

Finance and Resources Committee

10.00am, Thursday, 16 June 2022

Award of Contracts for Winter Festivals

Executive/routine Wards Council Commitments	Executive All 46
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1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves:
- 1.1.1 The award of a contracts for Winter Festivals which is provided through two Lots:
 - 1.1.1.1 Edinburgh's Christmas (Lot 1) to Angels Event Experience Limited at a total estimated rental income value to the Council of £5,473,500; and
 - 1.1.1.2 Edinburgh's Hogmanay (Lot 2) to Unique Events Limited at a total value of £4,062,280; and
 - 1.1.2 The commencement of the two contracts on 11 July 2022 for an initial period of three years with two optional 12 month extensions undertaken at the sole discretion of the City of Edinburgh Council.

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Award of Contracts for Winter Festivals

2. Executive Summary

- 2.1 This report seeks approval to award two contracts, to commence on 11 July 2022 for a period of three years with two optional 12 month extensions, for:
- 2.1.1 The delivery of Edinburgh's Christmas to Angels Event Experience Limited at a total estimated rental income value to the Council of £5,473,500; and
 - 2.1.2 The delivery of Edinburgh's Hogmanay to Unique Events Limited at a total value of £4,062,280.

3. Background

- 3.1 The City of Edinburgh Council (the Council) requires a contract for the production and delivery of Edinburgh's Christmas and Edinburgh's Hogmanay events, which collectively form the Winter Festivals.
- 3.2 These events are a key component of the city's events offer and deliver significant economic, tourism and civic benefits. Edinburgh's Christmas will run for a period of between four to six weeks from mid-November and Edinburgh's Hogmanay will run concurrently for a period of at least three days.
- 3.3 The Winter Festivals have historically delivered a high and positive city profile, year-round worldwide city promotion and offered a rich and varied programme of activities, events, attractions and celebrations designed to provide magical experiences for visitors and residents alike.
- 3.4 In 2021, an extensive public consultation exercise regarding the future of the city's Winter Festivals was undertaken following concerns over the size, scale and location of some of the events.
- 3.5 The responses to this consultation provided clear guidelines and principles of how the Winter Festivals should look and be delivered going forward.

- 3.6 The outcomes of the consultation were reported to Policy and Sustainability Committee on [30 November 2021](#). The consultation highlighted the following key principles for future editions of the Winter Festivals:
- 3.6.1 Continue to provide high quality Christmas and Hogmanay celebrations which will be valued by residents and visitors, and continue to enhance Edinburgh's reputation;
 - 3.6.2 Avoid overcrowding and improve access by distributing Christmas celebrations more widely throughout the city centre;
 - 3.6.3 Look for opportunities to extend Christmas celebrations to other parts of the city outside of the city centre;
 - 3.6.4 Improve and evidence the environmental sustainability of the Winter Festivals, including through the local sourcing of products;
 - 3.6.5 Improve access for those previously less able to participate, including through physical accessibility, the design of activities for those with a range of needs, and for people on lower incomes and from deprived areas;
 - 3.6.6 Focus on making the celebrations family friendly;
 - 3.6.7 Introduce alcohol-free times and / or areas within Christmas celebrations;
 - 3.6.8 Continue dialogue with representative organisations and seek further opportunities to agree how best to address negative impacts of Winter Festivals on Edinburgh residents;
 - 3.6.9 Seek opportunities to maximise community benefit, including giving priority to existing local businesses and creatives; and
 - 3.6.10 Seek opportunities to emphasise the character and culture of Edinburgh through the design and use of existing buildings and spaces, temporary constructions, events, branding and advertising.
- 3.7 These principles were reflected in the tender documentation and will be managed throughout the life of the contract via key performance indicators.

4. Main report

- 4.1 On 9 March 2022, the Council's Commercial and Procurement Services (CPS) published a Contract Notice, as set out in the Public Contracts (Scotland) Regulations 2015, with a tender submission deadline of 19 April 2022. Responses were received from five Tenderers for Lot 1 and two Tenderers for Lot 2.
- 4.2 To identify Tenders offering Best Value the tender evaluations process included an emphasis on quality as well as price and submissions were assessed on the basis of the most economically advantageous tender.
- 4.3 A cost/quality ratio of 30/70 was applied to both Lot 1 and Lot 2, to ensure that quality was of a high standard and encourage competitive submissions. To further

protect the quality element a minimum quality threshold of 60 marks out of 100 was included, with the Council having discretion to disqualify tenders which did not achieve this threshold.

