

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy & Resources
DATE	9th March 2017
DIRECTOR	Gayle Gorman
TITLE OF REPORT	Suspension of the ACC Procurement Regulations for a Contract for the removal and storage of artefacts from Provost Skene's House
REPORT NUMBER	ECS/17/011
CHECKLIST RECEIVED	Yes

1. **PURPOSE OF REPORT**

The purpose of this report is to make Members of this Committee aware of a contract for the removal and storage of artefacts from Provost Skene's House awarded following a request, under ACC Procurement Regulation 3.10, for suspension of the ACC Procurement Regulations as detailed in this report. The suspension request was approved by the Chief Executive and the Head of Commercial and Procurement Services on 22nd December 2016.

The report fulfils the requirement of ACC Procurement Regulation 3.11 which requires that "Any contract made on behalf of the Council under this paragraph shall be reported to the appropriate Committee of the Council by the Delegated Procurer as soon as practicable."

2. **RECOMMENDATION(S)**

It is recommended that the Committee notes the contents of this report and the reasons behind requesting suspension of the relevant ACC Procurement Regulations and the award of the contract.

3. **FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

The value of the contract with Constantine Limited to remove and store the artefacts from Provost Skene's House (PSH) is £84,700. This will

be funded from the £500,000 allocated to the redevelopment of PSH by MUSE Developers.

4. OTHER IMPLICATIONS

Suspension of the ACC Procurement Regulations was granted by the Chief Executive and the Head of Commercial and Procurement Services on December 22nd, 2016. Advice and input was also received from a Category Manager in the C&PS and a solicitor from the C&PS Legal Team.

5. BACKGROUND/MAIN ISSUES

5.1 The Council has approved a City Centre Master Plan, which will be implemented over the next twenty-five years. PSH sits in the heart of the city centre.

5.2 The new exhibition at PSH will celebrate the achievements of local figures who over the centuries have made major contributions to science, medicine, arts, entertainment, business, sport and other fields. In short, those who have transformed the world and contributed to the success of the City.

5.3 A full design team has been commissioned to ensure that the essential and enabling works required for the re-opening of PSH are commenced in line with the overall project programme. The interpretation and design fit out will ensure that PSH is restored and enhanced prior to opening its doors to the citizens and visitors of Aberdeen City (scheduled for July 2017).

5.4 In advance of these redevelopment works, it is essential to decant and store carefully all the artefacts currently contained in PSH. Our access strategy has been developed in close liaison with Morgan Sindall and in line with their overall development programme. It is essential that we have an empty building to carry out the necessary condition and asbestos survey work which will inform and form part of the essential and enabling works for PSH. A project team meeting took place in January 2017 to confirm programme milestones for this work package.

5.5 The redevelopment of PSH is a vital cultural component that sits in the heart of Marischal Square, any risks of delays in programme and the overall delivery of the project could have a significant negative impact on the Council's reputation.

5.6 The reason for the request to suspend the ACC Procurement Regulations was because the proposed contract value was initially estimated at below £50,000. Expenditure below £50,000 can be approved by the relevant Head of Service and a contract can be awarded after seeking four competitive quotes. Four quotes were obtained, however all quotes came back in excess of £50,000 due to the addition of storage costs. Regulation 4.4.1 requires competitive

tendering and advertising on Public Contracts Scotland (PCS) where a contract value exceeds £50,000 and Regulation 4.1.1.2 requires Committee approval of expenditure in excess of £50,000.

- 5.7 There was insufficient time to go to Committee because removal of the artefacts from PSH would have been delayed. This would have had an impact on carrying out both the conditions and asbestos survey which were both on the critical path. The overall delivery programme would have been delayed therefore having consequences for the anticipated opening in parallel with Marischal Square in July 2017.

6. IMPACT

6.1 Improving Customer Experience

The suspension of Procurement Regulations enabled the contract to be awarded to Constantine Limited without any delay and allowed us to ensure that the redevelopment of PSH can progress in accordance with the overall programme, thereby delivering this project for all the citizens and visitors of Aberdeen to enjoy.

6.2 Public

A full human rights impact assessment was not required for this report.

7. MANAGEMENT OF RISK

- 7.1 The redevelopment of PSH is a vital cultural component that sits in the heart of Marischal Square, any risks of delays in programme and the overall delivery of the project could have a significant negative impact on the Council's reputation. This is a services contract and the proposed expenditure of £84,700 is well below the EU threshold of £164,176. This means that an EU tender process would not have been required but rather advertising on PCS. This minimises the risk of challenge.

8. BACKGROUND PAPERS

There are no background papers included with this report.

9. REPORT AUTHOR DETAILS

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