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Contract

## **Provision of Inter-Island Air Services for Orkney Outer North Isles**

Orkney Islands Council

F03: Contract award notice

Notice identifier: 2025/S 000-002074

Procurement identifier (OCID): ocids-h6vhtk-049a12

Published 21 January 2025, 4:23pm

### **Section I: Contracting authority**

#### **I.1) Name and addresses**

Orkney Islands Council

Council Offices, School Place

Kirkwall

KW15 1NY

#### **Contact**

Rosemary Colsell

#### **Email**

[rosemary.colsell@orkney.gov.uk](mailto:rosemary.colsell@orkney.gov.uk)

#### **Telephone**

+44 01856873535

#### **Fax**

+44 01856876158

**Country**

United Kingdom

**NUTS code**

UKM65 - Orkney Islands

**Internet address(es)**

Main address

<http://www.orkney.gov.uk>

Buyer's address

[https://www.publiccontractsscotland.gov.uk/search/Search\\_AuthProfile.aspx?ID=AA00369](https://www.publiccontractsscotland.gov.uk/search/Search_AuthProfile.aspx?ID=AA00369)

**I.4) Type of the contracting authority**

Regional or local authority

**I.5) Main activity**

General public services

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Provision of Inter-Island Air Services for Orkney Outer North Isles

Reference number

OIC/PROC/1915

#### **II.1.2) Main CPV code**

- 60400000 - Air transport services

#### **II.1.3) Type of contract**

Services

#### **II.1.4) Short description**

Orkney Islands Council (the Authority) has a requirement for the provision of an Inter Island Air Service operating to the six Outer North Isles of Papa Westray, North Ronaldsay, Westray, Sanday, Stronsay and Eday under a Public Service Obligation (PSO), which establishes the minimum frequencies and sets the maximum fare levels provided to each of the isles.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

#### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £6,890,244

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 60410000 - Scheduled air transport services
- 50211200 - Aircraft repair services
- 60400000 - Air transport services

- 63730000 - Support services for air transport
- 60420000 - Non-scheduled air transport services

### **II.2.3) Place of performance**

NUTS codes

- UKM65 - Orkney Islands

Main site or place of performance

Orkney Islands

### **II.2.4) Description of the procurement**

Orkney Islands Council (the Authority) has a requirement for the provision of an Inter Island Air Service operating to the six Outer North Isles under a Public Service Obligation (PSO), which establishes the minimum frequencies and sets the maximum fare levels provided to each of the isles.

The maintenance of scheduled air services between Orkney Mainland (Kirkwall) and the islands of Papa Westray, North Ronaldsay, Westray, Sanday, Stronsay, and Eday are essential to counter the islands peripherality, fragile economic base and depopulation of the islands. There is no rapid alternative means of transport to Kirkwall on the Orkney Mainland, and for onward connections with the Scottish Mainland. The designated services, which are currently operated by the air carrier Loganair Ltd, are essential for the maintenance of the economic and social fabric of the islands. They are used for access to essential services (e.g. educational, financial, commercial, professional, advisory and health) which cannot be provided locally; and are also used for tourism. Should these air services be withdrawn the upkeep of the airfields could be placed in jeopardy and this in turn would put at risk the vitally important air ambulance service (currently operated by helicopter) which provides the essential emergency medical link. For North Ronaldsay and Papay Westray these services are defined as lifeline services in terms of the Scottish Government criteria. In recognition of the importance of these services, subsidy is made available by Orkney Islands Council ("the Council") to subsidise the Designated Services.

### **II.2.5) Award criteria**

Quality criterion - Name: Quality / Weighting: 50

Price - Weighting: 50

### **II.2.11) Information about options**

Options: Yes

Description of options

Tenderers are required to provide information and costs for 3 options as follows:

Option 1 - current service operation;

Option 2 - enhanced service (additional aircraft expected);and

Option 3 - enhanced service (additional aircraft and crew expected).

### **II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union funds: No

### **II.2.14) Additional information**

The contract value as noted at 11.2.6 is in relation to Option 1 the current services and for the contract duration of 48 months. An estimated contract value of 8,890,243 GBP is estimated to include the enhanced services. Take up of Option 2 and 3 will be subject to a Council decision following subject to Committee approval.

