AGENDA ITEM NO 10
REPORT NO 553/11

ANGUS COUNCIL

INFRASTRUCTURE SERVICES – 23 AUGUST 2011

PROCUREMENT OF PROVISION OF SPECIALIST AUDIO VISUAL EVENT SUPPORT SERVICES

ABSTRACT: This report informs members of the need to put in place a contract for the provision of Audio Visual Event Support Services and seeks authority to proceed with the required procurement.

1. RECOMMENDATION

1.1 It is recommended that the committee agrees to:

i. Authorise the Head of Economic Development and Environmental & Consumer Protection to procure Audio Visual Event Support Services as outlined in this report; and

ii. Homologate the decision by the Head of Economic Development and Environmental & Consumer Protection to publish the contract notice and seek expressions interest in bidding for the contract in advance of committee approval.

2. BACKGROUND

2.1 Angus Council requires full audio visual (AV) technical support and stage design services for the following core events:

i. Tartan Day Scotland (required for the Economic Development and Environmental & Consumer Protection Division)
Scottish Evening Monday 2 April 2012/13/14
Fashion Show Wednesday 4 April 2012/13/14
Business Breakfast Debate Thursday 5 April 2012/2013/2014
Connections Dinner Thursday 5 April 2012/2013/2014
Golf Prizegiving Dinner Friday 6 April 2012/2013/2014

ii. Angus Excellence Awards (required for the Chief Executive’s Department)
Awards Dinner Friday 20 June 2012/2013/2014

iii. Best Bar None Awards (required for the Social Work and Health Department)
Safety schemes introduced in pubs e.g. designated drivers Thursday 24 November 2011/2012/2013/2014 (this may not proceed in later years)

iv. Angus Ambassador Awards (required for the Economic Development and Environmental & Consumer Protection Division)
Awards Dinner Friday 25 November 2011/2012/2013/2014

2.2 The requirement is for the specialist AV support element only. Event management is provided in-house. Full briefs have been prepared for all core events.

2.3 The committee is asked to note that no steps are available to reduce or avoid the purchase requirement because of its specialist nature. Also, Angus Council staff do not have the technical expertise or equipment in-house to facilitate and operate the required AV for the aforementioned core events. The requirement for the proposed procurement of this service is therefore unavoidable.

2.4 These events are already committed requirements for 2011/12 but some flexibility is required for future changes, including, as referred to below, the addition of other events yet to be identified. The core events support contract would address the requirements of three departments – Infrastructure Services (Economic Development and Environmental & Consumer protection Division), Chief Executive's and also Social Work & Health. The contract would allow for the inclusion of other large event management should this be required e.g. Angus Sports Day. Although investigations have been made across the council and at the present time no other need has been identified, the Council has annual spend with other AV suppliers which would appear to be within the scope of this contract.

2.5 The timetable for the proposed tendering exercise is as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publish contract notice/seek expressions of interest:</td>
<td>12 August 2011</td>
</tr>
<tr>
<td>Procurement Authority Report (PAR) to Infrastructure Services Committee:</td>
<td>23 August 2011</td>
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<tr>
<td>PQQ Return Date:</td>
<td>2 September 2011</td>
</tr>
<tr>
<td>Issue Invitations to Tender return date:</td>
<td>23 September 2011</td>
</tr>
<tr>
<td>Approx. Tender Return Date:</td>
<td>7 October 2011</td>
</tr>
<tr>
<td>Approx. Evaluation Completion Date:</td>
<td>28 October 2011</td>
</tr>
<tr>
<td>Contract Award target date:</td>
<td>1 November 2011</td>
</tr>
<tr>
<td>Contract Start target date:</td>
<td>4 November 2011</td>
</tr>
</tbody>
</table>

2.6 This is necessary to meet the lead-in time required for the first events – the best bar None Awards and the Angus Ambassador Awards of 24 & 25 November 2011. It will be noted that this necessitated the publication of the contract notice seeking expressions of interest in bidding for the contract in advance of committee approval sought in this Report. The need for Committee authority has only recently emerged from full spend analysis undertaken combined with addition of other core events and extension of the proposed contract period. Members are accordingly asked to homologate this decision.

3. PROCUREMENT AUTHORITY

3.1 Sourcing Strategy

3.1.1 The Head of Economic Development and Environmental & Consumer Protection considers that the provision of specialist Audio Visual Event Support Services is an essential requirement for event management purposes for the following reasons:

- No alternative delivery to procurement of the required supply is appropriate because of the advantages of economies of scale;
- The supply market has been analysed and it is considered that the market for this supply is reasonably competitive; and
• The required supply is readily available from a range of suppliers (although leading suppliers have been identified and will be specifically alerted to the opportunity)

3.1.2 A competitive tender approach to the procurement is therefore considered to be likely to deliver best value to the council for this requirement.

3.1.3 The impact on the locally-based supply chain of going to tender for this requirement has also been considered and is considered to be negligible. The council’s incumbent core events AV support supplier is based outwith Angus. Some of the other current AV services suppliers are Tayside-based but, applying the Scottish Information Hub “At Risk” assessment methodology, none are so dependent on the council’s business that their viability is at risk from loss of that business.

