

PROCUREMENT COMMITTEE

TUESDAY 7 MAY 2013
5.30 PM

PLEASE NOTE TIME OF MEETING

COUNCIL CHAMBER, CIVIC OFFICES
CENTRAL MILTON KEYNES

AGENDA

Notice of the intention to hold part of the meeting (Items 7 to 12) in private is given later in this Agenda

Members of the Committee:

Councillor A Geary (Chair and Leader of the Council)
Councillors Bald, Bint, Brock, Dransfield, P Geary, Hopkins and Maclean

If you have any enquires about this agenda please contact Shelagh Muir (Committee Manager) on Tel: (01908) 254271 or E-mail shelagh.muir@milton-keynes.gov.uk

CABINET PROCUREMENT COMMITTEE

TERMS OF REFERENCE

1 Terms of Reference

To exercise the functions of the Cabinet in respect of all contracts for procurement of works, goods or services.

2 Membership

- (a) **Membership:** The Cabinet Procurement Committee will consist of all members of the Cabinet. There is no power to co-opt.
- (b) **Chair:** The Leader or Deputy Leader, if present, will take the role of Chair and Vice-Chair of the Committee.
- (c) **Quorum:** Except where decisions are to be made by the Leader as advised by the Committee, business shall not be transacted at a meeting of the Committee unless at least three members of the Cabinet are present.

3 Functions

The Cabinet Procurement Committee will exercise the following functions and those matters which flow from them, which are executive functions.

- (a) To undertake initial consideration of large procurement related projects, defined as non-property related projects between the value of £100,000 and £20,000,000, including the consideration of initiation documents, full business cases and specification and the consideration of procurement projects where there is a TUPE transfer by the Council.
- (b) To authorise officers to issue specification and invitations to tender and, where within budget, to make an award of contract to the tenderer assessed as providing the highest score against the agreed MEAT (most economically advantageous tender) criteria in respect of large procurement projects
- (c) To promote, oversee and monitor performance improvement regarding the full range of procurement activities, including Capital, Social Care and ICT projects, involving receipt of reports concerning
- (d) To oversee and monitor procurement and contract activity, including:
 - (i) reviewing the S151 Officers decisions to waive Contract Procedure Rules;
 - (ii) review of tenders and award of contracts on behalf of Cabinet in accordance with the Scheme of Delegation;
 - (iii) approval of contract variations, extensions and novations;

- (iv) benefit realisation (post implementation) reviews;
 - (v) contract performance management; and
 - (vi) the commissioning cycle.
- (e) To review, approve or make recommendations to Cabinet concerning the Procurement Strategic Plan and the Procurement Forward Plan
 - (f) To review the Contract Procedure Rules from time to time and make recommendations for change to Council;
 - (g) To advise the Cabinet on all matters concerned with procurement generally and to make recommendations on any of the above matters to (as appropriate) the Cabinet or Council

In acting under the Committee's Terms of Reference and in exercising responsibility for those functions listed above, the Authority's Procedure Rules, any limitations on authority and all legislative requirements and applicable rules of law must be complied with.

AGENDA

1. Apologies

2. Disclosure of Interests

Members to declare any disclosable pecuniary interests, or personal interests (including other pecuniary interests), they may have in the business to be transacted, and officers to disclose any interests they may have in any contract to be considered.

3. Invitation of Tenders for Leaseholder / Shared Ownership Insurance

To consider Item 3 **(Pages 6 to 11)**

4. Extension of Contract – Security Services at Central Office Accommodation (Civic Offices and Saxon Court)

To consider Item 4 **(Pages 12 to 15)**

5. Extension of Contract – Future Management of Leisure Facilities.

To consider Item 5 **(Pages 16 to 22)**

Notice of Intention to Hold the Meeting in Private

The public and press may be excluded from the remainder of the meeting by virtue of Paragraph 3 (Information Relating to the Financial or Business Affairs of the Authority) of Part 1 of Schedule 12A of the Local Government Act 1972, in order that the Committee may consider the Annexes to the following reports:

- (a) Planned Preventative Maintenance and Reactive Works at Central Office Accommodation (Civic Offices and Saxon Court) - Award of Contract
- (b) Bradwell Windmill Modernisation Works - Award of Contract
- (c) Bus Stop Works - Award of Contract
- (d) Haversham Flood Span Bridges Refurbishment - Award of Contract
- (e) Provision of Services – Strengthening Families – Award of Contract
- (f) Older People Day Care Services

The Proper Officer of the Council has determined that the *Annexes* should be considered in the absence of the public and press by virtue of Paragraph 3 (Information Relating to the Financial or Business Affairs of the Authority) of Part 1 of Schedule 12A of the Local Government Act 1972, as disclosure would not be in the public interest.

No representations have been received about why those matters referred to above should be considered with the public and press present.

6. Exclusion of Public and Press

To consider excluding the public and press from the meeting by virtue

of Paragraph 3 (Information Relating to the Financial or Business Affairs of the Authority) of Part 1 of Schedule 12A of the Local Government Act 1972, in order that the Cabinet Procurement Committee may consider the Annexes to the following reports:

- (a) Award of Contract – Planned Preventative Maintenance and Reactive Works at Central Office Accommodation (Civic Offices and Saxon Court)
- (b) Award of Contract – Bradwell Windmill Modernisation Works
- (c) Award of Contract – Bus Stop Works
- (d) Award of Contract - Haversham Flood Span Bridges Refurbishment
- (e) Award of Contract - Provision of Services – Strengthening Families
- (f) Older People Day Care Services

7. Award of Contract – Planned Preventative Maintenance and Reactive Works at Central Office Accommodation (Civic Offices and Saxon Court)

To consider Item 7 (**Pages 23 to 28**)

8. Award of Contract – Bradwell Windmill Modernisation Works

To consider Item 7 (**Pages 29 to 38**)

9. Award of Contract – Bus Stop Works

To consider Item 9 (**Pages 39 to 46**)

10. Award of Contract – Haversham Flood Span bridges Refurbishment

To consider Item 10 (**Pages 47 to 50**)

11. Award of Contract – Provision of Services – Strengthening Families

To consider Item 11 (**Pages 51 to 57**)

12. Referral from Executive Scrutiny Panel / Council: Older People Day Care Services

To consider any referral from the Executive Scrutiny Panel held on 23 April / 1 May 2013, or from the Council, in relation to the call-in of the decision of the Cabinet Procurement Committee in relation to Older People Day Care Services.

