

**ITEM No ...8.....**

**REPORT TO:** CITY DEVELOPMENT COMMITTEE – 11 DECEMBER 2017  
**REPORT ON:** DUNDEE CENTRAL WATERFRONT SITE 6 OFFICE DEVELOPMENT  
**REPORT BY:** EXECUTIVE DIRECTOR OF CITY DEVELOPMENT  
**REPORT NO:** 432-2017

**1 PURPOSE OF REPORT**

1.1 This report describes the procurement and tendering process utilised for the Dundee Central Waterfront Site 6 Office Development and seeks a decision on the acceptance of the tender price and allowances.

**2 RECOMMENDATION**

2.1 It is recommended that the Committee

a approves the acceptance of the tender price submitted by Wilmott Dixon Construction Limited in the amount of £14,069,045 with allowances amounting to £1,430,955 giving a total cost of £15,500,000

b note that the start date of the project is January 2018 with a construction completion date of February 2019.

**3 FINANCIAL IMPLICATIONS**

3.1 The total projected cost for the Dundee Central Waterfront Site 6 Office Development is estimated to be £15,500,000. The Executive Director of Corporate Services has confirmed that these costs can be contained within the Central Waterfront budget in the Work and Enterprise Section of the Capital Plan 2018-2023. The funding for the project is available as part of the Growth Accelerator Fund granted from Scottish Government and Prudential Borrowing from income received from leasing the commercial units within the building.

**4 BACKGROUND**

4.1 Reference is made to Article XVI of the meeting of the City Development Committee of 22 August 2016 when the Committee

a noted the progress being made on securing new development within the Waterfront area.

b agreed to enter into a Scape stage 1 agreement to prepare design proposals for the development of Site 6 and submit these for detailed planning consent

4.2 Reference is also made to Article VIII of the meeting of the City Development Committee of 24 April 2017 when the committee agreed to remit the Executive Director of City Development to enter into a Delivery Agreement to procure the construction of the Dundee Central Waterfront Site 6 Office Development from Wilmott Dixon Construction Limited under the Scape Framework with the performance obligations of the contract sub-contracted to Robertson Construction Group Limited.

4.3 The works comprise the construction of a five floor development consisting of Grade A office development with ground floor commercial units with associated service yard area and dedicated car parking spaces.

- 4.4 Using the Scape Framework, the specification and design for the new facilities building was produced by Robertson Construction design consultants and the tender price built up using open book tendering for all work packages, with contractually fixed management fees, overheads and profit for the lead contractor. The lump sum tender price was 100% market tested, with 51 individual work packages issued to 687 potential sub-contractors.
- 4.5 In this contract, Robertson Construction and all sub-contractors (and the sub-contractors' sub-contractors) will pay the Living Wage as a minimum to all employees employed on site. The Living Wage, as recognised by the Poverty Alliance is currently £8.75 per hour (from 1 November 2017) and will increase annually each year in the first week of November.
- 4.6 The total projected cost of the Dundee Central Waterfront Site 6 Office Development is made up as follows –

Construction Sum	£13,167,881	
External Design Fees	£863,247	
Surveys	£37,917	
Lump Sum Tender Price		£14,069,045
Allowances for		
Professional Fees	£470,923	
Statutory Fees and Warrants	£37,791	
Utility Supplies & Connections	£56,000	
Contingency Provision	£866,241	£1,430,955
		<u>£15,500,000</u>

- 4.7 The Executive Director of Corporate Services has confirmed that these costs can be contained within the Central Waterfront budget in the Work & Enterprise section of the Capital Plan 2018-2023.
- 4.8 The proposed start date for the project is January 2018 with a construction completion date of February 2019.
- 4.9 Dundee City Council's Community Benefits Through Procurement Policy seeks to maximise economic and social benefits from Council procurement within the current legal framework through the inclusion of Community Benefits on all applicable contracts. The Scape Framework also requires Community Benefits to be realised, and has achieved the following commitments for this contract:

Community Benefit Area	Target	Source
<i>Supplier Development</i>		
Percentage of Spend (allocated locally)		
Contract Spend within 10 miles	20%	Scape
Contract Spend within 20 miles	40%	Scape
Contract Spend within 40 miles	75%	Scape
Supplier Development Events	2	DCC
<i>Employment and Skills</i>		
Local Labour Monitoring	Monitor Only	DCC
New Start Employment Opportunities	9	Scape
Apprentices (Project Initiated)	3	DCC
Work Experience (School & Post School)	5	DCC
Awareness Raising/Curriculum Support Events	12	DCC
Awareness Raising – Individuals Supported on site (ie visits)	10	DCC
Awareness Raising – Individuals supported on offside activity	110	Scape

- 4.10 The awareness raising activity for this project will include relevant talks to college, schools and other relevant groups. Monitoring of the above commitments and targets will be carried out with the lead contractor by Dundee City Council's Community Benefits Officer and will be reported as part of the overall Community Benefits updates to Committee on a regular basis and to project groups as required.

## **5 POLICY IMPLICATIONS**

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

## **6 CONSULTATIONS**

- 6.1 All members of the Council Management Team have been consulted and are in agreement with the contents of this report.

## **7 BACKGROUND PAPERS**

- 7.1 None

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Executive Director of City Development

Fergus Wilson  
Head of Design & Property

FW/NM/MS

28 November 2017

Dundee City Council  
Dundee House  
Dundee

