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Tender

T22-090CRO City of Derry Airport to London Public Services Obligation

Derry City and Strabane District Council

F02: Contract notice

Notice identifier: 2022/S 000-026281

Procurement identifier (OCID): ocds-h6vhtk-0369be

Published 20 September 2022, 4:39pm

Section I: Contracting authority

I.1) Name and addresses

Derry City and Strabane District Council

Council Offices, 98 Strand Road

Derry

BT48 7NN

Email

tenders@derrystrabane.com

Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

<https://etendersni.gov.uk/epps>

Buyer's address

<https://etendersni.gov.uk/epps>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://etendersni.gov.uk/epps>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://etendersni.gov.uk/epps>

Tenders or requests to participate must be submitted to the above-mentioned address

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

T22-090CRO City of Derry Airport to London Public Services Obligation

II.1.2) Main CPV code

- 60400000 - Air transport services

II.1.3) Type of contract

Services

II.1.4) Short description

Derry City and Strabane District Council is seeking to procure the services of an airline Operator to provide a scheduled air service between City of Derry Airport (CODA) and a London airport. This can be any of the following 6 London Airports, listed in alphabetical order: Gatwick, Heathrow, London City, London Luton, London Southend, and Stansted. A London airport has been defined by the Department for Transport (DfT) as any airport that can access transport zone 1 of London within 60 minutes by rail. Tenderers are strongly encouraged to give more than one option of London airport with separate cost estimates for each airport. This will enable consideration of the value-added elements provided through hub access. It should be noted that slots must be available to operate the schedule at the chosen London airport and must be acquired by the airline through the regular slot allocation process. Slots will not be made available by Government through ring-fencing. This exercise will be conducted using an Open Procurement procedure (Public Contracts Regulations 2015) with a 2-month tender return period as prescribed in Regulation (EC) No 1008/2008 as retained. This document contains information about the procurement process, the Services, and sets out the conditions for submission of a tender. It is intended that a single contract shall be awarded to one Tenderer to provide the Services. City of Derry Airport is owned by Derry City and Strabane District Council and is operated by City of Derry Airport Operations Limited, a Private Limited Organisation wholly owned by Derry City and Strabane District Council since the airport company was incorporated in 2010. The annual passenger traffic using the Airport grew historically at a rapid rate and peaked at nearly 450,000ppa, before the economic downturn, and fell to 338,505ppa in 2010. Over time, the economic recovery led to a steady rise in traffic to approximately 412,000ppa with a number of new services following incorporation in 2010 but, due to the reduction in services and Ryanair's changing priorities, passenger numbers have fallen since 2011. City of Derry Airport and Derry City and Strabane District Council sought Department for Transport (DfT) approval to

introduce a Public Service Obligation (PSO) on the route. The proposal was submitted to the DfT in August 2016 for the appointment of an air operator to provide a twice daily (morning and evening) return service between CODA and a London airport. DfT approved the proposal on 20 September 2016. An initial two-year PSO contract was awarded in February 2017 with operations running from 2nd May 2017 until 1st May 2019. Unfortunately the PSO Operator went into administration on the 16th February 2019 and as a result the London route stopped immediately. In accordance with the Regulation (EC) No 1008/2008 as retained, Derry City and Strabane District Council carried out an emergency tender exercise and appointed an airline to operate the PSO route for a seven month period from the 27th February to 26th September 2019. Following this a further tender exercise was carried out and Loganair was appointed to operate the route up until 31st March 2023. Subject to any termination rights contained within the Contract, the Council proposes to enter into the Contract for an initial period of 24 months up until the 31st March 2025 with a view to extending for a further 24 months with the successful Tenderers (Operator). The anticipated Commencement Date is 1st April 2023. Please refer to CfT documents for further detail

II.1.5) Estimated total value

Value excluding VAT: £4,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 60400000 - Air transport services

