

North Lanarkshire Council Report

Housing Committee

Does this report require to be approved? Yes No

Ref: NLC–SLP-24-094 / HO TB 22 006

Date: 07 May 2025

Contract Award for Refurbishment of 2 No Tower Blocks, Whifflet and Calder Court, Coatbridge

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Executive Summary

This report seeks approval to progress procurement arrangements for the refurbishment of Whifflet and Calder Court.

The recommendation is for a direct award to Kier Construction Limited via the Scottish Procurement Alliance PB3 framework, up to the value of £19,500,00 (including contingency, and excluding VAT).

This approach allows for early contractor involvement, crucial for optimising design, cost, and delivery of essential upgrades including building fabric, energy efficiency, and fire safety works to both towers.

Recommendations

It is recommended that Housing Committee:

1. Approves the award of a contract procured via a “Direct Award” procedure via the Scottish Procurement Alliance Public Buildings Construction and Infrastructure (PB3) framework agreement (the “Framework”) for the refurbishment of Refurbishment of Whifflet and Calder Court up to the value of £19,500,000, including contingency allowance, excluding VAT to Kier Construction Limited.

The Plan for North Lanarkshire

Priority Improve the health and wellbeing of our communities

Ambition Statement (14) Ensure the highest standards of public protection

Programme of Work Transforming Places

1. Background

1.1 Whifflet and Calder Towers are vital assets within the housing portfolio, providing 173 domestic properties. Both towers require significant refurbishment to address the aging building fabric, poor energy efficiency leading to higher fuel costs for tenants, and the need for enhanced fire safety measures.

1.2 The contract scope of works will encompass, but not be limited to, the following key areas to deliver enhanced living conditions and address critical building performance requirements:

- **Enabling Works:** Including car park drainage improvements, new external lighting, a new barrier entry system, and associated infrastructure works;
- **Cladding Replacement:** Full replacement of existing rainscreen cladding and curtain walling systems. This includes necessary structural improvements and upgrading the cladding substrate to achieve improved U-value;
- **Energy Efficiency Enhancement:** Implementing measures to significantly improve energy performance, including the potential enclosure of balcony areas to reduce heat loss;
- **Fire Safety Upgrade:** Comprehensive improvements to fire safety measures, including the installation of new fire doors and screens in common areas, and the replacement of refuse chute hoppers;
- **Mechanical & Electrical (M&E) System Upgrades:** To improve ventilation within the towers;
- **Basement Access Improvement:** Enhancing maintenance access into the basement at each tower block and;
- **Concierge Station Refurbishment:** Modernisation of the concierge station

1.3 The current project status is RIBA Stage 2 (Concept Design) which has been developed by an external design team in partnership with technical staff from North Lanarkshire Council.

While initial feasibility studies and concept designs have been completed by the consultants, a detailed and buildable design, alongside accurate costings that fully integrate the building fabric and energy efficiency requirements, necessitates close collaboration with a main contractor with a specialist supply chain with expertise in these areas.

1.4 To support this, the consultant has highlighted the need for earlier contractor involvement at this stage which necessitates the need for a direct award so that a pre-construction agreement can be entered into.

1.5 Early contractor involvement in the project is critical as it will allow for the following :

- **Buildability & Cost Efficiency:** Early contractor participation optimises design for practical construction solutions and supports reduction in costs;
- **Improved Fire Safety Integration:** Early collaboration ensures cladding, sprinkler and other key designs are effectively linked and meet regulations;
- **Reduced Programme Risk:** Early identification and mitigation of potential delays and risk;
- **Supply Chain Expertise:** Contractor brings in specialist knowledge and ability to drive savings;
- **Effective Phasing:** Early planning is crucial for phasing of the works which will minimise disruption to residents during the work in occupied buildings.

- 1.6 Kier Construction Limited are the top-ranked supplier on the Scottish Procurement Alliance Public Buildings Construction and Infrastructure (PB3) framework agreement. They have a proven track record of successfully delivering similar projects for other Registered Social Landlords which provides assurance and allows them to provide significant additional value, while the PB3 framework offers the most time-effective route to market.
- 1.7 Whifflet and Calder Court are at the end of the tower demolition programme and will remain occupied for a significant period of time, therefore, investment works are necessary.
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2. Report

- 2.1 The council has engaged with Kier Construction Limited who are the top ranked contractor on the Framework. Feasibility costs have been obtained for the Refurbishment of Whifflet and Calder Court, at the value of £19.5M, including contingency allowance.

The feasibility costs obtained are considered to represent best value and, subject to benchmarking against the appropriate framework rates and market tested rates from previous projects, it is proposed that a final tender price be agreed to allow the contract award to proceed.

