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Tender

Housing and Corporate Maintenance and Investment Services

North Lanarkshire Council

F02: Contract notice

Notice identifier: 2022/S 000-016924

Procurement identifier (OCID): ocds-h6vhtk-02e327

Published 21 June 2022, 1:35pm

Section I: Contracting authority

I.1) Name and addresses

North Lanarkshire Council

Civic Centre, Windmillhill Street

Motherwell

ML1 1AB

Email

enterpriseproject@northlan.gov.uk

Country

United Kingdom

NUTS code

UKM84 - North Lanarkshire

Internet address(es)

Main address

<http://www.northlanarkshire.gov.uk>

Buyer's address

https://www.publiccontractsscotland.gov.uk/search/Search_AuthProfile.aspx?ID=AA00010

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://www.publictendersscotland.publiccontractsscotland.gov.uk>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://www.publictendersscotland.publiccontractsscotland.gov.uk>

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Housing and Corporate Maintenance and Investment Services

Reference number

NLC-SLP-22-003

II.1.2) Main CPV code

- 50000000 - Repair and maintenance services

II.1.3) Type of contract

Services

II.1.4) Short description

North Lanarkshire Council (the 'Authority') has an ambitious vision to re-invent North Lanarkshire as the place to Live, Learn, Work, Invest and Visit. Through the Enterprise Project (the 'Project') an ambitious programme of regeneration and infrastructure investment, the Authority aims to implement a vision that enables inclusive growth and prosperity that will significantly improve the quality of life and wellbeing of North Lanarkshire's communities.

As part of the Project the Authority is seeking a Contractor to provide reactive maintenance, statutory compliance, servicing and inspection services, as well as programmes of works to the Authority's existing assets at scale, related to or ancillary to maintenance and legislative compliance services for housing assets (approximately 37,000 homes) and corporate assets (approximately 1,200 buildings) (the 'Property Portfolio').

II.1.5) Estimated total value

Value excluding VAT: £1,800,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 09330000 - Solar energy
- 22821000 - Electoral forms
- 31625000 - Burglar and fire alarms
- 32500000 - Telecommunications equipment and supplies
- 35121000 - Security equipment
- 39715000 - Water heaters and heating for buildings; plumbing equipment
- 42160000 - Boiler installations
- 44113910 - Winter-maintenance materials
- 44212000 - Structural products and parts except prefabricated buildings
- 44220000 - Builders' joinery
- 44230000 - Builders' carpentry
- 44480000 - Miscellaneous fire-protection equipment
- 44523000 - Hinges, mountings and fittings
- 44610000 - Tanks, reservoirs, containers and pressure vessels
- 44620000 - Central-heating radiators and boilers and parts
- 44900000 - Stone for construction, limestone, gypsum and slate
- 45000000 - Construction work
- 45111000 - Demolition, site preparation and clearance work
- 45211000 - Construction work for multi-dwelling buildings and individual houses
- 45212000 - Construction work for buildings relating to leisure, sports, culture, lodging

and restaurants

- 45213000 - Construction work for commercial buildings, warehouses and industrial buildings, buildings relating to transport
- 45223000 - Structures construction work
- 45231000 - Construction work for pipelines, communication and power lines
- 45232141 - Heating works
- 45233161 - Footpath construction work
- 45260000 - Roof works and other special trade construction works
- 45261000 - Erection and related works of roof frames and coverings
- 45262000 - Special trade construction works other than roof works
- 45262660 - Asbestos-removal work
- 45300000 - Building installation work
- 45310000 - Electrical installation work
- 45312000 - Alarm system and antenna installation work
- 45313000 - Lift and escalator installation work
- 45320000 - Insulation work
- 45330000 - Plumbing and sanitary works
- 45331000 - Heating, ventilation and air-conditioning installation work
- 45340000 - Fencing, railing and safety equipment installation work
- 45343000 - Fire-prevention installation works
- 45350000 - Mechanical installations
- 45400000 - Building completion work
- 45410000 - Plastering work

- 45420000 - Joinery and carpentry installation work
- 45421000 - Joinery work
- 45430000 - Floor and wall covering work
- 45432000 - Floor-laying and covering, wall-covering and wall-papering work
- 45440000 - Painting and glazing work
- 45450000 - Other building completion work
- 48952000 - Public address systems
- 50000000 - Repair and maintenance services
- 50413100 - Repair and maintenance services of gas-detection equipment
- 50413200 - Repair and maintenance services of firefighting equipment
- 50430000 - Repair and maintenance services of precision equipment
- 50500000 - Repair and maintenance services for pumps, valves, taps and metal containers and machinery
- 50610000 - Repair and maintenance services of security equipment
- 50700000 - Repair and maintenance services of building installations
- 50710000 - Repair and maintenance services of electrical and mechanical building installations
- 50720000 - Repair and maintenance services of central heating
- 50750000 - Lift-maintenance services
- 51700000 - Installation services of fire protection equipment
- 71000000 - Architectural, construction, engineering and inspection services
- 71314000 - Energy and related services
- 71550000 - Blacksmith services