4.4 The cost element allocated to Lot 1 (rental income) was 30/100 marks to the highest price bid and Lot 2 (revenue) was 30/100 marks to the lowest price bid.

4.5 A summary of the tender process is attached at Appendix 1 and the recommendation for award of contracts is based upon the completed evaluation scored for the tenders as detailed below:

Lot 1

Tenderer	Price score % (out of 30)	Quality Score % (out of 70)	Combined % (out of 100)
Angels Event Experience Limited	30.00	55.13	85.13
Tenderer B	7.13	63.35	70.48
Tenderer C	7.26	51.45	58.71
Tenderer D	Not applied as the Tenderer failed to meet the minimum quality threshold	40.78	N/A
Tenderer E	Not applied as the Tenderer failed to meet the minimum quality threshold	25.20	N/A

Lot 2

Tenderer	Price score % (out of 30)	Quality Score % (out of 70)	Combined % (out of 100)
Unique Events Limited	30.00	58.10	88.10
Tenderer B	Not applied as the Tenderer failed to meet the minimum quality threshold	28.35	N/A

5. Next Steps

5.1 Subject to approval, the contracts will commence on 11 July 2022 for an initial period of three years with two optional 12-month extensions (3 + 1 + 1). The

Council has reserved the right to apply a break clause and change the model following the first 12 months of the Contract. In addition, should the Council consider that any of the key principles have not been met, the Council reserves the right to terminate the Contract.

- 5.2 There are no existing or on-going arrangements as the previous event contracts expired on 31 March 2022.
- 5.3 The contract will be managed by the Events Team in Culture Strategy and an appointed contract manager will be nominated. The contract manager will support implementation and contract management delivery throughout the contract lifecycles and be supported by the Contract and Grant Management Team (CAGM).
- 5.4 The contract will be monitored and evaluated through Key Performance Indicators (KPIs) attached at Appendix 2. The Tenderers are required to submit regular management information reports to the contract manager throughout the life of the contract, including an update on the KPIs. In addition, prior to any approvals being granted, the Tenderers must secure agreement of event proposals from the Council. The Contractor must ensure that all necessary permissions and/or consents in relation to the events are in place before occupying any sites. Failure to do so will result in termination of the Contract.
- 5.5 All efficiencies identified in the procurement process should be delivered by the contract manager through proactive contractor engagement; monitoring of management information; application of key performance indicators; monitoring of community benefits; and tracking of relevant budgets.

6. Financial impact

- 6.1 Lot 1, Edinburgh's Christmas, will operate a rental income model, whereby the contractor will be charged daily rental for sites within the city. The total estimated rental income submitted over the life of the contract and extension periods is £5,473,500.
- 6.2 Lot 2, Edinburgh's Hogmanay, will be funded from the Council's revenue budget and the maximum budget available per annum is £812,456, which equates to £4,062,280, over the life of the contract and extension periods. The prices quoted will be fixed and applied throughout the life of the contract.
- 6.3 Financial assessments have been carried out for the relevant Tenders on both Lots and both have met the financial criteria set.
- 6.4 The costs associated with procuring these contracts are estimated to be from £20,001 to £35,000.

