

**REPORT TO: EDUCATION COMMITTEE -15 MARCH 2004**

**REPORT ON: DUNDEE SCHOOLS PPP PROJECT – PROCUREMENT PROCESS**

**REPORT BY: CHIEF EXECUTIVE AND DIRECTOR OF EDUCATION**

**REPORT NO: 221-2004**

## **1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to provide an update on the current status of the Dundee Schools PPP Project and to advise the Committee that the procurement process has commenced.

## **2.0 RECOMMENDATIONS**

2.1 The Committee is asked to:

- (a) approve the content of this report;
- (b) note that the project has moved to the OJEU stage (publication of Contract Notice in the Official Journal of the European Union); and
- (c) delegate the responsibility for progressing the project to the Chief Executive, in consultation with the Project Board.

## **3.0 FINANCIAL IMPLICATIONS**

3.1 The financial implications of the Schools PPP Project were last reported in Report No 548-2003 which was considered by the Education and Policy and Resources Committees of 8 September 2003. If the project programme shown in Appendix A can be achieved, it is anticipated that the affordability gap reported at that time will not change materially.

## **4.0 LOCAL AGENDA 21 IMPLICATIONS**

4.1 None

## **5.0 EQUAL OPPORTUNITIES IMPLICATIONS**

5.1 None

## **6.0 BACKGROUND**

6.1 The Education and Policy and Resources Committees of 8 September 2003 approved a revised Schools PPP Project and instructed the Chief Executive to submit this revised project to the Scottish Executive for approval.

6.2 The revision to the original project was that Forthill Primary School and Barnhill Primary School be transferred from the Schools PPP Project into the Council's Capital Plan and that the works be funded from the Prudential Framework and from Capital Receipts.

## **7.0 SUBMISSIONS TO THE SCOTTISH EXECUTIVE**

7.1 The scope of this revised project was subsequently submitted to the Scottish Executive and was supported by revised financial and value for money analyses. A detailed case was also put forward for the exclusion of school cleaning from the PPP Contract on Best Value grounds. In addition, the Council presented a proposal for entering into a Joint Venture arrangement with the successful bidder by subscribing for a minority equity stake in the bespoke Project Company.

- 7.2 An application for the First Minister's consent to the school re-organisation proposals was also submitted under the terms of "The Education (Publication and Consultation etc) (Scotland) Regulations 1981". Such an application requires to be made where a school currently has above 80% occupancy. This rule applies to Lawside RC Academy, St Margaret's RC Primary School and Downfield Primary School in the context of Dundee City Council's PPP Project. A response is currently awaited.
- 7.3 The Development Quality Committee approved the outline planning application for the new denominational secondary school on the Kirkton Park site at its meeting of 1 December 2003. Given, however, that this application is one where the Council has an interest both financially and as landowner, and further that it has attracted a substantial level of objection, formal notification to the Scottish Executive required to be made. A response has now been received intimating that the application is not to be called in.

## **8.0 CURRENT POSITION**

- 8.1 The Scottish Executive has approved the revised project with a commencement date (OJEU Notice) of March 2004. The Scottish Executive has also agreed that variant bids may be sought in respect of a joint venture arrangement and the use of Tayside Contracts as a sub-contractor for school cleaning.

## **9.0 SCOPE OF PROJECT**

- 9.1 The Project comprises:

- **Brackens/Macalpine Primary School**  
 Proposal            **Brackens PS and Macalpine PS will merge**  
 Proposed Site      **Brackens PS, Laird Street, Dundee DD3 9NY**
  
- **Downfield Primary School**  
 Proposal            **Downfield PS will merge with Kirkton Nursery School and Kirkton Child and Family Centre**  
  
 Proposed Site      **St Columba's RC PS site at Haldane Crescent, Dundee DD3 0JP**
  
- **Mid Craigie/Mossgiel Primary School**  
 Proposal            **Mid Craigie PS and Mossgiel PS will merge**  
 Proposed Site      **Glennconnor Drive, on ground presently attached to St Vincent's PS**
  
- **Douglas/Powrie Primary School**  
 Proposal            **Douglas PS and Powrie PS will merge**  
 Proposed Site      **Powrie PS, Baluniefield Road, Dundee DD4 8SZ**
  
- **St Margaret's RC/St Columba's RC Primary School**  
 Proposal            **St Margaret's RC PS and St Columba's RC PS will merge**  
 Proposed Site      **Macalpine PS, St Leonard's Road, Dundee**
  
- **Fintry Primary School**  
 Proposal            **Fintry Primary School will merge with Fintry Nursery School on the existing site for Fintry Primary School.**  
  
