

## ITEM No ...6.....

**REPORT TO:** FAIR WORK, ECONOMIC GROWTH AND INFRASTRUCTURE COMMITTEE – 19 AUGUST 2024

**REPORT ON:** ENGINEERING CONSULTANCY - PROCUREMENT SOURCING STRATEGY

**REPORT BY:** EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

**REPORT NO:** 215-2024

### **1 PURPOSE OF REPORT**

1.1 To seek approval of the procurement sourcing strategy for provision of specialist engineering consultancy services to support the delivery of transport related projects.

### **2 RECOMMENDATION**

2.1 It is recommended that the Committee:

a approves the commencement of a procurement exercise for engineering consultancy services, based on the sourcing strategy summarised in this report; and

b delegates authority to the Executive Director of City Development to finalise the procurement sourcing strategy and award contracts (as set out in Section 4.5) up to the value of £500,000, for the provision of engineering consultancy services following competitive tendering processes undertaken through the Scotland Excel Framework for Engineering and Technical Consultancy – Lot 2 Transportation and Traffic.

### **3 FINANCIAL IMPLICATIONS**

3.1 The Executive Director of Corporate Services confirms that funding is available as detailed in paragraph 4.5.

3.2 Once formal tenders have been received, any contracts over the value of £500,000 will be reported to a future Fair Work, Economic Growth and Infrastructure Committee for approval.

### **4 SOURCING STRATEGY SUMMARY**

4.1 The Scotland Excel Framework Agreement for Engineering and Technical Consultancy (0820) provides the Council with a mechanism to procure a wide range of civil engineering and associated technical consultancy services, through mini-competition exercise.

4.2 The Framework Agreement covers the following Lots: Lot 1 Roads and Structures, Lot 2 Transportation and Traffic, Lot 3 Environmental Engineering, Lot 4 Land Surveying, Lot 5 Drainage and Flooding, Lot 6 Geoenvironmental and Geotechnical, Lot 7 Coastal and Maritime, Lot 8 Master Planning and Lot 9 Project and Commercial Management

4.3 To ensure maximum competition, Scotland Excel followed an open tender process with tenderers scored on both technical (60%) and commercial (40%) criteria. Following analysis of 66 tenders received, Scotland Excel appointed 31 suppliers across the nine lots.

4.4 To assist with the delivery of a number of actions identified within the Councils Sustainable Transport Delivery Plan and City Centre Strategic Investment Plan, there is a requirement to augment the current in-house design resource with specialist consultancy support. To date, both the Transportation and the City Engineer services have previously augmented their in-house design resource from time-to-time, utilising the framework.

4.5 It is proposed to appoint an external consultant to support the delivery of the following projects.

a Mini Competition 1 – Lochee and Arbroath Road Sustainable Transport Corridors

This Contract will support the Council to develop and deliver a design for a sustainable transport corridor that integrates both Active Travel and Bus Priority measures. The project will require the successful tenderer to complete a range of survey, traffic modelling, design and consultation/engagement work. This is a large multi-year and multi-disciplinary project and therefore will require greater levels of consultancy support to deliver the project.

The overall contract value is anticipated to be between £600 - £650k in 2024/2025 and £1.2 to £1.3m in 2025/2026 inclusive of internal fees.

The contract is subject to the approval of funding from Sustrans Scotland Places for Everyone Programme (PfE).

Sustrans' funding model has recently changed such that it covers single financial year awards only. As this will be a multi-year project, the Council will be required to submit a funding request for the 2025/2026 financial year spend.

The contract will include an exit point at the end of 2024/2025 in the event that Sustrans or Transport Scotland do not approve funding for the 2025/2026 financial year.

b Mini Competition 2 – City Centre Traffic Modelling

This Contract will support the Council to undertake a multi-option traffic modelling study to identify a transport network arrangement which optimises provision for active travel and public transport while accommodating necessary vehicular access to support businesses and service requirements of those living, working and operating in the city centre. The project will require the successful tenderer to undertake a comprehensive review of vehicular, cyclist and pedestrian movement within and around the city centre using the latest modelling techniques.

The overall contract value is anticipated to be between £50- £60k in 2024/2025 and £190 to £200k in 2025/2026 inclusive of internal fees.

The contract in 2024/25 will be funded from the Council Capital Plan 2024-2029 – Empowered Communities – City Improvement/Investment Fund

As this will be a multi-year project, the 2025/2026 financial year spend will be subject to the Council securing appropriate funding next year.

The contract will include an exit point at the end of 2024/2025 in the event that funding is not secured for the 2025/2026 financial year.

c Mini Competition 3 – Eden Active Travel Connections

This Contract will support the Council to develop concept designs for high quality, attractive active travel links for people walking, wheeling and cycling from the proposed Eden site to the City Centre (Eastern quarter) and adjacent communities. The project will require the successful tenderer to complete a range of survey, traffic modelling, design and consultation/engagement work.

The overall contract value is anticipated to be between £50 - £60k in 2024/2025 and £50 to £60k in 2025/2026 inclusive of internal fees.

The contract will be funded from the Council Capital Plan 2024-29 – Tackle Climate Change – Sustainable Transport & Infrastructure.

- 4.6 The Council will conduct mini-competitions under the Scotland Excel Framework assessing cost, experience, resources and performance to award each Contract to a single Consultant. Tenders will be evaluated by Council Officers from Transportation and the City Engineers.

## 5 RISK ANALYSIS

- 5.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contracts regulations and leaving the Council open to a legal challenge.

Table 2 – Risk Analysis

Description of Risk	Actions To Be Taken To Manage Risk
<b>Commercial Risk</b> – that either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	Low Risk - the contract will be tendered and awarded through a compliant tender procedure, through which all costs have been considered.  Single year funding models will require the Council to submit funding requests for 2025/2026 financial year spend.  The multi-year contracts will include an exit point at the end of 2024/2025 in the event that funders do not approve funding for the 2025/2026 financial year.
<b>Technical Risk</b> – this concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification.	Low Risk - the contract will be tendered and awarded through a compliant procedure. Bidders will be required to demonstrate technical competence as part of the tender evaluation process.
<b>Performance Risk</b> – this concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits.	Low Risk – a contract management process will be put in place with the use of KPI's.
<b>Contractual Risk</b> – being able to remedy the shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.	Low Risk - DCC are contractually protected via the contract terms and conditions. The consultant shall be proactively managed during the term of the contract.
<b>Procurement Risk</b> – where a procurement is found unsound in law, through the public procurement rules.	Low Risk – this is a regulated contract.  This procurement will involve a mini-competition from an already established legally compliant Framework.

## 6 POLICY IMPLICATIONS

- 6.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate Senior Manager has reviewed and agreed with this assessment.

**7 CONSULTATIONS**

7.1 The Council Leadership Team have been consulted in the preparation of this report and are in agreement with its content.

**8 BACKGROUND PAPERS**

8.1 None.

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