A copy of the report originally considered by the Committee is attached at Item 12 (**Pages 58 to 62**).

Wards Affected:

All Wards

ITEM 3**CABINET PROCUREMENT COMMITTEE****7 MAY 2013****INVITATION TO TENDER: LEASEHOLDER / SHARED OWNERSHIP INSURANCE
(REF: CU2347)**

Author: Duncan Wilkinson, AD Audit & Risk - Tel: (01908) 252089

Executive Summary:

This report is seeking approval to commence the tender process for Leaseholder / Share Ownership Insurance in accordance with the Council's Contract Procedure Rules and Financial Regulations. Tenders will be invited using the Council's E-Tendering system.

1 Recommendation(s)

- 1.1 That the commencement of tender processes for the procurement of Leaseholder / Share Ownership Insurance be approved.

2 Background

- 2.1 This report requests approval to obtain tenders for the provision of Leaseholder / Share Ownership Insurance. The funding for the requirement will be met from the HRA budget allocated within 2013/2014 years and is recharged to Leaseholders and Shared Owners. This applies to 1599 leasehold properties including 34 garages and 567 shared owners.

- 2.2 There is a need to strategically review this insurance provision however the current policy expires on 31st August 2013. Alternative options have been evaluated (as section 3) to this procurement however it is highlighted that the recommended option itself should be considered to be an 'interim' solution allowing a more thorough development of the market and procurement options within the next 24 months.

- 2.3 This will permit claims analysis and market development to be undertaken then allowing full consultation with leaseholders / shared owners in 2014/15.

2.4 Consultation

2.4.1 The draft specification is relatively standard buildings insurance provisions.

2.4.2 Leaseholders and Shared Owners have been consulted given the rising costs in this area.

2.4.3 Additionally the Cabinet Members for Finance and Housing have been consulted.

2.4.4 A review of the current / previous contract identified the following:

- The costs for this cover continue to increase. As with any block cover poor claims history in one area affects the total price requiring low claim areas to pay more than would be charged if insuring just that property.
- In the past 3 years premiums (including insurance premium tax) have been:
 - 2010/11 : £254,281
 - 2011/12 : £294,294 (+16%)
 - 2012/13 : £387,221 (+32%)

Insurance providers base the level of premium on the previous claims history and the difference between claims and premium (minus their profit) normally sits at a loss ratio of 65%. The high value of claims that our leaseholders have incurred has meant the loss ratio has ranged from 73% to 95% over the same period. This effectively means that the current provider is making a loss from the cover they provide unless they increase the level of the premium.

2.5 Specification

2.5.1 The procurement seeks to deliver the following service objectives:

- Ensure that Council Leaseholder and Shared Ownership properties are properly insured
- That costs are minimised (within acceptable cover)

2.5.2 The new contract will be structured to minimise additional costs but premium costs could increase over current prices.

2.6 Evaluation Criteria & Panel

2.6.1 The MEAT evaluation of tenders will be as follows:

(a) Price @ 100%

2.6.2 There is no quality evaluation criterion because the insurance cover will represent the minimum quality specification.

2.6.3 Tenders submitted will be evaluated by a panel comprising of Ad Audit & Risk, Head of Risk and Insurance, AD Housing (or nominated representatives). Colleagues within Finance and Legal and Corporate Procurement will be engaged to support the tender process.

2.7 Contract Terms and Conditions

- 2.7.1 Tenders will be sought under the Yorkshire Purchasing Organisation (YPO) framework recently let. Eligible contractors from the framework will be invited to submit bids in respect of the MKC Leaseholder and Shared Ownership property portfolio.
- 2.7.2 Tenders will be sought for a contract period starting on 1st Sept 2013 and ending on 31st August 2016 ie 3 years.
- 2.7.3 The contract will provide for a break clause annually ie 31st Aug 2014 and 2015.
- 2.7.4 The Council's standard Terms and Conditions for Insurance. Upon approval of this report we will liaise with the legal department to have the Terms and Conditions issued as a formal contract which will then be sealed and stored in the deeds room.
- 2.7.5 The Council's Constitution further requires that all contracts in excess of £100,000 are sealed as deeds with the legal department agreeing contract terms with the client department and making the arrangements for sending out final Terms & Conditions to Contractors and sealing and storage of the final contract in the deeds room.

2.8 Project Management

- 2.6.1 The Council's Project Manager for the procurement is AD Audit & Risk.
- 2.6.2 The Council's Senior Client Officer for the procurement is AD Housing and for the management of the contract is the Head of Assets and Strategy (Housing).

3 **Alternative Options**

3.1 The following options appraisal has been conducted:

- 1. Do Nothing – the Council must have insurance arrangement in place by 1st Sept 2013. Not recommended.
- 2. Renew current policy – The existing supplier has indicated they do not wish to extend and the current contract does not have provision to extend beyond 31st Aug 2013. Recent price increases by this provider also indicates this alternative is not desirable. Not recommended.
- 3. An alternative proposed by some leaseholders has been to allow self insurance. This creates 3 issues:

- The Lease Agreements specify MKC insurance will be recharged and the Council remains liable whether properties are insured or not
- Claims that arise where it was discovered no insurance had been purchased and the ability to recover such costs
- Costs of MKC verifying cover annually would have been considered uneconomic. With increasing premiums this needs to be revisited.

Not recommended at this time.

4. Externally let Framework (3-5 years) – given the time pressures to have a policy in place by 1st Sept 2013 it seems prudent to use an external framework that has already recently tested the market. A mini competition will ensure competitive prices.

However the need to re-examine the claims history and market development for this type of insurance makes it prudent to limit this to a 3 year contract including annual break clauses. Not Recommended

5. Externally Let Framework (1-3 years) – This option allows insurance cover to be procured quickly (ie by 1st Sept) and competitively but also to give flexibility to migrate to more suitable cover after sufficient analysis has been completed during 2013/14 and 2014/15. This **is recommended option** with aim to migrate to new procured insurance on 1st Sept 2015, but providing for delays to allow this contract to run until 31st Aug 2016 if needed.
6. Procure via open tenders – The consultation with Leaseholders / Shared Owners has identified several companies interested in bidding for this provision. Upon review of timescales it is not possible to undertake an open tender adhering to OJEU given the current policy expires on 31st Aug and the inability to extend existing arrangements. Although this option is not recommended at this time the contacts provided will be used to consult the market and assess this option as part of the need to renew this insurance in 2-3 years.