3.1.4 No national contract for this service exists at present. Scotland Excel has a multi-supplier framework agreement for the supply of Presentation and Audio Visual Equipment (including installation and reactive call-out maintenance) but the Council’s requirement outlined in this report is out of scope of that contract.

3.1.5 Consultation has been undertaken with the Tayside Procurement Consortium (TPC) partners, Dundee City Council, Perth & Kinross Council and Tayside Contracts. From that consultation, it is evident that there is no current opportunity for collaborative procurement of this service because our TPC partners have no immediate requirement for these services. However, such requirements may emerge and provision will be made for our TPC partners to “tap-in” to this contract if they wish in the future.

3.1.6 The procurement is not considered to be a “major procurement” in terms of Financial Regulation 16.8.4. Approval of this Report would mean that the contract can be accepted without the need for further approval by the relevant committee. In accordance with the new arrangements the contract award will be reported to the Infrastructure Services Committee for noting only.

3.2 **Key Terms Proposed**

3.2.1 It is envisaged that the contracts will commence on 1 November for a three year period with Council-only options to (a) extend up to 2 years or (b) break early at the end of the 1st and 2nd anniversaries of contract start. The value of the supply is estimated at between £110,000 - £140,000 over the whole life of the contract, including any option to extend, based on previous relevant expenditure for the core services and the possibility of additional events spend being added.

3.3 **Procurement Procedure**

3.3.1 It is considered that a two stage (“restricted”) tender procedure would be the best means of procuring the required supply here. This is because (a) there is likely to be a high degree of interest in bidding for the contract and (b) the quality of the supply will be highly dependent on the quality of the supplier selected. The maximum number of suitably qualified bidders who will be invited to tender will be five.

3.3.2 The contract opportunity will be openly advertised on the Public Contracts Scotland Portal in accordance with council policy and as a means of securing good competition to deliver best value for money.

3.4 **Contract Evaluation and Award Basis**
3.4.1 Completed tenders returned to the Council shall be evaluated and the contract will be awarded on the basis of the most economically advantageous tender, on a mix of quality and price. The price/quality split applied will be 70/30% in accordance with Financial Regulation 16.14.2.

Bidder quality will be addressed at the initial “pre-qualification” stage as follows:

Minimum Standards
- Financial – simple minimum turnover threshold, £50,000 + minimum insurances
- Minimum health & safety record
- Adequate business continuity / disaster recovery plan arrangements
- Adequate minimum experience, track record and capacity

Comparative Criteria
- Relevant experience and successful track record - 70%
- Optimum resources and organisational capacity - 30%

3.4.2 Tender evaluation will be on the basis of the most economically advantageous tender (M.E.A.T), with a price / quality split 70/30% in favour of price. Initial quality assessment will ensure that all bids reach a fit for purpose service standard. The tender evaluation criteria will be:

a. The tendered cost of the Services from the Pricing Schedule - 70%
b. The quality of the Outline Design and resource information as per the Quality Submission - 25%
   - Use of technology and equipment to meet the client brief (20%)
   - Demonstrate understanding of the client brief (3%)
   - Creative use of client brand (2%)
c. Demonstration of flexibility of support and general quality of offered terms (including illustrative pricing) for Additional Services - 3%
d. Demonstration of environmental impact mitigation in delivering the services - 2%

3.5 Procurement Risks

3.6 A risk assessment has been undertaken for this tender and, other than the normal risks inherent in any contract, no significant risks have been identified.

4. FINANCIAL IMPLICATIONS

4.1 The costs of Audio Visual support services form part of the operational costs for each of the respective Departments involved and will be contained within the respective departmental revenue budgets in each of the three financial years 2011/12, 2012/13 and 2013/14. The committee is asked to note that the costs of Audio Visual support services for the various Tartan Day events will be paid for in full by the participants at no resultant cost to the council.

5. HUMAN RIGHTS ACT IMPLICATIONS

5.1 There are no Human Rights Act implications specific to this report.

6. EQUALITIES IMPLICATIONS

6.1 The issues contained within this Report fall within an approved category that has been confirmed as exempt from an equalities perspective.

7. CONSULTATION
7.1 The Chief Executive, Director of Social Work and Health and the Head of Law and Administration have been consulted in the preparation of this report. The Corporate Procurement Manager has also been consulted on the outline requirement and proposed procurement process and is satisfied that that proposed approach is suitable and should produce best value for the Council.

8 CONCLUSION

8.1 The requirement for AV support services is of importance to the staging of key events. The procurement process set out in this report supports the achievement of high quality services to meet the various departmental requirements organised on their behalf by the Head of Economic Development and Environmental & Consumer Protection. The contract has also been "future proofed" to offer a good basis for capturing all of the Council's relevant expenditure and applying as much leverage as is possible at this time to secure best value.

ERIC S LOWSON
DIRECTOR OF INFRASTRUCTURE SERVICES

NOTE

No background papers as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing this Report.

EcDev/DV/EL/FM
10 August 2011