- 71620000 - Analysis services
- 71630000 - Technical inspection and testing services
- 71700000 - Monitoring and control services
- 71900000 - Laboratory services
- 90620000 - Snow-clearing services
- 90630000 - Ice-clearing services
- 90650000 - Asbestos removal services
- 90690000 - Graffiti removal services
- 90911000 - Accommodation, building and window cleaning services
- 98510000 - Services of commercial and industrial workers

II.2.3) Place of performance

NUTS codes

- UKM84 - North Lanarkshire

Main site or place of performance

Across the geographical boundaries of North Lanarkshire Council area.

II.2.4) Description of the procurement

The Authority is proposing to establish a single Contract with a Contractor to provide the Services which shall include reactive maintenance, legislative compliance services, and works delivery, for Housing and Corporate assets (Core Services) and works delivery for the Authority's existing assets at scale, related to or ancillary to Core Services for Housing and Corporate assets (Core Projects & Programmes) for 8 years (plus up to 2 x 2-year extensions, totalling 4 years extension).

The Contract is expected to drive efficiencies, bring innovation, deliver value for money and continuous improvement and contribute significant positive social impact to support the Authority in meeting and exceeding the Project objectives.

The estimated contract value is 1.8bn GBP over the full contract term (including all

extensions) is based on the Authority's estimated future budgets. There is no guarantee of this level of business.

Core Services to be provided will include inter alia delivery of housing maintenance services, corporate maintenance services for reactive maintenance and ad hoc requirements (Order Type A), statutory compliance, servicing and inspections (Order Type B).

Core Projects & Programmes will 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 (Order Type C) and other related works (Order Type D)).

Further details of this opportunity are set out in the procurement documents. Please see Section VI.3 for details relating to the Single Procurement Document (SPD) and other procurement documents being released at this stage.

Candidates should note that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) ("TUPE") may apply to this contract. Further details will be provided in the Invitation to Negotiate (ITN) issued to the Candidates invited to submit initial tenders.

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

Housing – housing for mid-market rent, housing for social rent, retirement housing, sheltered housing, special needs housing and housing in private ownership;

Corporate – arts and culture facilities, care homes, cemeteries, community halls, depots, education facilities, energy infrastructure, industrial / commercial, libraries, museums, office and administrative facilities, other residential and social care housing, retail, serviced facilities, social care facilities, sports and leisure facilities, swimming pools, tourism facilities, town halls, wellbeing facilities, and workshop facilities.

II.2.5) Award criteria

Quality criterion - Name: Quality / Weighting: 60

Price - Weighting: 40

II.2.6) Estimated value

Value excluding VAT: £1,800,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

144

This contract is subject to renewal

Yes

Description of renewals

The Contract will be awarded for an initial term of 8 years thereafter the Authority will have the option to extend the term of the Contract for up to two periods of 2 years. Any period or periods of extension will be at the Authority's sole discretion.

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged number of candidates: 3

Objective criteria for choosing the limited number of candidates:

The Authority intends to invite 3 Candidates to submit initial tenders. These 3 Candidates will have:

- a) submitted a compliant submission, comprising a completed SPD;
- b) passed the minimum standards in SPD Part III (Exclusion Grounds);
- c) passed the minimum requirements with respect to:
 - (i) the economic and financial standing criteria in SPD Part IV.B;
 - (ii) the quality assurance schemes and environmental management standards criteria in SPD Part IV.D;
 - (iii) the technical and professional ability questions 4C.2, 4C.4, 4C.7, 4C.8.1, 4C.8.2, 4C.9, 4C.10; and
 - (iv) the minimum scores in SPD Part IV.C; and
- d) achieved the first, second and third highest total overall weighted score in respect of technical and professional ability (the sum of weighted scores achieved for all of the questions) within Question Ref. 4C.1.2 of the SPD.

In the event of a tie between two or more Candidates for third place, all Candidates tied in third place will be invited to submit initial tenders. For the avoidance of doubt, a tie for third place will be deemed to have occurred where two or more Candidates have an identical total overall weighted score taken to two decimal points.