4 Implications

4.1 Policy

The procurement seeks to safeguard Council assets.

4.2 Resources and Risk

4.2.1 The costs of this contract are met from the Housing Service Budget (Revenue). The costs are recharged to Leaseholders and Shared Owners.

4.2.2 The Risk Assessment for this contract is available if requested or directly via Members access to GRACE. In summary:

- The key OPPORTUNITY secured by this contract is to seek insurance cover for less cost. It is assessed that the delivery of this contract provides a MEDIUM Likelihood that will secure the opportunity defined providing MKC with a MEDIUM positive Impact.
- The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation
Poor specification?	Low	Standard terms and use of framework gives good protection
Poor timing in market?	High	Use of framework should minimise additional costs. Wider market analysis in 2014/15 should allow more effective procurement in 2016
Price increase / no reduction	Medium	Market testing of framework If unsuccessful further comms to L/SO of further work in 2014
No bids received?	Low	Use of framework

The governance measures set out in 2.7 above provide a basis to conclude that these threats, properly managed represent a MEDIUM Likelihood with a HIGH Impact.

Resources & Risk Implications

N	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

None

4.4 Legal

This recommendation complies with MKC rules, UK and European legislation.

4.5 Other Implications

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
Y	E-Government	Y	Stakeholders	Y	Crime and Disorder
N	Carbon and Energy Policy				

Wards Affected:

All Wards

EXTENSION OF CONTRACT FOR ADMINISTRATION BUILDINGS SECURITY SERVICES (CU1993)

Author: Tracey Plant – Deputy Facilities Manager: Pralene Mavroleon, Sponsorship and Admin Buildings Manager: Tel (01908) 252553

Executive Summary: 1 year Extension on Existing Security Contract

This report is seeking approval to extend the current security services contract carried out by Profile Security for a further year to the Central Office Accommodation Buildings being Civic Offices and Saxon Court and outlying offices being Tower Drive - Neath Hill, Surrey Road - West Bletchley, Farthing Grove - Netherfield, Whalley Drive - Bletchley, Purbeck - Stantonbury and Register Office – Fenny Stratford.. The contract term commenced on the 8 October 2010 for a term of three years with an additional option of an extension for a further year expiring on the 07/10/2014. The extension of contract will be from 8 October 2013 to the 7 October 2014 for a value of £214 736.32.

1 Recommendation(s)

- 1.1 That the extension of the contract with Profile Security for the period 8 October 2013 to 7 October 2014 for a total value of £214 736.32 be agreed

2 Context

- 2.1 The contracted services will affect a large part of the council, specifically those based in Admin Buildings or outlying offices where a Manned Guarding/key Holding/Alarm Response/Mobile Patrol service is received.

3 Background

- 3.1 This contract was approved by a cabinet delegated decision report in 2010.
- 3.2 The extension of this contract will enable the continued delivery of the provision of Manned Guarding in relation to the Central Office Accommodation, inclusive of key holding, Alarm Response and Mobile Patrols at external buildings.
- 3.2.1 The annual value of this contract was £223,088.32, with the one year extension value being £214,736.32. Continuation of the current service will deliver £8352.00 savings on the original contract price.
- 3.2.2 The three year term will expire on the 8th October 2013. The approval to extend for a further year will allow for a new tender exercise to be

market tested addressing security needs for both MKC and new external partners in Saxon Court ensuring a delivery that is fit for purpose and allowing value for money.

- 3.2.3 The University Campus Milton Keynes and IMS Maxims are the two external organisations that will be taking up office space at Saxon Court. The saving for the extended year has been identified. The current incumbent is aware of the changes to the services in Saxon Court. Currently there are no additional costs however should there be any additional security requirements from the external partners, costs would need to be recharged. The current incumbent has confirmed the cost reduction for the extension period.
- 3.2.4 The current provider has been involved in the Risk Assessment of the building from a security point of view to ensure the continued safety of staff when external partners occupy the building in the future. The extension of this contract is due to commence at the same time when the occupancy of external partners is implemented and it is imperative that continuity of the security service with the current provider is maintained during this important transition period.
- 3.2.5 The current contractor is delivering their services to a good quality standard. This is monitored continuously and is backed up by regular meetings with the Security Provider. Reports are also provided at the meetings which show that out of hours patrols are carried out as per the contract by means of an electronic system that is installed on the external part of the building. This service is also included in the annual Facilities Management Customer Survey where any complaints/compliments are addressed.

3.3 Contract Management

- 3.3.1 The Senior Client Officer for this contract is the Assistant Director Public Access & Customer Service and the management will be undertaken by MKSP Facilities Management. The contract adheres to the Council's standard terms and conditions as maintained by the Council's Legal Services team.
- 3.3.2 The key governance processes include:
- 6 Weekly Contract Meetings with the Senior Mobile Manager are held to allow for contract performance monitoring. All issues are raised in this meeting with a date for resolution.
 - Patrol Reports received to ensure that nightly patrols are carried out as per contract.
 - Escalation process – Issues are raised with the Senior Mobile Manager for resolution. If no satisfactory resolution is found it would then be escalated to the Regional Manager and then the Divisional Director eventually resulting in breach of contract. There has never been a breach of contract in the three year term.

- Monthly invoices are received and checked against contract value before payment is made. Where savings have been achieved in the past costs were monitored to ensure financials were correct.

4 Implications

4.1 Policy

The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4.2 Resources and Risk

4.2.1 The costs of the contract are already contained within the revenue budget to provide services for both Civic Offices and Saxon Court Admin buildings over the 4 year contract period. (3+1).

4.2.2 The extension of this contract will deliver a savings of £8352.00 for the final year of the contract which runs from 8th October 2013 expiring 7th October 2014. The savings will be identified as part of the forecasting in budget monitoring on both the admin buildings as well as the outlying offices.

4.2.3 The delivery of savings will be monitored and reported to Finance via budget monitoring and forecasting of the security costs on BPC.

4.2.4 The key OPPORTUNITY secured by this contract is business continuity from the current contractor and savings. It is assessed based on the current services that the delivery of this contract provides a MEDIUM Likelihood that a MEDIUM Impact will secure the opportunity defined.

