with appropriate risk mitigation, to the stage in the procurement process where the initial tender submission has been received and reviewed; in parallel, given the significant change in financial and economic circumstances since service delivery options were originally appraised, the council should re-validate the other available service delivery options; and that a further report be provided to the Committee in May 2023 reporting on the progress of the procurement and the outcome of the options revalidation exercise for the Housing and Corporate Contract and the progress of the Roads Contract.
23.	Dec 2022 – Feb 2023	Options Revalidation Exercise – procurement of an external independent organisation to undertake the exercise.
24.	Feb 2023	Grant Thornton appointed to undertake Options Revalidation Exercise.
25.	Mar 2023	Procurement - Invitation to submit an Initial Tender issued to the sole Bidder.
26.	May 2023	Procurement - Initial Tender submission received from the sole Bidder.
27.	Aug 2023	Procurement - Evaluation of Initial Tender submission complete.
28.	17 Aug 2023	<u>Report to Council - Press and Public Excluded</u> <ul style="list-style-type: none"> the outcome of the Options Revalidation Exercise, along with consideration of risks, confirms that continuing with the current procurement exercise would best meet the council's objectives; outcome of the assessment of the Initial Tender submission and related implications; that the current procurement will proceed to a conclusion; that improvements to the initial tender submission could be reasonably expected as the procurement progressed to award stage; that subject to the bidder meeting the councils' requirements in full, a contract award recommendation be provided to a future meeting of the Council; that, before the end of the initial term of the proposed contract, consideration will be given to the development of an outline business case which will investigate the feasibility of alternate service delivery models, including the feasibility of an ALEO, which would inform decision-making about any extension to the proposed contract; and agreement to extend the contract beyond its January 2024 expiry date.
29.	Sep – Oct 2023	Procurement - Negotiation stage.
30.	Oct 2023	Procurement - Invitation to submit a Final Tender issued to the sole Bidder.
31.	Nov 2023	Procurement - Final Tender submission received from the sole Bidder.
32.	7 Dec 2023	<u>Report to the Policy and Strategy Committee</u>

		<ul style="list-style-type: none"> Positive progress with the procurement and timeline to completion.
33.	Jan 2024	Contract expiry date – contract subsequently extended to 30 June 2024.
34.	Feb 2024	<u>Internal Audit Report</u> <ul style="list-style-type: none"> Internal Audit report – “project managed in accordance with corporate expectations and good practice/ risk mitigation and evidencing best value in the single bidder scenario”; <ul style="list-style-type: none"> audit outcome - satisfied that the project has been managed in line with corporate expectations and that the management assessment of best value was undertaken in line with the intended approach; audit recommendations arising – strengthen contract management activity in relation to the proposed contract; audit recommendations accepted by management.
35.	Mar 2024	Procurement - Evaluation of Final Tender submission complete
36.	28 Mar 2024	<u>Report to the Council</u> <ul style="list-style-type: none"> Internal Audit report – “project managed in accordance with corporate expectations and good practice/ risk mitigation and evidencing best value in the single bidder scenario”; <ul style="list-style-type: none"> audit outcome - satisfied that the project has been managed in line with corporate expectations and that the management assessment of best value was undertaken in line with the intended approach; audit recommendations arising – strengthen contract management activity in relation to the proposed contract; audit recommendations accepted by management. Contract Award Recommendation Report (report subsequently withdrawn)
37.	2 May 2024	<u>Report to the Council</u> At time of writing, agenda not yet published.
38.	30 Jun 2024	Contract extension expires.
39.	1 Jul 2024	Commencement of proposed contract.

- 2.4 For convenience the minutes of the meetings of the Policy and Strategy Committee and the Council referenced in Table 1 are provided as Appendices 1 – 8.
- 2.5 Members are also aware that a Project Board comprising a number of Chief Officers and external advisors is in place providing an essential project governance role.
- 2.6 The Project Board meets regularly to oversee all aspects of the Enterprise Project, the Project Board has met on 66 occasions since the projects inception in 2018.

2.7 The report is intended to provide members with a helpful aide memoire of key project activity, governance and audit reports over the life of the project.

3. Measures of success

3.1 The measures of success remain as previously reported to the Committee on 19 March 2020, the Enterprise Project will help the council to:

- shape North Lanarkshire;
- enhance our economy;
- regenerate our communities;
- provide cohesive maintenance and repairs;
- focus on whole-life investment;
- achieve more efficient and effective delivery;
- move towards more sustainable and carbon neutral communities; and
- provide access to additional resources.

3.2 The delivery model will continue to support twenty of the twenty five ambition statements, being a key driver for nine of these ambition statements (2, 3, 5, 6, 17, 21, 22, 24, 25) and contributing to eleven other ambition statements (1, 4, 10, 11, 12, 14, 15, 16, 18, 19, 23) and will be a catalyst for the successful delivery of the Plan for North Lanarkshire and its key priorities.

4. Supporting documentation

Appendix 1 - Report to the Policy and Strategy Committee, 28 Feb 2019

Appendix 2 - Report to the Policy and Strategy Committee, 26 Sept 2019

Appendix 3 - Report to the Policy and Strategy Committee, 19 March 2020

Appendix 4 - Report to the Policy and Strategy Committee, 2 December 2021

Appendix 5 - Report to the Policy and Strategy Committee, 1 December 2022

Appendix 6 - Report to the Council, 17 August 2023

Appendix 7 - Report to the Policy and Strategy Committee, 7 December 2023

Appendix 8 - Report to the Council, 28 March 2024



James McKinstry
Chief Officer – Assets and Procurement

5. Impacts

5.1 Public Sector Equality Duty and Fairer Scotland Duty

Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The Enterprise Project aims to create, through the council's strategic contractual relationships with service providers, social value at scale for local communities. This will help the council to meet the requirements of the Fairer Scotland Duty to reduce socio disadvantage.

Socio economic impact is at the heart of the Enterprise Project and related contracts. The Enterprise Project will deliver a range of socio-economic benefits for the local community at a scale that cannot be achieved from current procurement and contract management practices. Targeted social value benefits will include;

- Employment Education & Skills - generate employment and training opportunities for school leavers, apprentices and unemployed people;
- Supply Chain Development & Opportunities - use small and medium sized enterprises (preferably local). Social enterprise or a supported business in supply chain;
- Community Engagement & Capacity Building – to benefit local communities;
- Environment - implement carbon reduction and sustainability initiatives; and
- Innovation - introduce innovation in delivery of services (e.g., digital tools, automation, working practices).

A single co-ordinated framework for delivering, measuring, and reporting socio economic impact across all Enterprise Project related contracts will be developed and implemented, this framework will be scalable for use across the wider organisation.

The council incorporates the statutory guidance on addressing 'Fair Work Practices' including payment of the Living Wage in all significant procurements.

If Yes, has an assessment been carried out and published on the council's website? <https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments>

Yes ☒ No ☐

5.2 Financial impact

Does the report contain any financial impacts?

Yes ☒ No ☐

If Yes, have all relevant financial impacts been discussed and agreed with Finance?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

Finance has been engaged with the Enterprise Project since its inception and is represented on the Project Board and the supporting professional advisors group.

The financial implications are set out in the Enterprise Strategic vehicle – Housing and Corporate Maintenance and Improvement Services Contract – Contract Award report elsewhere on this agenda.

Contract expenditure will be managed from current General Fund and Housing Revenue Account budgets for repairs, maintenance and, where relevant, capital expenditure. Future costs will be incorporated into medium term financial planning processes considering contract inflation and thereafter considered as part of the Council's normal budget setting processes.

Given the potential scale, complexity and importance of this project in helping to realise the ambitions for North Lanarkshire, the Policy and Strategy Committee meeting in February 2019 agreed that to supplement inhouse capacity and capability, the procurement of appropriate specialist advice to support the procurement exercise be authorised.

External advisors' fees, for all aspects of Enterprise Project (including the linked predecessor project, the Enterprise Strategic Commercial Partnership) total £4.284m (as of April 2024). The external advisors' fees equate to 0.20% of the combined total upper estimated contract value of the two phase one Enterprise Project procurements. Professional advisors' fees typically equate to around 10% of the total cost of a project.

Advisors' fees paid remain within estimates, fees have been incurred in accordance with internal procedures including committee approval/noting of contract awards.

External advisors are managed by the Project Team, with regular reports provided to the Project Board.

5.3 HR policy impact

Does the report contain any HR policy or procedure impacts?

Yes ☒ No ☐

If Yes, have all relevant HR impacts been discussed and agreed with People Resources?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

People Resources has been engaged with the Enterprise Project since its inception to ensure any and all HR considerations are addressed.

HR is represented on the Project Board and the supporting professional advisors' group.

5.4 Legal impact

Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)?

Yes ☒ No ☐

If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The Legal and Democratic service has been fully involved with the Enterprise Project since its inception and has sought advice from external legal advisors to ensure the council manages legal risks effectively.

Legal and Democratic is represented on the Project Board and the supporting professional advisors' group.

Legal advice has been and will continue to be sought to ensure compliance with applicable legislation and to ensure the council manages legal risks effectively.

5.5 Data protection impact

Does the report / project / practice contain or involve the processing of personal data?

Yes ☒ No ☐

If Yes, is the processing of this personal data likely to result in a high risk to the data subject?

Yes ☐ No ☒

If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk

Yes ☐ No ☒

5.6 Technology / Digital impact

Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The project includes securing efficiencies through further digitising aspects of information exchange and ways of working.

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes ☒ No ☐

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The Enterprise Project aims to develop an innovative new approach to delivery for a full range of interconnected property, community asset and infrastructure investments. As such, will help the council to create more attractive town centres, address areas of poor quality in the built environment, and encourage town centre living through greening and improved community assets. Added to this, the reshaping of North Lanarkshire's town centres will aim to incorporate more energy efficient housing and infrastructure and promote active travel and the use of public transport via the development of transport hubs / interchanges, to support future council targets for net zero emissions.

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes ☒ No ☐

<p>If Yes, please provide a brief summary of the impact?</p> <p>Regular updates relating to the Enterprise Project have been provided in line with the agreed project communication plan, this will continue as the project progresses, through contract award, contract mobilisation and ongoing contract management phases.</p>
<p>5.9 Risk impact</p> <p>Is there a risk impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?</p> <p>Associated risks for the Enterprise Project are identified and managed in accordance with the agreed corporate project risk management methodology and monitored and reported via the Project Team and/or Project Board with risk escalation as required.</p>
<p>5.10 Armed Forces Covenant Duty</p> <p>Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.</p> <p>The Bidders have made a commitment to diversifying its workforce through initiatives such as “Tradeswomen into Maintenance”, and the “Armed Forces Covenant”;</p>
<p>5.11 Children’s rights and wellbeing impact</p> <p>Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).</p> <p>If Yes, has a Children’s Rights and Wellbeing Impact Assessment (CRWIA) been carried out? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>

Appendix 1 - Report to the Policy and Strategy Committee, 28 Feb 2019

PRESENT

Councillor Logue, Convener; Councillor Kelly, Vice-Convener; Councillor Roarty, Vice-Convener; Councillors Beveridge, Burrows, Carragher, Duffy, Fotheringham, Gallacher, Graham, Hume, T. Johnston, Larson, Linden, McNally, McPake, H. McVey, Morgan, Alan Valentine and Watson.

ALSO PRESENT

In accordance with Standing Order 64(A), Councillors Barclay, Kerr, Magowan and McCulloch attended as substitutes for Councillors Stocks, Goldie, Stubbs and Castles respectively.

CHAIR

Councillor Logue (Convener) presided.

IN ATTENDANCE

The Chief Executive; Executive Director (Enterprise and Communities); Interim Chief Accountable Officer: Head of Legal and Democratic Solutions; Head of Financial Solutions; Head of Asset and Procurement Solutions; Head of Business Solutions; Head of Communication and Strategy; Head of Communities; Head of Education (Central); Head of Business (Housing Property and Projects); Head of Regulatory Services and Waste Solutions; Business Solutions Manager; Audit and Risk Manager; Business Finance Manager; Legal Manager: Property Manager (Assets and Estates), and Democratic Services Manager.

APOLOGIES

Councillors Burgess, Castles, Goldie, Stocks and Stubbs.

There was submitted a joint report by the Head of Asset and Procurement Solutions and the Head of Business (Housing Property and Projects)

- (1) intimating that through WE Aspire, the Council had articulated an ambitious vision for change which would revitalise communities and accelerate the growth in economic output for the whole of North Lanarkshire;
- (2) advising that to support this ambitious vision the Council would invest in excess of £2 billion in improved infrastructure, facilities and services over the next ten years;
- (3) stating that it was important that the necessary delivery mechanisms be put in place to ensure that the Council could move at pace and meet the demands of its communities;
- (4) proposing that a strategic partnership be established which could provide the capacity to assist with the delivery of the Council's ambitions over the next ten years, from initial feasibility, through design to delivery and construction, and then to lifecycle maintenance and management;
- (5) seeking authorisation to scope and explore options for an innovative new approach to delivery for a full range of interconnected property, community asset and infrastructure investments to ensure that the Council delivers on its shared ambition

for inclusive growth and prosperity for the people and communities of North Lanarkshire;

- (6) indicating that this would potentially include the repair of and investment in current and new build housing, and Council assets, as well as delivery of new community assets, infrastructure and town centre regeneration programmes;
- (7) informing that, given the potential scale and importance of this project in realising the ambitions for North Lanarkshire, there was a need to procure specialist advice and support;
- (8) recommending that a Prior Information Notice be published in the Official Journal of the European Union to notify the market of the Council's intention to procure a new delivery vehicle for a full range of interconnected property, community asset and infrastructure investments, and
- (9) advising the Committee that reports would be submitted to future meetings of the Committee as the procurement progressed.

Decided:

- (1) that it be noted that initial planning had been undertaken to support the development of an Enterprise Contract;
- (2) that the initial stages of the procurement of an Enterprise Contract for North Lanarkshire, including the consideration of potential delivery vehicle options, be approved;
- (3) that the procurement of appropriate specialist advice to support the procurement exercise be authorised;
- (4) that a Prior Information Notice be published in the Official Journal of the European Union to notify the market of the Council's intention to procure a new delivery vehicle for a range of interconnected property, community asset and infrastructure investments, and
- (5) that it be noted that reports would be submitted to future meetings of the Committee as the procurement progresses

Link to meeting agenda, minute and supporting reports: [CMIS > Meetings](#)

Appendix 2 - Report to the Policy and Strategy Committee, 26 Sept 2019

PRESENT

Councillor Logue, Convener; Councillor Kelly, Vice-Convener; Councillor Roarty, Vice-Convener; Councillors Barclay, Burgess, Burrows, Castles, Di Mascio, Duffy, Fotheringham, Gallacher, Graham, Hume, T. Johnston, Linden, McNally, McPake, H. McVey, Morgan and Watson.

ALSO PRESENT

In accordance with Standing Order 64(A), Councillor Kerr attended as a substitute for Councillor Alan Valentine.

CHAIR

Councillor Logue (Convener) presided.

IN ATTENDANCE

The Chief Executive; Executive Director (Education and Families); Chief Accountable Officer; Head of Legal and Democratic Solutions; Head of Financial Solutions; Head of Business Solutions; Head of Asset and Procurement Solutions; Head of Communities; Head of Children, Families and Justice Social Work Services; Head of People and Organisational Development; Head of Strategic Communication; Audit and Risk Manager; Commercial Contract Manager; Democratic Services Manager, and Senior Manager, NHS Lanarkshire.