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: Yes

Description of options

Please see section II.2.7 for extension options.

The Property Portfolio by its very nature will be subject to change. There may be a need over the term of the proposed contract to allow the Authority to remove, add, or change the buildings and structures of the Property Portfolio (including on a temporary, emergency and

short/medium term basis to accommodate the services to be delivered by the Authority and other organisations eligible to use the Contract) and to vary the Contract accordingly including the overall value of the contract estimated at paragraph II.1.5 of this Contract Notice. The mechanism for changes is set out in the Procurement Documents.

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

II.2.14) Additional information

Candidates should read and refer to the Instructions to Candidates document (ITC). Failure to comply with the ITC may result in a Candidate's SPD submission being rejected.

Candidates may be excluded from this competition if they are in any of the situations referred to in regulation 58 of the Public Contracts (Scotland) Regulations 2015.

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.2) Economic and financial standing

List and brief description of selection criteria

Candidates shall be required to satisfy minimum standards and to provide proof of economic and financial standing.

(a) in response to Question Ref 4B.4 provide a value and self-assess the risk rating for each of the nine financial ratios. Candidates do not need to provide a value for Test 9 as the Authority will independently carry out a credit check for Test 9. Financial tests will be applied on the most recent audited accounts; and

(b) in response to Question Ref 4B.5.1 and 4B.5.2 confirm they already have or can commit to obtain, prior to commencement of the contract the required levels of insurance; and

(c) in response to Question Ref 4B.6 explicitly state if the Candidate is reliant upon another organisation to satisfy the Financial Tests and provide a commitment to obtain a guarantee.

Where the Prime Contractor (or Lead Organisation) is seeking to rely on the economic and

financial standing of a parent company (or other organisation) to satisfy the Financial Tests then the Candidate should satisfy points i to iii:

- (i) state this explicitly;
- (ii) provide a letter of commitment from the parent company (or other organisation) to provide a guarantee; and
- (iii) provide the financial information related to Financial Tests 1-8 in respect of the guarantor by completing Q4B.4 of the SPD.

Where the Prime Contractor is itself a Joint Venture Company (JVC)/ Special Purpose Vehicle (SPV), the Authority shall seek 'joint and several' guarantees from the major shareholders of the JVC or SPV. The Authority will test the economic and financial standing of these organisations on an individual basis.

Minimum level(s) of standards possibly required

Candidates are required to satisfy minimum standards of economic and financial standing. These are described below:

Insurances

In response to Question Ref 4B.5 Candidates must confirm they already have or can commit to obtain prior to commencement of the contract to obtaining the following insurances and associated financial levels:

Public Liability Insurance = 25000000 GBP any one occurrence

Products Liability Insurance = 25000000 GBP any one occurrence and in the aggregate

Professional Indemnity Insurance = 10000000 GBP any one claim and in the aggregate (the Authority reserves the right to increase the limit of indemnity for specific projects (each and every claim)).

Employers Liability Insurance = 10000000 GBP any one occurrence

The Contractor will also be required to provide any other additional types and levels of insurance that may be required for individual projects.

In responding to Question Ref 4B.5.1 and 4B.5.2 of the SPD, where the Candidate ticks the box "No, and I cannot commit to obtain it" they shall be marked as FAIL and shall be excluded from the Procurement.

Evaluation Criteria Ratios (Question Ref. 4B.4)

The financial information received under Question Ref 4B.4, ratios 1-8 shall be evaluated on a risk assessment basis by determining whether the information provided falls into a Low, Medium or High Risk banding. Candidates are asked to provide information on nine individual economic and financial standing evaluation criteria, namely:

Test 1: Turnover Ratio

Test 2: Operating Margin

Test 3: Net Debt to EBITDA Ratio

Test 4: Net Debt and Net Pension Deficit to EBITDA Ratio

Test 5: Net Interest Paid Cover

Test 6: Acid Ratio

Test 7: Net Asset Value

Test 8: Group Exposure Ratio

The Authority will independently carry out a credit check for Test 9.

Test 9: Credit check ratings. In relation to Test 9, Candidates will be assessed against their Dun & Bradstreet (D&B) rating, specifically their Risk Indicator Score. As outlined in the ITC (Appendix 3), if this score is 4 or where a D&B report is not available, it will be assessed as High Risk, otherwise it will be assessed as Low Risk.

The information submitted in response to Question 4B.4 will be assessed on an Overall Pass/Overall Fail basis in accordance with the detailed methodology set out in the ITC (Appendix 3).

