
Report To: Environment and Regeneration Committee

Date: 30 August 2012

**Report By: Corporate Director Environment,
Regeneration and Resources**

Report No: SSC/ENV/IM/12.121

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Subject: Use of Delegated Powers to grant approval for the alteration of standing orders for the Port Glasgow Bus Station Improvements Contract funded by SPT.

1.0 PURPOSE

1.1 The purpose of this report is advise Committee of the use of emergency powers to alter standing orders to allow a 60% quality/ 40% price split in the tender evaluation process for the Port Glasgow Bus Station Improvements Contract, contrary to Inverclyde Council's Standing Orders Relating to Contracts, 24 February 2011.

2.0 SUMMARY

2.1 It was reported to Committee in May 2011 that Strathclyde Partnership for Transport had approved a capital allocation of £150,000 for improvements to Port Glasgow Bus Station and that the project would be executed by SPT.

2.2 Subsequent to discussions between the Council and SPT at its Liaison Meeting last year, the SPT 2011/12 Capital Programme was amended to allocate £650,000 for improvements to Port Glasgow Bus Station which would now be executed by Inverclyde Council. The amendments were approved at SPT's Strategy and Programmes Committee of 27th January 2012.

2.3 SPT undertook a prequalification exercise in December 2011 and during the handover arrangements the Council identified that SPT's publicised prequalification documentation made reference to a 60% quality/ 40% price split in the evaluation procedure to be used for the main tender.

2.4 The Council's standing orders allow for a maximum 40% quality/ 60% price split. Legal advice is that the publicised split should be honoured to allow the contract to be let without possible threat of legal action from the tenderers who have already passed the prequalification stage. Therefore a deviation from Standing Orders is required in this instance.

2.5 On the basis that SPT's standard contract evaluation model uses a 60% quality/ 40% price split and that Inverclyde Council are acting essentially as administrators of the contract and SPT's funds on behalf of SPT, it is considered that a deviation from Standing Orders in this instance is justified.

3.0 RECOMMENDATION

3.1 That the Committee note the use of the powers delegated to the Chief Executive for approval to alter Standing Orders to allow a 60% quality/ 40% price split in the tender evaluation process for the Port Glasgow Bus Station Improvements Contract only, contrary to Inverclyde Council's Standing Orders Relating to Contracts, 24 February 2011.

Ian Moffat
Head of Environmental and Commercial Services

4.0 BACKGROUND

- 4.1 SPT's Strategy and Programmes Committee of 27th January 2012 approved the execution of the improvements to Port Glasgow Bus Station by Inverclyde Council.
- 4.2 SPT issued the contractor prequalification questionnaire for return by 13 December 2011. At the end of the PQQ assessment process SPT sent letters to the five tenderers who had successfully passed the PQQ stage on 6 March 2012.
- 4.3 SPT employed URS consultants to prepare the contract documents based on SPT's standard form. These documents were revised in consultation with Council officers to suit Inverclyde Council's standards and passed to the procurement section on 2 April 2012 for checking and the addition of Inverclyde Council's tender evaluation rules.
- 4.4 During the course of checking the documentation it was discovered that SPT's prequalification document, previously unavailable to Inverclyde Council, contained reference to the tender assessment being undertaken on the basis of Quality (60%) and Price (40%). The tender assessment criteria is in accordance with SPT's Financial Regulations and Standing Orders Relating to Contracts.
- 4.5 Initially it was considered that SPT's split could be replaced with Inverclyde Council's split of 60% price/ 40% quality but advice was sought from the Council's Legal Service who checked the Scottish Government website on evaluation criteria which states as follows:

*The agreed and advertised award criteria and weightings **must not** be changed once they have been notified to the tenderers.*

Legal Services' advice was therefore, short of abandoning the process, to obtain the necessary Committee approval to use SPT's price/quality split in this instance.

5.0 PROPOSALS

- 5.1 Subject to approval, it is proposed to issue invitations to tender for the Port Glasgow Bus Station Improvements Contract to the prequalified contractors, containing SPT's 40% price/ 60% quality tender evaluation criteria.

6.0 IMPLICATIONS

- 6.1 There is a small risk of a delay to the completion of the project to programme caused by the need to seek Committee approval.

7.0 CONSULTATION

- 7.1 Finance Services have been consulted on this report.

Cost Centre	Budget Heading	Proposed spend this report	Virement from	Other comments
Roads Capital Programme	Bus Station Improvements	£650,000	n/a	Spend 2012/13
	SPT Grant Funding	(£650,000)		

- 7.2 Legal Services have been consulted on this report.

8.0 EQUALITY

- 8.1 This report has no impact on the Council's Equality Agenda.

9.0 USE OF EMERGENCY POWERS

- 9.1 The use of emergency powers was requested in order that the Council's Standing Orders could be altered to allow the acceptance of the quality/price split tender evaluation. This was necessary to ensure that the award of this contract was not delayed as it is time critical.
- 9.2 Approval was received from Councillors McCormick, Dorrian and MacLeod and the Chief Executive.