

**ITEM No ...4.....**

**REPORT TO: FAIR WORK, ECONOMIC GROWTH AND INFRASTRUCTURE COMMITTEE – 18 NOVEMBER 2024**

**REPORT ON: SOURCING STRATEGIES BY HEAD OF DESIGN AND PROPERTY**

**REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT**

**REPORT NO: 312-2024**

**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, and delegates authority to the Executive Director of City Development to award the relevant contracts in line with Standing Orders.

**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.

<b>Proposed Sourcing Strategies</b>
Braeview Academy temporary classroom portacabins demobilisation and removal
Inspection, Testing and Maintenance of Cleanliness in Air Handling Ductwork
Inspection, Testing and Maintenance of Smoke Ventilation Systems
Nurse Call Systems – Janet Brougham House, Turriff House & MacKinnon Centre
North-East Campus – Underfloor Heating Works
Harris Academy – Underfloor Heating Works
Barnhill PS – Partial Rewire Phase 4

**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 report seeks approval to progress the listed projects with an appropriate compliant tender process via a suitable route to market, as outlined in the appendix 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
<b>Commercial Risk</b> – 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.
<b>Technical Risk</b> – 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.
<b>Performance Risk</b> – 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.
<b>Contractual Risk</b> – 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.
<b>Procurement Risk</b> – 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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NM/KM

14 October 2024

Dundee City Council  
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## APPENDIX 1

<b>SOURCING STRATEGY</b>	Braeview Academy temporary classroom portacabins demobilisation and removal								
<b>PROJECT NUMBER</b>	P23630								
<b>PROJECT INFORMATION</b>	On completion of the new East End Community Campus in the Summer of 2025 Braeview Academy is programmed to be demolished. At the moment Dundee City Council (DCC) hire Portakabin Ltd temporary classrooms on the grounds of Braeview Academy, erected following the school fire in 2018. DCC must give Portakabin Ltd a minimum of six months' notice for the demobilisation of their portacabins and cover the costs for removal. Portakabin Ltd costs have been estimated to be £392,000.00 for these works, funding source will be the Capital Plan 2024-29 – Deliver Inclusive Economic Growth – Demolition of Properties and Remediation Works budget.								
<b>TOTAL COST</b>	<table> <tr> <td>Portakabin Ltd</td> <td style="text-align: right;">£392,000.00</td> </tr> <tr> <td>Non contract allowance</td> <td style="text-align: right;">£30,000.00</td> </tr> <tr> <td>Fees</td> <td style="text-align: right;"><u>£5,000.00</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>£427,000.00</u></td> </tr> </table>	Portakabin Ltd	£392,000.00	Non contract allowance	£30,000.00	Fees	<u>£5,000.00</u>	Total	<u>£427,000.00</u>
Portakabin Ltd	£392,000.00								
Non contract allowance	£30,000.00								
Fees	<u>£5,000.00</u>								
Total	<u>£427,000.00</u>								
<b>PROPOSED CONTRACT DURATION</b>	July 2025-August 2025								
<b>RECOMMENDATION</b>	<p>It is recommended that the Committee:</p> <ul style="list-style-type: none"> <li>a approves the commencement of a procurement exercise in respect of the projects described, based on the sourcing strategy summarised in this report; and</li> <li>b delegates authority to the Executive Director of City Development to finalise the procurement sourcing strategy and procure Portakabin Ltd to remove their temporary classroom portacabins.</li> </ul>								
<b>FINANCIAL IMPLICATIONS</b>	The Executive Director of Corporate Services confirms that funding is available.								
<b>POLICY IMPLICATIONS</b>	There are no issues								
<b>BACKGROUND PAPERS</b>	None								