APOLOGIES

Councillors D. Ashraf, Goldie, Magowan and Alan Valentine

With reference to paragraph 4 of the Minute of the Special meeting of this Committee held on 28 February 2019, there was submitted a report by the Head of Asset and Procurement Solutions

- (1) providing an update on the development stage activities to explore the scope for a new delivery approach through a strategic commercial partnership for the Enterprise Project, and
- (2) seeking approval on the principles of the scope identified to permit continuation to the final Outline Business Case stage.

Decided:

- (1) that the principles of the service's activities, as detailed in Appendix 1 to the report, be taken forward as the scope for the Enterprise Strategic Commercial Partnership for the purposes of developing the final Outline Business Case;
- (2) that it be noted that all activity necessary to progress the project to final Outline Business Case would be based on the scope, as detailed in Appendix 1 to the report;
- (3) that it be noted that the final Outline Business Case, which would include the final recommended approach for the main procurement, would be submitted to a future meeting of the Committee for consideration, and (4) that it be noted that all existing

contracts would be kept under review, with the option of implementing extensions until the Enterprise Partnership was fully in place.

Link to meeting agenda, minute and supporting reports: [CMIS > Meetings](#)

Appendix 3 - Report to the Policy and Strategy Committee, 19 March 2020

PRESENT

Councillor Logue, Convener; Councillor Kelly, Vice-Convener; Councillor Roarty, Vice-Convener; Councillors Barclay, Beveridge, Burrows, Castles, Di Mascio, Duffy, Gallacher, Goldie, T. Johnston, Lennon, Magowan, McNally, McPake, Morgan, Alan Valentine and Watson

ALSO PRESENT

In accordance with Standing Order 64(A), Councillors Jones, Kerr, Larson, and McCulloch attended as substitutes for Councillors Brannan-McVey, D Ashraf, Linden, and Graham respectively.

CHAIR

Councillor Logue (Convener) presided.

IN ATTENDANCE

The Chief Executive; Executive Director (Education and Families); Executive Director (Enterprise and Communities); Chief Accountable Officer, Health and Social Care; Head of Legal and Democratic Solutions; Head of Financial Solutions; Head of Asset and Procurement Solutions; Head of Business Solutions; Head of Communication and Strategy; Head of Communities; Head of Education (North); Head of Environmental Assets; Head of People and Organisational Development; Head of Planning and Regeneration; Assurance and Development Manager; Audit and Risk Manager; Business Solutions Manager; Enterprise Manager; Group Manager (Assets Management), and Democratic Services Manager

APOLOGIES

Councillors D Ashraf, Brannan-McVey, Graham, Hume, Linden and Wilson.

With reference to paragraph 15 of the Minute of the Special meeting of this Committee held on 28 February 2019, when it had

- (1) approved the initial stages of the procurement of an Enterprise Contract for North Lanarkshire, including the consideration of potential delivery vehicle options;
- (2) authorised
 - (a) the procurement of appropriate specialist advice to support the procurement exercise, and
 - (b) the publication of a Prior Information Notice in the Official Journal of the European Union to notify the market of the Council's intention to procure a new delivery vehicle for a range of interconnected property, community asset and infrastructure investments, and
- (3) noted the financial and human resources implications, there was submitted a report by the Head of Asset and Procurement Solutions
 - (a) providing details therein of the high level outcomes from the Outline Business Case (OBC) for the Enterprise Strategic Commercial Partnership, and

(b) seeking approval to proceed to the next phase of the project, that being the Procurement of the Preferred Model.

Decided:

- (1) that the completion and the outcomes of the OBC for the Enterprise Strategic Commercial Partnership project be noted;
- (2) that the development of the scope outcome recommendations, as outlined in Appendix 1 to the report, be noted;
- (3) that it be noted that the OBC Preferred Model, based upon the scope outcome, was for a Full Strategic Single Joint Venture Partnership for no less than a 20 year concession period, but that the definitive Preferred Model and partnership concession duration would be developed and finalised through the procurement process;
- (4) that it be noted
 - (a) that, to meet the ambitions of the Enterprise project to best benefit North Lanarkshire, the innovative parts of the solution would be shaped from industry dialogue as part of the procurement, and
 - (b) that, consequently, the procurement procedure, subject to undertaking the Sourcing Methodology, would be likely to involve competitive dialogue;
- (5) that it be noted that the commercial and procurement aspects of the project could only be dealt with as high level principles at the OBC stage and would be developed as part of the procurement stage, with finalisation of some areas at preferred bidder stage;
- (6) that it be noted that although a high level indicative timeline for procurement and transition arrangements of the new partnership had been provided, the project programme would be developed after OBC approval to align to the approved project and the selected procurement procedure, which would be likely to be a lengthy and complex process;
- (7) that it be noted
 - (a) that there was a plan in place for the level of funding available to correspond to the service delivery areas in scope for the Enterprise Strategic Commercial Partnership, and
 - (b) that estimates would be subject to annual review, and that a key objective of the partnership was to manage expenditure within available resources to ensure that the partnership was both flexible and scalable to the availability of finance, and
- (8) that progression of the Enterprise project to the procurement stage, based upon the principles outlined in the text at (3), (4), (5) and (7) above, be approved

Link to meeting agenda, minute and supporting reports: [CMIS > Meetings](#)

Appendix 4 - Report to the Policy and Strategy Committee, 2 December 2021

PRESENT

Councillor Logue, Convener; Councillor Paul Kelly, Vice-Convener; Councillors Barclay, Beveridge, BrannanMcVey, Burrows, Douglas, Duffy, Fannan, Fisher, Fotheringham, Gallacher, Graham, Hume, Kerr, Linden, McNally, McPake, Alan Valentine and Watson.

ALSO PRESENT

In accordance with Standing Order 64(A) Councillors McCulloch and T. Johnston substituted for Councillors Roarty and C. Johnston respectively.

CHAIR

Councillor Logue (Convener) presided.

IN ATTENDANCE

The Chief Executive, Executive Director (Enterprise and Communities), Executive Director (Education and Families), Chief Officer, Health and Social Care, Head of Financial Solutions, Head of People and Organisational Development, Head of Legal and Democratic Solutions, Head of Business Solutions, Head of Asset and Procurement Solutions, Head of Education (Central), Head of Strategic Communications, Head of Children, Families and Justice Services/Chief Social Work Officer, Head of Environmental Assets, Head of Communities, Head of Regulatory Services and Waste Solutions, Audit and Risk Manager, Employee Service Centre Manager, and Democratic Services Manager.

APOLOGIES

Councillor Roarty, Vice-Convener; Councillors D. Ashraf, Goldie, C. Johnston and Morgan.

Item 5

There was submitted a report by the Head of Asset and Procurement Solutions providing an update on the Enterprise Strategic Commercial Partnership (ESCP) highlighting both progress to date and future planned development

- (1) reminding the Committee that implementation of activities within the scope of the previous ESCP model was seen as essential to the delivery of a full range of interconnected property, community asset and infrastructure investments to ensure that the Council delivers on its shared ambition for inclusive growth and prosperity for the people and communities in North Lanarkshire;
- (2) recalling that, at its meeting in February 2019, the Committee had agreed to commence a project to procure a partnership with a private sector provider that would deliver the full spectrum of place shaping and asset related maintenance and investment services and works;
- (3) reporting that, despite positive pre-procurement market engagement, the advertised contract opportunity failed to attract sufficient market interest to allow the project as envisaged to proceed and, subsequently, procurement was discontinued;
- (4) intimating that the Council remains committed to securing the benefits anticipated from the delivery of the project and that a revised delivery model has been developed which will deliver similar outcomes over broadly comparable timescales to the original

concept that will now be delivered in progressive phases and consist of several prioritised component parts;

- (5) advising that the revised delivery model does not, in the first phase of the project, contemplate a formal partnering relationship with a single provider, as had been previously envisaged, but will now create focused strategic relationships with a small number of “best in class” service providers from the private sector;
- (6) indicating that to, better reflect the nature of the future relationship between the Council and the appointed service providers, the project has been renamed as the Enterprise Project, and
- (7) highlighting that, whilst the revised delivery model is anticipated to be more commercially acceptable to the market, should the Phase 1 contract opportunities fail to attract a sufficient level of interest, the Council may have to revisit the delivery model.

Decided:

- (1) that the discontinuation of the ESCP Project procurement procedure and the renaming of the project as the Enterprise Project be noted;
- (2) that the status of the Enterprise Project be noted;
- (3) that it be agreed that the Enterprise Project continues to be progressed as detailed in paragraph 2.2 of the report;
- (4) that the commencement of the Phase 1 procurement, as detailed in paragraph 2.2.9 of the report, be approved, and
- (5) that it be noted that any material changes to the revised delivery model, or the procurement process, will be reported to the Committee.

Link to meeting agenda, minute and supporting reports: [CMIS > Meetings](#)

Appendix 5 - Report to the Policy and Strategy Committee, 1 December 2022

PRESENT

Councillor Logue, Convener; Councillor Kelly, Vice-Convener; Councillor Roarty, Vice-Convener; Councillors Beveridge, Boyd, Brennan, Campbell, Carragher, Di Mascio, Fotheringham, Hume, Jarvie, Jones, Larson, Leckie, Loughran, Masterton, McBride, Nolan, Robinson, Stevenson, A. Stubbs, Sullivan and Watson.

ALSO PRESENT

In accordance with Standing Order 64(A) Councillor M. McCulloch attended as a substitute for Councillor Duffy.

CHAIR

Councillor Logue (Convener) presided.

IN ATTENDANCE

The Chief Executive; Deputy Chief Executive; Head of Financial Solutions; Head of Legal and Democratic Solutions; Head of Business and Digital; Head of Asset and Procurement Solutions; Head of Strategic Communication; Head of People and Organisation Development; Head of Performance Planning and Quality Assurance; Head of Audit and Risk; Business Finance Manager (Resource Solutions); Technology Strategy Manager; Commercial Contracts Manager; Business Strategy Manager, and Democratic Services Manager.

APOLOGIES

Councillor Duffy.

Item 7

There was submitted a report by the Head of Asset and Procurement Solutions

- (1) providing a further update on the Enterprise Project highlighting both progress to date and planned future development;
- (2) explaining that the project aims to achieve an integrated client function for asset management across the Council with Phase 1 contract awards expected to be made for the Housing and Corporate Contract in October 2023 and the Roads Contract in December 2023 and that Phase 2 of the project, from 2026, will thereafter aim to optimise asset related arrangements that underpin the delivery of the Plan for North Lanarkshire and allow further integration and development of strategic supply relationships;
- (3) providing details of procurement activity, and decisions made to date, by the Project Board;
- (4) explaining that project resource is necessarily focused on the delivery of the Housing and Corporate and the Roads Contracts and that suitable short-term arrangements to provide play shaping advisory services, as and when required, are available, and the longer-term solution will be developed as soon as project resource capacity allows;
- (5) outlining the Project Governance arrangements, and

- (6) indicating that a further report will be provided to Committee in May 2023 reporting the progress of the procurement and the outcome of the options revalidation exercise for the Housing and Corporate Contract and the progress of the Roads Contract.

Decided:

- (1) that the status of the Housing and Corporate Contract as set out in the report be acknowledged;
- (2) that the status of the Roads Contract as set out in the report be acknowledged;
- (3) that the status of the play shaping contract as set out in the report be acknowledged;
- (4) that, in relation to the Housing and Corporate Contract, the decisions taken by the Project Board, as detailed in the report, be acknowledged, and
- (5) that a further report be provided to the Committee in May 2023 reporting on the progress of the procurement and the outcome of the options revalidation exercise for the Housing and Corporate Contract and the progress of the Roads Contract

Link to meeting agenda, minute and supporting reports: [CMIS > Meetings](#)

Appendix 6 - Report to the Council, 17 August 2023

PRESENT

Councillor Duffy, Provost; Councillor Burgess, Depute Provost; Councillors Ashraf, Ballinger, Barclay, Baudo, Beveridge, Boyd, Brannan-McVey, Brennan, Cairns, Campbell, Carragher, Costello, M. Coyle, S. Coyle, Crichton, Currie, Di Mascio, Docherty, Duffy-Lawson, Dunbar, Fisher, Fotheringham, Goldie, Hughes, Hume, Jarvie, D. Johnston, T. Johnston, Jones, Kelly, Keltie, Khan, Larson, Leckie, Lennon, Logue, Loughran, MacGregor, Masterton, McBride, McCluskey, McCrory, B. McCulloch, M. McCulloch, McDade, McKay, McKendrick, McLaren, McManus, McNally, McPake, McPhilemy, Mitchell, Nolan, Patton, Roarty, Robb, Robinson, Shevlin, Shields, Smith, Stevenson, A. Stubbs, L. Stubbs, Sullivan, Thomas, Toner, Watson, Williams, Wilson and Woods.

ALSO PRESENT

-

CHAIR

Councillor Duffy (Provost) presided.

IN ATTENDANCE

The Chief Executive; Depute Chief Executive; Chief Officer (Legal and Democratic); Chief Officer (Asset and Procurement Solutions); Chief Officer (Audit and Risk); Chief Officer (Housing Property Services); Chief Officer (Strategic Communication and Engagement); Commercial Contracts Manager; Legal Manager (Enterprise); Business Manager (Resource Solutions), Democratic Services Manager, and Principal Democratic Officer.

APOLOGIES

Councillors Bustard, Magowan, McVey and Reddin.

Item 2

It was agreed in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, that the public be excluded from the meeting for the following item on the grounds that the business involved the likely disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 7A of the Act.

Prior to consideration of the following item of business, Councillor M. Coyle, having declared a connection by virtue of being a Board Member of Mears, further declared that he considered the interest so sufficiently remote that it did not preclude his participation in consideration of the matter.

Prior to consideration of the following item of business, Councillor McPake, having declared a connection by virtue of being a Board Member of Amey Public Services Limited, further declared that he considered the interest so sufficiently remote that it did not preclude his participation in consideration of the matter.