An assessment of Overall Fail for Question 4B.4 will result in the Candidate being excluded from the Procurement.

Where the application of a single financial test generates a ratio which falls into the corresponding Low Risk band, this is assessed as a Pass for the single financial test. Where the application of a single financial test generates a ratio which falls into the corresponding Medium Risk band or High Risk band, the Authority will assess the mitigating evidence that must be provided as part of the Candidates SPD submission or as requested by the Authority.

III.1.3) Technical and professional ability

List and brief description of selection criteria

These questions shall be answered by Candidates and by consortiums (consortium members should not respond individually. Where a Candidate is a consortium or relying on Key-Subcontractors, a single composite response should be submitted by the Lead Organisation).

Question 4C.1.2 - Candidates are required to provide examples that demonstrate that they have the relevant experience to deliver the services as described in section II.2.4 of the Contract Notice. This question is divided into four (4) separate questions listed below.

4C.1.2 Question 1 shall be assessed on a PASS or FAIL basis. Candidates who obtain a FAIL in their response shall not be considered further in this Procurement. Questions 2 – 4 carry an overall weighting of 100%. Candidates are required to provide a response to each of the questions and must achieve an overall combined minimum (unweighted) score of ten (10) for questions 2.1 to 2.5 and six (6) for questions 3.1 to 3.3. There is no minimum score requirement for question four (4).

Candidates unable to meet the minimum score requirements for 4C.1.2 will be assessed as a FAIL and will be excluded from the Procurement.

Question 1 - Capacity (Pass/Fail)

Question 2 – Management capability (45%)

Question 3 – Implementation capability (35%)

Question 4 – Social/economic/environmental (20%)

Candidates refer to Table 17 of the ITC (Appendix 4) for an overview of the technical and professional ability questions and weightings. Candidates refer to Tables 18 – 21 of the ITC (Appendix 4) for full definitions of the marking scheme.

Question 4C.2 - Candidates shall be required to insert suitable responses to demonstrate that they can call upon the technicians or technical bodies to ensure the quality of work. Candidates should specify their recognised licences and registrations. Candidates are required to confirm their compliance and be able to provide the appropriate certification.

Question 4C.4 - Candidates shall be required to provide a statement of the relevant supply chain management and/or tracking systems used to ensure a resilient and sustainable supply chain. Candidates are required to confirm their compliance and be able to provide the appropriate documentation.

Question 4C.7 - Candidates shall be required to provide details of the environmental

management measures which the Bidder will be able to use when performing the contract. Candidates are required to complete the Climate Change Plan Template, detailed in 4C.7.

Questions 4C.8.1, 4C.8.2 and 4C.9 - Candidates shall be required to provide details of the average annual manpower, managerial staff and relevant tools, plant or technical equipment available to you. Candidates are required to complete Response Documents detailed in Questions 4C.8.1, 4C.8.2 and 4C.9.

Question 4C.10 – Candidates shall be required to provide details of the subcontractors they will use to deliver the Services and are required to complete the Response Document detailed in 4C.10 if they intend to subcontract delivery of any of the Services.

Questions 4D.1 and 4D.2 - Candidates shall be required to insert suitable responses to demonstrate that they have in place appropriate quality, environmental and health and safety management systems. Candidates should specify their recognised accredited system or own non-accredited system which will ultimately be adopted if awarded the contract. Candidates are required to confirm their compliance and be able to provide the appropriate certification.

The responses to Questions 4C.2, 4C.4, 4C.7, 4C.8.1, 4C.8.2, 4C.9, 4D.1 and 4D.2 shall each be assessed on a PASS or FAIL basis. Candidates who obtain a FAIL in any of their responses shall not be considered further in this Procurement. Question 4C.10 is for information only.

Minimum level(s) of standards possibly required

Please refer to the ITC (Appendices 2 and 4). Each of these questions should be answered using the documents attached to each question within the PCS-T system.

III.2) Conditions related to the contract

III.2.2) Contract performance conditions

Where Bidders are bidding as part of a group (e.g. a consortium), the Authority reserves the right to require Bidders to assume a specific legal form for the purpose of the award of the contract (e.g. establishing a special purpose vehicle ('SPV') to act as the Contractor). Furthermore, where a Candidate relies upon the capacities of other entities with regard to criteria relating to economic and financial standing, the Authority reserves the right to require that the Candidate and those entities to be jointly and severally liable.

