

North Lanarkshire Council

Report

Enterprise and Growth Committee

approval noting

Ref

Date 05 November 2020

Contract Award for Lanarkshire Business Gateway Services

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Executive Summary

Committee is asked to approve the award of a contract for Lanarkshire Business Gateway Services (the 'Contract') to Enterprise North East Trust Limited trading as "Elevator".

The Contract is for an initial period of two years anticipated to commence on 01 March 2021. The Council reserves the right to extend the Contract for additional periods up to a maximum of a two further years in separate one year increments.

The value of the Contract shall not exceed Five Million Six Hundred Thousand Pounds Sterling (£5,600,000) which includes a One Million Pounds Sterling (£1,000,000) contingency fund. The Council may use the contingency fund at its sole discretion to achieve additional ad-hoc business support objectives as part of its flexible response to emerging economic challenges and opportunities.

Recommendations

It is recommended that the Committee approves the award of the Contract to Enterprise North East Trust Limited trading as "Elevator" for the maximum value of £5,600,000.

This recommendation 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 both cost and quality.

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition Statement (5) Grow and improve the sustainability and diversity of North Lanarkshire's economy

1. Background

- 1.1 Business Gateway is a publically funded service that provides free business support and impartial advice for start-up and existing businesses based in Scotland. Following changes to the delivery of local economic regeneration agreed in 2007, the delivery of the Business Gateway service across Scotland was transferred to local government on 01 April 2008 in order to align more closely with local priorities and economic development.
- 1.2 Since then, local authorities in Scotland have been responsible for the delivery services in local areas with eighteen Lead Local Authorities (LLA) coordinating the delivery on behalf of the local authorities in their respective Business Gateway region. In Lanarkshire, the LLA is North Lanarkshire Council (the "Council"), who manage service delivery across both North and South Lanarkshire geographic regions. This Contract will be the fourth generation of Business Gateway service provision procured since 2008.
- 1.3 The Lanarkshire Business Gateway Service delivers business advisory services and workshops to both start-up and existing businesses across Lanarkshire on behalf of the Council and South Lanarkshire Council (SLC). Services delivered via the Contract shall provide support to pre-start, start-up, existing businesses and businesses with ambitious growth potential as well as providing a valuable mechanism of recovery for businesses impacted by the Covid-19 pandemic.
- 1.4 Both the councils are committed to increasing the entrepreneurial culture within Lanarkshire; supporting business competitiveness, employment opportunities and inclusive growth. The Business Gateway Service has a focus on supporting and developing Lanarkshire based Small to Medium sized Enterprises (SME's).

2. Report

- 2.1 A user intelligence group (the 'UIG') of technical representatives from the Council and SLC, and procurement representation from the Council's Corporate Procurement Team 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 both councils via the Contract.
- 2.2 The initial estimated 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 published in the OJEU and on the Public Contracts Scotland website with the Open procurement procedure adopted.
- 2.3 Based on the criteria and scoring methodology set out in the invitation to tender package, an evaluation of the tender responses was completed by members identified by the UIG. Selection stage responses were assessed first and complaint tenderers that satisfied / declared that they met the minimum selection stage criteria progressed to the award stage evaluation. Following identification of the recommended tenderer, their selection stage response was assessed in more detail to ensure they satisfied the minimum selection stage criteria applied.

- 2.4 The Contract award recommendation is made on the basis of the tenderer who submitted the most economically advantageous tender.
- 2.5 The tender submitted by Elevator has been evaluated as representing the most economically advantageous tender for this Contract.
- 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 Planning and Regeneration will be responsible for managing the Contract which will be undertaken in accordance with the Council's agreed approach to contract and supplier management.

3. Equality and Diversity

3.1 Fairer Scotland Duty

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 has been undertaken and the award of the Contract would not discriminate against any protected characteristic. The Contract has mechanisms in place to ensure service are accessible to all.

4. Implications

4.1 Financial Impact

The maximum value of the Contract is £5,600,000 including any option to extend the Contract.

The costs associated with delivery of the Contract are available from the Council's Revenue Support Grant allocated via the Scottish Government.

The maximum Contract value detailed above includes a £1,000,000 contingency should any additional funds be allocated to the Council by the Scottish Government or European Regional Development Fund. The use of the contingency fund will be at the Council's sole discretion and the Council is not obliged to use any or all of the allocated contingency amount.

