

North Lanarkshire Council

Report

Policy and Strategy Committee

approval noting

Ref JMcK/GP/GS

Date 06/06/19

Contract Award – Enterprise Contract - External Advice and Support

From James McKinstry, Head of Asset and Procurement Solutions

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Executive Summary

Committee is asked to note the actions of the Executive Director of Enterprise and Communities to approve the award of a call-off contract for external specialist advice and support in relation to the proposed new Enterprise Contract - Strategic Procurement, to Turner and Townsend Contract Services Limited (the 'Contract').

The Contract supports the initial options appraisal associated with the scoping and development of a potential new Enterprise Contract, and includes provision to extend into additional stages (procurement, mobilisation and review) as the scope of the potential new delivery model becomes clearer.

The contract award follows the completion of a contract award procedure, where the tender recommended for award has been evaluated as providing the most economically advantageous tender in terms of cost and quality for the Council.

Recommendations

Committee is asked to note the actions of the Executive Director of Enterprise and Communities to approve the award of a call-off contract for external advice and support in relation to the development of a potential new Enterprise Contract, to Turner and Townsend Contract Services Limited.

Supporting Documents

The plan for North Lanarkshire Improve economic opportunities and outcomes, and to improve North Lanarkshire's resource base

Appendix 1 Summary of Evaluation Process

Appendix 2 Summary of Procurement Process

1. Background

- 1.1 At the Policy and Strategy Committee on 28 February 2019 approval was granted to begin to scope and explore options for an innovative new approach to delivery for a full range of interconnected property, community asset and infrastructure investments to ensure the council delivers on its shared ambition for inclusive growth and prosperity for the people and communities of North Lanarkshire. This will potentially include the repair and investment in current and new build housing and council assets, as well as delivery of new community assets (including the campus model), infrastructure and town centre regeneration programmes.
 - 1.2 Committee approved the procurement of appropriate external specialist advice to support the development and implementation of the new Enterprise Contract. The Contract provides specialist advice to support the initial options appraisal associated with the project, and includes provision to extend into additional stages (procurement, mobilisation and review) as the scope of the potential new delivery model becomes clearer.
 - 1.3 As advised within the previous committee report, in order to expedite this process the Executive Director of Enterprise and Communities, under their delegated authority provision, has approved the award of the contract out-with the committee cycle.
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2. Report

- 2.1 A user intelligence group (the 'UIG') of technical and procurement representatives was formed to review technical specifications, discuss trading processes, market conditions and trends, ways to maximise community benefits and sustainability and to agree the procurement strategy that would deliver maximum benefit for the Council.
- 2.2 The value of the Contract dictated that the contract award procedure be undertaken in accordance with the Public Contracts (Scotland) Regulations 2015. The contract opportunity was administered utilising the Public Contracts Scotland quick quote functionality as a means for inviting competition via the Crown Commercial Service Management Consultancy Framework Two – RM6008 Procurement, Supply Chain and Commercial – Lot 2.
- 2.3 Based on the criteria and scoring methodology set out in the procurement documents, an evaluation of the tender responses was completed by members of the UIG.
- 2.4 The contract award recommendation is made on the basis of the most economically advantageous tender.
- 2.5 The tender submitted by Turner & Townsend Contract Services Limited has been evaluated as representing the most economically advantageous tender.
- 2.6 Appendix 1 confirms the scoring achieved by each Tenderer, further details of the contract award procedure is provided in Appendix 2.

- 2.7 Officers from Enterprise and Communities will be responsible for managing the Contract which will be undertaken in accordance with the Councils agreed approach to Contract and Supplier Management.
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3. Equality and Diversity

3.1 Fairer Scotland

The report is not about a key strategic decision and not subject to the Fairer Scotland Duty.

3.2 Equality Impact Assessment

An Equality Impact Assessment is not required.

4. Implications

4.1 Financial Impact

The Contract has been set out across four stages of activity (gateways) with each gateway having an appropriate break point to ensure the council has flexibility to manage the scope, cost and duration of the Contract.

The maximum value of the contract could be up to £3million, however each gateway activity and its cost will be approved and monitored by the Enterprise Board which comprises of Chief Officers.

The costs associated with contract delivery will be contained within existing budgets across services.

4.2 HR/Policy/Legislative Impact

The tender recommended for contract award gives a commitment to delivering community benefits including the creation and establishment of a Community Benefits Action Plan that aligns with the aspirations of the Council. This includes agreement on the best way to measure the achievements of the programme, including support to build a locally based supply chain, focusing on SME's and supported businesses, as well as an offer to hold a number of training seminars. The tender makes a commitment to payment of the Scottish Living Wage.

The contract award procedure excludes any Tenderer where a complaint has been upheld after investigation by the Equality and Human Rights commission or its predecessors and a failure by the tenderer to take remedial action.

4.3 Environmental Impact

There is no environmental impact arising from this report.

4.4 Risk Impact

The Contract will be closely monitored as part of the risk management framework for the development of the new Enterprise Contract. Given the scale and complexity of this exercise, the overall risk rating for the project has been identified as high, and will be managed accordingly.

5. Measures of success

The Contract will deliver the following outcomes:

- 5.1 the provision of external specialist advice and support to deliver an innovative and high quality service;
 - 5.2 the contract award procedure is compliant with the procurement legislation and internal procedures;
 - 5.3 that best value is both demonstrable and achieved;
 - 5.4 that the Contract secures a range of community benefits;
 - 5.5 that the Contract supports payment of the Scottish Living Wage to staff employed in the delivery of the Contract; and
 - 5.6 that the Contract performance is proactively managed against a number of Key Performance Indicators.
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A handwritten signature in black ink, appearing to read "James McKinstry". The signature is written in a cursive, slightly slanted style.

James McKinstry
Head of Asset & Procurement Solutions

Appendix 1 – Summary of Evaluation Process

Tenderer Name	Final Tender Score	Final Rank
Turner & Townsend Contract Services Limited	77.54%	1
Grant Thornton UK LLP	58.08%	2
Best Practice Group PLC	56.81%	3
Bramble Hub Limited (ID 467203) ¹	34.00%	4

¹ Please note that Bramble Hub Limited submitted two identical Tenders. Following clarification, Bramble withdrew one of their Tenders (ID 467181) from the Procurement.

Appendix 2 – Summary of Procurement Process

Contract Title	Enterprise Contract – External Advice
Contract takes effect from	3 June 2019
Total contract period that can be adopted by the Council (months)	48 months
Estimated total contract value including extension option	Up to £3m, dependant on whether the council choses to continue with service provision or terminate the contract at key decision points in the project.
Governing UK Regulation	Public Contracts (Scotland) Regulations 2015
Procurement procedure adopted	Mini-competition from Crown Commercial Service Management Consultancy Framework Two – RM6008 Procurement, Supply Chain and Commercial – Lot 2
Number of organisations invited to compete in the mini-competition	91
Number of tenders received	5
Number of non-compliant tenders	1
Number of compliant tenders	4
Number of recommended providers	1
Basis of contract award	Most economically advantageous tender 80.00% Quality 20.00% Price
Evaluation Team	Staff from Enterprise and Communities