 Proposed Site      **Fintry PS, Finavon Terrace, Dundee DD4 9ED**
  
- **Grove Academy**  
 Proposal            **The existing Grove Academy will be extended and refurbished**  
 Proposed Site      **Existing**

- **RC Secondary School**  
 Proposal                      **Lawside RC Academy and St Saviour's RC High School will merge on a new site.**  
  
 Proposed Site                **Kirkton Park, Dundee.**

9.2 The accommodation that is to be provided in each school was established following extensive consultation with stakeholders, including teaching and other staff, school boards, parent/teacher associations and pupil councils, and has been considered by the Project Board. Copies of the summaries of accommodation in each school are available in the Members' Lounge and from the Group secretaries. Non-elected members of the Committee have also had the opportunity to see these summaries.

## **10.0 PROCUREMENT PROCESS**

- 10.1 A timetable is attached at Appendix A showing the key dates that require to be met if the current target date of August 2007 for having all the project schools open is to be achieved.
- 10.2 The timetable is exacting and its achievement will be dependent on all parties meeting a range of tight deadlines and on approval processes being streamlined wherever possible. However, the existence of the Project Board makes this more feasible from the Council's perspective.
- 10.3 The first step in the formal procurement process was for a Contract Notice to be published in the Official Journal of the European Union inviting interest from potential bidders. A copy of the OJEU Notice is shown at Appendix B. Three bidders will subsequently be selected to submit tenders and, following evaluation of the tender submissions, a preferred bidder will be recommended to Committee.

## **11.0 CONCLUSION**

- 11.1 It was imperative that the formal procurement process be initiated at the earliest possible date if the current target date of August 2007 for having all the project schools open is to be achieved.
- 11.2 It is also essential that the Council's approval processes are streamlined wherever possible to assist the tight deadlines identified in the project programme to be met.
- 11.3 In the initial stages of the formal procurement process this would best be achieved by delegating the responsibility for progressing the project to the Chief Executive, in consultation with the Project Board.
- 11.4 The tasks that would be delegated include:
- selecting the bidders who will be invited to bid for the project;
  - agreeing the criteria for evaluating tenders;
  - approving the issue of the tender documents;
  - overseeing the evaluation of the tenders once received;
  - inviting and overseeing the evaluation of Best and Final Offers if these are deemed necessary; and
  - selecting the preferred bidder to be recommended to the Education and Policy & Resources Committees.

11.5 The Committee would be kept apprised as to progress in respect of the tasks detailed in 11.4 above through regular update reports.

## **12.0 CONSULTATION**

12.1 The Depute Chief Executive (Support Services) and the Depute Chief Executive (Finance) were consulted in the preparation of this report.

**13.0 BACKGROUND PAPERS**

- 13.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing the above Report.

**ALEX STEPHEN**  
Chief Executive

**ANNE WILSON**  
Director of Education

4 March 2004

**Dundee Schools PPP Project**  
**Key Dates in Revised Project Programme**

Commence Pre-qualification of Bidders	March 2004
Return of Pre-qualification Documentation	April 2004
Approval of Shortlist of Bidders/ Approval to proceed to ITN (issue tender documents)	June 2004
Key Stage Review (Part 1)	July 2004
Issue ITN	late July 2004
ITN Submissions returned by	late November 2004
Evaluate ITN Submissions	December 2004 - February 2005
Assumes no BAFO stage required	
Key Stage Review (Part 2)	March 2005
Appoint Preferred Bidder	April 2005
Contract Award (Financial Close)	August 2005
First school open	August 2006
Last school open	August 2007



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**CONTRACT NOTICE**

Works   
 Supplies   
 Services

Reserved for the Publication Office
Date of receipt of the notice _____
Identifier _____

Is this contract covered by the Government Procurement Agreement (GPA)? NO  YES

**SECTION I: CONTRACTING AUTHORITY**

**I.1) OFFICIAL NAME AND ADDRESS OF THE CONTRACTING AUTHORITY**

Organisation <b>Dundee City Council</b>	For the attention of <b>Gillian Ross Pond, Project Director</b>
Address <b>Floor 8, City House, Overgate</b>	Postal code <b>DD1 1UH</b>
Town <b>Dundee</b>	Country <b>United Kingdom</b>
Telephone <b>01382 435161</b>	Fax <b>01382 435152</b>
Electronic mail (e-mail) <b>gillian.rosspond@dundeecity.gov.uk</b>	Internet address (URL) <b>www.dundecity.gov.uk</b>

