

ITEM No ...2.....

REPORT TO: NEIGHBOURHOOD REGENERATION, HOUSING AND ESTATE
MANAGEMENT COMMITTEE – 25 SEPTEMBER 2023

REPORT ON: PROCUREMENT OF RETROFIT ASSESSOR CONSULTANCY SERVICES
FOR GLENPROSEN, LAWTON & LINLATHEN PHASE 1 EWI PROJECT

REPORT BY: EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES AND
EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 275-2023

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an update on the development of a sourcing strategy for the tender process for procuring Retrofit Assessor and Retrofit Co-ordinator Consultancy Services and to seek approval to commence a compliant tender process, leading to award of a contract.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:
- a approves the commencing 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 Neighbourhood Services and the Executive Director of City Development to utilise the direct award facility available through the Scotland Excel Framework for Energy Efficiency Contractors, Ref: 1320, sub-lots 1.2 Energy Efficiency Co-ordinator and 1.3 Energy Efficiency Assessor. and appoint the successful bidder, following a tender process carried out in compliance with the Public Contracts (Scotland) Regulations 2015.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications associated with this report, other than the estimated cost of the contract to be awarded, the sum of which has already been approved in the relevant budget. From previous experience and market testing carried out, the total cost of the contracts awarded is anticipated to be £350,000. The funding comprises £150,000 from the HRA Capital Plan 2023-2028 – Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045. The balance of funding in the sum of £200,000 for the 255 private owned and private rented properties will be met through the Energy Efficient Scotland – Area Based Scheme (EES: ABS) funding for 2023/2024 and 2024/2025. Any material deviation from this sum, resulting from the tender process that is above the amount allowed for contingencies, will require further approval from this Committee, prior to the contract being awarded.

4 DETAILS OF THE SERVICES BEING COMMISSIONED

- 4.1 The services comprise the procurement of Retrofit Assessor and Retrofit Co-ordinator Consultancy Services in accordance with PAS 2035 assessing domestic dwellings for energy performance as the Council requires for all properties within the Glenprosen, Lawton and Linlathen Phase 1 EWI project. The Energy Efficiency Assessor and Energy Efficiency Co-ordinator services have previously been provided by OVO Energy Networks as part of their delivery of EWI projects under the procurement routes as noted within the relevant committee tenders previously submitted. A comparative assessment has been undertaken between the previous process and the direct procurement of the services outlined in this paper. It has been concluded that independent procurement of these services by DCC will deliver a higher level of project scrutiny deemed appropriate for projects of this value.

- 4.2 Dundee City Council have delivered an External Wall Insulation Programme across the city for many years. A Sourcing Strategy has been developed to review the procurement route, which confirmed there are currently no companies contributing to the Dundee economy which provide the required Retrofit Assessor Consultancy Services required under PAS 2035. Accordingly, it is recommended that these consultancy services are procured via the Scotland Excel Framework for Energy Efficiency Contractors, Ref: 1320, sub-lots 1.2 Energy Efficiency Co-ordinator and 1.3 Energy Efficiency Assessor.
- 4.3 **Community Benefits** – Framework Spend Value of £300,001 - £500,000 equates to 60 Community Benefits Points which may be used for the following: Fuel Poverty Support; Local Community Meetings and Events; Supply Chain Initiatives; Educational Engagement, Foodbank Donation or alternative equivalents that parties may agree upon.

5 SOURCING STRATEGY SUMMARY

- 5.1 The Framework agreement has a very specific route to direct award requiring a capability and capacity questionnaire which will determine consultants willing and available to deliver the prescribed service and facilitate selection of the consultant best aligned with the project outcomes.
- 5.2 The expected benefits from this contract and the wider EWI project include: improvements in the quality of the built environment; protecting communities against the threat of climate change; increasing the value of housing assets; reducing the maintenance costs of housing assets; reducing heating costs to tenants and owners, reducing the instances of fuel poverty and the associated impacts on tenants' mental and physical health and improving tenants' satisfaction with their homes and their neighbourhood.

6 RISK ANALYSIS

- 6.1 There are four 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

Sourcing Strategy Section 4 Key Risk Table

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.	Fixed price contract utilising framework rates removes commercial risk. Hourly rate for Energy Efficiency Co-ordinator consultancy services will be the subject of a quotation prior to appointment.
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.	The outcomes of the Retrofit Assessment and Retrofit Co-ordination consultancy services are laid down by the framework and the requirements of PAS 2035, thereby removing technical risk.
Performance Risk – this concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits.	The ability of the supplier to perform is a pre-requisite of the framework, thereby removing performance risk.
Contractual Risk – being able to remedy the shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the	The supplier's continued presence on the framework and future income depends on their reliable performance, thereby reducing contractual risk.

Description of Risk	Actions to be taken to manage Risk
contracted supplier as the contract develops.	
Procurement Risk – where a procurement is found unsound in law, through the public procurement rules.	Appointment through the framework is a compliant procurement route. Following the procedure laid down in the framework guidance is a further mitigation of this risk.

7 CONCLUSION

- 7.1 It is recommended that approval is given to utilise the direct award process available through the Scotland Excel Framework for Energy Efficiency Contractors, Ref: 1320, sub-lots 1.2 Energy Efficiency Co-ordinator and 1.3 Energy Efficiency Assessor. up to the allocated budget as set out 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 have been consulted in the preparation of this report and are in agreement with its content. The Head of Housing and Construction has also been consulted in the preparation of this report.

10 BACKGROUND PAPERS

- 10.1 Reference is made to Article III of the minute of the Neighbourhood Regeneration, Housing and Estate Management Committee on 4 September 2023 (Report 238--2023 refers) which detailed the strategy for design and costs associated with the delivery of the EWI programmes.

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