

ITEM No ...5.....

REPORT TO: FAIR WORK, ECONOMIC GROWTH AND INFRASTRUCTURE COMMITTEE - 18 AUGUST 2025

REPORT ON: ST MARY'S DRAINAGE STRATEGY – ST LEONARDS PARK SOURCING STRATEGY

REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 228-2025

1 PURPOSE OF REPORT

- 1.1 This report describes the procurement and tendering process for the proposed St Mary's Drainage Strategy - St Leonards Park. The report seeks authority to progress the design and tender process and subsequently procure the works through the SCAPE Scotland Construction Framework with Balfour Beatty.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:
- a approves the procurement of the Preconstruction Services through the SCAPE Framework with Balfour Beatty; and
 - b notes that the final tender prices for enabling and construction works will be brought back to Committee for approval in due course.

3 FINANCIAL IMPLICATIONS

- 3.1 Stages 1 and 2, covering feasibility and concept design have been met by prior contributions from Scottish Water, Sustrans and Dundee City Council.
- 3.2 Stage 3 - Design Development and Site Investigations funding is from Scottish Water and Dundee City Council as part of the Water Resilient Dundee Partnership. This stage is estimated to be £650k with a contribution as detailed in the table below.

Stage 3 – Develop Design	Funding Source
Scottish Water – EFOS funding	£300k
Scottish Water – Infra Pannel Fund	£150k
DCC – Capital Plan 2025-2030	£170k
DCC – Tier 1 Active Travel Transformation	£30k
Total	£650k

- 3.3 The Executive Director of Corporate Services has confirmed that funding is available within the Capital Plan 2025 - 2030.
- 3.4 External Funding has been committed by Scottish Water as part of the Water Resilient Dundee partnership.

- 3.5 Funding for Stage 4 - detailed design is being sought from the Transport Scotland Active Travel Infrastructure Fund (ATIF) which will be combined with funding committed by Scottish Water as part of the Water Resilient Dundee partnership.

4 BACKGROUND

- 4.1 The Scottish Government has identified a need to improve how surface water in Scotland is managed. Over the last few years there has been a commitment for local government and other publicly funded organisations to work together to increase Scotland's use of blue-green infrastructure for drainage, flood management and climate resilience. The Scottish Government Policy Framework for Surface Water Management and Blue-green Infrastructure considers improvements that can be made to surface water management in communities across Scotland, with a focus on placemaking to increase the efficiency and effectiveness of funding.
- 4.2 The St Mary's Surface Water Drainage Strategy is a strategic, climate resilience project currently being progressed under the Dundee City Council and Scottish Water "Water Resilient Dundee Partnership" with NatureScot, SEPA, Sustrans and Transport Scotland. This strategy and project have been recognised at Scottish Government level and at management level within Scottish Water as a national example of the type of project that needs to be undertaken across Scotland to meet the climate emergency.
- 4.3 This project proposes to de-culvert the Back Burn between Macalpine Road and the Dighty at Harestane Road, create the main conveyance route to capture the surface water discharges within the St Mary's area and restore capacity within the existing piped drainage system. It proposes to reconnect the Back Burn to the Dighty and retrofit multifunctional blue-green infrastructure above ground to enable development of vacant land and reduce flood risk whilst also delivering other benefits, such as improved water quality, enhanced biodiversity and creating attractive areas of greenspace for walking, cycling and recreation, and improving the health and wellbeing of the community.
- 4.4 The overall project has gained traction and national recognition as one that shows best practice in delivery and design of climate resilient projects. Working with Scottish Water through our Water Resilient Dundee Partnership, the project aims to meet multiple benefits for both organisations with a scope and scale that hopes to attract future partners. The project once constructed will deliver on flood resilience, active travel, improved links to school, improved road safety, increased biodiversity, enable development, improve mental and physical health to surrounding communities in areas of deprivation and green space that serves the community and the city, all while directly tackling the climate emergency recognised by Dundee City Council.

5 PROCUREMENT DELIVERY

- 5.1 It is proposed to appoint Balfour Beatty to provide design development through a Pre-construction Services Delivery Agreement under the SCAPE Framework. This Framework was tendered at national level. Balfour Beatty were selected from the national framework based on the highest quality score with strong evidence that they are a highly capable, collaborative contractor who is committed to delivering value for money. Services provided through the Agreements include project feasibility, programme development, risk management and cost planning services. Balfour Beatty will work with the Council's in-house designers to develop the overall design and market test the work packages for the project. Further reports will be brought back to Committee for Members to consider tender costs for enabling and construction works.
- 5.2 The benefits of using the SCAPE Framework include:
- a use of Council and Scottish Water in-house design team;

- b utilising the Contractor's expertise from an early stage in the design process, assisting with programming, cost certainty and value for money;
 - c open book tendering of all sub-contract packages within the main contract, with a contractual requirement to achieve high use of local sub-contractors;
 - d a contractual requirement to deliver additional community benefits; and
 - e accepted procurement route for all funding partners.
- 5.3 Utilising the contractor's expertise from an early stage will allow engagement of key supply chain partners to focus on a number of key packages to drive best value, manage long-lead in times and enable the technical design development. These include:
 - a early contractor planning around delivery of project;
 - b efficient earthwork design to reduce net material disposal; and
 - c cost certainty of project through construction stage.
- 5.4 Where the Council utilises a national framework to procure construction and engineering works, Balfour Beatty, like all tenderers that have been assigned to the relevant framework have previously been tendered on a qualitative and cost basis, ensuring a highly competitive benchmark is set for the framework supply chain.
- 5.5 The frameworks are designed to provide effective price benchmarking and cost targeting to achieve value for money while also offering early contractor involvement, support on brief development, budget costing, project programming and buildability as well as benefit to the local community.
- 5.6 This project will be delivered in line with the Council's Community Wealth Building agenda. By ensuring where possible that projects are delivered by a local supply chain, many benefits can be achieved, including retaining money in the local area and employability and education/training benefits. As well as local investment, using local labour teams means a reduction in commuting distances travelled, lowering the project's overall carbon footprint
- 5.7 A tender report for the enabling and construction works will be brought back to a future Committee for approval. It is anticipated that the construction phase of the project will start in 2027.

6 SOURCING STRATEGY SUMMARY

- 6.1 This Sourcing Strategy seeks approval to progress with Balfour Beatty through the SCAPE frameworks for delivery of the preconstruction phase of the St Marys Drainage Strategy - St Leonards Park.

7 RISK ANALYSIS

- 7.1 There are 4 standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contract regulations and leaving the Council open to a legal challenge:

Description of Risk	Actions To Be Taken To Manage Risk
Commercial Risk – 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 SCAPE framework contract requires contractor to provide three open market quotes tendered and awarded through a compliant tender procedure. This exercise is open book and provides client comfort in Value for money.
Technical Risk – 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 SCAPE framework 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.
Performance Risk – 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. These will be aligned with the SCAPE and Councils KPI requirements and agreed between all parties.
Contractual Risk – 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 SCAPE contract terms and conditions. The contractor shall be proactively managed during the term of the contract.
Procurement Risk – where a procurement is found unsound in law, through the public procurement rules.	Low Risk – this is a regulated contract.

8 SUMMARY

- 8.1 It is recommended that the Committee approve this Sourcing Strategy and award appropriate delegated powers to the Executive Director of City Development to proceed as outlined.

9 POLICY IMPLICATIONS

- 9.1 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.

10 CONSULTATIONS

- 10.1 The Council Leadership Team have been consulted in the preparation of this report.

11 BACKGROUND PAPERS

11.1 None.

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