Price Savings / Increases

The Contract is not expected to deliver cashable procurement savings when compared to current contract rates. A maximum budget was advised within the ITT package which all compliant tenders met. Any savings that may come to fruition within the Contract shall be reinvested into the Contract to maximise the demand for the services.

Price Stability

Prices submitted by Elevator are fixed and unchangeable for the entire duration of the Contract.

4.2 **HR / Policy / Legislative Impact**

Community Benefits

The Council is committed to maximising the delivery of community benefits. The procurement included a community benefit requirement, this approach is designed to deliver local community benefits where possible.

Within their Tender, Elevator committed to deliver the following community benefits within the Contract:

Community Benefit Type	Quantity Committed
Educational Sponsorship Programme	1
Educational Visits	4
Industry Awareness Event	1
Work Experience Placement for an individual 16+ years of age	1
Financial Support for a Community Project / Organisation	1
Non-financial support for a Community Project / Organisation	1

The community benefits delivered as part of the Contract does not include the creation of jobs or apprenticeships.

Fair Work Practices

Elevator have demonstrated commitment to Fair Work practices within the Contract which is highlighted by them being an accredited Living Wage employer.

Equalities

The procurement procedure excluded any tenderer where a complaint had been upheld after investigation by the Equality and Human Rights commission or its predecessors and a failure to take remedial action.

TUPE Impact

Elevator recognise that TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) applies to the Contract. On award of the Contract, Elevator has advised that they assume to undertake the employment responsibilities for the staff connected to the delivery of the Contract from the incumbent provider.

4.3 Environmental Impact

There is no environmental impact arising from this report.

4.4 Risk Impact

There are no significant risk implications arising from this report. Prior to award of the Contract, mitigation measures will be put in place to minimise disruption to service delivery.

5. Measures of success

The Contract will deliver the following outcomes;

- 5.1 the appointment of a service provider who has the experience and capability to deliver an innovative, high quality and responsive Business Gateway service that will deliver the minimum delivery targets within the Contract;
- 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 secured payment of the Scottish Living Wage to staff employed in the delivery of the Contract;
- 5.6 that the Contract performance is proactively managed against a number of local Key Performance Indicators and national targets; and
- 5.7 a collaborative approach to the procurement of the requirement, minimising the burden on internal resource and leveraging the economies of scale.

6. Supporting documents

Appendix 1	Summary of Tender Evaluation Process
Appendix 2	Summary of Procurement Process
Appendix 3	SME status and location of all Tenderers



Pamela Humphries
Head of Planning and Regeneration

Appendix 1 – Summary of Tender Evaluation Process

Final Rank	Tenderer Name	Total Tender Score (%)	Recommended for Contract Award
1	Enterprise North East Trust Limited T/A Elevator	86.51%	Yes
2	Lanarkshire Enterprise Services Limited	78.70%	No

Appendix 2 – Summary of Procurement Process

Contract Title	Response			
Procurement Procedure Utilised:	Open Procedure			
Governing Legislation / Regulations:	Public Contracts (Scotland) Regulations 2015			
Date Contract Notice Published:	23 July 2020			
Total Expressions of Interest:	26			
NLC Based % of Expressions of Interest:	2			
Tender Return Deadline:	03 September 2020			
Number of Tenders Received:	3			
Tenders Received from SME's:	3			
Tenders Received from NLC Based Tenderers:	1			
Number of Non-compliant Tenders:	1			
Number of Compliant Tenders:	2			
Number of Recommended Tenderers:	1			
Basis of Contract Award:	Quality:	80%	Price:	20%
Evaluation Team:	<ul style="list-style-type: none"> Enterprise Team – Planning and Regeneration Planning and Economic Development Services, SLC 			
Anticipated Contract Start Date:	01 March 2021			
Total Contract Period (Months):	48 (24 + 12 + 12)			
Maximum Total Contract Value:	£5,600,000			

Appendix 3 – SME Status and location of all Tenderers

Name of Tenderer	Size of Tendering Organisation (Micro, Small, Medium or Large)	Location (Local Authority / Council Area)
Decode Cyber Solutions Limited	Micro	Glasgow City
Enterprise North East Trust Limited T/A Elevator	Medium	Aberdeen City
Lanarkshire Enterprise Services Limited	Small	North Lanarkshire