With reference to paragraph 7 of the Minute of the meeting of the Policy and Strategy Committee held on 1 December 2022 when, inter alia, the status of the Housing and Corporate contract as set out in the report was acknowledged, there was submitted a report by the Depute Chief Executive

- (1) providing a further update on the Enterprise Project, highlighting both progress to date and planned future development;
- (2) intimating that the Enterprise Project was a key element of the Council's work programme and aimed to establish an integrated approach for the future delivery of repairs, maintenance and investment in the Council's housing, corporate, and roads and infrastructure asset portfolio;
- (3) advising that phase 1 of the Enterprise Project focussed on three substantial procurement projects to support the agreed delivery model and secure continuity of essential service provision: Housing and Corporate Maintenance and Improvement Services, Roads and Infrastructure Maintenance and Improvement Services, and Place Shaping Advice and Services;
- (4) informing that the ambition was to create strategic relationships with a small number of best in-class private sector service providers while cultivating an integrated internal "intelligent client" function and bolstering internal commercial capacity and expertise;
- (5) advising that the procurement of the Housing and Corporate Maintenance and Improvement Services contract was progressing with a single bidder and that the initial tender received on 5 May 2023 had been assessed for affordability and the extent, at this stage of the procurement, to which the initial tender submission otherwise met the Council's requirements;
- (6) providing details of the initial tender submission assessments costs, qualitative criteria and the outcome of the assessment of the bid;
- (7) advising that, given the significant change in financial and economic circumstances since the service delivery options were originally appraised, it had been agreed that it would be prudent to re-evaluate and re-affirm the options assessment originally conducted as part of the approved outline business case for the Housing and Corporate Maintenance and Improvement Services contract;
- (8) setting out details of the six shortlisted options together with an assessment of each option;
- (9) advising that the two potential delivery options which scored significantly better than others were option 3 – "an outsourced option that reflects the current live procurement for a single Housing and Corporate Maintenance and Improvement Services contract – not a joint venture" and option 4 – "a Council owned ALEO with elements of insource and outsource delivery";
- (10) advising, that whilst both options have associated risks, option 4 has a number of significant additional unknowns and comparatively greater risk in terms of transition and delivery costs and in potential risk to service delivery continuity and, as a result, option 3 had been assessed as the delivery option that best met the project objectives;
- (11) proposing that the current contracts be extended for a short period of time, of between three and six months, in order to maintain provision of service and allow sufficient time for the procurement exercise to be concluded;
- (12) advising that the procurement of the Roads and Infrastructure Maintenance Improvement Services Contract commenced on 1 November 2022 and the three highest scoring bids have been taken forward, and it was anticipated that the review of the bids

would be completed by the end of August 2023, after which the Council would move to the negotiation stage, and subsequent stages of the procurement;

(13) advising that it was anticipated that the recommendation to award the Roads and Infrastructure Maintenance Improvement Service contract would be submitted to a special meeting of the Council in February 2024, which would allow the new contract to be mobilised and service delivery to commence as planned on 2 June 2024, coinciding with the expiry of the current contract and ensuring no gap in service;

(14) intimating that the provision of the Place Shaping Advice and Services contract would be developed as soon as project resource capacity allowed, with work expected to commence in Autumn 2024, and

(15) indicating that the project board continues to meet regularly to oversee all aspects of the Enterprise Project, and, in addition, periodic reports are provided to the Corporate Management Team and the appropriate Committee and the project has been the subject of two internal audit reports which both recorded a reasonable level of assurance.

Councillor Logue, seconded by Councillor Roarty, moved the recommendations contained within the report.

Councillor Carragher, seconded by Councillor Larson, moved as an Amendment:-

“That in respect of the Housing Corporate Maintenance and Improvement Services contract, the Council:-

- a) acknowledges that the outcome of the options revalidation exercise along with the practical considerations and associated risks with the two highest scoring options, advises Option 3 – continue with the current procurement - is marginally preferable to Option 4 – a council owned ALEO - as the delivery option that will best meet the project objectives; set out at para 2.5 of this report;
- b) agrees that for the longer term, Option 4 – a council owned ALEO – is the preferred option, and provides the best outcomes for North Lanarkshire Council and further agrees to the immediate development of an Outline Business Case to investigate the implementation of a council owned ALEO to be presented to Council by February 2024;
- c) agrees that the current procurement should not proceed to conclusion;
- d) acknowledges that in order to allow sufficient time for the implementation of Option 4, the current contracts with MEARS and Saltire will need to be extended for a period of time beyond their January 2024 expiry dates, and
- e) agrees that the authority to finalise the detail and the period of the contract extensions with MEARS and Saltire is delegated to the Chief Executive.”

Councillor Lennon, seconded by Councillor Crichton, moved as a further Amendment:-

“This Council acknowledges the document titled "The Enterprise Strategic Vehicle" and the £1.2 to £1.8 Billion, MEARS contract over 12 years being presented for its consideration.

Concerns on Time Allocation: The Council expresses its deep concern regarding the insufficient time provided to the Councillors for a thorough understanding, assessment, and evaluation of the intricacies, implications, and long-term consequences of this substantial contract. Our mandate from our constituents requires us to address such significant financial decisions with utmost diligence.

Formation of a Working Group: It is hereby recommended that a dedicated Officer and Councillor Working Group be established with the following objectives:-

- a. Facilitate a comprehensive examination of the contract.
- b. Offer Councillors an avenue for added scrutiny and oversight.
- c. Guarantee a thorough understanding of all associated risks, benefits, and potential areas of enhancement.

Upholding Good Governance: By giving this contract the rigorous scrutiny it warrants, the Council is championing the ideals of transparency, accountability, and prudent governance. Such principles are what our constituents anticipate from their elected representatives.

Conclusion: In accordance with the above, this Council moves to adopt the amendment recommendations, thereby reaffirming our dedication to serving the best interests of our authority.”

Councillor Lennon confirmed that the Working Group would make its recommendations before the end of February 2024.

Councillor Lennon added a further recommendation, as set out below:-

“That in order to allow sufficient time for the procurement to conclude and the new contract to be mobilised, the current contracts be extended for a short period of time, between three and six months, beyond their January 2024 expiry date and that authority be delegated to the Chief Executive to finalise the detail and period of the contract extensions.”

Councillor Lennon, seconded by Councillor Smith, moved that the meeting be adjourned for 15 minutes, which was agreed.

The meeting re-convened at 5.25 pm.

Councillor Carragher withdrew her Amendment, which had been intimated in accordance with Standing Order 24.

Councillor Lennon withdrew his Amendment, which had been intimated in accordance with Standing Order 24.

There was submitted the following Composite Amendment in the names of Councillor Carragher and Councillor Lennon, which had been intimated in accordance with Standing Order 24.

- a) acknowledge that the outcome of the options revalidation exercise along with the practical considerations and associated risks with the two highest scoring options, advises Option 3 – continue with the current procurement - is marginally preferable to Option 4 – a council owned ALEO - as the delivery option that will best meet the project objectives; set out at para 2.5 of this report;
- b) agrees that for the longer term, Option 4 – a council owned ALEO – is the preferred option, and provides the best outcomes for North Lanarkshire Council and further agrees to the immediate development of an Outline Business Case to investigate the implementation of a council owned ALEO to be presented to Council by February 2024;
- c) agree that the current procurement should not proceed to conclusion;

- d) acknowledge that in order to allow sufficient time for the implementation of Option 4, the current contracts with MEARS and Saltire will need to be extended for a period of time beyond their January 2024 expiry dates;
- e) agree that the authority to finalise the detail and the period of the contract extensions with MEARS and Saltire is delegated to the Chief Executive, and
- f) that a dedicated Member/Officer Working Group be established with the following objective, offer Elected Members an avenue for added scrutiny and oversight of setting up an ALEO.”

Thereon, in terms of Standing Order 39, the vote was taken by calling the roll.

On the roll being called 34 Members voted for the Composite Amendment, as follows:-

Councillors Ashraf, Ballinger, Barclay, Baudo, Brennan, Cairns, Carragher, Crichton, Di Mascio, Fotheringham, Goldie, Hughes, Hume, Jarvie, D. Johnston, T. Johnston, Keltie, Larson, Lennon, MacGregor, Masterton, McCluskey, McKendrick, McManus, Mitchell, Robb, Robinson, Smith, A. Stubbs, L. Stubbs, Sullivan, Thomas, Toner and Williams.

38 Members voted for the Motion, as follows:-

Councillors Beveridge, Boyd, Brannan-McVey, Burgess, Campbell, Costello, M. Coyle, S. Coyle, Currie, Docherty, Duffy, Duffy-Lawson, Dunbar, Fisher, Jones, Kelly, Khan, Leckie, Logue, Loughran, McBride, McCrory, B. McCulloch, M. McCulloch, McDade, McKay, McLaren, McNally, McPake, McPhilemy, Nolan, Patton, Roarty, Shevlin, Stevenson, Watson, Wilson and Woods.

34 Members having voted for the Composite Amendment and 38 Members having voted for the Motion, the Motion was accordingly declared carried.

Decided:

- (1) that in respect of the Housing and Corporate Maintenance and Improvement Services contract, the Council agreed:-
 - (a) that following the outcome of the options revalidation exercise, along with the practical considerations and associated risks, option 3 “continue with the current procurement exercise”, was the delivery option that would best meet the project objectives;
 - (b) that consideration be given, before the end of the initial term of the proposed contract, to the development of an outline business case which will investigate the feasibility of alternate service delivery models, including the feasibility of an ALEO, which would inform the Council's decision to extend the proposed contract, beyond its initial term or to progress an alternative model;
 - (c) that the current procurement exercise proceed to a conclusion;
 - (d) that the results of the assessment of the initial tender submission, the associated financial implications, and expected benefits of the proposed contract, as set out in the report, be acknowledged;

- (e) that the measures and mitigations to allow the Council to evidence that progressing the procurement with a single bidder represents best value be acknowledged;
 - (f) that the next steps in the procurement process, designed to facilitate improvement, both commercial and qualitative, in the bidders initial tender submission, be acknowledged;
 - (g) that, on completion of the procurement process and subject to the bidder satisfying the Council's requirements in full, the Council be asked to approve the award of the contract in February 2024, with the services targeted to commence on 1 April 2024;
 - (h) that, in order to allow sufficient time for the procurement to conclude and the new contract to be mobilised, the current contracts be extended for a short period of time, of between three and six months, beyond their January 2024 expiry date;
 - (i) that authority be delegated to the Chief Executive to finalise the detail and period of the contract extensions, and
 - (j) that the status of the procurement and the timeline leading to the commencement of services under the new contract, as set out in the report, be acknowledged;
- (2) that in relation to the Roads and Infrastructure Maintenance and Improvement Service contract, the Council agreed:-
- (a) that the outcome of the evaluation of the Roads Single Procurement Document submissions, as set out in the report, be acknowledged, and
 - (b) that the status of the procurement and the timeline leading to the commencement of services under the new contract, as set out in the report, be acknowledged, and
- (3) that in relation to the Place Shaping Advice and Services Contract, the status of the procurement and planned future development, as set out in the report, be acknowledged.

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Appendix 7 - Report to the Policy and Strategy Committee, 7 December 2023

PRESENT

Councillor Logue, Convener; Councillor Roarty, Vice-Convener; Councillors Beveridge, Brannan-McVey, Campbell, Carragher, Costello, Di Mascio, Duffy, Fisher, D. Johnston, Larson, Leckie, Lennon, Masterton, McBride, Nolan, Robinson, Smith, Stevenson, A. Stubbs, Watson and Woods.

In accordance with Standing Order 64(A) Councillor Bustard attended as a substitute for Councillor Loughran.

ALSO PRESENT

Councillor Brennan.

CHAIR

Councillor Logue (Convener) presided.

IN ATTENDANCE

The Chief Executive; Depute Chief Executive; Chief Officer (Health and Social Care); Chief Officer (Legal and Democratic); Acting Chief Officer (Finance); Chief Officer (Assets and Procurement); Chief Officer (Strategic Communication and Engagement); Chief Officer (People Resources); Chief Officer (Audit and Risk); Chief Officer (Business and Digital); Chief Officer (Place); Commercial Contracts Manager; City Deal Manager, and Democratic Services Manager.

APOLOGIES

Councillors Barclay and Loughran.

Item 14

There was submitted a report by the Chief Officer (Assets and Procurement)

(1) reminding the Committee that it had previously received a number of reports providing an update on the progress of the Enterprise Project and, more recently, a report had been provided to a special meeting of the Council on 17 August 2023;

(2) providing a further update on the Enterprise Project, highlighting both progress to date and planned future development;

(3) reminding the Committee that, in 2019, the Council had outlined a shared vision for long-term growth and prosperity for the area's community focussed on inclusivity – The Plan for North Lanarkshire;

(4) indicating that the Enterprise Project is a key element of the Council's work programme to fulfil The Plan for North Lanarkshire and aims to establish an integrated approach for the future delivery of repairs, maintenance and investment in the Council's Housing, Corporate and Roads and Infrastructure asset portfolio;

(5) providing detail, and update on progress to date, of the three substantial public procurements to support the agreed delivery model and secure continuity of essential service provision, namely

- (a) housing and corporate maintenance and improvement services;
- (b) roads and infrastructure maintenance and improvement services, and
- (c) place shaping advice and services;
- (6) detailing the project governance for Enterprise Project procurement activity including that reports would be submitted to the Audit and Scrutiny Panel when complete, in line with the Internal Audit Charter and the associated reporting protocol, and that key findings from the audit process would also be included in future reports to the Committee and the Council to inform and assist Elected Members' decision-making, and
- (7) attaching, as Appendices to the report,
 - (a) roads and infrastructure initial tender assessment outcome, and
 - (b) procurement timetable and key dates.

Decided:

- (1) that in relation to the Housing and Corporate Contract:
 - (a) that the positive progress with the procurement and timeline to completion, as set out in the report, be acknowledged, and
 - (b) that it be noted that Internal Audit is undertaking further work as part of its 2023/24 Internal Audit Plan, and the scope of the audit and reporting arrangements as detailed in the report;
- (2) that in relation to the Roads Contract:
 - (a) that the positive progress with the procurement and timeline to completion, as set out in the report, be acknowledged, and
 - (b) that, in order to allow sufficient time for the procurement to conclude, and the new contract to be mobilised, the current contract with Amey be extended for a short period of time (between three and six months) beyond its June 2024 expiry date, and
- (3) that in relation to the Place Shaping Contract, the status of the procurement and planned future development, as set out in the report, be acknowledged.

Link to meeting agenda, minute and supporting reports: [CMIS > Meetings](#)

Appendix 8 - Report to the Council, 28 March 2024

At time of writing minute of the meeting not available.

Link to meeting agenda, minute and supporting reports: [CMIS > Meetings](#)

North Lanarkshire Council Report

Council

Does this report require to be approved? ☒ Yes ☐ No

Ref JMcK/GP

Date 02/05/24

The Enterprise Strategic Vehicle – Housing and Corporate Maintenance and Improvement Services Contract – Contract Award

From James McKinstry - Chief Officer (Assets and Procurement)
Brian Lafferty - Chief Officer (Housing and Property Services)
Stephen Llewellyn - Chief Officer (Housing Management)

E-mail mckinstryj@northlan.gov.uk **Telephone** 07939281102

Executive Summary

The purpose of this report is to seek approval to award a contract for the future delivery of Housing and Corporate maintenance and improvement services to Mears Limited following the completion of a procurement exercise undertaken in accordance with the Public Contracts (Scotland) Regulations 2015 and the council's General Contract Standing Orders.

The proposed contract will allow the council to access a range of maintenance, repair and essential compliance services for its Housing and Corporate property portfolio, under a single contractual agreement. These include:

- gas servicing;
- planned maintenance on tenanted, corporate and empty properties;
- responsive repairs;
- essential compliance services (including; fire safety, gas safety, electrical testing and asbestos management);
- some related call handling services;
- investment projects/programmes; and
- ad-hoc minor works.

The proposed contract will have a minimum initial period of eight years with contract extensions available, at the council's discretion, to a maximum contract duration of twelve years.

The estimated upper financial limit of the proposed contract, over the maximum duration of the contract, including contingency, is £1.8 billion.

From the outset the council had a strong conviction that the proposed contract needed to be more than a straightforward buyer - contractor transactional arrangement. Pre-procurement development work and early market engagement indicated that a strategic relationship, with long term commitment, a focus on operational delivery, joint improvement and high level of cooperation had scope to achieve added value and long-term gains for North Lanarkshire's residents, communities, and businesses.