4.2.5 The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation
Contract demand could increase due to the new external partners occupying Saxon Court where a request is raised for additional security and therefore no savings will be delivered.	H	Costs recharged to External Partners.
Insufficient resource in contract management.	L	The current supplier would recruit if there were insufficient resources. The contract is currently managed by the Deputy Facilities Manager for Milton Keynes Service Partnership. If circumstances changed the matter would be dealt with by another member of staff in the

		team.
Operational peaks of work due to External Partners	H	Three year contract has managed peaks of work to date but would recruit if insufficient resources.
Current Security and Utility costs could increase if External Partner requirements necessitate longer opening hours.	M	Costs recharged to External Partners.

The governance measures set out in 3.6 above provide a basis to conclude that these threats, properly managed represent a HIGH / MEDIUM / LOW Likelihood or a HIGH / MEDIUM Impact.

Resources & Risk Implications

N	Capital	Y	Revenue	Y	Accommodation
N	IT	Y	Medium Term Plan	N	Asset Management

4.3 Carbon and Energy Management

The early closure of Saxon Court commenced April 2011 and has achieved a saving of approximately £5300.00 per annum.

4.4 Legal

The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

4.5 Other Implications

Y	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	Y	Crime and Disorder
N	Carbon and Energy Policy				

Wards Affected:

All Wards

MEDBOURNE PAVILION, OAKGROVE LEISURE CENTRE & TATTENHOE PAVILION; TEMPORARY EXTENSION OF THE MANAGEMENT CONTRACT

Authors:

Neil Hanley, Community Solutions Programme Manager Tel: (01908) 253632

Paul Sanders, AD, Community Facilities Tel: (01908) 253639

Executive Summary:

This report is seeking approval to further extend the contract with Hertsmere Leisure Trust for the management of Medbourne Pavilion, Oakgrove Leisure Centre and Tattenhoe Pavilion for a period of up to 18 months from 30th April 2014.

This is to allow sufficient time for applications to be invited and assessed through the Community Asset Transfer Programme (CAT) for the management of the following four community assets:

Medbourne Community Sports Pavilion, Oakgrove Leisure Centre, Tattenhoe Sports Pavilion and Woughton on the Green Sports Pavilion.

CPC agreed on 4 September 2012 under minute PC48 that the extension of the existing contract with Hertsmere Leisure Trust for the management of Medbourne, Oakgrove and Tattenhoe facilities for a period of up to 18 months from 31 October 2012 be approved.

1 Recommendation(s)

- 1.1 That the temporary extension of the existing contract with Hertsmere Leisure for the management of the Medbourne, Oakgrove and Tattenhoe facilities for a period of up to 18 months from 30 April 2014 in order to facilitate a timely and robust completion of the Community Asset Transfer process, be approved.

2 Issues

- 2.1 This contract extension will facilitate the commencement of a CAT process to transfer not only the facilities currently managed by Hertsmere Leisure (Medbourne Community Sports Pavilion; Oakgrove Leisure Centre and Tattenhoe Sports Pavilion) but also the Council's directly managed facility of Woughton on the Green Sports Pavilion.

- 2.2 Once the CAT two stage process has been completed, Cabinet will be asked to make relevant decisions on an asset by asset basis as regards the future management and/or ownership of these facilities
- 2.3 Medbourne Community Sports Pavilion, Oakgrove Leisure Centre and Tattenhoe Sports Pavilion are currently under management by Hertsmere Leisure Trust, a 7-year contract which ended in December 2012, and has been extended till 30 April 2014, (such extension having been agreed by Cabinet Procurement Committee on 4th September 2012). Failure to successfully re-tender these facilities would entail them being brought back into Council management.
- 2.4 The proposal to extend Hertsmere Leisure Trust contract is subject to obtaining any necessary waiver under section 151.
- 2.5 This contract has already been extended eighteen months beyond its original end date to facilitate a procurement exercise. The further extension of contract to enable the progress of these assets through the CAT programme increases the risk of challenge from other providers in the leisure market as the value of this service exceeds the EU threshold, the risk was considered low for the initial extension period however this increases the longer the extension continues.
- 2.6 In the event that Hertsmere Leisure Trust agrees to continue with the contract, then this may trigger a request for additional costs. There is a risk that service levels will not be maintained during the extension but this can be mitigated by agreeing service levels during the extension and close contract management.
- 2.7 A further extension may not be welcomed by third parties involved in the sites, such as Oakgrove School; therefore the relationship management and stakeholder engagement will be key to reducing reputational and relationship risk.
- 2.8 Cabinet members in two meetings with officers in late May and June last year made the suggestion that the leisure assets be offered at the same time under the Council's Community Asset Transfer process. However, It was initially thought that State Aid issues could render disposals at undervaluation unlawful.
- 2.9 It was considered that Woughton Leisure Centre did not invoke State Aid given that the value of the asset is at such a low level given its age and current condition. As such it was decided at Cabinet Procurement Committee on 4th September 2012 to offer Woughton Leisure Centre alone through the Community Asset Transfer Programme.
- 2.10 Following a joint application by Milton Keynes College and Milton Keynes Leisure Trust via the CAT process, it became clear that the scale of the investment required for Woughton Leisure Centre from the applicants and/or the Council was too great at that stage for the application to proceed any further. Added to this there were a number of sensitivities between community and curriculum college use that would be difficult to resolve without significant additional expenditure. The Council will continue to directly manage this facility in the meantime for the benefit of the local community and will continue to work closely with local partners including MK College, St Paul's School, MK Academy and the Woughton Community Council in developing programmes of use.
- 2.11 Counsel's opinion has since been received earlier this year and giving away the other leisure facilities as mentioned in this report under CAT potentially isn't barred by State Aid because they are of local interest and unlikely to impact non

cross border trade within Europe. The applicant in this case should also be local in nature (as set out in the pre-application questionnaire for CAT) and any economic activities they carry out should be of purely local interest.

- 2.12 Analysing the facility and the applicant is necessary and the decision whether State Aid applies should be reached after this analysis. Members are advised that transferring the leisure facilities via the CAT programme won't automatically trigger State Aid, but that it is important to vet the applicant and carry out the necessary analysis.
- 2.13 The four facilities will be offered through the Community Asset Transfer programme and follow the adopted Toolkit (31/7/12) and its inherent two stage application process. The Council's entire property interest will be transferred with these assets with the ultimate aim of no revenue funding support being provided by the Council in the future. The conclusion of this process will be reported back to Cabinet on each of the assets.
- 2.14 An indicative timeline for the transfer of these assets in line with the adopted CAT Toolkit is attached in **Annex A** for information. This highlights the need to allow time for the procurement of a lease related contract for each of the assets to ensure that should the CAT transfer be unsuccessful that the Council has this as a fall back position. This timeline accepts the need to be flexible as in some instances assets will transfer through the CAT process and others may not.