**I.2) ADDRESS FROM WHICH FURTHER INFORMATION CAN BE OBTAINED:**

As in I.1  *If different, see Annex A*

**I.3) ADDRESS FROM WHICH DOCUMENTATION MAY BE OBTAINED:**

As in I.1  *If different, see Annex A*

**I.4) ADDRESS TO WHICH TENDERS/REQUESTS TO PARTICIPATE MUST BE SENT:**

As in I.1  *If different, see Annex A*

**I.5) TYPE OF CONTRACTING AUTHORITY\***

Central level  EU Institution  Other   
 Regional/local level  Body governed by public law



74873000 – 9  
45100000 - 8  
45214200 – 2  
45262700 - 8  
45262800 - 9  
50700000 – 2  
74610000 – 8  
74760000 – 4  
77320000 – 9  
93411300-5  
93411400 – 6  
45212300-9  
50961110 – 3  
93000000-8  
74200000-1  
45212100-7  
45212200-8  
45212422-0

**II.1.8.2) Other relevant nomenclature (CPA / NACE / CPC)** \_\_\_\_\_



**II.1.9) Division into lots** (for details about lots use Annex B as many times as needed)

NO  YES

Tenders may be submitted for: one lot  several lots  all lots

**II.1.10) Will variants be accepted** (where applicable)

NO  YES  **Details of the scope and applicability of variant bids will be set out in the Invitation to Negotiate or contract documents.**

**II.2) QUANTITY OR SCOPE OF THE CONTRACT**

**II.2.1) Total quantity or scope** (including all lots and options, if applicable)

The project has an estimated capital cost of £60m at current prices

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**II.2.2) Options** (if applicable). Description and time when they may be exercised (if possible)

Not applicable

**II.3) DURATION OF THE CONTRACT OR TIME LIMIT FOR COMPLETION**

Either: Period in month/s  and/or days  (from the award of the contract)

Or: Starting // and/or ending // (dd/mm/yyyy)

**It is anticipated that all the schools will be operational by August 2007. It is expected that the contract will be awarded by August 2005 and will run for such period as may be agreed by the Council, but this is unlikely to be less than 30 years.**

**SECTION III: LEGAL, ECONOMIC, FINANCIAL AND TECHNICAL INFORMATION**

**III.1) CONDITIONS RELATING TO THE CONTRACT**

**III.1.1) Deposits and guarantees required** (if applicable)

**Yes. Parent Company Guarantee(s), bonds, and/or collateral warranties may be required.**

**III.1.2) Main terms of financing and payment and/or reference to the relevant provisions** (if applicable)

**Details will be given in the Invitation to Negotiate or contract documents**

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**III.1.3) Legal form to be taken by the grouping of suppliers, contractors or service providers to whom the contract is awarded** (if applicable)

Further information will be provided in the Information Memorandum which will be sent to each applicant submitting an expression of interest

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**III.2) CONDITIONS FOR PARTICIPATION**

**III.2.1) Information concerning the personal situation of the contractor, supplier or service provider and information and formalities necessary for the evaluation of the minimum economic, financial and technical capacity required**

Interested parties will be required to complete a Pre-Qualification Questionnaire relating to their economic and financial standing, their technical capacity and their

ability in the provision of similar services. The Pre-Qualification Questionnaire will be sent out to each applicant submitting an expression of interest.

III.2.1.1) Legal position – means of proof required

Requirements will be set out in the Information Memorandum and Pre-Qualification Questionnaire. \_\_\_\_\_

III.2.1.2) Economic and financial capacity – means of proof required

Requirements will be set out in the Information Memorandum and Pre-Qualification Questionnaire

III.2.1.3) Technical capacity – means of proof required

Requirements will be set out in the Information Memorandum and Pre-Qualification Questionnaire

III.3) CONDITIONS SPECIFIC TO SERVICES CONTRACTS

III.3.1) Is provision of the service reserved to a specific profession?

NO  YES

*If yes, reference of the relevant law, regulation or administrative provision*

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III.3.2) Will legal entities be required to state the names and professional qualifications of the personnel responsible for execution of the contract?