The proposed contract will deliver a range of service improvements, increase efficiency and importantly create significant social value for the local area at a scale not achievable from current practice.

Should the Council approve the award of the proposed contract, the contractual documentation will be concluded, and the contract mobilised. 'Day one' services are now targeted to commence on 1 July 2024, with the remaining services commencing thereafter on a phased basis in accordance with the agreed service transition plan.

Project Governance

The Project Board meets regularly to oversee all aspects of the Enterprise Project, in addition periodic reports are provided to the corporate management team and Committee.

Internal Audit has reported previously on this project on three occasions, with the reports providing generally positive assessments of the project governance arrangements. Internal Audit has recently completed further work in relation to aspects of the Enterprise Project as part of the 2023-24 Internal Audit Plan. The results of the latest audit and the management response was reported to the meeting of the Council on 28 March 2024.

Recommendations

It is recommended that the Council:

1. approve the award of the contract, as detailed in this report, for Housing and Corporate Maintenance and Improvement Services to Mears Limited.

The Plan for North Lanarkshire

Priority	All priorities
Ambition statement	(24) Review and design services around people, communities, and shared resources

1. Background

In 2019, North Lanarkshire Council (the 'council') outlined a shared vision for long-term growth and prosperity for the area's communities focused on inclusivity - plan for North Lanarkshire (the 'Plan').

The Enterprise Project is a key element of the council's work programme to fulfil the Plan. It aims to establish an integrated approach for the future delivery of repairs, maintenance and investment in the council's housing, corporate and roads and infrastructure asset portfolio.

Phase one of the Enterprise Project focuses on three substantial public procurements to support the agreed delivery model and to secure continuity of essential service provision;

1. Housing and Corporate maintenance and improvement services (the 'Housing and Corporate Contract');
2. Roads and infrastructure maintenance and improvement services (the 'Roads Contract'); and
3. Place shaping advice and services (the 'Place Shaping Contract').

Its ambition is to:

- develop an innovative new approach to delivery for a full range of interconnected property, community asset and infrastructure investments to ensure the Council delivers on its shared ambition for inclusive growth and prosperity for the people and communities of North Lanarkshire;
- create strategic relationships with a small number of best-in-class, Tier 1, private sector contractors while cultivating an integrated internal 'intelligent client' function and bolstering internal commercial capacity and expertise;
- support the delivery of key policy themes, such as social value, fair work practices; and
- deliver a range of service improvements and increase efficiency.

The Policy & Strategy Committee has previously received a number of reports updating on the progress and development of the Enterprise Project and in its previous form, the Enterprise Strategic Commercial Partnership:

- Enterprise Strategic Commercial Partnership reports:
 - February 2019;
 - March 2020;
- Enterprise Project reports:
 - December 2021;
 - December 2022; and
 - December 2023.

In addition, a report was provided to a meeting of the Council on the 17 August 2023.

The Council, at the meeting of 17 August 2023, agreed that in relation to procurement of the Housing and Corporate Contract that the following actions be progressed:

- the current procurement exercise should proceed to a conclusion; and
- on completion of the procurement process and subject to the Bidder satisfying the council's requirements in full, the Council be asked to approve the award of the contract in February 2024, with the services targeted to commence on a phased basis from 1 April 2024.

This report confirms the outcome of the procurement exercise for the Housing and Corporate Contract, the financial implications of the award of the proposed contract, the benefits that the contract will deliver, and the outcome of the work undertaken to allow the council to evidence that moving to contract award from a procurement with a single bidder represents Best Value.

The existing Housing and Corporate maintenance contract currently delivered by Mears Scotland LLP in a Joint Venture with the council and the Gas Servicing contract with Saltire Facilities Management Ltd were both due to expire in January 2024.

The short-term extensions to the current contracts with Mears Scotland LLP and Saltire Facilities Management Ltd, approved at the meeting of the Council on 17 August 2023, have been actioned and both contracts are now due to expire on 30 June 2024.

The award of the proposed contract will provide the successor arrangements to the current contracts.

2. Report

2.1 The proposed contract will allow the council to access a range of maintenance, repair and essential compliance services for its Housing and Corporate property portfolio, under a single contractual agreement. These include:

- gas servicing;
- planned maintenance on tenanted, corporate and empty properties;
- responsive repairs;
- essential compliance services including; fire safety, gas safety, electrical testing, water testing and asbestos management;
- some related call handling services;
- investment projects/programmes; and
- ad-hoc minor works.

2.2 The services will be delivered to the following asset types including but not limited to:

- Housing – approximately 37,000 homes, including housing for mid-market rent, housing for social rent, retirement housing, sheltered housing and supported needs housing; and
- Corporate - approximately 1200 buildings, which include public buildings, educational establishments, community facilities and other miscellaneous buildings.

- 2.3 The number of properties to be maintained may reduce or increase during the term of the proposed contract as a result of demolition, disposal, acquisition, new supply or other legislative measures.

The Proposed Contract - scope, duration and estimated spend

- 2.4 The scope of the proposed contract comprises two main parts:

Core Services

- The provision of planned maintenance on tenanted housing, corporate and empty properties, responsive repairs, gas servicing and essential compliance services (including: fire safety, gas, electrical and water quality testing, asbestos management and the New Core Services) (collectively the 'Core Services'). Core Services are generally revenue funded with an estimated value of circa £60m per annum; and
- to augment the services provided under the current Housing and Corporate maintenance contract and the Gas Servicing contract, there are an additional 42 individual contracts in place. The proposed contract will incorporate these 42 individual contracts, on a phased basis, including gas servicing (the 'New Core Services') in a single contractual agreement.

Core Projects

- The provision of investment projects/programmes, (the 'Core Projects') which include life cycle replacements of components of assets at scale; including but not limited to replacement of kitchens, bathrooms, flooring, roofs, mechanical and electrical installations, heating installations, windows, doors, decoration works, drainage works, communal area works, tower block works, and other related works. Core Projects are generally funded from capital with an estimated value of circa £60m per annum.
- 2.5 Further detail as to the services that will be provided under the proposed contract and the individual contracts that will be incorporated in the proposed contract was included in the report considered at the meeting of the Council on 17 August 2023. For convenience, this information is reproduced as Appendix 3 and Appendix 4 respectively.
- 2.6 The proposed contract will have a minimum initial period of eight years with contract extensions available, at the council's discretion, to a maximum contract duration of twelve years. When considering any extension(s) to the contract, the council may take into account factors such as the contractor's performance, changes in service requirements and consideration of alternate service delivery options.
- 2.7 The proposed contract was advertised with an estimated maximum value of £1.8bn over the maximum twelve-year contract period. The estimated value of the proposed contract was derived from analysis of historical spend data, adjusted where required, to reflect future service requirements and estimated order volumes. The estimated contract value ensures that there is sufficient capacity within the proposed contract to accommodate all aspects of the contract scope, and a contingency allowance to accommodate growth and unforeseen peaks in demand.
- 2.8 The proposed contract does not guarantee the contractor a minimum level of business. The actual value of the contract will be determined by the work types and volumes the council orders, the extent to which the contractor secures Core Projects, and ultimately

by budget availability. This means that the actual total value of the proposed contract when in operation, will fall somewhere in the range of between £720m¹ and £1.8bn².

¹ Assumes that the contract is in operation for the maximum 12-year contract term, Core Services only and that no contingency is required.

² Assumes that the contract is in operation for the maximum 12-year contract term, Core Services and all Core Projects and that all of the contingency is required.

Exclusivity and the Contractors obligation to provide the services

Core Services

- 2.9 Subject to the satisfactory performance of the contract, the contractor shall have an exclusive right and obligation to act as the council's external provider in the delivery of Core Services during the term of the contract.
- 2.10 The contractor is obligated to provide the Core Services. Where the contractor fails to deliver the Core Services in accordance with the contract the council shall be entitled to:
- remove the contractor's exclusivity (in whole or in part) for such period of time as the council may determine; and/or
 - exercise its contractual options in respect of the contractor's failure to carry out the services or meet quality standards.

Core Projects

- 2.11 The council will provide the contractor with the 'first opportunity' to submit proposals for the delivery of individual Core Projects as described in the Annual Service Delivery Plan.
- 2.12 Where the council issues a project request for a Core Project and the Core Project is included in the Annual Service Delivery Plan, the contractor is obligated to submit a project response for and (where required by the council) to provide such Core Project. Where the Core Project is not included in the Annual Service Delivery Plan the contractor shall use all reasonable endeavours to submit a project response for such Core Project within the required timescales and (where a Core Project Contract is agreed by the council) deliver the Core Project.
- 2.13 The decision to issue a project request is at the council's sole discretion. The contractor's right of 'first opportunity' is awarded at the discretion of the council. In reviewing the position, the council may take into account factors such as:
- the contractor's performance of its obligations under the contract;
 - the quality and/or competitiveness of previous project responses;
 - the council's timescales; and
 - the contractor's capacity.
- 2.14 If the contractor refuses to submit a project response for or, in the reasonable opinion of the council, is unable or unwilling to submit a project response for or provide all or any part of the Core Projects, the council may remove the contractor's 'first opportunity' and procure replacement services from an alternate provider for such period as the council deems appropriate.

- 2.15 Notwithstanding paras 2.11 to 2.13, the council reserves the right at its discretion to procure Core Projects from alternative provider(s) in circumstances where:
- the council rejects the contractor's project response;
 - the contractor's project response is not submitted in the timescales required by the council or not submitted to the level of detail reasonably required by the council;
 - the council considers (acting reasonably) that the contractor is unable or unlikely to meet the council's requirements in relation to the project request;
 - the contractor has failed to:
 - deliver its Social Value and Fair Work commitments; and/or
 - provide the services in accordance with the performance indicators;
 - the council is entitled to exercise its options in respect of the contractor's failure to carry out the services or meet quality standards;
 - the contractor has committed a default which is a material breach of the contract; or
 - timescales or circumstances are such that the council must seek proposals from a wider market representation.
- 2.16 This commercial approach ensures that the council will always pay the 'market rate' for Core Projects.

The Procurement Process

Pre- procurement activity

- 2.17 The procurement of the service requirement was complex and required significant market engagement, stakeholder consultation, scope and price modelling, contract drafting, data gathering, and analysis.
- 2.18 The pre-procurement preparatory work, undertaken collegiately with internal service teams and drawing on advice and expertise from the project's external advisers, involved a comprehensive review of terms and conditions of contract, service requirements, pricing approaches, and performance monitoring to ensure that the successor contracts to the current arrangements deliver commercial advantage for the council, the public purse and secure the intended wider socio/economic benefits for North Lanarkshire.
- 2.19 A Prior Information Notice (PIN) was published on 21 September 2021 and received 103 notes of interest from potential contractors. Thereafter, between October 2021 and March 2022, the council conducted 4 rounds of market engagement. The engagement took the form of online plenary events, followed by one-to-one meetings between potential bidders and the Project Team and senior stakeholders.
- 2.20 The council also issued a number of supplier surveys which resulted in the sharing of valuable information which helped inform the final design of the proposed contracts and to structure the procurement approach in a way that would deliver the project objectives and encourage a level of market participation that would support a viable procurement.
- 2.21 The extensive interaction with potential bidders provided the council with a reasonable degree of confidence that the contract opportunity would attract sufficient market interest and an expectation that the procurement could be progressed to a successful conclusion.
- 2.22 The council also held an information event in conjunction with Supplier Development Programme to signpost the tender opportunity, explain the council's approach, the

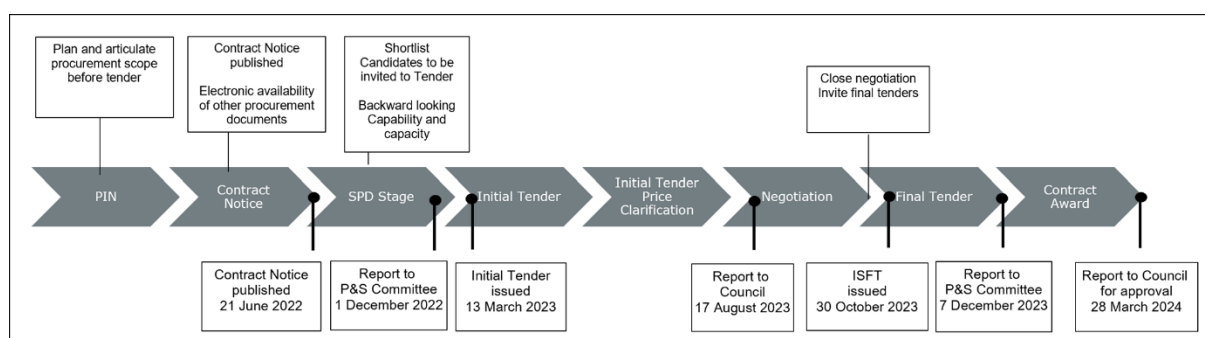
potential implications and opportunities for the market, including small and medium sized organisations ('SMEs') to engage with the contract opportunity.

- 2.23 An update on the pre-procurement activity and the challenging prevailing market conditions, which may adversely impact on the number of potential bidders participating in the procurement, was provided to the Policy and Strategy Committee in December 2021.

The procurement procedure

- 2.24 The procurement procedure was conducted in accordance with the Public Contracts (Scotland) Regulations 2015 (the 'Regulations') and the council's General Contract Standing Orders. The tender process was conducted digitally using the Public Contracts Scotland Tender (electronic PCS-T) system.
- 2.25 The procurement process was undertaken in accordance with the Competitive Procedure with Negotiation procedure (Regulation 30 of the Public Contracts (Scotland) Regulations 2015), which involves two post-selection stages of tendering (Initial Tenders and Final Tenders, both with clarification exchanges as required) with an intervening period of negotiation. An overview of the procurement procedure, current status and timeline for completion of the procurement and mobilisation of the proposed contract is summarised in Figure 1.

Figure 1



- 2.26 The Contract Notice and supporting procurement documentation was published on the UK Find a Tender Portal and the Public Contracts Scotland Portal on 21 June 2022, this formally launched the procurement.

Selection stage

- 2.27 Despite the comprehensive and positive pre-procurement market engagement detailed at paras 2.19 to 2.23 only one request to participate in the procurement (the "Selection Stage submission") was received by the 12 August 2022 response deadline. The Selection Stage submission was received from Mears Ltd (the 'Bidder').
- 2.28 The Selection Stage submission was evaluated against the council's predetermined published selection criteria, which included economic and financial standing, business probity, technical and professional ability, and organisational approaches to fair work and environmental practices.
- 2.29 The evaluation determined that the Selection Stage submission met all of the council's selection criteria and could be progressed to the next stage of the procurement.

- 2.30 The decision to proceed with a single bidder, related legal advice and the actions to be taken to evidence Best Value in a single bidder scenario were set out in the report to the Policy and Strategy Committee on 1 December 2022.
- 2.31 The selection stage criteria and outcome of the evaluation of the Selection Stage submission was included in the report considered at the meeting of the Council on 17 August 2023, for convenience, this information is reproduced as Appendix 5.

