

ITEM No ...7.....

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

REPORT ON: SOURCING STRATEGIES BY HEAD OF DESIGN AND PROPERTY

REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 43-2024

1 PURPOSE OF REPORT

1.1 The purpose of this report is to present sourcing strategies and seeks approval to commence with the procurement exercise in respect of each project.

2 RECOMMENDATION

2.1 It is recommended that Committee approves the commencement of a procurement exercise in respect of the projects described, based on the sourcing strategy detailed in Appendix 1.

3 SUMMARY OF SOURCING STRATEGIES

3.1 Proposed sourcing strategies for progressing by the Design and Property Division in relation to the projects detailed below.

Proposed Sourcing Strategies
Inspection, Testing, Service and Maintenance of Air Compressors
Inspection, Testing, Service and Maintenance of Local Exhaust Ventilation Systems and Forges
In-service Inspection and Testing of Electrical Equipment – Area 1
Inspection, Testing, Service and Maintenance of Medical Baths and Lifting Equipment
Inspection, Testing, Service and Maintenance of Boilers, Combined Heating & Power Units (CHP), Burners and Flues
Caird Hall – Replacement Lifts 1 and 2
Dundee City Centre Christmas Decorations Contract

4 FINANCIAL IMPLICATIONS

4.1 The Executive Director of Corporate Services has confirmed that funding for the above projects is available as detailed on the attached sheet.

5 SOURCING STRATEGY SUMMARY

5.1 This Sourcing Strategy seeks approval to progress with an appropriate compliant tender process via Public Contracts Scotland. Bidders will go through a selection process to assess capability to the needs and requirement of the contract.

6 RISK ANALYSIS

- 6.1 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 contract will be tendered and awarded through a compliant tender procedure, through which all costs have been considered.
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 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.
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 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.

7 SUMMARY

- 7.1 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.

8 POLICY IMPLICATIONS

- 8.1 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.

9 CONSULTATIONS

- 9.1 The Council Leadership Team has been consulted in the preparation of this report.

10 BACKGROUND PAPERS

10.1 None.

Neil Martin
Head of Design and Property

Robin Presswood
Executive Director of City Development

NM/KM

7 February 2024

Dundee City Council
Dundee House
Dundee

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APPENDIX 1

SOURCING STRATEGY	Inspection, Testing Service and Maintenance of Air Compressors
PROJECT NUMBER	19-51057
PROJECT INFORMATION	Sourcing strategy for the tender process for the inspection, testing, service and maintenance of Air Compressors at 17 properties.
PROPOSED CONTRACT DURATION	3 years, with a plus 2, plus 2 option to extend totalling 7 years
RECOMMENDATION	<p>It is recommended that the Committee:</p> <p>a</p> <p>approves the commencement of a procurement exercise in respect of the project described, based on the sourcing strategy summarised in this report; and</p> <p>b</p> <p>delegates authority to the Executive Director of City Development to finalise the procurement strategy and award a contract to the successful bidder, following a tender process carried out in compliance with Public Contracts (Scotland) regulations 2015.</p>
FINANCIAL IMPLICATIONS	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on previous experience and market enquiries carried out against existing framework rates, the total cost of the contract is anticipated to be £80k, inclusive of extension options and fees. The contract will be funded from the City Development Revenue (Property Health & Safety) budget.</p> <p>Where the most economically advantageous tender is in excess of 10% greater than the sum detailed above then the matter will be reported back to committee for approval.</p> <p>Any repair or maintenance works that are highlighted as being required through inspection and testing will be additional to the servicing contract and funded from the Revenue Property Health and Safety budget.</p>
POLICY IMPLICATIONS	There are no issues.
BACKGROUND PAPERS	None.