7. Stakeholder/Community Impact

- 7.1 The public consultation, which directly informed the tender documentation, received responses from 8,614 individuals and 35 organisations.
- 7.2 The Council initiated an open public conversation about the future of these events, to listen to residents' views and to ensure that the future of the Winter Festivals seeks to achieve a reasonable balance for those living and working in Edinburgh.
- 7.3 Those consulted included:
 - 7.3.1 City centre residents, especially those who have been affected in the past by Winter Festival activity;
 - 7.3.2 Edinburgh residents in general, ensuring a level of engagement and opportunity to respond that was as wide as possible;
 - 7.3.3 Edinburgh residents with sensory and mobility impairment, disability groups and organisations representing the interests of those with visibility and mobility impairment including the Edinburgh Access Panel;
 - 7.3.4 Edinburgh residents on low incomes and organisations representing their interests;
 - 7.3.5 Community Groups, especially those for children and young people, and single-parent families;
 - 7.3.6 Heritage and community organisations with a particular interest in the city centre;
 - 7.3.7 Faith-based organisations;
 - 7.3.8 Edinburgh Community Councils;
 - 7.3.9 Businesses operating in Edinburgh and particularly the city centre, including, but not limited to, Federation of Small Business/Chamber of Commerce businesses, tourism industry, and hotels. There are also a large number of businesses who are not members of an official representative body and these businesses were also included; and
 - 7.3.10 Stakeholder organisations involved in or impacted by the delivery of current Winter Festival activity including, but not limited to, Police Scotland, transport providers, NHS Lothian, Festivals Edinburgh, EventScotland and VisitScotland, Essential Edinburgh.
- 7.4 The All-Party Oversight Group on Festivals and Events was kept updated during the process, approving the final survey, findings and recommendations.
- 7.5 Large events require consultation, advice and support from a large number of partners, including the emergency services. This process is managed through the Council's Event Planning Operations Group (EPOG) to ensure that the events will be managed and delivered safely with minimal disruption.

- 7.6 In addition, tender submissions were assessed on their plans for stakeholder consultation, notification and engagement. Both successful Tenderers include detailed stakeholder engagement plans to ensure that residents and businesses are included within the development of the events and have a forum and mechanism for engaging directly with the event producer(s).
- 7.7 The Sustainable Procurement Strategy was considered and applied through the request for community benefits. Subject to approval, the contractors will be required to deliver community benefits; benefits to be delivered from, employability and skills and education and outreach categories. These will be agreed at the contract commencement and monitored throughout the life of the contract by the contract manager.
- 7.8 The tender submissions provide detailed sustainability measures including reduction of waste; no single-use plastics; use of existing power supplies wherever possible; adoption of ISO 20121; minimal use of green spaces; tree protection measures; use of local suppliers and workforce; and publication of a Net Zero strategy.
- 7.9 Angels Event Experience Limited will pay workers (including any agency or sub-contractor staff) the Real Living Wage and the organisation intends to become an accredited Living Wage employer over the life of the contract. The status will be checked at the contract inception meeting and on an annual basis until accreditation has been achieved.
- 7.10 Unique Events Limited will pay workers (including any agency or sub-contractor staff) the Real Living Wage, the organisation is an accredited Living Wage employer and has signed up to the Scottish Business Pledge.
- 7.11 The contracts recommended for award are compliant with procurement regulations and the Contract Standing Orders. The risk of legal challenge relating to contractual arrangements for the provision of these services is thereby reduced.

8. Background reading/external references

- 8.1 Report to Culture and Communities Committee on [28 January 2020](#).
- 8.2 Report to Policy and Sustainability Committee on [25 February 2020](#).
- 8.3 Report to Policy and Sustainability Committee on [28 May 2020](#).

9. Appendices

- 9.1 Appendix 1 - Summary of Tendering and Tender Evaluation Processes
- 9.3 Appendix 2 – Key Performance Indicators

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Edinburgh's Christmas - Lot 1	
Contract period (including any extensions)	The contract period is three years with two optional extensions of 12 months (3 + 1 + 1) and will commence on 11 July 2022.	
Estimated Contract Value (including extensions)	£5,473,500	
Procurement Route Chosen	Open Procedure	
Tenders Returned	Five	
Name of Recommended Supplier(s)	Angels Event Experience Limited	
Price / Quality Split	Price 30%	Quality 70%
	Quality	70%
	Proposed Activities and Event Programme	20%
	Project Implementation and Proposed Methodology	18%
	Marketing, Communications and Stakeholder Engagement	10%
	Contract and Performance Management	10%
	Community Benefits	10%
	Fair Work Practices	10%
	Project Team	9%
	Business Continuity	5%
	The Environment	5%
	Equalities and Human Rights	3%
	Fair Work Management Information	N/A
Evaluation Team	Council Officers from Culture, Public Safety and Parks and Greenspaces.	