Initial Tender stage

- 2.32 An invitation to submit an Initial Tender was issued to the Bidder on 13th March 2023.
- 2.33 The Bidder's Initial Tender submission (the 'Initial Tender submission') was received by the 5 May 2023 response deadline. The Initial Tender submission was assessed against the council's agreed predetermined published award criteria, which included service delivery, social value, contract terms and commercial approaches.
- 2.34 Assessment of the qualitative aspects of the Initial Tender submission comprised, at this stage of the procurement, an assessment, as to whether each of the qualitative award criteria, either 'met the requirement' or as 'not yet meeting the requirement'.
- 2.35 The assessment determined that the Initial Tender submission met 19 of the 26 qualitative award criteria assessed at this stage, with 7 of the qualitative award criteria, assessed as 'not yet meeting the requirement'. The 'Legal' criterion was not assessed at this time.
- 2.36 The 7 qualitative award criteria assessed as 'not yet meeting the requirement', were not considered to be of significant concern at this time, as the next steps in the procurement process were designed to facilitate improvement in both the qualitative and financial aspects of the Initial Tender submission and that the consideration of a positive contract award decision would be contingent on the Bidder meeting the council's requirements in full.
- 2.37 Assessment of the financial elements of the Initial Tender submission indicated that;
- the cost of providing the Core Services under the proposed contract would increase by 9.31% when modelled against current costs (the 'Should Cost Model, see para 2.86(c)'); and
 - the Bidder would only secure a small proportion of the available Core Projects as its pricing proposal is above the council's Should Cost Model. However, it was noted that this position may change as the procurement progressed and/or through further Best Value testing when the proposed contract was in operation.
- 2.38 The high-level award stage criteria and outcome of the assessment of the Initial Tender submission was included in the report considered at the meeting of the Council on 17 August 2023. Appendix 6 contains further detail of the award criteria and for convenience the outcome of the assessment of the Initial Tender submission is reproduced as Appendix 7.

Negotiation stage

- 2.39 The negotiation stage commenced on 5 September 2023 and completed on 30 October 2023.
- 2.40 The negotiations focused on key technical, operational, legal and commercial issues aimed at the Bidder improving on its Initial Tender submission in its Final Tender submission. The negotiation stage was also used to emphasise to the Bidder any

elements of its Initial Tender submission which 'as yet does not meet' the council's requirements, with the Bidder encouraged to improve its proposals appropriately in its Final Tender submission in accordance with the procedure set out in the Regulations.

- 2.41 The project plan made provision for three rounds of negotiation with the Bidder, however given the complexity, the range and importance of the discussions, two additional rounds of negotiation were required.
- 2.42 The negotiations were positive, providing a high degree of confidence that the improvement opportunities and other matters discussed during the negotiations would be confirmed / addressed in the Bidder's Final Tender submission.

Final Tender stage

- 2.43 An invitation to submit a Final Tender was issued to the Bidder on the 30 October 2023 with the Bidder providing its Final Tender submission by the 20 November 2023 response deadline.
- 2.44 The Final Tender submission was evaluated against the council's predetermined published award criteria, the award criteria remained unchanged from the Initial Tender stage.
- 2.45 The award criteria included technical and commercial sections that were evaluated against the following high-level criteria and weightings:
- Quality 60% (Technical); and
 - Price 40% (Commercial).
- 2.46 Evaluation of all stages of the procurement was undertaken in accordance with the approved evaluation plan for each respective stage of the procurement. Evaluation was undertaken by a multi-disciplinary team, with over 40 individual evaluators involved in the evaluation of each of the Selection stage, Initial Tender, and Final Tender submissions.
- 2.47 The price and quality evaluations were undertaken concurrently but remained separate and independent to each other. The scores for both were consolidated at the final tender stage to provide an overall score.

2.48 Price evaluation

Assessment of the financial elements of the Final Tender submission confirm that:

Core Services

- 2.49 The cost of providing the Core Services under the proposed contract would increase by 4.96% when modelled against current costs (the 'Should Cost Model see para 2.86 (c)').
- 2.50 While there will be some variation in the value of work that is instructed though the proposed contract, using the estimated value of Core Services of circa £60m per annum as a proxy, this would equate to an increase of circa £2.976m per annum excluding an inflation adjustment. One off contract mobilisation costs, which include the development of IT business interfaces and associated hardware/software, rebranding, training and development, and the expansion and upgrades to operational premises, of circa £992,000 would also be payable in the first year of the proposed contract.

2.51 The phased mobilisation of the New Core Services into the proposed contract will defer the full cost increase impact for these services until years 3/4 of the proposed contract. This is not reflected in the Should Cost model but is a transitional cost benefit for the council.

2.52 The cost of providing the Core Services under the proposed contract is assessed, as generally representing fair market rates and falling within acceptable parameters.

Core Projects

2.53 For Core Projects, with a few exceptions, the Bidder's pricing proposal is generally above the council's benchmarks. The extent to which the contractor secures Core Projects will be determined by Best Value testing via the engagement process set out at paras 2.11 to 2.15. Should the council determine that the contractor's offer to deliver a Core Project does not constitute Best Value, then the council will procure and manage the requirement by other means. This commercial approach ensures that the council will always pay the 'market rate' for Core Projects.

Financial Implications

2.54 The cost implications of the proposed contract need be considered in the context of current economic volatility, general market conditions and a recognition that some of the improvements, including social value, the service credit model, enhanced performance monitoring and reporting, incorporated in the proposed contract, have upward cost implications.

2.55 An increase in costs is not unique to this procurement, construction cost consultants' reports, in the public domain, reporting construction costs while reducing from previous highs, remain above the rate of inflation. Cost consultants' reports indicate tender price inflation of between 3.7% and 5.5% in 2023 and estimate further rises of between 2.7% and 4.5% and 3% and 3.5% in 2024 and 2025 respectively. In addition, the General Fund and Housing Revenue Account budget processes for 2024/25 reflected market estimates of contract inflation.

2.56 For some recent capital projects the council has recently experienced double digit percentage increases in tendered costs when compared with pre-procurement estimates.

2.57 It is long established economic impact modelling principle, that money spent and retained in the local area has a significant multiplier effect as the spend circulates further through the local economy. General economic impact assessment modelling estimates that, for every £1 spent by, in this case, the council, there would be at least £3.00 of benefits delivered to North Lanarkshire as a whole by increasing output, increasing access to employment opportunities and improving health and social mobility, plus a series of other positive outcomes.

Evaluation of Quality criteria

2.58 The project objectives comprise a number of factors designed to contribute to the delivery of the Council's vision for the area and wider policy commitments. Cost, while an important factor, is not the only consideration.

2.59 Evaluation of the qualitative aspects of the Final Tender submission comprised the scoring of each of the qualitative award criteria using the agreed marking scheme, all 27 award criteria were scored at the final tender stage.

- 2.60 The evaluation determined that the Final Tender submission met all 27 of the council's qualitative award criteria, most by a comfortable margin, Table 1 provides further detail.

Table 1

Possible scores	Number of award criteria	Percentage of award criteria
Score of 100 (max possible score)	4	15%
Score of 75	17	63%
Score of 50 (min scoring threshold required)	6	22%
Score of 25	Nil	Nil
Score of zero (min possible score)	Nil	Nil
Total	27	100%

- 2.61 The evaluation of the qualitative criteria was conducted in accordance with the methodology set out in the procurement documents. The outcome of the qualitative evaluation is shown in Table 2.

Table 2

Level 1 Criteria	Bidder Weighted Quality Score (max 60%)
Quality	42.35%

- 2.62 Appendix 8 provides further detail of the outcome of the evaluation of the qualitative criteria.

Most Economically Advantageous Tender

- 2.63 The total scores for Price and Quality were combined to provide the overall outcome of the evaluation of the Final Tender submission (the identification of the Most Economically Advantageous Tender). Table 3 provides the final overall outcome of the procurement.

Table 3

Bidder	Quality score (max 60%)	Price score (max 40%)	Overall score	Overall rank
Mears Limited	42.35%	40.00%	82.35%	1

- 2.64 As identified in Table 3, the Bidder who has submitted the most economically advantageous Final Tender is Mears Limited (the 'Preferred Bidder') and is therefore recommended for contract award.

- 2.65 A summary of the procurement process is provided as Appendix 1 and the SME status and location of Bidders as Appendix 2.

Comparison of the position at Initial Tender stage with the Final Tender stage

- 2.66 The report to the meeting of the council on 17 August 2023 indicated that improvements/refinements to the Initial Tender submission could reasonably be expected as the procurement progressed through the Negotiation stage to the final tender stage.
- 2.67 The anticipated improvement opportunities and other matters discussed and agreed during the Negotiation stage were confirmed in the Preferred Bidder's Final Tender submission, the key outcomes are set out in Table 4.

Table 4

	Description	Initial Tender submission	Final Tender submission
a.	Cost implications – estimated percentage variation when compared with current costs (the 'Should Cost Model' para 2.86 (c)).	plus 9.31%	plus 4.96%
b.	Extent to which the council's qualitative criteria are met (27 criteria)	19 of 26*	all 27
c.	Terms and conditions of contract	not yet agreed	agreed
d.	Mobilisation costs	£992,000	£992,000

*The Legal qualitative criterion was not assessed at the Initial Tender stage.

Price Stability

- 2.68 The Preferred Bidder's tendered prices and percentages will remain fixed during the tender validity period, thereafter, adjusted in line with good industry practice by the application of the Building Cost Information Service (BCIS) General Building Cost Index.
- 2.69 The first price adjustment will be made on the contract commencement date and annually thereafter throughout the contract term.

Supply chain opportunities

- 2.70 The proposed contract will provide subcontract opportunities for local and regional organisations as not all the services to be provided under the proposed contract will be delivered directly by the contractor.
- 2.71 For Core Services, around 30% (by value) of the services will initially be delivered through a supply chain, established and managed by the Preferred Bidder. Where the contractor secures Core Projects, the proportion of the services that will initially be delivered through a supply chain, established and managed by the Preferred Bidder is around 80% (by value).

Social Value

- 2.72 Delivering social value at scale to benefit the local area was a key objective of the procurement. The community benefits approach was designed to deliver targeted benefits specific to the market and deliver outcomes such as:

- creating pathways into employment, training and apprenticeship opportunities for residents and priority groups;
- supporting and creating significant and meaningful education initiatives to maximise opportunities for children and young people to realise their full potential;
- addressing skills shortages and improve the skills of local people for in-demand roles including digital skills;
- ensuring there are significant opportunities within the supply chain for local businesses, the third sector, and supported businesses; and
- engaging and listening to residents, communities, and businesses to maximise participation, capacity, and empowerment to ensure that the contract is making a real difference and delivering a positive impact across all communities.

2.73 To illustrate the positive step change that the proposed contract will secure, the Preferred Bidder's social value commitments, which will be contractualised, include:

- creation of new jobs over the first three years of the contract, recruitment where possible from the local area;
- commitment to provide a significant craft and modern apprenticeship programme;
- scope for additional apprenticeships dependent on the extent to which the contractor secures Core Projects;
- commitment to work placements over the duration of the contract, working with local schools, colleges and employability programmes and engaging with NL Education Future Friday strategy to offer placements;
- continued commitment to employing locally;
- continue to contract with voluntary, community and social enterprises through its supply chain;
- financial commitment to an innovation fund;
- financial commitment to integrate the new services into their IT systems and interfaces with the council's client management system;
- continued commitment to a head office and operational depots in North Lanarkshire with upgraded accommodation;
- commitment to diversifying its workforce through initiatives such as "Tradeswomen into Maintenance", and the "Armed Forces Covenant";
- commitment to employee volunteering for local charities or community projects; and
- offer knowledge and experience of developing training colleges to help the council realise its ambition of creating its construction skills academy.

The full list of the social value commitments contained in the Preferred Bidder's Final Tender submission is provided as Appendix 9.

Contractual Benefits

2.74 The proposed contract is markedly different from the current contract. The proposed contract and associated business change will secure a range of improvements and benefits when compared with the current contract and business practices including:

- all housing maintenance and repair services and potentially investment projects/programmes from one contractor either directly or via supply chain arrangements established and managed by the contractor;
- updated Schedule of Rates and supporting specifications;
- removal of redundant Schedule of Rates;
- continuity of essential service provision;

- a large contract which adopts partnering principles that is aligned to deliver service improvement and increased value for money with appropriate risk/reward mechanisms in place;
- granular visibility over individual cost components;
- further development of digitisation to support service delivery and reporting;
- designed to provide local and regional expertise by attracting and keeping SMEs;
- built in legal protections: contractual terms based on public sector model conditions (with appropriate adjustments) designed to protect public sector buyers;
- investment projects/programmes adopting standard industry terms: various SBCC forms of contract;
- supports council key policy themes such as: social value, sustainability, fair work practices and prompt payment;
- an environmental impact reduction plan to capture and monitor the contractor's commitments to emission reductions over the contract term (aligned to Scottish Government climate reduction measurement and the council's net zero priorities to 2030 and beyond);
- enhanced approach to performance monitoring through the use of strategic and operational Key Performance Indicators (KPI's), including the introduction of a Service Credit Model with financial deductions for failure to meet KPI's;
- an internal client team that is more effective and focused on meeting key objectives, through performance monitoring, forward planning, contract management and improvement initiatives, rather than handling day to day operational issues;
- a fully integrated internal client team that has access to good quality data in which to shape joined up strategies for asset management and meeting the needs of service users;
- a re-organised internal client team with the capacity, capability and experience to manage and deliver against objectives that link with the contract;
- flexibility in service to continuously evolve to reflect changes in financial and other circumstances; and
- to drive continuous improvement and seek opportunities to promote ongoing integration with other teams and initiatives within the wider council.

Full details of the benefits and improvements that the proposed contract will deliver, were provided in the report to the meeting of the Council on 17 August 2023, for convenience, this information is reproduced as Appendix 10.

Fair Work First Practices

- 2.75 The council is committed to the delivery of high-quality public services and recognises that this is dependent on a workforce that is well rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, is diverse and is engaged in decision making.
- 2.76 Within the procurement documentation, the Bidder was asked a question on their approach to Fair Work First and payment of the real Living Wage to their workforce. This question was in accordance with the applicable Scottish Government guidance on "Fair Work First in Scottish Procurement", the Scottish Government's policy for driving high quality and fair work across the labour market in Scotland.
- 2.77 The Preferred Bidder has committed to adopt the principles of Fair Work First, by applying Fair Work criteria to its directly employed workforce and through its tender processes with its supply chain. It is committed to Mears Scottish Responsible

Business Charter and will encourage its supply chain to make similar commitments. The charter includes the following:

- paying the Scottish Living Wage, and include fair work principles in its operations;
- having resident and tenant representation as part of its scrutiny arrangements and service design;
- improving the Environmental, Social, Governance and economic wellbeing of the area in which Mears operates;
- paying small businesses on time;
- making it simple, straightforward and easy for local SMEs, social enterprises and supported businesses to access supply chains opportunities;
- making firm and achievable commitments to support Scotland's target of Net-zero emissions by 2045;
- having a social responsibility to pass on skills to local communities;
- being transparent in its financial and business reporting;
- working harder to address equality and diversity and submitting to an independent audit of all policies and procedures to enable fair access for all; and
- having a balanced governance board.