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Competitive procedure with negotiation

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2021/S 000-023476](#)

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

22 July 2022

Local time

12:00pm

IV.2.3) Estimated date of dispatch of invitations to tender or to participate to selected candidates

29 August 2022

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.6) Minimum time frame during which the tenderer must maintain the tender

Duration in months: 12 (from the date stated for receipt of tender)

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: Yes

Estimated timing for further notices to be published: The Authority currently envisages deciding whether to invoke the available options to extend the contract beyond the initial term of 8 years or to procure a new contract a minimum of twelve (12) months prior to the expiry of the initial contract term.

VI.2) Information about electronic workflows

Electronic ordering will be used

Electronic invoicing will be accepted

Electronic payment will be used

VI.3) Additional information

Section I.2 – Authority bodies which can use the Contract to access the services are the Authority and the Authority's arms' length external organisations, which include, but may not be limited to: Routes to Work Ltd, Fusion Assets Ltd, North Lanarkshire Properties LLP and NL Property Investments Ltd.

Part II: Information Concerning the Bidder and Part VI: Concluding statements

Candidates unable to complete this part of the SPD may be excluded from the Procurement.

This requirement is not divided into Lots due to its complexity.

The Authority has determined that the application of multiple lots will not be utilised for this Procurement. The decision not to utilise multiple lots is justified as follows;

- (i) a competitive market exists for the full scope of requirements;
- (ii) delivery of inter-linked service provision is best delivered through a single Contractor and is a fundamental characteristic of the Enterprise Project delivery model;
- (iii) the cost of procurement is likely to be higher if lotting is used;

(iv) the cost of contract management is also likely to be higher; and

(v) lotting may lose potential economies of scale and therefore value of delivering across the geography of North Lanarkshire.

The estimated contract value is 1.8bn GBP over the full contract term (including all extensions) based on the Authority's estimated future budgets for the Services. There is no guarantee of this level of business. The estimated contract value relates to any Services (Core Services and Core Programmes) which may be reasonably required to maintain the Property Portfolio over the contract term as set out in the procurement documents, the provision of such services not to be constrained by the estimated contract value. The estimated value of 1.8bn GBP has a base date of Q2 2022.

The procurement will be conducted in accordance with the Public Contracts Scotland Regulations 2015 as amended, and any successor legislation which may follow using the competitive procedure with negotiation as set out in Regulation 30 of the Public Contracts Scotland Regulations 2015. The use of the competitive procedure with negotiation is justified on the basis that the Contract cannot be awarded without prior negotiations. The nature and complexity of the Contract and the need to mitigate risk on technical, financial, legal and reputational dimensions necessitates negotiations.

Disclaimer

The Authority is not liable for any costs incurred, including in respect of expressing an interest, participating in negotiation or in tendering for this opportunity. The Authority reserves the right to terminate the Procurement (or any part of it) at its own discretion.

The buyer is using PCS-Tender to conduct this PQQ exercise. The Project code is 21183. For more information see:

<http://www.publiccontractsscotland.gov.uk/info/InfoCentre.aspx?ID=2343>

A sub-contract clause has been included in this contract. For more information see:

<http://www.publiccontractsscotland.gov.uk/info/InfoCentre.aspx?ID=2363>

Community benefits are included in this requirement. For more information see:

<https://www.gov.scot/policies/public-sector-procurement/community-benefits-in-procurement/>

A summary of the expected community benefits has been provided as follows:

Through the Contract, the Authority is looking for an innovative, step-change approach and delivery model for community benefits which maximises opportunities and achieves significant social and economic outcomes and impact across North Lanarkshire. The Authority expects this approach to be an integral component of all aspects of delivery over

the duration of the Contract.

There is an expectation that the Contract will deliver the following social value outcomes at scale:

- 1) employment, education and skills;
- 2) supply chain development and opportunities;
- 3) community engagement and capacity building;
- 4) environmental impact; and
- 5) innovation.

Further details of the Authority's requirements are provided in the procurement documents.

(SC Ref:689448)

VI.4) Procedures for review

VI.4.1) Review body

Court of Session

Parliament House, Parliament Square

Edinburgh

EH1 1RQ

Email

supreme.courts@scotcourts.gov.uk

Telephone

+44 1312252595

Fax

+44 1312406711

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

An economic operator that suffers, or risks suffering, loss or damage attributable to a breach of duty under the Public Contracts (Scotland) Regulations 2015 may bring proceedings in the Sheriff Court or the Court of Session. In accordance with the Public Contracts (Scotland) Regulations 2015, the Authority will incorporate a minimum 10 calendar day standstill period from the date information on the award of the contract is communicated to Bidders.