SOURCING STRATEGY	Inspection, Testing Service and Maintenance of Local Exhaust Ventilation Systems and Forges
PROJECT NUMBER	19-51058
PROJECT INFORMATION	Sourcing strategy for the tender process for the inspection, testing, service and maintenance of Local Exhaust Ventilation Systems at 13 properties and Forges at 5 properties.
PROPOSED CONTRACT DURATION	3 years, with a plus 2, plus 2 option to extend totalling 7 years
RECOMMENDATION	<p>It is recommended that the Committee:</p> <p>a</p> <p>pproves the commencement of a procurement exercise in respect of the project described, based on the sourcing strategy summarised in this report; and</p> <p>b</p> <p>elegates authority to the Executive Director of City Development to finalise the procurement strategy and award a contract to the successful bidder, following a tender process carried out in compliance with Public Contracts (Scotland) regulations 2015.</p>
FINANCIAL IMPLICATIONS	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on previous experience and market enquiries carried out against existing framework rates, the total cost of the contract is anticipated to be £80k, inclusive of extension options and fees. The contract will be funded from the City Development Revenue (Property Health & Safety) budget.</p> <p>Where the most economically advantageous tender is in excess of 10% greater than the sum detailed above then the matter will be reported back to committee for approval.</p> <p>Any repair or maintenance works that are highlighted as being required through inspection and testing will be additional to the servicing contract and funded from the Revenue Property Health and Safety budget.</p>
POLICY IMPLICATIONS	There are no issues.
BACKGROUND PAPERS	None.

SOURCING STRATEGY	In-Service Inspection and Testing of Electrical Equipment – Area 1
PROJECT NUMBER	20-50045
PROJECT INFORMATION	Sourcing strategy for the tender process for the in-service inspection and testing of electrical equipment at 110 properties.
PROPOSED CONTRACT DURATION	3 years, with a plus 2 option to extend totalling 5 years
RECOMMENDATION	<p>It is recommended that the Committee:</p> <p>a approves the commencement of a procurement exercise in respect of the project described, based on the sourcing strategy summarised in this report; and</p> <p>b delegates authority to the Executive Director of City Development to finalise the procurement strategy and award a contract to the successful bidder, following a tender process carried out in compliance with Public Contracts (Scotland) regulations 2015.</p>
FINANCIAL IMPLICATIONS	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on previous experience and market enquiries carried out against existing framework rates, the total cost of the contract is anticipated to be £210k, inclusive of extension options and fees. The contract will be funded from the City Development Revenue (Property Health & Safety) budget.</p> <p>Where the most economically advantageous tender is in excess of 10% greater than the sum detailed above then the matter will be reported back to committee for approval.</p> <p>Any repair or maintenance works that are highlighted as being required through inspection and testing will be additional to the servicing contract and funded from the Revenue Property Health and Safety budget.</p>
POLICY IMPLICATIONS	There are no issues.
BACKGROUND PAPERS	None.

SOURCING STRATEGY	Inspection, Testing Service and Maintenance of Medical Baths and Lifting Equipment
PROJECT NUMBER	20-50026
PROJECT INFORMATION	Sourcing strategy for the tender process for the inspection, testing, service and maintenance of Medical Baths and Lifting Equipment at 39 properties.
PROPOSED CONTRACT DURATION	3 years, with a plus 2 option to extend totalling 5 years
RECOMMENDATION	<p>It is recommended that the Committee:</p> <p>a</p> <p>approves the commencement of a procurement exercise in respect of the project described, based on the sourcing strategy summarised in this report; and</p> <p>b</p> <p>delegates authority to the Executive Director of City Development to finalise the procurement strategy and award a contract to the successful bidder, following a tender process carried out in compliance with Public Contracts (Scotland) regulations 2015.</p>
FINANCIAL IMPLICATIONS	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on previous experience and market enquiries carried out against existing framework rates, the total cost of the contract is anticipated to be £120k, inclusive of extension options and fees. The contract will be funded from the City Development Revenue (Property Health & Safety) budget.</p> <p>Where the most economically advantageous tender is in excess of 10% greater than the sum detailed above then the matter will be reported back to committee for approval.</p> <p>Any repair or maintenance works that are highlighted as being required through inspection and testing will be additional to the servicing contract and funded from the Revenue Property Health and Safety budget.</p>
POLICY IMPLICATIONS	There are no issues.
BACKGROUND PAPERS	None.