Contract Management

- 2.78 It is recognised that a positive stepped change in the council's approach to contract management will be required in line with good industry practice to ensure that the proposed contract is managed effectively.
- 2.79 The foundations for the required improvement in the management of the proposed contract were laid in the pre-procurement development of performance measures and standards, monitoring and reporting provisions, contractual protections and remedies, these then integrated in the procurement process and embedded in the contract drafting.
- 2.80 The enabling provisions in the proposed contract need to be implemented as part of the transition arrangements to ensure, that in operation, the new contract is managed effectively, the benefits are secured, risks managed and the opportunities for continuous improvement maximised.
- 2.81 The essential elements for effective contract management will be in place for contract commencement, with the more advanced approaches developed and introduced, as a priority, on a phased basis thereafter. The approach will involve multiple layers of governance to provide essential scrutiny and oversight and set out clear roles and responsibilities for contract management and contract development activity.
- 2.82 Housing Property Services, as the 'contract owner' will be responsible for the development and introduction of the improved contract management approach and implementation timeline.
- 2.83 Elected members will receive regular reports on contract and contractor performance through an enhanced suite of strategic and operational performance indicators at the relevant committee.

Best Value

2.84 Recognising the absence of competitive tension in a 'single Bidder scenario', the report to the Policy and Strategy Committee in December 2022 set out a number of measures that have been incorporated in the procurement, tender evaluation and the management of the proposed contract to mitigate risks associated with the 'single Bidder scenario'.

2.85 Collectively, these measures were designed to provide comparator(s) to the Bidder's Initial and Final Tender submissions to ensure that the council could:

- best understand the future cost of providing Core Services (affordability); and
- evidence achievement of Best Value in a 'single bidder scenario'.

2.86 The mitigations, the actions taken and the outcomes, are set out in paras 2.86(a-f):

a) Identify external benchmarks to validate costs;

Desktop research was undertaken, to identify suitable benchmarks commensurate with the scope, scale, geography and specification of the services included in the proposed contract.

Given the uniqueness of the project and the 'whole service' nature of the contract requirement no 'like for like' comparable reference points were identified.

A number of potential benchmarking reference points for subsets of the 'whole service', mostly at a very granular level were identified, however there was a low degree of confidence in the basis of comparison for these, and the reliance that could be put on the outcome of analysis.

Notwithstanding the lack of confidence in the basis of comparison, the identified benchmarking reference points were analysed. Not unexpectedly, the outcome of the analysis was mixed, some benchmark reference points compared favourably, others did not. The outcome of the benchmarking exercise was therefore inconclusive and does not provide reliable insight as to the overall determination of Best Value.

Appendix 11 provides further details of the benchmarking exercise.

b) Expect the Bidder to demonstrate value by using transparent pricing and other mechanisms ('open book');

The Bidder's commitment to transparent pricing and other mechanisms ('open book') was confirmed in its Final Tender submission for Core Services and for those in-scope items which could not be costed at the procurement stage e.g. narrative orders, Core Projects.

The pricing model in the council's existing contracts only provide an overall total price for each Schedule of Rates item. The tender pricing model for the proposed contract was structured to include a breakdown of each Schedule of Rates into its component parts (labour, materials, plant, management fee and profit) to improve transparency of pricing.

c) Develop a 'Should Cost' model:

A Should Cost Model was developed to represent what the council would expect to pay for the proposed contract and to allow comparison with the cost of the current contracts. The Should Cost Model, aligned with good industry practice, used a number of existing sources of information including the schedule of rates costs of current contracts for the in-scope services. Adjustments were made to the model to reflect the different pricing approaches included in the proposed contract (e.g. fixed cost per property), anticipated changes in rates based on market intelligence and adjustments for inflation.

The Should Cost Model also included an estimated future demand frequency for each schedule of rates item to represent a typical year's work for the services using historical information from existing contracts, and where appropriate, adjusted for anticipated changes in future demand.

The Should Cost Model allowed a comparison to be made with the financial elements of the Bidder's Initial and Final Tender submissions to identify the extent of any variation between the prices and rates in these submissions when compared with the Should Cost Model.

Further adjustments were then made to the Should Cost Model to take account of any aspects in the Bidder's Initial and Final Tender submissions which were different to those present in the current arrangements, e.g. the extent of the social value offer, volume discount, efficiency savings, these adjustments intended to allow the best 'like for like' comparison between the Should Cost Model and the financial elements of Bidder's Initial and Final Tender submissions.

As the scope and the requirements of the proposed contract differ from the current arrangements it is not possible to compare all costs on the same basis, however around 80%, by value, are comparable.

The comparison between the Should Cost Model and the financial elements of the Bidder's Initial and Final Tender submissions is the means by which the percentage increase in the cost of Core Services under the proposed contract, detailed at paras 2.37 and 2.49 was calculated.

Given that the construct of the Should Cost Model is derived from reliable data sources, the high match rate that it provides with current costs, and the absence of a meaningful output from the external benchmarking exercise, the Should Cost Model was assessed as being the primary and most reliable means to understand the financial implications of the proposed contract.

The Should Cost Model allows the council to best understand the future cost of providing Core Services (affordability).

d) to reduce the scope of work which is granted on an exclusive basis:

Under the proposed contract, the contractor will not have an exclusive right to deliver Core Projects. The contractor will only be awarded this work if the council is satisfied that the contractor's offer for Core Projects, on a case-by-case basis, represents Best Value and otherwise meets the council's requirements, see paras 2.11 to 2.15.

Under the proposed contract, the contractor shall have an exclusive right and obligation to provide the Core Services. However, the exclusivity arrangements may be partially or fully withdrawn if the contractor's performance is poor, based on agreed targets for performance and continuous improvement.

- e) to increase the requirement for the Bidder to demonstrate value for money over the contract term for non-exclusive work; and

In addition to the provisions described in paras 2.86(b) and 2.86(d) the contractor is contractually obliged to provide an annual report to the council, part of which requires the contractor to demonstrate that Best Value has been achieved in the delivery of the in-scope services.

Contract provisions set out the requirements for future benchmarking and market testing.

- f) prescribe the procurement policy terms for advertising, quotations, and subcontracting.

Contract provisions set out the requirements in relation to sub-contracting, advertising, quotations for non-exclusive works, elements of narrative orders and general requirement for a fair and transparent procurement process.

Best Value conclusion

- 2.87 The contract has been assessed on the basis of the Most Economically Advantageous Tender (MEAT) with price having 40% of the total score. The price / quality ratio was determined by reference to Scottish Government procurement journey guidance where the contract was classified as a "strategic" contract. The Preferred Bidders achievement of a 42.35% quality score, see para 2.61, also supports the positive assessment of Best Value.
- 2.88 The council is under a general duty of Best Value to "*make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.*" In addition, Audit Scotland has updated its approach to Best Value in October 2023 which will be reflected in its future audits of the Council – "*it is about ensuring that there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public*".
- 2.89 The collective outcome of the actions set out in paras 2.86(a–f), together with;
- consideration of the financial implications detailed at paras 2.49 to 2.52;
 - the contractor's quality submission, set out at para 2.61;
 - the contractors social value commitments, set out at para 2.72;
 - the benefits that the proposed contract, properly managed, will provide at para 2.74;
 - the provisions in the proposed contract to drive continuous improvement; and
 - the wider economic benefits, the 'multiplier impact', for the local area, set out at para 2.57.

has led us to conclude that the award of the proposed contract represents Best Value.

- 2.90 The assessment of Best Value is expected to continue throughout the contract term. The contract has been set up with sufficient flexibility to drive long term continuous improvement with contractual provisions for collaboration, meeting community needs

through social value delivery, transparency, benchmarking, innovation, and efficiency in directly delivered and subcontracted services embedded in the terms of the proposed contract.

Next steps

- 2.91 Subject to approval of the recommendations in this report, the council will complete the necessary documentation to allow the immediate award of the contract to the Preferred Bidder.
- 2.92 For a contract award of this nature and value the observation of 10-day standstill period would normally be required under the Regulations, however as there is only a single bidder, the council is not required to observe a standstill period.
- 2.93 Award of the contract will allow the commencement of a short mobilisation period. A mobilisation plan has been developed with the Chief Officer Housing and Property Services overseeing delivery of the plan. The mobilisation period will consist of activities such as preparation for delivering gas servicing within the new contract; integration of business systems; agreement of first year statutory compliance and planned preventative maintenance plan; year one service delivery plan; developing additional performance reporting; stakeholder communications and engagement plan; and process and procedure implementation.
- 2.94 The mobilisation plan will allow the agreed 'day one' services to commence on 1 July 2024 (targeted), with the remaining services commencing thereafter on a phased basis in accordance with the agreed service transition plan.

Risks and practical considerations

- 2.95 Members will recall that the report to the meeting of the Council on 17 August 2023 detailed the outcome of the 'options revalidation exercise' and importantly the comparative associated risks and practical considerations of the two top scoring service delivery options identified from the revalidation exercise:
- proceeding with the award of the proposed contract (the highest scoring option); and
 - the creation of a council owned ALEO with elements of insource and outsource delivery.
- 2.96 The August 2023 report comprehensively set out the comparative associated risks and practical considerations of both options, these included;
- gaps in service provision (some of which are legislative in nature);
 - mobilisation and transition;
 - operational management;
 - supporting technology and operational applications;
 - assets and equipment;
 - procurement;
 - pension arrangements and costs;
 - staffing, recruitment and retention;
 - salaries, employment terms and benefits; and
 - internal management/governance arrangements.

- 2.97 The August 2023 report concluded that whilst there are risks associated with both delivery options, the ALEO option has a number of significant additional unknowns and comparatively greater risk in terms of transition and delivery costs and in potential risk to continuity of service delivery.
- 2.98 The Council agreed that following the outcome of the options revalidation exercise, along with the practical considerations and associated risks, “continuing with the current procurement exercise”, was the delivery option that would best meet the project objectives.
- 2.99 The risks set out in the August 2023 report remain present and should be given due weighting in considering the recommendation to award the proposed contract.

3. Measures of success

- 3.1 The measures of success remain as previously reported to the Committee on 19 March 2020, namely that the Enterprise Project will help the council to:
- shape North Lanarkshire;
 - enhance our economy;
 - regenerate our communities;
 - provide cohesive maintenance and repairs;
 - focus on whole life investment;
 - achieve more efficient and effective delivery;
 - move towards more sustainable and carbon neutral communities; and
 - provide access to additional resources.
- 3.2 The delivery model will continue to support twenty of the twenty five ambition statements, being a key driver for nine of these ambition statements (2, 3, 5, 6, 17, 21, 22, 24, 25) and contributing to eleven other ambition statements (1, 4, 10, 11, 12, 14, 15, 16, 18, 19, 23) and will be a catalyst for the successful delivery of the Plan for North Lanarkshire and its key priorities.
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4. Supporting documentation

Appendix 1 – Summary of procurement process

Appendix 2 – SME status and location of Tenderer(s)

Appendix 3 – Scope of services

Appendix 4 – List of new services / current contractors

Appendix 5 – Selection stage outcome

Appendix 6 – Award criteria

Appendix 7 – Initial Tender outcome

Appendix 8 – Final Tender outcome - qualitative criteria

Appendix 9 – Social value commitments

Appendix 10 – Contractual benefits

Appendix 11 – Benchmarking

Appendix 12 – External advisors fees

A handwritten signature in black ink that reads "James McKinstry". The signature is fluid and cursive, with the first name "James" and last name "McKinstry" clearly legible.

James McKinstry
Chief Officer – Assets and Procurement

A handwritten signature in purple ink that reads "Brian Lafferty". The signature is cursive and stylized, with the first name "Brian" and last name "Lafferty" clearly legible.

Brian Lafferty
Chief Officer – Housing Property Services

A handwritten signature in purple ink that reads "Stephen Llewellyn". The signature is cursive and stylized, with the first name "Stephen" and last name "Llewellyn" clearly legible.

Stephen Llewellyn
Chief Officer – Housing Management

5. Impacts

5.1 Public Sector Equality Duty and Fairer Scotland Duty

Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The Enterprise Project aims to create, through the council's strategic contractual relationships with contractors, social value at scale for local communities. This will help the council to meet the requirements of the Fairer Scotland Duty to reduce socio disadvantage.

Socio economic impact is at the heart of the Enterprise Project and related contracts. The Enterprise Project will deliver a range of socio-economic benefits for the local community at a scale that cannot be achieved from current procurement and contract management practices. Targeted social value benefits will include;

- Employment Education & Skills - generate employment and training opportunities for school leavers, apprentices and unemployed people;
- Supply Chain Development & Opportunities - use small and medium sized enterprises (preferably local). Social enterprise or a supported business in supply chain;
- Community Engagement & Capacity Building – to benefit local communities;
- Environment - implement carbon reduction and sustainability initiatives; and
- Innovation - introduce innovation in delivery of services (e.g., digital tools, automation, working practices).

A single co-ordinated framework for delivering, measuring, and reporting socio economic impact across all Enterprise Project related contracts will be developed and implemented, this framework will be scalable for use across the wider organisation.

The council incorporates the statutory guidance on addressing 'Fair Work Practices' including payment of the Living Wage in all significant procurements

If Yes, has an assessment been carried out and published on the council's website? <https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments>

Yes ☒ No ☐

5.2 Financial impact

Does the report contain any financial impacts?

Yes ☒ No ☐

If Yes, have all relevant financial impacts been discussed and agreed with Finance?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

Finance has been engaged with the Enterprise Project since its inception and is represented on the Project Board and the supporting professional advisors group.

The financial implications are set out at paras 2.49 to 2.52 of this report.

Contract expenditure will be managed from current General Fund and Housing Revenue Account budgets for repairs, maintenance and, where relevant, capital expenditure. Future costs will be incorporated into medium term financial planning processes considering contract inflation and thereafter considered as part of the Council's normal budget setting processes.

Given the potential scale, complexity and importance of this project in helping to realise the ambitions for North Lanarkshire, the Policy and Strategy Committee meeting in February 2019 agreed that to supplement inhouse capacity and capability, the procurement of appropriate specialist advice to support the procurement exercise be authorised.

External advisors' fees, for all aspects of Enterprise Project (including the linked predecessor project, the Enterprise Strategic Commercial Partnership) total £4.284m (as of April 2024). The external advisors' fees equate to 0.20% of the combined total upper estimated contract value of the two phase one Enterprise Project procurements. Professional advisors' fees typically equate to around 10% of the total cost of a project.

Advisors' fees paid remain within estimates, fees have been incurred in accordance with internal procedures including committee approval/noting of contract awards.

Appendix 12 provides further details of external advisors' fees.

External advisors are managed by the Project Team, with regular reports provided to the Project Board.

5.3 HR policy impact

Does the report contain any HR policy or procedure impacts?

Yes ☒ No ☐

If Yes, have all relevant HR impacts been discussed and agreed with People Resources?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

People Resources has been engaged with the Enterprise Project since its inception to ensure any and all HR considerations are addressed.

HR is represented on the Project Board and the supporting professional advisors' group.

5.4 Legal impact

Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)?

Yes ☒ No ☐

If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The Legal and Democratic service has been fully involved with the Enterprise Project since its inception and has sought advice from external legal advisors to ensure the council manages legal risks effectively.

Legal and Democratic is represented on the Project Board and the supporting professional advisors' group.

Legal advice has been and will continue to be sought to ensure compliance with applicable legislation and to ensure the council manages legal risks effectively.

5.5 Data protection impact

Does the report / project / practice contain or involve the processing of personal data?

Yes ☒ No ☐

If Yes, is the processing of this personal data likely to result in a high risk to the data subject?

Yes ☐ No ☒

If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk

Yes ☐ No ☒

5.6 Technology / Digital impact

Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The project includes securing efficiencies through further digitising aspects of information exchange and ways of working.