- 2.2 Approval of this report enables the Council to enter a pre-construction services agreement with Kier Construction Limited to complete the detailed design to RIBA Stage 4.

Upon design completion and market testing of costs by Kier, the Council reserves its position regarding progression to the full works contract, however, approval of this report will permit awarding the works contract value up to a value of £19,500,000 (incl contingency allowance).

- 2.3 This project is still a live procurement procedure. Accordingly, the recommendation listed on page one of this report is for the approval for the award of the contract (in accordance with the councils General Contract Standing Orders), the concluded contract award value will be finalised out with the council's committee cycle.

An ongoing value engineering exercise is taking place and we would anticipate a number of savings to be made, however until this exercise is complete and the design development is further progressed the upper limit of the contract seeking approval is in line with the feasibility costs received.

Should the recommendation within this report be approved, more detailed information on the contract award shall reported to the next available Housing Committee following award of the works contract.

Adopting this approach shall expedite the programme and allow the appointed contractor to progress works in a more efficient and effective manner. This approach is beneficial where any pre-construction / enabling works are required in advance of concluding the works contract.

- 2.4 The council is committed to maximising the delivery of community benefits. The procurement includes a community benefit requirement, this approach is designed to deliver local community benefits where possible. Given the current stage of the project, there are currently no Community Benefits identified. However, work is ongoing to develop a significant social value strategy for this project and this will be delivered once the works contract has been formally awarded.

- 2.5 The recommended contractor has given commitment to practices consistent with the Scottish Government's 'Fair Work First' framework.
- 2.6 Officers from Housing will be responsible for managing the contract once awarded which will be undertaken in accordance with the council's agreed approach to contract and supplier management.

Financial / Budget Consideration

- 2.7 Following detailed design development, value engineering and cost refinement with Kier Construction Limited, including a market testing exercise, a thorough benchmarking exercise will compare their proposed costs for all aspects of the refurbishment against comparable projects and market data. This will ensure the final contract represents value for money for North Lanarkshire Council. Subject to satisfactory benchmarking, the works contract with Kier Construction Limited will be finalised, and site mobilisation will commence.
- 2.8 This phased approach reduces the risk of committing to a fixed-price contract based on potentially less refined early-stage designs.

3. Measures of success

The Agreement will deliver the following outcomes;

- 3.1 The appointment of contractor who has the experience and capability to deliver a high-quality refurbishment specifically aimed at significantly enhancing the tenant experience, improving safety and extend the life of the building;
- 3.2 The procurement procedures applied are compliant with the procurement legislation, overarching framework agreements and internal procedures.
- 3.3 Best value is both demonstrable and achieved.
- 3.4 Secure a range of tangible community benefits, and social value

4. Supporting documents

Appendix 1	Summary of Procurement Procedure
Appendix 2	Summary of SME Status and Location of All Tenderers



Stephen Llewellyn
Chief Officer (Housing)

5. Impacts (<http://connect/report-template-guidance>)

<p>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 <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>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 <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact? Costs of the project will be contained within the HRA capital budget.</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>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 <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>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 <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>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)?</p>

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 project will support the council journey to net zero by improving building fabric and overall energy efficiency of the towers reducing tenants energy use and carbon footprint.

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?

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?

There are more significant risks present on the project if works do not go ahead, risks will be recorded on the project risk register.

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.

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 Procedure

CPT Contract Reference Allocated:	NLC–SLP-24-094			
Procurement Procedure Utilised:	Direct Award			
Governing Legislation / Regulations:	Public Contracts (Scotland) Regulations 2015			
Date Contract Strategy Approved:	Strategy will be approved prior to award			
Date Contract Notice Published:	N/A			
Tender Platform Utilised:	PCS Mailbox (PCS)			
Total Expressions of Interest Received:	1			
NLC Based Expressions of Interest:	0			
Number of Tenders Received:	1			
Tenders from SME's:	0			
Tenders from NLC Based Tenderers	0			
Tenders from Supported Businesses:	0			
Number of Non-compliant Tenders	1			
Number of Compliant Tenders	1			
Number of Recommended Tenderers:	1			
Basis of Award:	Quality:	75%	Price:	25%
Evaluation Team:	Officers from the Housing Property			
Anticipated Start Date of the Agreement:	28 May 2025			
Total Agreement Period (Months):	Approx 124 weeks including pre-construction			
Maximum Value of the Agreement: +-	£19,500,000 .00 (Excluding VAT)			

Appendix 2 – SME Status and location of all Tenderers

Name of Tenderer	Size of Tendering Organisation (Micro, Small, Medium or Large)	Location (Local Authority / Council Area)
Kier Construction Limited	Large	Salford City Council