3. Alternative Options

- 3.1 If the leisure facilities outlined in this report are not successfully transferred under CAT then options will be explored to outsource these assets under a long term lease related contract in accordance with the Council's Contract Procedure Rules and Financial Regulations.

The Council could also continue to manage Woughton on the Green Sport Pavilion but if the Contract is not extended to the leisure trust, all of the assets, liabilities and staff would transfer to the Council from Tattenhoe, Medbourne and Oakgrove facilities.

The additional costs to the Council of managing the assets in-house would result in an additional liability of £90,432 in relation to business rates and the additional on-costs for staffing of approximately £70K. Furthermore because of staff turnover, as TUPE employees left the Council there would be a need to recruit to their posts on the Council's pay structure terms and conditions, therefore there is the likelihood that the annual pay bill would only increase year on year causing budget pressure which could lead to the Council having to consider the option to shut/close the assets.

- 3.2 An alternative option could be to tender for the management of these facilities but this would be unlikely given the time and expenditure required in any bidding process and the impending CAT offer.
- 3.3 Another option for the Council would be to sell the assets, generating receipts for the Council.

4. Implications

4.1 Policy

The applications seek to implement the Council's approach to Community Asset Transfer toolkit which was adopted on July 31st 2012.

The Milton Keynes Sport and Leisure Strategy 2009-2014, clearly sets out the aspirations of the Council in ensuring that opportunities are presented to increase participation in sport and active recreation. One of the drivers to do this is ensuring the accessibility of sport and leisure facilities to the local community and that robust management structures are in place.

4.2 Resources and Risk

Asset Management

Woughton on the Green Sports Pavilion, Medbourne Community Sports Pavilion, Oakgrove Leisure Centre and Tattenhoe Sports Pavilion, will be transferred outside of the Council ideally under a freehold but possibly on a long term leasehold arrangement should the asset be successfully transferred under CAT. If not then the facilities would be outsourced under the lease related contract as referred to in paragraph 3.1.

Revenue Provision and Risk

The costs of this contract are met from the Community Facilities Unit budget within the revenue programme. The extension of the contract will be met from existing budget provision of £137k pa which translates into the eighteen month extension requested of £205,500.

Providing the opportunity to local organisations to bid for individual facilities may produce innovative local management arrangements and potentially on going revenue savings.

Woughton on the Green Sports Pavilion had a budget provision in the financial year 2012/13 of £88k and has a net budget for 2013/14 of £29k.

The threat here is that this facility does not receive any or acceptable applications and therefore this facility would remain under the Council's direct operation. Again such an arrangement would facilitate a further procurement exercise.

Bids may not meet expectations/criteria for Stage One to Stage Two applications.

If some of the assets are transferred via the CAT process, the ones left to the Council may well be less attractive to operators, leaving the Council with a less attractive portfolio to offer via a lease related contract.

N	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

As set out in the specification, evaluation criteria and risk assessment.

4.4 Legal

There is no statutory obligation for the Council to provide leisure facilities.

Under the Localism Act 2011 the Council has (under the relevant Right to Challenge provisions, sections 81 to 86,) a duty to consider expressions of interest by certain organisations (including voluntary or community bodies, charities, and parish councils) in relation to certain services provided by or on behalf of the Council in the exercise of any of its functions and carry out an appropriate procurement exercise if it decides to accept an expression of interest.

This recommendation complies with MKC rules, UK and European legislation.

4.5 Other Implications

Stakeholders

Stakeholders including local Ward Members, Parish Councils, numerous clubs and organisations e.g. voluntary sports clubs, will be made aware of this development and will have the opportunity to attend public engagement events at each of the leisure sites mentioned in this report clarifying the specific aspects related to this proposed asset transfer.

Different media will be used to inform key stakeholders of the public engagement events such as advertising in the local press and a poster campaign in advance of the meetings as well as on the Council's web site.

The CAT application documents are available to view in various formats.

Staffing

There could be TUPE implications as a result of this service change. 23 Staff (10.4fte) currently employed externally to the Council in the facilities of Medbourne Community Sports Pavilion; Oakgrove Leisure Centre and Tattenhoe Sports Pavilion, may be subject to TUPE and transfer across directly to the new operator(s). In the case of Woughton on the Green Sports Pavilion, 7 staff (3.55 fte) are currently directly employed by the Council and will be affected by this potential transfer. They will be guided through the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).

As an integral part of these possible transfer arrangements an Equalities Impact Assessment will be completed.

Y	Equalities/Diversity	Y	Sustainability	Y	Human Rights
Y	E-Government	Y	Stakeholders	Y	Crime and Disorder
Y	Carbon and Energy Policy				

Annex A: CAT Project Timeline

Background Papers: Project Risk Register

Sport and Leisure Strategy 2009/14

Community Facilities Unit Service Plan 2012/13 – 2014/15

<http://www.milton-keynes.gov.uk/council-news/displayarticle.asp?id=86297>

Community Asset Transfer Toolkit

WARDS AFFECTED:

Central Milton Keynes

CABINET PROCUREMENT COMMITTEE

7 MAY 2013

AWARD OF CONTRACT FOR MECHANICAL AND ENGINEERING CONTRACT FOR THE PLANNED PREVENTATIVE MAINTENANCE AND REACTIVE WORKS TO THE CENTRAL OFFICE ACCOMODATION BUILDINGS BEING CIVIC OFFICES AND SAXON COURT (REF: CU2238)

Author: Pralene Mavroleon, Sponsorship and Admin Buildings Manager Tel: (01908) 252553

Executive Summary:

This report is seeking approval to award the contract for the Mechanical and Engineering Contract for the Planned Preventative Maintenance and Reactive works to Civic Offices and Saxon Court. The contract term:

- is for 4 years, expiring on 31st July 2017. The annual value of this contract is approximately £75k, with the term value being approximately £302k.
- Based on the original contract value of £133k the new service delivery model for this contract will allow for an overall savings of approximately £220k for the duration of the contract term of 4 years.
- And can be extended until 31st July 2020.

CPC previously agreed that the tender could progress on 6th March 2012.