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes ☒ No ☐

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The Enterprise Project aims to develop an innovative new approach to delivery for a full range of interconnected property, community asset and infrastructure investments. As such, will help the council to create more attractive town centres, address areas of poor quality in the built environment, and encourage town centre living through greening and improved community assets. Added to this, the reshaping of North Lanarkshire's town centres will aim to incorporate more energy efficient housing and infrastructure and promote active travel and the use of public transport via the development of transport hubs / interchanges, to support future council targets for net zero emissions.

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

Regular updates relating to the Enterprise Project have been provided in line with the agreed project communication plan, this will continue as the project progresses, through contract award, contract mobilisation and ongoing contract management phases.

5.9 Risk impact

Is there a risk impact?

Yes ☒ No ☐

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

Associated risks for the Enterprise Project are identified and managed in accordance with the agreed corporate project risk management methodology and monitored and reported via the Project Team and/or Project Board with risk escalation as required.

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes ☐ No ☒

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

The Preferred Bidder has made a commitment to diversifying its workforce through initiatives such as "Tradeswomen into Maintenance", and the "Armed Forces Covenant".

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes ☐ No ☒

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes ☐ No ☒

Appendix 1 – Summary of procurement process

CPT contract reference allocated:	NLC-SLP-22-003
Procurement procedure utilised:	Competitive Procedure with Negotiation
Governing legislation / regulations:	Public Contracts (Scotland) Regulations 2015
Date contract strategy approved:	20 June 2022
Date contract notice published:	21 June 2022
Tender platform utilised:	PCS-Tender (PCST)
Total expressions of interest received:	22
NLC based expressions of interest:	6
Selection Stage Submission return deadline:	12 August 2022
Number of Selection Stage Submissions received:	1
Selection Stage Submission's from SME's:	Nil
Selection Stage Submission's from NLC based Candidates:	1
Selection Stage Submission's from supported businesses:	Nil
Number of non-compliant Selection Stage Submission's:	Nil
Number of compliant Selection Stage Submission's:	1
Number of Candidates invited to Negotiation Stage:	1
Negotiation Stage commencement date:	05 September 2023
Negotiation Stage conclusion date:	30 October 2023
Final Tender Stage publication date:	30 October 2023
Final Tender Stage return deadline:	20 November 2023
Number of Tenders received:	1

Tenders from SME's:	Nil			
Tenders from NLC based tenderers:	1 (Operational headquarters and depots)			
Tenders from supported businesses:	Nil			
Number of non-compliant tenders:	Nil			
Number of compliant tenders:	1			
Number of recommended tenderers:	1			
Basis of Award:	Quality:	60%	Price:	40%
Evaluation Team:	Combination of Council Officers across Enterprise & Communities.			
Anticipated Start Date of the Agreement:	01 July 2024			
Total Agreement Period (Months):	144 (includes available extension options)			
Awarded Value of the Agreement:	Up to £1.8bn			

Appendix 2 – SME status and location of Bidders

Name of Bidder	Size of Bidding Organisation (Micro, Small, Medium or Large)	Location of Bidder (Local Authority / Council Area)
Mears Ltd	Large	North Lanarkshire (Operational headquarters and depots)

Appendix 3 - Housing & Corporate Maintenance & Investment Services - Scope

Housing & Corporate: Summary Table									
Category Reference	Level 1 Category	Housing				Corporate			
		A	B	C	D	A	B	C	D
1	Adaptation Trades	✓	✓		✓	✓	✓		✓
2	Bathroom Replacements			✓	✓				
3	Brickwork	✓	✓		✓	✓	✓		✓
4	Car Park Access Control Equipment					✓	✓		✓
5	Carpentry and Joinery	✓	✓		✓	✓	✓		✓
6	CCTV	✓	✓		✓	✓	✓		✓
7	Cleaning and Clearance	✓	✓		✓	✓	✓		✓
8	Communal Boilers	✓	✓		✓	✓	✓		✓
9	Communal TV Aerial and Satellite Systems	✓	✓		✓				
10	Controlled Door Entry	✓	✓	✓	✓	✓	✓	✓	✓
11	Disabled Adaptations and Minor Works	✓	✓		✓	✓	✓		✓
12	Drainage	✓	✓		✓	✓	✓		✓
13	Electrical	✓	✓		✓	✓	✓		✓
14	Electrical Work			✓	✓			✓	✓
15	Energy Efficiency Appliances and Components	✓	✓		✓	✓	✓		✓
16	Excluded Works								
17	Fencing and Gates	✓	✓		✓	✓	✓		✓
18	Fire Safety Works	✓	✓		✓	✓	✓		✓

19	Fire Stopping	✓	✓		✓	✓	✓		✓
20	Foundations	✓	✓		✓	✓	✓		✓
21	Glazing	✓	✓		✓	✓	✓		✓
22	Groundworks	✓	✓		✓	✓	✓		✓
23	Heating			✓	✓			✓	✓
24	Heating, Gas Appliances and Installations	✓	✓		✓	✓	✓		✓
25	Homelessness & Temporary Accommodation Services	✓	✓		✓				
26	Intruder Alarms	✓	✓		✓	✓	✓		✓
27	Kitchen Replacements			✓	✓				
28	Lead Pipe			✓	✓				
29	Lift Installations	✓	✓		✓	✓	✓		✓
30	Lightning Conductors	✓	✓		✓	✓	✓		✓
31	Major Repairs			✓	✓			✓	✓
32	Masonry	✓	✓		✓	✓	✓		✓
33	Mechanical Services	✓	✓		✓	✓	✓		✓
34	Miscellaneous Communal M&E					✓	✓		✓
35	Painting and Decorating	✓	✓		✓	✓	✓		✓
36	Plasterwork and Other Finishes	✓	✓		✓	✓	✓		✓
37	Plumbing	✓	✓		✓	✓	✓		✓
38	Roller Shutter Installations					✓	✓		✓
39	Roofing	✓	✓	✓	✓	✓	✓	✓	✓
40	Specialist Services	✓	✓		✓	✓	✓		✓
41	Specialist Treatments	✓	✓		✓	✓	✓		✓
42	Structural Repairs	✓	✓		✓	✓	✓		✓
43	Swimming Pool Maintenance					✓	✓		✓
44	Tower Services	✓	✓		✓				
45	Tower Strategy			✓	✓				
46	Ventilation Installations	✓	✓		✓	✓	✓		✓
47	Voids	✓	✓		✓				

48	Wall and Floor Tile and Sheet Finishes	✓	✓		✓	✓	✓		✓
49	Warden and Other Alarm Call Installations	✓	✓		✓	✓	✓		✓
50	Windows & Doors Replacements			✓	✓			✓	✓

Key	Activity
A	Reactive Maintenance
B	Servicing & Inspections
C	Investment Projects & Programmes
D	Other Related Work

Appendix 4 – New services

Core Services

Service Description	Estimated Annual Value	Bidder's Indicative Delivery Method
Strategic Partnership Contract: Housing & Non-Housing Property Maintenance	£35,000,000	Self-deliver majority of works
Strategic Partnership Contract: Central Heating Maintenance	£11,000,000	Subcontract
UPVC Door and Window Repairs and Maintenance	£1,875,000	Self-deliver
Bitmac Repairs	£1,675,000	Subcontract
Floor Coverings	£1,075,000	Subcontract
Water Quality Testing and Lead Mains Replacement	£950,000	Subcontract
Asbestos Removal & Encapsulation Services for Domestic & Non-Domestic Property	£775,000	Subcontract
CCTV / Intruder Alarms / Access Control Systems, Service and Maintenance	£550,000	Subcontract
Biomass Heating System Services and Supplies	£350,000	Subcontract
Controlled Door Entry Systems and Associated Works – Repairs and Servicing	£350,000	Subcontract/Self-deliver
Metal Doors and Blacksmith Works: Service and Maintenance	£325,000	Subcontract/Self-Deliver
Asbestos Surveying to Domestic and Asbestos Air Monitoring, Sampling and Surveying to Non-Domestic Properties	£300,000	Subcontract
Repairs to TV Aerials	£180,000	Subcontract

Water Quality Control (Corporate Property)	£150,000	Subcontract
Air Conditioning Systems, Service, Maintenance, Repairs & Installations	£115,000	Subcontract
Warden Calls at Sheltered Housing Complexes	£100,000	Subcontract
Asbestos Air Monitoring, Sampling and Analysis to Domestic Properties	£95,000	Subcontract
Building Energy Management System (BEMS) Servicing & Maintenance	£90,000	Subcontract
Water Quality Control (Risk Assessment, Monitoring Regime and Associated Remedial Works)	£85,000	Subcontract
Electric Storage/Fan Convactor Heaters - Servicing, Maintenance, Repairs and Replacement	£70,000	Subcontract
Swimming Pool Plant Inspection & Maintenance	£44,000	Subcontract
Fire Alarm, Smoke Alarm and Protection Systems Servicing and Maintenance	£43,750	Subcontract
Combined Heat and Power plant - Ravenscraig	£25,000	Subcontract
Combined Heat and Power Unit - Time Capsule	£25,000	Subcontract
Ice Rink - Time Capsule Repairs and Maintenance	£25,000	Subcontract
Temporary Heating & Portable Air Conditioning Appliances & Dehumidifiers	£25,000	Subcontract
Dehumidification Unit at Time Capsule - Repairs and Maintenance	£15,000	Subcontract
ETFE Roofing System Inspection, Cleaning, Maintenance and Repairs	£15,000	Subcontract

High Level Masonry: Inspection & Repairs	£15,000	Subcontract
Instantaneous Hot Water Boilers Repairs and Maintenance	£15,000	Subcontract
Lightning Conductors: Inspection, Testing & Maintenance	£15,000	Subcontract
Roof Anchors, Structural Anchorage & Safety Lines Systems: Inspection, Testing & Maintenance	£15,000	Subcontract
Sound Equipment - Various - Repairs and Maintenance	£12,500	Subcontract
Sprinkler Servicing	£12,500	Subcontract
Smoke Control (Ravenscraig)	£10,000	Subcontract
Public Clocks Maintenance	£8,000	Subcontract
Gas Detection & Monitoring System; Inspection, Testing & Servicing	£5,500	Subcontract
Bleacher Seating Servicing	£5,000	Subcontract
Flume Servicing - various - Repairs and Maintenance	£5,000	Subcontract
Pool Covers Repairs and Maintenance	£2,500	Subcontract
Backup Generator - Broadwood	£1,500	Subcontract
Chlorine Detection Service & Calibration	£1,500	Subcontract
Emergency Escape Breathing Apparatus Maintenance	£1,500	Subcontract

Repairs and Maintenance of Disability Pool Hoists	£1,500	Subcontract
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New Services – Core Projects

Service Description	Estimated Annual Value	Bidder's Indicative Delivery Method
Re-Roofing, Re-Rendering and Insulation Works	£12,000,000	Subcontract
Windows & Doors Replacement	£10,000,000	Subcontract / Self-deliver
Gas Heating System Replacements	£6,000,000	Subcontract
Heating Systems (Gas, Renewable and Electric) - Full Replacement	£800,000	Subcontract
Controlled Door Entry Systems and Associated Works Replacements	£500,000	Subcontract / Self-deliver

Appendix 5 – Selection stage outcome summary

Stage	Criteria	MEARS Limited Result
1G1	Receipt and Collation of SPD Submissions	Pass
2A1	Compliance and Completeness Check	Pass
2A2	Information about the Bidder Check	Pass
3B1	Exclusion Grounds (Mandatory)	Pass
3B2	Exclusion Grounds (Discretionary)	Pass
3B3	Concluding Statement Check	Pass
4C1	Economic and Financial Standing (4B.4)	Pass
4C2	Economic and Financial Standing (4B.5.1, 5.2)	Pass
4C3	Economic and Financial Standing (4B.6)	Pass
5D1	4D.1 and 4D.2	Pass
5D2	4C.2, 4C.4, 4C.7, 4C.8.1, 4C.8.2, 4C.9	Pass
5D3	4C.1.2	3.1
5D4	Candidate Shortlisting Rank	1
	Shortlist	Yes

Appendix 6 – Award criteria

Level 1 Award Criteria	Level 1 Award Criteria Weighting	Level 2 Award Criteria	Level 2 Award Criteria Weighting
Quality	60%	1. Service Delivery	50%
		2. Social Value	30%
		3. Commercial	10%
		4. Legal	10%
Price	40%	1. Price	100%

Level 2 Award Criteria	Level 2 Award Criteria Weighting	Level 3 Award Criteria	Level 3 Award Criteria Weighting
1. Service Delivery	50%	1.1 Contract Management	10%
		1.2 Delivery approach and Methodology	40%
		1.3 Staffing proposals (including fair work practices)	10%
		1.4 Subcontracting / supply chain proposals	10%
		1.5 Mobilisation Plan / Service Implementation Plan	10%
		1.6 ICT Arrangements	5%
		1.7 Management systems / service plans	5%
		1.8 Service continuity proposals	5%
		1.9 Exit plan proposals	5%
2. Social Value	30%	2.1 Employment, education and skills	30%
		2.2 Supply Chain Development and opportunities	15%
		2.3 Community Engagement and Capacity Building	15%
		2.4 Environment	30%
		2.5 Innovation	10%
3. Commercial	10%	3.1 Commercial	100%
4. Legal	10%	4.1 Legal	100%

Level 4 Criteria	Level 4 "Question Weighting"
1.1 Please provide a Governance & Contract Management Plan detailing how you will support the governance & management of the Services.	100%
1.2a Please provide a Housing - Core Services - Reactive Maintenance Plan detailing how you will deliver these Services.	20%
1.2b Please provide a Corporate - Core Services - Reactive Maintenance Plan detailing how you will deliver these Services.	20%
1.2c Please provide a Housing - Core Services - Compliance, Servicing & Inspection (including Gas) Plan detailing how you will deliver these Services.	20%
1.2d Please provide a Corporate - Core Services - Compliance, Servicing & Inspections Plan detailing how you will deliver these Services.	20%
1.2e Please provide a Core Projects (Housing & Corporate) Plan detailing how you will deliver these Services.	20%
1.3a Please provide a Resources Plan (Part A) detailing how you will successfully resource & deliver the Services.	60%
1.3b Please provide a Resources Plan (Part B) detailing how you will successfully resource & deliver the Services where directly employed workers are used.	40%
1.4a Please provide a Supply Chain Plan detailing how you will fairly select, manage & pay Suppliers & Sub-Contractors.	60%
1.4b Please provide a Fair Work Plan detailing how you will comply with Fair Work First principles where subcontracted workers are used.	40%
1.5a Please provide a Mobilisation Plan detailing how you will mobilise the Services.	50%
1.5b Please provide a Core Services Service Implementation Plan detailing how you will transition services from existing contracts into the Contract.	25%
1.5c Please provide a Core Projects Service Implementation Plan detailing how you will transition services from existing contracts into the Agreement.	25%
1.6 Please provide a Technology Plan detailing how you will use IT & technology to robustly & reliably support the delivery of the Agreement.	100%
1.7a Please provide a Health & Safety Plan detailing your management arrangements for the health, safety & wellbeing of the workforce, client & service users.	33.33%
1.7b Please provide a Quality Management Systems Plan detailing your management systems for managing quality.	33.33%
1.7c Please provide an Environmental Management System Plan detailing your management systems for managing environmental impact.	33.34%
1.8 Please provide your Service Continuity Plan detailing how you will maintain continuity of service delivery.	100%