NO  YES

SECTION IV: PROCEDURE

IV.1) TYPE OF PROCEDURE

Open  Accelerated restricted   
Restricted  Accelerated negotiated   
Negotiated

IV.1.1) Have candidates already been selected? *(for negotiated procedure only and if applicable)*

NO  YES  *If yes, provide details under Other information (section VI)*

IV.1.2) Justification for the choice of accelerated procedure *(if applicable)*

**Not applicable**

IV.1.3) Previous publication concerning the same contract *(if applicable)* **None**

IV.1.3.1) Prior information notice concerning the same contract *(if applicable)*

Notice number **2003/S 131-117858** of **11/07/2003** *(dd/mm/yyyy)*  
in OJ content  
list

### IV.1.3.2) Other previous publications None

Notice number in OJ content list /S  of // (dd/mm/yyyy)

### IV.1.4) Envisaged number of suppliers which will be invited to tender (when applicable)

Number 3 or: Minimum  / Maximum

### IV.2) AWARD CRITERIA

A) Lowest price

or

B) The most economically advantageous tender in terms of: **X**

B1) criteria as stated below (in descending order of priority where possible)

1 _____	4 _____	7
2 _____	5 _____	8
3 _____	6 _____	9

In descending order of priority : NO  YES

or:

B2) criteria as stated in contract documents **X**

### IV.3) ADMINISTRATIVE INFORMATION

#### IV.3.1) Reference number attributed to the file by the contracting authority \* Dundee Schools PPP Contract \_\_\_\_\_

#### IV.3.2) Conditions for obtaining contract document and additional documents

Obtainable until 27/04/2004

Price (where applicable) **Not applicable** \_\_\_\_\_ Currency \_\_\_\_\_

Terms and method of payment No conditions. An Information Memorandum and Pre-Qualification Questionnaire will be sent to each applicant submitting an expression of interest.

#### IV.3.3) Time-limit for receipt of tenders or requests to participate (depending whether it is an open, restricted or negotiated procedure)

27/04/2004

Time (when applicable): \_\_\_\_\_

#### IV.3.4) Dispatch of invitations to tender to selected candidates (In restricted and negotiated procedure)

Estimated date :

July 2004

**IV.3.5) Language or languages in which tenders or requests to participate can be drawn up**

ES  DA  DE  EL  EN  FR  IT  NL  PT  FI  SV  Other (s) – third country \_\_\_\_\_

**IV.3.6) Minimum time frame during which the tenderer must maintain its tender (in case of an open procedure)**

Until / /  (dd/mm/yyyy) or  months and/or  days from the deadline stated for receipt of tenders

**IV.3.7) Conditions for opening tenders**

**In accordance with the Council's Standing Orders**

**IV 3.7.1) Persons authorised to be present at the opening of tenders (where applicable)**

**In accordance with the Council's Standing Orders**

**IV.3.7.2) Date, time and place Not applicable**

Date / /  (dd/mm/yyyy) Time: \_\_\_\_\_  
Place \_\_\_\_\_

**SECTION VI: OTHER INFORMATION**

**VI.1) IS THIS NOTICE A NON-MANDATORY ONE?**

NO  YES

**VI.2) IF APPLICABLE, INDICATE WHETHER THIS PROCUREMENT IS A RECURRENT ONE AND THE ESTIMATED TIMING FOR FURTHER NOTICES TO BE PUBLISHED**

Not applicable

**VI.3) DOES THE CONTRACT RELATE TO A PROJECT / PROGRAMME FINANCED BY EU-FUNDS?\***

NO  YES

If yes, indicate the project/programme and any useful reference \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VI.4) ADDITIONAL INFORMATION (if applicable)**

This requirement is considered suitable for the application of the Private Finance Initiative (PFI) or an alternative Public Private Partnership (PPP). Service providers who respond to this requirement will ultimately be required to make firm proposals for funding the project in accordance with this application. The contracting authority reserves the right not to award the Contract. The Contract to be awarded will include a change mechanism which may be used by the Council to increase, decrease, alter or amend the scope of services to be provided by the Service Provider.

**VI.5) DATE OF DISPATCH OF THIS NOTICE:** // (dd/mm/yyyy)

## ANNEX A

### 1.2) ADDRESS FROM WHICH FURTHER INFORMATION CAN BE OBTAINED

Organisation <b>As 1.1 above</b>	For the attention of
Address	Postal code
Town	Country
Telephone	Fax
Electronic mail (e-mail)	Internet address (URL)

### 1.3) ADDRESS FROM WHICH DOCUMENTATION MAY BE OBTAINED

Organisation <b>As 1.1 above</b>	For the attention of
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Town	Country
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### 1.4) ADDRESS TO WHICH TENDERS/REQUESTS TO PARTICIPATE MUST BE SENT

Organisation <b>As 1.1 above</b>	For the attention of
Address	Postal code
Town	Country
Telephone	Fax

Electronic mail (e-mail)	Internet address (URL)
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