1 Recommendation(s)

- 1.1 That the Contract for the Mechanical and Engineering Contract for the Planned Preventative Maintenance and Reactive works to Civic Offices and Saxon Court be awarded to the bidder who has scored the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation (Annex).
- 1.2 That any recommendation to extend this contract is bought back to this committee for a decision in good time.

2 Context

The contracted Services will ensure that the Admin Buildings being Civic Offices and Saxon Court shall comply with all current legislation and ensure that buildings services within are maintained to an industry standard or better. This will ensure business continuity and energy efficiency.

3 Background**3.1 Decision to Proceed to Tender**

- 3.1.1 This procurement was approved to proceed to Tender by CPC on 06/03/12.

3.2 Consultation

3.2.1 The specification and evaluation criteria for this contract were developed following consultation with the following key stakeholders:

- Facilities Management
- Design and Building Services
- Property, Legal and Procurement

3.2.2 The consultation highlighted that the specification and tender documents needed to include:

- A comprehensive building services asset register which allows for contract performance to be monitored using specified KPI and SLA's.
- A more detailed pricing schedule was produced under the advice of the Procurement team identifying value for money.
- A new working model - developed to allow for effective management of resources. Currently both Civic Office and Saxon Court each have a resident engineer. The new model proposes one resident engineer with mobile engineer support.

3.3 Market engagement and lessons learnt

3.3.1 Before this tender process commenced there was a period of market engagement to allow for a PIN to be sent out to assess what was available in the marketplace.

3.3.2 The current contract expired on the 7th January 2013 and two waivers were sought and approved to cover the periods of 8th January -31st March 2013 and 1st April -31st July 2013.

3.3.3 The current contract which will now expire on 31st July 2013 is worth £180k per annum based on the premium rate currently being paid during the contract extension period

3.3.4 An evaluation process was carried out under the guidance of the procurement team to modify and enhance a different operating model to realise cost savings without any significant impact on the service provided.

3.3.5 Lessons learnt from the old contract

- It was difficult to measure the contractor's performance.
- The assets in the pricing schedule were not individually priced making it difficult to monitor accurate costings for adding and omitting assets.

3.3.6 Lessons taken forward to new contract.

- The conditions of the contract were improved with assistance of both the Legal and Procurement departments.
- The contract contains more robust management tools to allow for the following: contract management, exit management plans, escalation processes and remediation notices.
- The assets are now individually priced allowing for accurate monitoring to asset variations.
- The new contract has also introduced KPI's and SLA's to enable contract performance to be monitored to comply with the new contract requirements.

3.4 Tender Evaluation

3.4.1 The Tender was advertised on the Council's E-Tendering system on 17/01/13 and 9 tenders were returned on 01/03/13. The Tenders were evaluated by a suitably qualified and experienced panel of officers including the Facilities Manager, Deputy Facilities Manager, Design and Building Services - Senior Mechanical & Electrical Maintenance Engineer and Client Officer for Facilities Management.

3.4.2 The Evaluation criteria, scores and prices for all tenders are attached at Annex. A summary of the Risk Assessment is set out in section 4.2.

3.4.3 The MEAT evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a break down of the Quality will be in the red paper)

	Quality score (out of 35)	Price score (out of 65)	Total score	Ranking
Company A	26.66	60.51	87.11	1
Company B	30.8	51.99	82.79	2
Company C	24.5	53.97	78.47	3
Company D	24.5	39.35	63.85	4
Company E	22.4	41.36	63.76	5
Company F	18.2	43.99	62.19	6
Company G	16.1	40.40	56.50	7
Company H	9.8	41.14	50.94	8
Company I	12.6	34.49	47.09	9

3.4.4 The evaluation criteria was weighted 65% pricing and 35% quality to ensure that essential quality aspects of the tender were scored accordingly, and minimum scores set.

3.4.5 The quality assessment focused on two criteria: Functional and Technical compliance with the specification (21%) and measuring quality (14%).

3.5 Contract Management

3.5.1 The Senior Client Officer for this contract is the Assistant Director Public Access & Customer Service and the management will be undertaken by Design & Building Services. The contract adheres to the Council's standard terms and conditions as maintained and developed by the Council's Legal Services team.

3.5.2 The key governance processes include:

- Monthly meetings comprising council officers and contractors representatives to ensure the delivery of the contract.
- Agree and monitor performance measurement through contract specific Key Performance Indicators on a monthly basis.
- The Contract may be determined by the Authority on a three months written notice if in the Authority's reasonable opinion such determination is necessary following a best value review of services to which this Contract relates.
- The Authority may terminate this Contract in whole or part with immediate effect by the service of written notice on the Contractor in the following circumstances.
- A consistent failure will occur where MKC has served 3 remediation notices in a rolling 4 month period.
- A catastrophic failure will follow any action by the contractor, whether in relation to the services and this contract or otherwise, which in the reasonable opinion of the Authority's Representative has or may cause significant harm to the reputation of the Authority.
- The new contract will be enhanced with computer aided facilities management technology to aid in managing and monitoring this contract.

4 **Implications**

4.1 Policy

This project supports the Property Strategy in respect of efficient accommodation use.

Where buildings are leased to commercial partners it is the landlord's responsibility to ensure that compliance with statutory and legislative requirements are met.

This contract support's the council's statutory requirements keeping the building fit for purpose and DDA compliant.

Civic Offices has various communication installations leased by third parties. If there is a failure with the electrical infrastructure the council will be in breach of the lease obligations.

4.2 Resources and Risk

4.2.1 The cost of the contract is already contained within the Admin Building revenue budget, currently as £180k which relates to the original contract value of £133k plus the premium rate of £47k which has been approved to allow for the extension to the contract.

4.2.3 Based on the original contract value of £133k the new service delivery model for this contract will allow for an overall savings of approximately £220k for the duration of the contract term of 4 years.

4.2.4 The key OPPORTUNITY *secured* by this contract is a reduced cost service and an effective contract monitoring regime where KPIs are linked to defined contract schedules that allows for ease of application.

4.2.6 The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation
Contract not robust or clear enough to deliver the outcomes expected	L	New contract documents have been drawn up by MKC Legal department and the Senior Design and Building Engineer to ensure that the contract is managed and monitored to a high standard.
Insufficient resource in contract management.	M	The contract is currently managed as a partnership between Facilities Management - MKSP and Design and Building Services -MKC. Should one of these two resources not be available the remaining Manager would manage the contract until a new resource is available.
Additional works required due to breakdowns and minor project works	M	Continual monitoring of the contractors workload by the management team will ensure that the contractor provides sufficient resources.