1.9	Please provide a Service Exit Plan detailing how you will manage the handover of services & supporting information to the Authority.	100%
2.1	Please provide a Social Value Plan detailing how you will deliver specific & tangible Social Value measures & benefits that you will offer the Authority.	100%
2.2	Please provide a Local Supply Chain Development Plan detailing how you will deliver support local supply chain participation in the Agreement.	100%
2.3	Please provide a Local Community Engagement & Capacity Building Plan detailing how you will support local community engagement over the Term.	100%
2.4	Please provide an Environmental Impact Reduction Plan detailing how you will reduce environmental impact over the Term.	100%
2.5	Please provide an Innovation & Improvement Plan for delivery of innovation, new technologies & new methods of service delivery.	100%
o	Please provide a Commercial Plan describing your commercial management approach to the Agreement.	80%
o	Please provide a Pensions Plan describing your approach to pension arrangements for the Agreement.	20%
4.1	Legal	100%

Appendix 7 - Initial Tender review outcome summary – qualitative criteria

Reference	Summary	Agreed Consensus Score
1.1	Governance and Contract Management Plan	Meets the minimum requirement
1.2a	Housing - Reactive Maintenance Plan	Meets the minimum requirement
1.2b	Corporate - Reactive Maintenance Plan	Meets the minimum requirement
1.2c	Housing - Compliance, Servicing & Inspections (including Gas) Plan	Does not yet meet the minimum requirement
1.2d	Corporate - Compliance, Servicing & Inspections Plan	Does not yet meet the minimum requirement
1.2e	Core Projects (Housing & Corporate) Plan	Meets the minimum requirement
1.3a	Resources Plan (Part A)	Meets the minimum requirement
1.3b	Resources Plan (Part B)	Meets the minimum requirement
1.4a	Supply Chain Plan	Meets the minimum requirement
1.4b	Fair Work Plan	Meets the minimum requirement
1.5a	Mobilisation Plan	Meets the minimum requirement
1.5b	Core Services Service Implementation Plan	Does not yet meet the minimum requirement
1.5c	Core Projects Service Implementation Plan	Does not yet meet the minimum requirement
1.6	Technology Plan	Meets the minimum requirement
1.7a	Health and Safety Plan	Meets the minimum requirement
1.7b	Quality Management Systems Plan	Meets the minimum requirement
1.7c	Environmental Management System Plan	Meets the minimum requirement
1.8	Service Continuity Plan	Meets the minimum requirement
1.9	Service Exit Plan	Meets the minimum requirement
2.1	Social Value Plan	Meets the minimum requirement
2.2	Local Supply Chain Development Plan	Meets the minimum requirement

2.3	Local Community Engagement and Capacity Building Plan	Meets the minimum requirement
2.4	Environmental Impact Reduction Plan	Meets the minimum requirement
2.5	Innovation and Improvement Plan	Does not yet meet the minimum requirement
3.1	Commercial Plan	Does not yet meet the minimum requirement
3.2	Pensions Plan	Does not yet meet the minimum requirement
4.1	Legal	Not assessed at this stage
Total number of criteria met		19 of 26

Appendix 8 - Final Tender evaluation outcome summary – qualitative criteria

Level 4 Criteria	Maximum Score Available	Score Achieved
1.2 Please provide a Governance & Contract Management Plan detailing how you will support the governance & management of the Services.	100	100
1.2a Please provide a Housing - Core Services - Reactive Maintenance Plan detailing how you will deliver these Services.	100	75
1.2b Please provide a Corporate - Core Services - Reactive Maintenance Plan detailing how you will deliver these Services.	100	75
1.2c Please provide a Housing - Core Services - Compliance, Servicing & Inspections (including Gas) Plan detailing how you will deliver these Services.	100	75
1.2d Please provide a Corporate - Core Services - Compliance, Servicing & Inspections Plan detailing how you will deliver these Services.	100	75
1.2e Please provide a Core Projects (Housing & Corporate) Plan detailing how you will deliver these Services.	100	50
1.3a Please provide a Resources Plan (Part A) detailing how you will successfully resource & deliver the Services.	100	75
1.3b Please provide a Resources Plan (Part B) detailing how you will successfully resource & deliver the Services where directly employed workers are used.	100	75
1.4a Please provide a Supply Chain Plan detailing how you will fairly select, manage & pay Suppliers & Sub-Contractors.	100	50
1.4b Please provide a Fair Work Plan detailing how you will comply with Fair Work First principles where subcontracted workers are used.	100	75
1.5a Please provide a Mobilisation Plan detailing how you will mobilise the Services.	100	75
1.5b Please provide a Core Services Service Implementation Plan detailing how you will transition services from existing contracts into the Contract.	100	75
1.5c Please provide a Core Projects Service Implementation Plan detailing how you will transition services from existing contracts into the Agreement.	100	75
1.6 Please provide a Technology Plan detailing how you will use IT & technology to robustly & reliably support the delivery of the Agreement.	100	75

1.7a Please provide a Health & Safety Plan detailing your management arrangements for the health, safety & wellbeing of the workforce, client & service users.	100	100
1.7b Please provide a Quality Management Systems Plan detailing your management systems for managing quality.	100	50
1.7c Please provide an Environmental Management System Plan detailing your management systems for managing environmental impact.	100	100
1.8 Please provide your Service Continuity Plan detailing how you will maintain continuity of service delivery.	100	75
1.9 Please provide a Service Exit Plan detailing how you will manage the handover of services & supporting information to the Authority.	100	75
2.1 Please provide a Social Value Plan detailing how you will deliver specific & tangible Social Value measures & benefits that you will offer the Authority.	100	75
2.2 Please provide a Local Supply Chain Development Plan detailing how you will deliver support local supply chain participation in the Agreement.	100	100
2.3 Please provide a Local Community Engagement & Capacity Building Plan detailing how you will support local community engagement over the Term.	100	75
2.4 Please provide an Environmental Impact Reduction Plan detailing how you will reduce environmental impact over the Term.	100	75
2.5 Please provide an Innovation & Improvement Plan for delivery of innovation, new technologies & new methods of service delivery.	100	50
3.3 Please provide a Commercial Plan describing your commercial management approach to the Agreement.	100	50
3.4 Please provide a Pensions Plan describing your approach to pension arrangements for the Agreement.	100	75
4.1 Legal	100	50
Total number of criteria met		27 of 27

Appendix 9 - Social value commitments

- creation of new jobs over the first three years of the contract, recruitment where possible from the local area;
- commitment to providing a significant craft and modern apprenticeship programme over the duration of the contract;
- scope for additional apprenticeships dependent on the extent to which the contractor secures Core Projects;
- further opportunities to increase the social value commitments to work placements and apprenticeships through the supply chain through future subcontract procurement processes;
- commitment to work placements working with local schools, colleges and employability programmes and engaging with NL Education Future Friday strategy to offer placements;
- continued commitment to employing locally and to employing locally first;
- continue to spend where possible with voluntary, community and social enterprises through its supply chain;
- commitment to working with schools to promote construction as a positive work destination and specifically at MEARS;
- offer knowledge and experience of developing training colleges to help the council realise its ambition of creating its Construction Skills academy;
- investment in a local needs analysis report specific to North Lanarkshire in partnership with independent expert organisation;
- annual assurance of its Social Value achievements by independent organisation;
- all subcontracts to include commitments to social value and regular reporting, proportionate to their scale;
- delivery of a bespoke Social Value training programme to all MEARS managers;
- introduction of new apprenticeships to address the Climate Emergency;
- commitment of funding to integrate the new services into their IT systems and interfaces with the Council's client management system;
- commitment to creation of an innovation fund;
- continued commitment to maintain a head office in North Lanarkshire with upgraded accommodation;
- commitment to encouraging the participation of local SMEs to work with the Bidder;
- commitment to diversifying its workforce through initiatives such as "Tradeswomen into Maintenance", and the "Armed Forces Covenant";
- commitment to an employee volunteering programme for a local charity or community project;
- support and guidance for local businesses to participate and onboard to the Preferred Bidders supply chain;
- 'Meet the Buyer' events and local engagement with businesses to advertise and promote future subcontract opportunities through NL Business Gateway;
- commitment to working with social enterprises and supported businesses;
- advertising of supply chain opportunities on Public Contracts Scotland portal (PCS);
- investment in subcontractor training and development e.g., Safety, Health & Environment (SHE) Awareness courses, Customer Care induction;
- prompt payment of subcontractors within 30 day terms;
- sustainable procurement duty embedded into tender processes;
- commitment to fair work practices for its directly employed workforce and its supply chain;

- all directly employed staff are paid in excess of Scottish Living Wage; and
- signatory to the Scottish Responsible Business Charter.

Appendix 10 – Contractual benefits

Topic	New Contract Provisions	Benefits
Application of SOR	Priced Schedules of Rates (base rate) – Bidder to provide its rate. Comparison between Bidder's rates and Council's rates. Breakdown of SOR items – labour, plant, materials, management, profit.	<ul style="list-style-type: none"> improved transparency of application of SOR (including labour, materials, plant, management fee and profit). better information for benchmarking. improved transparency of application of SOR for out of hours, cost plus margins for dayworks / narrative orders. future proofing for use of change mechanism.
Benchmarking	Market testing and benchmarking based on CCS Model Service Contract.	<ul style="list-style-type: none"> improved value for money provisions. industry standard provisions.
Best Value Efficiency Saving	Replacement of existing provisions with a service credit model linked to KPIs.	<ul style="list-style-type: none"> modernised, commercial approach linked to contract management.
Change	Documented change process, based on CCS Model Service Contract. Process includes consideration of impact of proposed change on pricing.	<ul style="list-style-type: none"> improved value for money provisions. industry standard provisions.
Competitive Terms	Contractor given responsibility for demonstrating value for money.	<ul style="list-style-type: none"> improved value for money provisions.
Data Protection	Industry standard provisions based on CCS Model Service Contract.	<ul style="list-style-type: none"> modernised contract terms aligned with legislation. improved commercial position (cyber security).
Environment and Sustainability	Introduction of Environmental Impact Reduction Plan to capture and monitor Bidder's emissions over the contract term.	<ul style="list-style-type: none"> greater transparency. an environmental impact reduction plan to capture and monitor the contractor's commitments to emission reductions over the contract term (aligned to Scottish Government climate reduction measurement and the council's net zero priorities to 2030 and beyond).
Exclusivity	Exclusivity for Core Services, no exclusivity for Core Projects. Non-exclusivity for Core Projects with engagement	<ul style="list-style-type: none"> guarantees that pricing for Core projects will always align with "on-market" pricing.

	process to determine value for money.	
Exit Management	Comprehensive contractor requirements for supporting exit / transition to a new contract.	<ul style="list-style-type: none"> • greater transparency. • improved commercial position.
Fair Work Practices	Requirement to pay subcontractors within 30 days. Requirement to pay the living wage.	<ul style="list-style-type: none"> • alignment with Scottish Government Fair Work guidance • improved value for money provisions. • opportunities for SMEs and supply chain
Financial capacity	Introduction of monitoring and escalation of potential financial instability.	<ul style="list-style-type: none"> • greater transparency. • improved value for money provisions. • improved commercial position.
Freedom of Information	Industry standard provisions based on CCS Model Service Contract.	<ul style="list-style-type: none"> • aligns contract with legislation. • modernised contract terms.
Indexation	Building Cost Information Service (BCIS) General Building Cost Index	<ul style="list-style-type: none"> • no change – continuity of indexation (no risk pricing). • Industry good practice.
Key Personnel	Requirements for Contractor to provide consistent quality and qualification of key personnel, notification of change of key personnel.	<ul style="list-style-type: none"> • greater risk transfer to the Contractor. • improved commercial position.
Method of Measurement	Standard Method of Measurement (SMM7), moving to New Rules of Measurement (NRM2) or industry standard.	<ul style="list-style-type: none"> • opportunity for improvement and modernisation over contract the term.
Partnering principles	Partnering approach embedded into the contract.	<ul style="list-style-type: none"> • aligns with industry good practice. • supports delivery of project objectives
Performance Indicators and measurement	Comprehensive range of performance measures (KPIs) – compliance, reactive maintenance, investment – Housing and Corporate. Introduction of commercial consequences for failing to meet milestones. Link to service credit model.	<ul style="list-style-type: none"> • improved value for money provisions. • greater transparency of performance reporting.
Service Credit Model	Financial deductions for failure to meet KPIs.	<ul style="list-style-type: none"> • improved value for money provisions.

		<ul style="list-style-type: none"> • commercial consequences for failing to meet performance requirements. • greater transparency of performance reporting.
Service Scope and Specifications	Comprehensive scope documents – Core Services, Core Projects. Comprehensive suite of specifications.	<ul style="list-style-type: none"> • updated specifications for new standards, emerging technology and legislation. • greater transparency. • audit trail / future proofing.
Social Value	Requirement for Contractor to meet commitments to Social Value targets.	<ul style="list-style-type: none"> • supports delivery of project objectives. • alignment with industry standards (Themes, Outcomes and Measures framework).
Staff Transfers at Commencement / expiry TUPE and Pensions	Options for Contractor to provide a Local Government Pension Scheme or a Broadly Comparable Scheme based on standard industry practice.	<ul style="list-style-type: none"> • provisions aligned with Scottish Government statutory guidance on pensions.
Subcontracting	Requirement to advertise subcontracting opportunities. Support for participation of SMEs. Requirement for Fair Work practices across the supply chain. Provisions based on CCS Model Service Contract.	<ul style="list-style-type: none"> • compliance with Scottish Government guidance. • improved transparency to encourage participation by local supply chain. • links to social value commitments.

Appendix 11- Benchmarking

Ref	Potential Benchmarking Comparator – Data Source	Potential scope	Confidence Rating	Outcome
1.	APSE – Benchmarking exercise March 2023 – comparison between NLC and 4 other local authorities.	Core Services	Medium	Generally Favourable
2.	NLC price validation exercise	Core Services	Medium	Generally Unfavourable
3.	National Housing Federation SOR Benchmarking exercise	Core Services	Medium	Mixed
4.	National Schedule of Rates SOR – Benchmarking Exercise	Core Services	Low	Mixed
5.	Scotland Excel – Property Maintenance and refurbishment framework	Daywork percentage additions Labour hourly rates	Low	Mixed
6.	General market indicators – Turner & Townsend Market Intelligence Reports	Core Services Core Projects	Low	N/A General market overview only
7.	Comparison to NLC Roads & Infrastructure final tender submissions	Management fee Profit	Medium	Information not available in required timeframe.
8.	Crown Commercial – Housing Maintenance and Repair Framework – RM6241	Core Services Core Projects	N/A	No reference points identified
9.	Scottish Procurement Alliance (SPA) - Frameworks	Core Projects	N/A	No reference points identified.
10.	SCAPE – Frameworks (Scotland)	Core Projects	N/A	No reference points identified
11.	Other similar Scottish organisations with similar delivery model	Core Services Core Projects	N/A	No reference points identified

Appendix 12- External Advisors fees

Advisor	Fee Total
Turner and Townsend	£2,812,754
Pinsent Masons LLP	£1,104,530
Grant Thornton UK LLP	£233,314
Optimum Professional Solutions	£77,200
Harper Legal	£32,250
Burness Paull LLP	£24,000
Total	£4,284,048

