

Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

Award of Festival Attraction Contract for the Summer Period in Princes Street Gardens

Item number	7.26
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

This report asks the Finance and Resources Committee to note the award of a Festival Attraction for the Summer Period in Princes Street Gardens to Kifdo Limited T/A M&D Events under urgency provisions.

The contract is initially for a period of 24 months from 28 May 2018 to 27 May 2020 with the option to extend for two further 12-month periods with a value of up to £1,090,000.00.

Award of Festival Attraction Contract for the Summer Period in Princes Street Gardens

1. Recommendations

- 1.1 Committee is asked to:
 - 1.1.1 Note the award of a Festival Attraction for the Summer Period in Princes Street Gardens to Kifdo Limited T/A M&D Events under urgency provisions;
 - 1.1.2 Note that the contract is initially for a period of 24 months from 28 May 2018 to 27 May 2020, with the option to extend for two further 12-month periods with a value of up to £1,090,000.00; and
 - 1.1.3 Note that the decision on this contract award was made under urgency provisions as delays to the evaluation and clarification process meant that the attraction would not be able to start in summer 2018 if a decision was not made before 28 May 2018.

2. Background

- 2.1 In 2014 the Council had a one off arrangement to host a large wheel in East Princes Street Gardens. Following the success of this contract a tender exercise was carried out in February 2015 for a Wheel during the summer festival period. This contract was awarded on a three year term (two years plus one). The value of this contract was £245,000 in the first year, £250,000 in year two and £285,000 in year three.
- 2.2 Following the expiry of this contract the Council tendered in early 2018 for a Summer Attraction. There was a desire to avoid limiting the market by specifying a “ferris wheel” as the ultimate priority was a quality event which raised revenue for the Council.
- 2.3 The Council Standing Orders require a contract of this value to be tendered.
- 2.4 The Parks, Greenspace and Cemeteries service led on the tendering process for this contract.

3. Main report

- 3.1 The purpose of the contract is to generate income for the Council and historically the concession has generated over £250,000 annually. The tender sought a first-class cultural attraction for residents and visitors which was sympathetic to the location and includes a refundable bond to safeguard against any reinstatement costs.

- 3.2 As part of the tender, bidders were invited to provide responses to ten questions covering areas such as the proposed attraction, the project implementation and Health and Safety. In addition, tenderers were invited to deliver a presentation which outlined their proposed attraction.
- 3.3 These questions and presentations accounted for the “Quality” aspect of the tender and were weighted 40% of total available marks. The remaining 60% was allocated to proposed revenue to the Council over the four year lifetime of the contract with the highest price being allocated full marks and other tenders pricing being prorated against this figure.
- 3.4 The contract was advertised on 24 January 2018 on Public Contracts Scotland and closed for responses on 19 February 2018. Two tenders were received.
- 3.5 The Tender Evaluation Panel included representatives from Parks, Greenspace and Cemeteries, Public Safety and Cultural Strategy: Arts, Festivals and Events. The evaluation took place on 6 March 2018 and was followed by presentations from the two respective bidders.
- 3.6 Both tenderers proposed a “ferris wheel” similar to the style seen in recent years in East Princes Street Gardens.
- 3.7 The award of the contract was based on the following outcome:

Tenderer	Price Score	Quality Score	Overall Tender
Kifdo Ltd	46.71	29.6	76.31
Tenderer 2	60.00	13.6	73.6

- 3.8 Kifdo Limited received the highest score and thus were recommended for award of the contract.
- 3.9 In 2018 the building period for the attraction will be from 18 June 2018 and the attraction will be open to the public from Saturday 30 June 2018 until Sunday 2 September 2018, and de-rigging will take place from 3 September 2018 and be completed by 14 September 2018. Dates for subsequent years will be agreed with the attraction operator but they will follow a similar format of two weeks build followed by a period of opening for approximately 12 weeks and a subsequent derig of two weeks. The attraction will be open during normal opening of the Gardens being open to the public.

4. Measures of success

- 4.1 The contract award is based on the most economically advantageous tender to have met the technical and commercial requirements.
- 4.2 In addition the tenderer has committed to delivering the following community benefits;
- 20% discount for EH Postcodes;
 - 2,000 free tickets to schools and community groups; and

- A performance space for family events within the site.

5. Financial impact

5.1 The contract will provide the Council with the following fixed fees across four years:

2018	£265,000
2019	£270,000
2020	£275,000
2021	£280,000
Total	£1,090,000

- 5.2 In addition Kifdo Ltd will pay a sum of £50,000 to the Council before site entry as a bond to cover any damage to the site. The Council will recover any reinstatement costs from this bond.
- 5.3 The costs associated with procuring this contract are estimated as less than £10,001.

6. Risk, policy, compliance and governance impact

6.1 The contract to be awarded is compliant with procurement regulations and the Council's Contract Standing Orders. The risk of legal challenge relating to contractual arrangements for the provision of this service is thereby reduced.

7. Equalities impact

- 7.1 An equality and rights impact assessment has been completed it was identified that charging for access to an event potentially could be exclusionary although this will be mitigated by reduced fees for those residing within Edinburgh.
- 7.2 The event will be fully accessible to wheelchair users and others with limited mobility.

8. Sustainability impact

- 8.1 There are no sustainability impacts as a result of this procurement.
- 8.2 The protection of the site is paramount and the supplier is incentivised to minimise the impact.

9. Consultation and engagement

9.1 East Princes Street Gardens has hosted this activity since 2014 and an annual review is carried out asking internal services, elected members and local stakeholders to evaluate the effect of the event on local surroundings and to gauge

any problems that have arisen during and after the event. This information is used to improve the management of subsequent events and to add any specific conditions that are needed in order to mitigate future issues.

9.2 Feedback has focused around the management of pedestrians on the site and risk of damage to the tree canopy. Both have been addressed in the tender with a requirement for the supplier to demonstrate how traffic management will be incorporated and for a Tree Assessment to be carried out and agreed with the Council's foresters prior to site entry.

9.3 In addition, a number of lessons learned from the previous contract have been incorporated into this future contract, these are:

Requirement	Outcome
No extension to length of event outside of contract award	This has been the basis of the tender and will be enforced within the contract offer.
Remove gainshare element and incorporate increase within rental fee	The income to the Council will be in the form of a fixed fee.
Requirement for bidders to meet a minimum financial threshold	The tenderers exceeded the minimum turnover amounts.
Residents discount	A discount will be provided to householders with an EH postcode.
Increase quality of the offering	The offering will incorporate an audio historical tour of the city as the wheel rotates.

10. Background reading/external references

10.1 None

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11. Appendices

1 - Summary of Tendering and Tender Evaluation Processes

Appendix 1

Summary of Tendering and Tender Evaluation Processes

Contract	CT2339 Festival Attraction for the Summer Period in Princes Street Gardens	
Contract Period	28 May 2018 to 27 May 2020 with the option to extend for two further 12-month periods	
Estimated Contract Value (including extensions)	£1,090,000.00	
Procurement Route Chosen	Open Procedure	
Tenders Returned	2	
Recommended Contractors (s)	Kifdo Limited T/A M&D Events	
Price / Quality Split	Price 60%	Quality 40%
Evaluation Criterion and Weightings	Criteria	Weighting (%)
	Attraction	18%
	Project Implementation	16%
	Project Team	10%
	Customer Care	10%
	Marketing and Communication	5%
	Health and Safety	10%
	Contract Management and Performance	10%
	Fair Working Practices	4%
	Equality and Rights Impact Assessment	3%
	Community benefits	5%
	Presentation	9%
Evaluation Team	Council officers	