<b>SOURCING STRATEGY</b>	Inspection, Testing and Maintenance of Cleanliness in Air Handling Ductwork
<b>PROJECT NUMBER</b>	23-50056
<b>PROJECT INFORMATION</b>	Sourcing strategy for an open tender process via Public Contract Scotland for the H&S contract for the inspection, testing and maintenance of cleanliness in air handling ductwork at 56 properties.
<b>PROPOSED CONTRACT DURATION</b>	3 years, with a plus 2, plus 2 option to extend, totalling 7 years
<b>RECOMMENDATION</b>	<p>It is recommended that the Committee:</p> <ul style="list-style-type: none"> <li>a approves the commencement of a procurement exercise in respect of the projects described, based on the sourcing strategy summarised in this report; and</li> <li>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.</li> </ul>
<b>FINANCIAL IMPLICATIONS</b>	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on experience and market enquiries, the total cost of the contract is estimated to be £375K, inclusive of extension options and fees. The contract will be funded from the City Development Revenue (Property Health &amp; Safety) budget.</p> <p>Where the most economically advantageous tender is more than 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>
<b>POLICY IMPLICATIONS</b>	There are no issues
<b>BACKGROUND PAPERS</b>	None

<b>SOURCING STRATEGY</b>	Inspection, Testing and Maintenance of Smoke Ventilation Systems
<b>PROJECT NUMBER</b>	24-50010
<b>PROJECT INFORMATION</b>	Sourcing strategy for an open tender process via Public Contract Scotland for the H&S contract for the inspection, testing and maintenance of smoke ventilation systems at 21 properties.
<b>PROPOSED CONTRACT DURATION</b>	3 years, with a plus 2, plus 2 option to extend, totalling 7 years
<b>RECOMMENDATION</b>	<p>It is recommended that the Committee:</p> <ul style="list-style-type: none"> <li>a approves the commencement of a procurement exercise in respect of the projects described, based on the sourcing strategy summarised in this report; and</li> <li>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.</li> </ul>
<b>FINANCIAL IMPLICATIONS</b>	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on experience and market enquiries, the total cost of the contract is estimated to be £190K, inclusive of extension options and fees. The contract will be funded from the City Development Revenue (Property Health &amp; Safety) budget.</p> <p>Where the most economically advantageous tender is more than 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>
<b>POLICY IMPLICATIONS</b>	There are no issues
<b>BACKGROUND PAPERS</b>	None

<b>SOURCING STRATEGY</b>	Nurse Call Systems – Janet Brougham House, Turriff House & MacKinnon Centre
<b>PROJECT NUMBER</b>	24-002, 24-004, 24-005
<b>PROJECT INFORMATION</b>	To undertake the replacement of the existing Nurse Call Systems at Janet Brougham House, Turriff House and the McKinnon Centre. To provide safe, compliant, and improved Nurse Call Systems for benefit of service users and onsite staff.
<b>PROPOSED CONTRACT DURATION</b>	July 2025-August 2025
<b>RECOMMENDATION</b>	It is recommended that the Committee: <ul style="list-style-type: none"> <li>a approves the commencement of a procurement exercise in respect of the projects described, via a Procurement for Housing framework, based on the sourcing strategy summarised in this report; and</li> <li>b delegates authority to the Executive Director of City Development to finalise the procurement and award a contract to the successful bidder following a tender process carried out in compliance with Public Contracts (Scotland) regulations 2015.</li> </ul>
<b>FINANCIAL IMPLICATIONS</b>	The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on experience and market enquiries, the total cost of the contract is estimated to be £245K, inclusive of non-contract allowances and fees. The contract will be funded from the 2024-29 Capital Plan – Design a Modern Council – Property Lifecycle Development Programme – Electrical Upgrades budget. Where the most economically advantageous tender is more than 10% greater than the sum detailed above, the matter will be reported back to Committee for approval.
<b>POLICY IMPLICATIONS</b>	There are no issues
<b>BACKGROUND PAPERS</b>	None



