

To: Finance, Resources and Customer Services Policy Board

On: 5 September 2018

Report by: The Chief Executive and the Director of Environment & Infrastructure Services

Heading: Outdoor Digital Advertising – Concession Contract (RC-CPU-18-195)

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to award two separate Concession Contracts to SSUK Limited for Outdoor Digital Advertising as identified in this report.
 - 1.2 This procurement exercise was conducted in accordance with the Council Standing Orders relating to Contracts, order 14.3 and the Regulation 6 – 1a of the Procurement (Scotland) Regulations 2016.
 - 1.3 A Request to Negotiate was approved by the Strategic Commercial and Procurement Manager in July 2018.
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2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board authorise:
 - 2.1.1 The Head of Corporate Governance to award two separate Concession Contracts to SSUK Limited for Outdoor Digital Advertising – Concession Contracts under Lot 1 - Contract at Cockels Loan, Renfrew and Lot 2 - Contract at the roundabout joining Hillington Park and Kingsinch Road, Renfrew.

- 2.1.2 That each Contract will be for a period of ten (10) years to Expiry Date, unless otherwise terminated in accordance with the terms and conditions of the Contract. The Contract award (Award Date) for each contract will be confirmed at the time of issue of the respective Council's Letter of Acceptance.
- 2.1.3 That the total income generated for the Council for the 2 contracts and based on each contract lasting the maximum 10 year period is anticipated to be in the region of £1,000,000, however note that this value may increase / decrease according to the actual take up of advertising space at the separate locations.
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3. **Background**

- 3.1 In February 2017, following market engagement, the Council published a competitive tender for large format outdoor advertising covering four specific sites, large format advertising (Billboard Hoardings) and bus shelter advertising. At time of tender return no bids were received.
- 3.2 In January 2018, the Council reviewed its strategy on the large format element of Outdoor Digital Advertising and following further market engagement as a result of the no response to the previous tender published in 2017, the Council published a new tender on 30 May 2018 with the focus on 2 sites only, (Cockels Loan, Renfrew and at the roundabout joining Hillington Park and Kingsinch Road, Renfrew) with the tender closing date of 25 June 2018. At time of tender return no bids were received.
- 3.3 Following that tender process, on 25 June 2018 the Council received an enquiry from SSUK Limited about the procurement process for the Council's Outdoor Digital Advertising – Concession Contract. Noting this new interest, the client service sought approval to enter into discussions with SSUK Limited.
- 3.4 Approval to enter into a negotiated contract with SSUK Limited for Outdoor Digital Advertising – Concession Contract was given in July 2018 by the Strategic Commercial and Procurement Manager. The justification for a request to negotiate was stated as follows: Two open tender processes have not returned any tender responses, therefore, this request will allow for the Council to enter into direct negotiations with SSUK Limited with a view to the Council receiving a guaranteed service fee plus percentage share of advertising revenues per annum for each contract over a 10 year contract period.

This will be a concession contract as the Council will generate an income from allowing SSUK Limited the opportunity, subject to SSUK Limited obtaining the necessary permissions and consents to use

Council controlled land for Digital Advertising. There are controls within the contract terms to ensure that SSUK Limited progress and use the sites concerned, to avoid delays in generating income.

3.5 Invitation to Tender documentation reflecting the 2 contracts on offer as previously tendered in May 2018 was issued to SSUK Limited through the Public Contract Scotland Tender portal on 31 July 2018 and their tender submission response was received on 7 August 2018.

3.6 In accordance with Council Standing Orders relating to Contracts Order 11.5, SSUK Limited's tender submission was assessed against a pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) by representatives of the following Council Services: Environment & Infrastructure Services, Corporate Procurement Unit, Corporate Risk and Corporate Health & Safety.

3.7 SSUK Limited's tender submission confirmed compliance with the minimum selection criteria set within the ESPD and progressed to the evaluation Award Criteria, which was based on a weighting of 30% Quality and 70% Price.

3.8 The scores relative to the Award Criteria for SSUK under each of the two lots is noted below:

		Quality (30%)	Price (70%)	Total (100%)
Lot 1	SSUK Limited	22.50%	70%	92.50%

		Quality (30%)	Price (70%)	Total (100%)
Lot 2	SSUK Limited	22.50%	70%	92.50%

3.9 The evaluation of the submission by SSUK Limited in respect of both Lot 1 and Lot 2 contracts was the most economically advantageous tender and the recommendation is made to award contracts to SSUK Limited.

3.10 Community benefits were requested as part of the procurement process and SSUK Limited advised within their tender submission that the following community benefits will be made available to the Council for the contracts as follows:

Community Benefit Description	No of People
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	/ Activity
Lot 1 Contract	
New Entrant from target key priority group	1
Apprenticeship	1
Work Experience Placement (14-16 years of age)	2
School Visit	2
Career Event	2
Meet the Buyer Event	1
Financial Support for a Community Project	1
Non Financial Support for a Community Project	1
Lot 2 Contract	
New Entrant	1
Apprenticeship	1
Work Experience Placement (14-16 years of age)	2
School Visit	2
Career Event	2
Supply Chain Briefings with SMEs	1
Non Financial Support for a Community Project	1

Implications of the Report

- 1. Financial** – The Council will receive an income in line with section 2.1.3 of this report.
- 2. HR & Organisational Development** – This is not a service contract and No TUPE implications have arisen or are anticipated.
- 3. Community/Council Planning** – Reshaping our place, our economy and our future – Embracing digital opportunities. This contract will help to support the delivery of this outcome.
- 4. Legal** - This procurement exercise was conducted in accordance with the Council Standing Orders relating to Contracts, clause 14.3 and the Procurement Reform Rules (Regulation 6 – 1a of the Procurement (Scotland) Regulations 2016).
- 5. Property/Assets** – Planning permissions will be required by SSUK Limited to site the Outdoor Digital Advertising infrastructure. Subject to gaining the necessary permissions, the Council will receive a fixed income in terms of rental and variable income from profit share.

6. **Information Technology** - No property/asset implications have arisen or are anticipated.
7. **Equality & Human Rights –**
- (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – SSUK Limited's health and safety submission was evaluated by the Council's Corporate Health and Safety team and meet the minimum requirements regarding health and safety.
9. **Procurement** – The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and modern Government.
10. **Risk** – SSUK Limited's insurances have been assessed and evaluated to confirm they meet the minimum requirements regarding insurable risk.
11. **Privacy Impact** - No Privacy Impact Assessment requirements were identified within this procurement.
12. **Cosla Policy Position** – No Cosla Policy Position implications have arisen or are anticipated.

List of Background Papers - None

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