II.2.3) Place of performance

NUTS codes

- UKN0A - Derry City and Strabane

II.2.4) Description of the procurement

Derry City and Strabane District Council is seeking to procure the services of an airline Operator to provide a scheduled air service between City of Derry Airport (CODA) and a London airport. This can be any of the following 6 London Airports, listed in alphabetical order: Gatwick, Heathrow, London City, London Luton, London Southend, and Stansted. A London airport has been defined by the Department for Transport (DfT) as any airport that

can access transport zone 1 of London within 60 minutes by rail. Tenderers are strongly encouraged to give more than one option of London airport with separate cost estimates for each airport. This will enable consideration of the value-added elements provided through hub access. It should be noted that slots must be available to operate the schedule at the chosen London airport and must be acquired by the airline through the regular slot allocation process. Slots will not be made available by Government through ring-fencing. This exercise will be conducted using an Open Procurement procedure (Public Contracts Regulations 2015) with a 2-month tender return period as prescribed in Regulation (EC) No 1008/2008 as retained. This document contains information about the procurement process, the Services, and sets out the conditions for submission of a tender. It is intended that a single contract shall be awarded to one Tenderer to provide the Services. City of Derry Airport is owned by Derry City and Strabane District Council and is operated by City of Derry Airport Operations Limited, a Private Limited Organisation wholly owned by Derry City and Strabane District Council since the airport company was incorporated in 2010. The annual passenger traffic using the Airport grew historically at a rapid rate and peaked at nearly 450,000ppa, before the economic downturn, and fell to 338,505ppa in 2010. Over time, the economic recovery led to a steady rise in traffic to approximately 412,000ppa with a number of new services following incorporation in 2010 but, due to the reduction in services and Ryanair's changing priorities, passenger numbers have fallen since 2011. City of Derry Airport and Derry City and Strabane District Council sought Department for Transport (DfT) approval to introduce a Public Service Obligation (PSO) on the route. The proposal was submitted to the DfT in August 2016 for the appointment of an air operator to provide a twice daily (morning and evening) return service between CODA and a London airport. DfT approved the proposal on 20 September 2016. An initial two-year PSO contract was awarded in February 2017 with operations running from 2nd May 2017 until 1st May 2019. Unfortunately the PSO Operator went into administration on the 16th February 2019 and as a result the London route stopped immediately. In accordance with the Regulation (EC) No 1008/2008 as retained, Derry City and Strabane District Council carried out an emergency tender exercise and appointed an airline to operate the PSO route for a seven month period from the 27th February to 26th September 2019. Following this a further tender exercise was carried out and Loganair was appointed to operate the route up until 31st March 2023. Subject to any termination rights contained within the Contract, the Council proposes to enter into the Contract for an initial period of 24 months up until the 31st March 2025 with a view to extending for a further 24 months with the successful Tenderers (Operator). The anticipated Commencement Date is 1st April 2023. Please refer to CfT documents for further detail

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £4,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

24

This contract is subject to renewal

Yes

Description of renewals

possible 24mth extension

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

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

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.2) Economic and financial standing

Selection criteria as stated in the procurement documents

III.1.3) Technical and professional ability

Selection criteria as stated in the procurement documents

III.2) Conditions related to the contract

III.2.3) Information about staff responsible for the performance of the contract

Obligation to indicate the names and professional qualifications of the staff assigned to performing the contract

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.2.2) Time limit for receipt of tenders or requests to participate

Date

22 November 2022

Local time

12:00pm

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.6) Minimum time frame during which the tenderer must maintain the tender

Tender must be valid until: 21 May 2023

IV.2.7) Conditions for opening of tenders

Date

22 November 2022

Local time

12:30pm

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: Yes

Estimated timing for further notices to be published: should extension not be granted retendered in 2 years

VI.2) Information about electronic workflows

Electronic invoicing will be accepted

Electronic payment will be used

VI.4) Procedures for review

VI.4.1) Review body

The Royal Courts of Justice

Belfast

Country

United Kingdom

VI.4.2) Body responsible for mediation procedures

The Royal Courts of Justice

Belfast

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

in line with PCR 2015

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

The Royal Courts of Justice

Belfast

Country

United Kingdom