<b>SOURCING STRATEGY</b>	North-East Campus – Underfloor Heating Works
<b>PROJECT NUMBER</b>	24-6004
<b>PROJECT INFORMATION</b>	The project works comprise the replacement of under-floor heating (UFH) manifold control boxes, and room temperature sensors as part of the overall Building Management System (BMS) control, with installation of associated cabling.
<b>PROPOSED CONTRACT DURATION</b>	July 2025-August 2025
<b>RECOMMENDATION</b>	<p>It is recommended that the Committee:</p> <ul style="list-style-type: none"> <li>a approves the commencement of a procurement exercise in respect of the projects described, via the DCC Mechanical Framework, based on the sourcing strategy summarised in this report; and</li> <li>b delegates authority to the Executive Director of City Development to finalise the procurement and award a contract to the successful bidder following a tender process carried out in compliance with Public Contracts (Scotland) regulations 2015.</li> </ul>
<b>FINANCIAL IMPLICATIONS</b>	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on experience and market enquiries, the total cost of the contract is estimated to be £140k, inclusive of non-contract allowances and fees. The contract will be funded from the 2024-29 Capital Plan – Design a Modern Council – Property Lifecycle Development Programme – Heating and Ventilation Systems budget.</p> <p>Where the most economically advantageous tender is more than 10% greater than the sum detailed above, the matter will be reported back to Committee for approval.</p>
<b>POLICY IMPLICATIONS</b>	There are no issues
<b>BACKGROUND PAPERS</b>	None

<b>SOURCING STRATEGY</b>	Harris Academy – Underfloor Heating Works
<b>PROJECT NUMBER</b>	23-6014
<b>PROJECT INFORMATION</b>	The project works comprise the replacement of underfloor heating systems (UFH) valve actuators at Harris Academy, Dundee. The works scope will include replacement of 44 controllers, 2 control panels, 237 temperature sensors, all of which have reached the end of their serviceable life and bring 14no air handling units (AHU's) under BMS control.
<b>PROPOSED CONTRACT DURATION</b>	July 2025-August 2025
<b>RECOMMENDATION</b>	It is recommended that the Committee: <ul style="list-style-type: none"> <li>a approves the commencement of a procurement exercise in respect of the projects described, via the DCC Mechanical Services Framework, based on the sourcing strategy summarised in this report; and</li> <li>b delegates authority to the Executive Director of City Development to finalise the procurement and award a contract to the successful bidder following a tender process carried out in compliance with Public Contracts (Scotland) regulations 2015.</li> </ul>
<b>FINANCIAL IMPLICATIONS</b>	The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on experience and market enquiries, the total cost of the contract is estimated to be £350k, inclusive of con-contract allowances and fees. The contract will be funded from the 2024-29 Capital Plan – Design a Modern Council – Property Lifecycle Development Programme – Heating and Ventilation Systems budget.  Where the most economically advantageous tender is more than 10% greater than the sum detailed above, the matter will be reported back to Committee for approval.
<b>POLICY IMPLICATIONS</b>	There are no issues
<b>BACKGROUND PAPERS</b>	None

<b>SOURCING STRATEGY</b>	Barnhill PS – Rewire Phase 4
<b>PROJECT NUMBER</b>	24-6003
<b>PROJECT INFORMATION</b>	The works comprise phase 4 of rewire works Barnhill PS comprising replacement of lighting, small power, distribution etc.
<b>PROPOSED CONTRACT DURATION</b>	July 2025-August 2025
<b>RECOMMENDATION</b>	<p>It is recommended that the Committee:</p> <ul style="list-style-type: none"> <li>a approves the commencement of a procurement exercise in respect of the projects described, via the MPF2 Places for People Framework, based on the sourcing strategy summarised in this report; and</li> <li>b delegates authority to the Executive Director of City Development to finalise the procurement and award a contract to the successful bidder following a tender process carried out in compliance with Public Contracts (Scotland) regulations 2015.</li> </ul>
<b>FINANCIAL IMPLICATIONS</b>	<p>The financial implications associated with this report are the estimated cost of the contract to be awarded. Based on experience and market enquiries, the total cost of the contract is estimated to be £420K, inclusive of non-contract allowances and fees. The contract will be funded from the 2024-29 Capital Plan – Design a Modern Council – Property Lifecycle Development Programme – Lifecycle Improvements.</p> <p>Where the most economically advantageous tender is more than 10% greater than the sum detailed above then the matter will be reported back to Committee for approval.</p>
<b>POLICY IMPLICATIONS</b>	There are no issues
<b>BACKGROUND PAPERS</b>	None

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