The governance measures set out in 3.5.2 above provide a basis to conclude that these threats, properly managed represent a LOW Likelihood or a MEDIUM Impact.

Resources & Risk Implications

N	Capital	Y	Revenue	Y	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

The award of this contract adopts the Councils Carbon and Energy Management Policy with the contractor taking a more active role and liaising with the Councils Energy Manager to improve efficiency and reduce waste.

4.4 Legal

The Councils Legal department have drafted a specific service contract given the nature of the specialist works.

The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

4.5 Other Implications

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder
Y	Carbon and Energy Policy				

Wards Affected:

Stantonbury and Wolverton

AWARD OF CONTRACT FOR BRADWELL WINDMILL MODERNISATION WORKS (REF: CU2288)

Author: Shane Downer, Heritage Development Officer Tel: (01908) 253690;
Paul Sanders, Assistant Director, Community Facilities Tel: (01908) 253639.

Executive Summary:

This report is seeking approval to award the works contract to a specialist millwright works contractor to modernise Bradwell Windmill. The Mill is Grade II Listed and the works when completed will deliver a fully protected and modernised mill able to better deliver important social and educational benefits to local communities and wider Milton Keynes for which it is a historic landmark.

The contract term:

- is for 1 year, expiring on 31 May 2014
- the works will be using lime mortar, therefore if the weather conditions mean that the lime mortar will not set the works period can be extended up to 31/05/15 if needed.
- the full value of this contract is £139,116, and this is a fixed price.
- if the works are delivered now this will save much larger costs in future than if the windmill was left to deteriorate
- CPC previously agreed that the tender could progress on 08 January 2013.
- as well as appointing a works contractor the council will also appoint Faithful & Gould from the professional services framework to carry out the role of Cost Controllers and Project Managers at a fee of 3.5%.
- the Council will also appoint Luke Bonwick of BHM Consultants as a specialist consultant to oversee the works [due to its grade 2 listing] at a fee of £350 a day with an estimate of 20 days work during the build period.

1 Recommendation(s)

1.1 That the Contract for Bradwell Windmill Modernisation Works be awarded to the bidder scoring the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation.

1.2 That a consultancy contract be awarded to Luke Bonwick of BHM Consultants.

1.3 That Faithful and Gould be appointed as Project Managers.

2 Context

2.1 The Windmill is a unique example of Milton Keynes' historic environment and modernising it will provide a valuable resource for social and well-being benefits for local communities within both existing and new growth areas. The contracted works will affect the site and current delivery by MK Museum and local partners from Stantonbury, New Bradwell and Oakridge, but this is mitigated by an activity plan that the contracted millwrights can work around and involves the community through volunteering and learning activities and ultimately through extensive new use by residents and visitors delivers enhanced use of the re-vitalised mill.

3 Background

3.1 Decision to Proceed to Tender

This procurement was approved to proceed to Tender by CPC 08 January 2013. The Mill meets a priority within the Corporate Plan for the World Class MK: Distinctive heritage and is consistent with Council's delivery of its Heritage Strategy adopted by Cabinet in July 2008 and refreshed in December 2010.

3.2 Consultation

3.2.1 The schedule of works was prepared by BHM Consultants (Annex B).

3.2.2 The evaluation criteria for this contract were developed following consultation with the following key stakeholders:

- With relevant Cabinet Member and officers to progress the Council's Strategic Aim to deliver distinctive heritage through a restored Mill, an important landmark for residents and visitors to Milton Keynes.
- With the Bradwell Windmill Partnership Steering Group consisting of Milton Keynes Museum, Stantonbury and New Bradwell parish councils, Bradville Community Centre, Stantonbury Urban Rangers and local volunteers who help operate the Mill.

3.2.3 Consultation highlighted a strong desire to see Bradwell Mill modernised to be a real focus for the diverse audiences in the local community whilst retaining its historic integrity. This approach was built into the specification and evaluation criteria and has influenced the procurement strategy.

3.3 Market engagement and lessons learnt

3.3.1 Before this tender commenced there were regular discussions with the representative steering group and the local community through events to ensure full community support for the project and that use of a modernised facility would be extensive. Luke Bonwick [BHM Consultants] as part of his survey work undertook considerable research to calculate the cost of the Council's requirement and to understand the current appetite for this type of contract. This ensured the correct brief for tender was established and a realistic schedule of works was achieved.

3.3.2 A bid to the Heritage Lottery Fund (HLF) for a complementary community activity programme was unsuccessful owing to high demand in the final

round of their five-year strategic programme. It is proposed that the mill be restored in 2013/14 according to schedule and that a smaller bid to HLF is submitted in early 2014 when demand on their funding will be less and to spread the risk identify other funders to fund follow-on activity focused on active community participation and learning.

3.4 Tender Evaluation

3.4.1 The contract was advertised on the Council's E-Tendering system on 11 February 2013 and 3 tenders were returned on 08/03/13. The Tenders were evaluated by a suitably qualified and experienced panel namely the Heritage Development Officer, Director of Milton Keynes Museum [as community delivery representative] and the mill mentor. The Risk Assessment for the contract is set out in section 4.2.

3.4.2 The MEAT evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a break down of the Quality will be in the exempt Annex A).

3.4.3

	Quality score (out of 60)	Price score (out of 40)	Total score	Ranking
Company A	24.00	35.82	59.82	3
Company B	50.00	40.00	90.00	1
Company C	35.00	29.91	64.91	2

3.4.4 The evaluation criteria were weighted 40% pricing and 60% quality to ensure specialist millwright expertise as best tender for this contract. The supplier with the lowest price also had the best quality tender.

3.5 Contract Management

3.5.1 The Senior Client Officer for this contract is the Heritage Development Officer working closely with a Client Officer from the Capital Build Team.

3.5.2 The key governance processes include:

- Weekly updates to Project Manager/mill mentor and Monthly meeting of Project Team and monthly reporting to Archive and Museum Project Board, Capital Programme Board.
- Ongoing performance measurement by mill mentor and project manager against delivery of the itemised schedule of works and a clear escalation process through a clear officer structure.
- Staged payments to be made only when specific works are completed
- Payment terms which include final payment being made only when the final build is signed off by project manager following approval by the

Consultant and client team and the Council having ownership of all materials and documents created by project.

- A requirement for a 6 month defect period where the building contract will correct any defects identified.

