

ITEM No ...6.....

REPORT TO: FAIR WORK, ECONOMIC GROWTH AND INFRASTRUCTURE COMMITTEE – 23 SEPTEMBER 2024

REPORT ON: SOURCING STRATEGIES BY HEAD OF DESIGN AND PROPERTY

REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 245-2024

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
Build Resilient and Empowered Communities Bridge Assessment Works Programme for 2024/2025 financial and future financial years
Gellatly Street Operational Control Room
Caird Hall – Façade Lighting
Heat Network Delivery Model Assessment

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 for projects listed above either, Public Contracts Scotland or via MPF2 Places for People Framework, all as detailed in individual appendices below. 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 awarded through a compliant tender procedure, through which all costs have been considered.

Description of Risk	Actions To Be Taken To Manage Risk
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 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.

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Head of Design and Property

Robin Presswood
Executive Director of City Development

NM/KM

26 Augst 2024

Dundee City Council
Dundee House, Dundee

APPENDIX 1

SOURCING STRATEGY	Build Resilient and Empowered Communities Bridge Assessment Works Programme for 2024/2025 financial and future financial years
PROJECT NUMBER	Multiple
PROJECT INFORMATION	<p>Bridge Assessment Works Programme for 2024/2025 financial and future financial years, appointing Contractors to deliver the following:</p> <p><u>Financial Year 2024/2025</u></p> <p>Mini Competition 1 - LP-003 Finlathen viaduct river training works;</p> <p>Mini Competition 2 - Mains of Claverhouse Footbridge and bridge improvement works;</p> <p>Mini Competition 3 - MD-003 Baldovie Bridge works;</p> <p>Mini Competition 4 - RW64 Barrack Road Retaining wall improvements; and</p> <p>Mini Competition 5 - RW113 Bell Street retaining wall and underpass works.</p> <p><u>Future Financial Years</u></p> <p>Future bridge and retaining wall improvement works identified through principal and general inspections.</p>
PROPOSED CONTRACT DURATION	Next 5 years
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 projects described, via Open Tender through Public Contracts Scotland, 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 4.0) up to the value of £500,000, to successful Contractors bidding, following tender process carried out in compliance with Public Contracts (Scotland) Regulations 2015.
FINANCIAL IMPLICATIONS	<p>The Executive Director of Corporate Services confirms that funding is available.</p> <p>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.</p>
POLICY IMPLICATIONS	There are no issues
BACKGROUND PAPERS	None

SOURCING STRATEGY	Gellatly Street Operational Control Room
PROJECT NUMBER	N/A
PROJECT INFORMATION	Sourcing strategy to appoint Robertson Construction Tayside Limited to reconfigure the existing office space at Gellatly Street to accommodate an operational control room and associated digital communication network. Works also include the installation of additional CCTV cameras within the north and south stairwells of the multi-story carpark that will be linked back to the councils central Safety and Alarm Response Centre (SARC) and will associate necessary mechanical and electrical upgrade works.
PROPOSED CONTRACT DURATION	Contract anticipated to start in November 2024 and will take approximately 15 weeks to complete.
RECOMMENDATION	It is recommended that the Committee: <ul style="list-style-type: none"> a approves the commencement of a procurement exercise in respect of the project described, based on the sourcing strategy summarised in this report; and b delegates authority to the Executive Director of City Development to finalise the procurement strategy and award the contract to Robertson Construction Tayside Limited through MPF2 – Places for People Procurement HUB Framework.
FINANCIAL IMPLICATIONS	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 £360,000, inclusive of non-contract allowances and design fees. The contract will be part funded by £85,000 from the Council Capital Plan 2024-2029 -Design a Modern Council – Property Lifecycle Development Programme- Electrical Upgrades, £40,000 from the Council Capital Plan 2024-2029 - Tackle Climate Change - Low Emission Zone, and the balance from the Parking account.
POLICY IMPLICATIONS	There are no issues.
BACKGROUND PAPERS	None.

SOURCING STRATEGY	Caird Hall – Façade Lighting
PROJECT NUMBER	N/A
PROJECT INFORMATION	<p>A lighting masterplan is currently being developed for the city centre that will create a cohesive public realm lighting strategy that will identify key routes and focal points that warrant special attention.</p> <p>As part of the lighting strategy, specialist consultants ARUP have developed concept designs to enhance the south (Shore Terrace), west (Castle Street) and east (Crichton Street) elevations of the Caird Hall.</p> <p>This sourcing strategy is to appoint Tayside Contracts - Street Lighting Partnership to work with the consultants to finalise the lighting design and to undertake the installation, commissioning and testing works.</p>
PROPOSED CONTRACT DURATION	Contract anticipated to start in November 2024 and will take approximately 16 weeks to complete.
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 project described, based on the sourcing strategy summarised in this report; and b delegates authority to the Executive Director of City Development to finalise the procurement strategy and award the contract to Tayside Contracts - Street Lighting Partnership.
FINANCIAL IMPLICATIONS	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded.</p> <p>The total cost of the contract is anticipated to be £160k to £190k, inclusive of design fees.</p> <p>The contract will be funded from UK Shared Prosperity Fund 2024/2025.</p>
POLICY IMPLICATIONS	There are no issues.
BACKGROUND PAPERS	<p>Report 76-2023: City Centre Strategic Investment Plan – City Nights and City Lights.</p> <p>Report 7-2024: City Centre Strategic Investment Plan – Update and Next Steps.</p>

SOURCING STRATEGY	Heat Network Delivery Model Assessment
PROJECT NUMBER	N/A
PROJECT INFORMATION	The Dundee Local Heat and Energy Efficiency Strategy (LHEES) has identified the scale of the opportunity for heat networks to decarbonise heat in the city's buildings, with five prioritised heat network zones identified of strategic importance. The objective of this contract is to secure specialist legal advice to undertake a detailed appraisal of options and provide a recommendation, based on sound evidence, of the most appropriate heat network delivery model which should be adopted to unlock heat network deployment within the city. This will include a comprehensive assessment of the risks and challenges and a recommended procurement strategy, centred on the City Centre Heat Network zone as the initial project, with acknowledgment for expansion to the further four prioritised heat network zones.
PROPOSED CONTRACT DURATION	The contract is anticipated to start in November 2024 and will take approximately 6 months to complete.
RECOMMENDATION	It is recommended that the Committee: <ul style="list-style-type: none"> a approves the commencement of a procurement exercise in respect of the project described, based on the sourcing strategy, summarised in this report; and b delegates authority to the Executive Director of City Development to award the contract to the successful bidder, following a tender process carried out in compliance with the Public Contracts (Scotland) Regulations 2015.
FINANCIAL IMPLICATIONS	The financial implications of this report are the costs of the estimated cost of the contract to be awarded. The total cost of the contract is anticipated to be £65,000. The contract will be primarily funded through a grant of £50,000 from the Heat Network Support Unit, with a contribution of £15,000 from the Sustainability and Climate Change revenue budget.
POLICY IMPLICATIONS	There are no issues.
BACKGROUND PAPERS	None.