

ITEM No ...2.....

REPORT TO: NEIGHBOURHOOD REGENERATION, HOUSING AND ESTATE
MANAGEMENT COMMITTEE – 20 JANUARY 2025

REPORT ON: SOURCING STRATEGY FOR THE PROCUREMENT OF SUPPLY AND
DELIVERY OF CONSTRUCTION MATERIALS

REPORT BY: EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES

REPORT NO: 13-2025

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to detail the development of a sourcing strategy for the tender process to supply and deliver construction materials to Construction Services.

2 RECOMMENDATION

- 2.1 It is recommended that Committee approves the extension of the existing contracts procured via Scotland Excel Construction Materials Framework, until May 2025 to allow for the procurement exercise to complete; and,
- 2.2 Approves the commencement of the procurement exercise as detailed within.

3. SUMMARY OF SOURCING STRATEGIES

- 3.1 Proposed sourcing strategies for progressing by Construction Services in relation to the projects detailed below.

Proposed Sourcing Strategies

DCC/CS/205/24 - Supply and Delivery of Construction Materials (Electrical Materials, Building and Timber Materials, Plumbing and Heating, Trade Materials and Power Tools)
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4 FINANCIAL IMPLICATIONS

- 4.1 The Executive Director of Corporate Services has confirmed that funding for the above supply and delivery of construction materials is available within the Construction Services Revenue Budget, these costs are then recharged to client services budgets as part of the established arrangements for repairs partnerships. See Appendix 1.

5 SOURCING STRATEGY SUMMARY

- 5.1 Construction Services has existing framework contracts which are a result of previous mini-competition exercises from SXL Frameworks, reported to the Neighbourhood Services Committee, report no 49-2023 on the 20 February 2023 (Article III Refers) and report no 108-2023 on the 24 April 2023 (Article III Refers). The electrical, trade materials and building and timber material lots are due to expire at the end of February 2025. This sourcing strategy seeks approval to extend the duration of these contracts to allow a further mini-competition exercise to be completed and to align with the plumbing and heating contract ending in May 2025.
- 5.2 This sourcing strategy seeks permission to progress with an appropriate compliant tender process via Public Contracts Scotland. Suppliers approved on the Scotland Excel Construction Materials Framework, will be invited via a mini competition as per the framework guidelines.

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 contracts will be the subject of a mini-competition between those Framework Suppliers who have submitted compliant bids.
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 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 – Supplier capability has been assessed as part of the Framework evaluation process. The client will undertake regular contract management to ensure contractor performance against agreed contractual KPIs.
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 - The suppliers continued presence on the Framework is dependent upon their performance. As per Performance Risk
Procurement Risk – where a procurement is found unsound in law, through the public procurement rules.	Low Risk – This is mitigated by complying with the Framework call-off rules.

7 SUMMARY

- 7.1 It is recommended the preferred route to market is to use the mini competition process available through the Scotland Excel Frameworks as detailed within this report.

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 and agree with its contents.

10 BACKGROUND PAPERS

10.1 None.

Tony Boyle
Executive Director of Neighbourhood Services

Louise Butchart
Head of Housing, Construction and Communities
Services

3 December 2024

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Appendix 1

SOURCING STRATEGY	Supply and Delivery of Construction Materials
PROJECT NUMBER	DCC/CS/205/24 -
PROJECT INFORMATION	<p>The supply and delivery of a selection of core and non-core construction materials from the Scotland Excel Construction Materials Framework Ref:1422 for the Supply and Delivery of Construction Materials.</p> <p>Lot 1 – Electrical Materials Lot 2 – Building and Timber Materials Lot 3 – Plumbing and Heating Materials Lot 4 - Trade Materials and Power Tools</p> <p>We would propose to extend DCC Contracts lots 1,2 and 4 from the existing Scotland Excel Framework (Refs 09-19, 03-18, 07-17) to May 2025, to align with the contract end date of May 2025 for lots 3(Ref 23-18).</p> <p>Lots 1,2,3 and 4 will then be Procured together for a period of 2 years from 1 June 2025, with a 1, plus 1-year optional extension.</p>
PROPOSED CONTRACT DURATION	2 years from 1 June 2025, with a 1, plus 1-year optional extension (totalling 4 years maximum)
RECOMMENDATION	<p>It is recommended that the Committee:</p> <ul style="list-style-type: none"> a approves the commencement of a procurement exercise in respect of the framework described, based on the sourcing strategy summarised in this report. b notes that the existing Framework Contracts will be extended in duration (for the period to May 2025) to ensure service coverage. This is to allow the tendering process to be conducted.
FINANCIAL IMPLICATIONS	Dundee City Council spends approximately £1,818,206 per annum on construction materials and consumables. These items have been purchased via mini competitions through the Scotland Excel Framework (Ref 1422)
POLICY IMPLICATIONS	There are no issues
BACKGROUND PAPERS	None

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