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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.1) Type of procedure**

Open procedure

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: Yes

### **IV.2) Administrative information**

#### **IV.2.1) Previous publication concerning this procedure**

Notice number: [2024/S 000-029147](#)

## **Section V. Award of contract**

### **Contract No**

OIC/PROC/1915

A contract/lot is awarded: Yes

### **V.2) Award of contract**

#### **V.2.1) Date of conclusion of the contract**

20 December 2024

#### **V.2.2) Information about tenders**

Number of tenders received: 1

Number of tenders received from SMEs: 0

Number of tenders received from tenderers from other EU Member States: 0

Number of tenders received from tenderers from non-EU Member States: 1

Number of tenders received by electronic means: 1

The contract has been awarded to a group of economic operators: No

#### **V.2.3) Name and address of the contractor**

Loganair Limited

Lightyear Building, 9 Marchburn Drive, Glasgow Airport

Paisley

PA3 2SJ

Email

[bethmackay@loganair.co.uk](mailto:bethmackay@loganair.co.uk)

Telephone

+44 1418427433

Country

United Kingdom

NUTS code

- UKM83 - Inverclyde, East Renfrewshire and Renfrewshire

Internet address

[www.loganair.co.uk](http://www.loganair.co.uk)

The contractor is an SME

No

#### **V.2.4) Information on value of contract/lot (excluding VAT)**

Total value of the contract/lot: £6,821,240

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## **Section VI. Complementary information**

### **VI.3) Additional information**

Orkney Islands Council reserves the right to cancel the procurement at any stage and not award a Contract. The expenditure, work or effort undertaken by bidders prior to the award of any Contract is accordingly a matter solely for the commercial judgement of bidders. Late tenders will not be considered by the Council and all questions are to be submitted via the questions and answers section of this contract advertisement on PCS. An economic operator that suffers, or risks suffering, loss or damage attributable to a breach of duty under the Public Contracts (Scotland) Regulations may bring proceedings in the Sheriff Court or Court of Session. The award of this Contract is confirmed on the basis of Option 1 in the first instance whilst funding discussions are ongoing with NHS Orkney and Scottish Government in respect of an enhanced level of service through the introduction of a third aircraft. If successful, an enhanced option with a third aircraft is to be taken forward, depending on the level of funding awarded. The award of this Contract is confirmed on the basis of Option 1 in the first instance whilst funding discussions are ongoing with NHS Orkney and Scottish Government in respect of an enhanced level of service through the introduction of a third aircraft. If successful, an enhanced option with a third aircraft is to be taken forward, depending on the level of funding awarded. The award of this Contract is confirmed on the basis of Option 1 in the first instance whilst funding discussions are ongoing with NHS Orkney and Scottish Government in respect of an

enhanced level of service through the introduction of a third aircraft. If successful, an enhanced option with a third aircraft is to be taken forward, depending on the level of funding awarded.

(SC Ref:788035)

#### **VI.4) Procedures for review**

##### **VI.4.1) Review body**

Kirkwall Sherriff Court

Watergate

Kirkwall

KW15 1DP

Email

[kirkwall@scotcourts.gov.uk](mailto:kirkwall@scotcourts.gov.uk)

Telephone

+44 1856872110

Country

United Kingdom

Internet address

<http://www.scotcourts.gov.uk>

##### **VI.4.2) Body responsible for mediation procedures**

Kirkwall Sherriff Court

Watergate

Kirkwall

KW15 1DP

Email

[kirkwall@scotcourts.gov.uk](mailto:kirkwall@scotcourts.gov.uk)

Telephone

+44 1856872110

Country

United Kingdom

Internet address

<http://www.scotcourts.gov.uk>

**VI.4.4) Service from which information about the review procedure may be obtained**

Kirkwall Sherriff Court

Watergate

Kirkwall

KW15 1DP

Email

[kirkwall@scotcourts.gov.uk](mailto:kirkwall@scotcourts.gov.uk)

Telephone

+44 1856872110

Country

United Kingdom

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