Contract	Edinburgh's Hogmanay - Lot 2	
Contract period (including any extensions)	The contract period is three years with two optional extensions of 12 months (3 + 1 + 1) and will commence on 11 July 2022.	
Estimated Contract Value (including extensions)	£4,062,280	
Procurement Route Chosen	Open Procedure	
Tenders Returned	Two	
Name of Recommended Supplier(s)	Unique Events Limited	
Price / Quality Split	Price 30%	Quality 70%
	Quality	70%
	Proposed Activities and Event Programme	20%
	Project Implementation and Proposed Methodology	18%
	Marketing, Communications and Stakeholder Engagement	10%
	Contract and Performance Management	10%
	Community Benefits	10%
	Fair Work Practices	10%
	Project Team	9%
	Business Continuity	5%
	The Environment	5%
	Equalities and Human Rights	3%
	Fair Work Management Information	N/A
Evaluation Team	Council Officers from Culture, Public Safety and Parks and Greenspaces.	

APPENDIX 2 – KEY PERFORMANCE INDICATORS

KPI Ref	KPI Measure	Baseline Target	Escalation	Remedy
1	Delivery of Key Principles Including but not limited to: Number of local businesses trading at events (Lot 1 only) Number of local artists/creatives employed (Lot 2 only) Number of free/low priced attractions Provision of alcohol free areas (Lot 1 only)	65% 50% 33% 100%	In the instance that the result of the Council's KPI calculation is below 5% of the Baseline Target the Council's Authorised Officer may require a meeting with the Contractor's senior representative	The Council shall reserve the right to stipulate the required remedy.
2	Provision of Management Information Timely submission of budgets and other management reports	Monthly submission of reports	In the instance that the result of the Council's KPI calculation is below 100% the Council's Authorised Officer may require a meeting with the Contractor's senior representative	The Council shall reserve the right to stipulate the required remedy.
3	Stakeholder Engagement Stakeholder consultation sessions – 1 consultation session and 1 follow-up per event site Notification of events/closures to all immediate properties in immediate vicinity	100% 100%	In the instance that the result of the Council's KPI calculation is below 100% the Council's Authorised Officer may require a meeting with the Contractor's senior representative	The Council shall reserve the right to stipulate the required remedy.
4	Delivery of Core Events Nativity Scene and Carol Concert (Lot 1 only) Switch on ceremony for Christmas lights (Lot 1 only) Number of event sites outwith immediate city centre Delivery of a programme based on light installations, live music and fireworks/a key midnight moment with a focus on using local artists, talent and creatives (Lot 2 only) Delivery of a minimum 3-day festival (Lot 2 only)	100% 100% 3 100% 100%	In the instance that the result of the Council's KPI calculation is below 100% the Council's Authorised Officer may require a meeting with the Contractor's senior representative	The Council shall reserve the right to stipulate the required remedy.
5	Customer Satisfaction % of attendees expressing satisfaction with events attended % of customer complaints resolved satisfactorily	90% 95%	In the instance that the result of the Council's KPI calculation is below 5% of the Baseline Target the Council's Authorised Officer may require a meeting with the Contractor's senior representative	The Council shall reserve the right to stipulate the required remedy.

6	Financial Management Payment of all bonds and fees in line with timescales in the Specification Payment of Fixed Fee Rental Income by 31st October and 31st January	100% 100%	In the instance that the result of the Council's KPI calculation is below 100% the Council's Authorised Officer may require a meeting with the Contractor's senior representative	The Council shall reserve the right to stipulate the required remedy.
7	Attendance Number of tickets sold for all attractions Number of attendees across full event programme City Centre footfall Number of attendees at core events	To be defined from baseline in tender To be defined from baseline in tender To be defined from baseline in tender To be defined from baseline in tender	In the instance that the result of the Council's KPI calculation is below 5% of the Baseline Target the Council's Authorised Officer may require a meeting with the Contractor's senior representative	The Council shall reserve the right to stipulate the required remedy.