SOURCING STRATEGY	Inspection, Testing Service and Maintenance of Boilers, CHP Units, Burners and Flues
PROJECT NUMBER	22-50004
PROJECT INFORMATION	Sourcing strategy for the tender process for the inspection, testing, service and maintenance of Medical Baths and Lifting Equipment at 160 properties.
PROPOSED CONTRACT DURATION	3 years, with a plus 2, plus 2 option to extend totalling 7 years
RECOMMENDATION	<p>It is recommended that the Committee:</p> <p>a</p> <p>pproves the commencement of a procurement exercise in respect of the project described, based on the sourcing strategy summarised in this report; and</p> <p>b</p> <p>elegates authority to the Executive Director of City Development to finalise the procurement strategy and award a contract to the successful bidder, following a tender process carried out in compliance with Public Contracts (Scotland) regulations 2015.</p>
FINANCIAL IMPLICATIONS	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on previous experience and market enquiries carried out against existing framework rates, the total cost of the contract is anticipated to be £465k inclusive of extension options and fees. The contract will be funded from the City Development Revenue (Property Health & Safety) budget.</p> <p>Where the most economically advantageous tender is in excess of 10% greater than the sum detailed above then the matter will be reported back to committee for approval.</p> <p>Any repair or maintenance works that are highlighted as being required through inspection and testing will be additional to the servicing contract and funded from the Revenue Property Health and Safety budget.</p>
POLICY IMPLICATIONS	There are no issues.
BACKGROUND PAPERS	None.

SOURCING STRATEGY	Caird Hall – Replacement Lifts 1 and 2
PROJECT NUMBER	23-001
PROJECT INFORMATION	Sourcing strategy for the tender process for the full replacement of 2nr existing goods lifts which serve the Caird Hall complex.
PROPOSED CONTRACT DURATION	22 weeks
RECOMMENDATION	<p>It is recommended that the Committee</p> <p>a pproves the commencement of a procurement exercise in respect of the project described, based on the sourcing strategy summarised in this report; and</p> <p>b elegates authority to the Executive Director of City Development to finalise the procurement strategy and award a contract to the successful bidder, following a tender process carried out in compliance with Public Contracts (Scotland) regulations 2015.</p>
FINANCIAL IMPLICATIONS	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on previous experience and market enquiries carried out against existing framework rates, the total cost of the contract is anticipated to be £260K, inclusive of non-contract allowances and fees. The contract will be funded from The City Council Capital Plan 2023-28 – Design a Modern Council – Property Lifecycle Development Programme – Lifecycle Property Improvements</p> <p>Where the most economically advantageous tender is in excess of 10% greater than the sum detailed above then the matter will be reported back to committee for approval.</p>
POLICY IMPLICATIONS	There are no issues.
BACKGROUND PAPERS	None.

SOURCING STRATEGY	Dundee City Centre Christmas Decorations Contract
PROJECT NUMBER	21-1234
PROJECT INFORMATION	Sourcing Strategy for the Public Contracts Scotland tender process, for a 3 + 1 year contract for the supply, installation and maintenance (and removal and safe storage) of decorative lighting features for the festive period for the city centre of Dundee
PROPOSED CONTRACT DURATION	3 Years with a plus 1 option to extend to 4 years. Starting Christmas 2024.
RECOMMENDATION	<p>It is recommended that the Committee:</p> <p>a approves the commencement of a Public Contracts Scotland procurement exercise in respect of the project described, based on the sourcing strategy summarised in this report; and</p> <p>b delegates authority to the Executive Director of City Development to finalise the procurement strategy and award a contract to the successful bidder, following a tender process carried out in compliance with Public Contracts (Scotland) regulations 2015.</p>
FINANCIAL IMPLICATIONS	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded plus fees. Based on the previous contract and market enquiries, the total cost of the contract is anticipated to be £110k/annum inclusive of fees. The 3+1 year contract is anticipated to have a total cost of £440k and will be funded from the City Development – Economic Development Christmas Lights Revenue budget.</p> <p>Where the most economically advantageous tender is in excess of 10% greater than the sum detailed above then the matter will be reported back to committee for approval.</p> <p>Any repair or maintenance works that are highlighted as being required through the contract will be additional to the contract and funded from the available budget.</p>
POLICY IMPLICATIONS	There are no issues.
BACKGROUND PAPERS	None.

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