4 Implications

4.1 Policy

The award of this contract will progress the World Class MK: distinctive heritage priority within the Corporate Plan 2012-16 and the MK Heritage Strategy. The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4.2 Resources and Risk

4.2.1 The capital costs were agreed by Council in 2012/13 and spend approval given by Cabinet Procurement Review Panel (CPRP) in July 2012. The Award is within the budget tolerances set.

4.2.2 The key OPPORTUNITY secured by this contract is to restore the Mill through professional millwrights so it can be used for educational, social and health and wellbeing purposes. It is assessed that the contract delivery provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

4.2.3 The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation
Insufficient resource in capital contract management	M	Contingency is available and works priced and prioritised to avoid budget overspend.
Contract not robust or clear enough to deliver the outcomes expected	L	Mill mentor and project manager specialists have been appointed to ensure clear direction.
Operational peaks of work through weather-dependent or community access needs	L	The works programme will operate around usage and seasonal requirements.

The governance measures in 3.5.2 above provide a basis to conclude that these threats, properly managed represent a LOW Likelihood or a MEDIUM Impact.

Resources & Risk Implications

This project is designed to be delivered with the Capital funding granted and will minimise the future maintenance needs of the Mill, so those costs remain within its revenue budget. Additionally, the community partners will fundraise to assist with operational activity funding and external funding through HLF and/or other funders will be applied for at the end of the project to develop greater community activity to enhance revenue at no additional cost to the Council.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

Although the mill is restricted to using historic, natural building materials, it is a strong asset for carbon and energy management. The use of wind as a source of energy from the past to the present will be an important educational resource. This Award to modernise the Mill will enable MK Museum and parish partners to attract diverse audience groups to explore topic themes of farming and food production flour milling, industrial revolution and wildlife biodiversity. The Mill is also part of the Millennium trail, National Cycle Route 6 and two heritage trails which enables it to promote sustainable transport and health and wellbeing.

4.4 Legal

4.4.1 The council's legal department have drafted a specific works contract given the nature of the specialist works.

4.4.2 The council's legal department have drafted a consultantancy agreement to appoint BHM Consultants.

4.4.3 A call off contract under the framework will be awarded to Faithful and Gould.

4.4.4 The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

4.4.5 The works contract will have to be sealed as a deed therefore legal will have to arrange completion of the works contract and sealing accordingly.

4.5 Other Implications

Y	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder
Y	Carbon and Energy	Y	Policy		

Background Papers:

Decision to Proceed to Tender 08/01/13

Milton Keynes Heritage Strategy 2008 – 13, refreshed December 2010.

Bradwell Windmill Modernisation Survey, BHM Consultants, 2013.

BRADWELL WINDMILL IMPROVEMENT AND MODERNISATION

Luke Bonwick - BMHC

Section	Section of report	Element	Description	Comment	Cost (to be filled in by millwright)
1. SITE WORKS	3.1	Exterior - site boundary	On the north side, reduce the trees to less than half of their existing height. Trim back the overhanging branches level with the fence, and maintain this position.	Improvement	£0
		Exterior - site boundary	On the east side, request that the Leylandii be reduced in height to just above the level of the fence. Trim back the overhanging branches level with the fence, and maintain this position.	Improvement	£0
TOTAL:					£0
2. EXTERIOR STONEWORK	3.2	Stone base	Rake out cement mortar from joints of stone base. Re-point stonework in lime mortar, filling cracks where present.	Improvement and possibly modernisation	£0
		Mill tower exterior at ground floor level	Rake out cement mortar from joints in mill tower exterior, up to level of first floor. Re-point stonework in lime mortar.	Improvement and possibly modernisation	£0
TOTAL:					£0
3. EXTERIOR/INTERIOR DAMPNES - GROUND FLOOR	3.3	Mill tower interior - ground floor	Commission report on dampness in walls/base of windmill	Improvement	£0
	3.3	Wall finish	Strip the internal plaster and paint finish from these areas to reveal the full extent of the deterioration.	Improvement	£0
	3.3	Wall substrate	Dismantle and rebuild the affected areas of stonework.	Improvement	£0
	3.3	West door lintel	Carry out timberwork repairs to the timber ground floor west door lintel.	Improvement	£0
	3.3	Wall finish	Re-line the repaired areas with lime plaster and limewash.	Improvement	£0
	3.3	Storage bins	Remove affected woodwork of storage bins.	Improvement	£0
	3.3	Ground floor finish	Break out concrete floor. Install limecrete floor.	Improvement	£0
TOTAL:					£0

**ANNEX B
TO ITEM 8**

4. WINDOWS	3.4	Window casements	Replace windows throughout the mill with casements of a more traditional design, prioritising those on the ground floor and those on the south and west sides of the upper floors.	Modernisation	£0	
	3.4	Window detailing	Modify external detailing to achieve improved water runoff and deflection. Strengthen lintels and stonework above windows as necessary.	Modernisation	£0	
TOTAL:					£0	
5. INTERNAL FINISHES - 1st-3rd FLOORS	3.5	Wall finish	Carefully strip the paint and plaster finish from the tower walls on the first, second and third floors.	Improvement	£0	
	3.5	Wall substrate	Consolidate and repair any substrate unaffected by previous works.	Improvement	£0	
	3.5	Wall finish	Apply lime plaster and limewash finish.	Improvement	£0	
	TOTAL:					£0
	3.6	Floor beams and joists	Undertake minor timberwork repairs to first and second floor structural timbers following removal of internal plaster.	Modernisation	£0	
6. INTERIOR - FLOOR STRUCTURE AND ACCESS	3.6	Floorboards	Lift floorboards of first and second floors. Lay and re-fix the boards with stainless steel nails. Allow for new boarding to fill gaps generated.	Modernisation	£0	
	3.6	Ladders	Attach hessian sacks to the underside of each access ladder.	Modernisation	£0	
	3.6	Lighting	Improve lighting provision throughout the windmill.	Modernisation	£0	
	TOTAL:					£0
	7. INTERIOR - GEARING	3.7.1	Primary gearing	Carry out maintenance inspection and lubrication of all bearings and working parts.	Improvement	£0
		3.7.2	Brake wheel and brake	Check alignment of brake shoe and adjust if necessary. Fit brake lever guide to ensure smooth travel. Leave in working order.	Improvement	£0
3.7.3		Curb	Check and tighten all fixings between track plates and curb.	Improvement	£0	
3.7.4		Winding gear	Overhaul and lubricate winding gear, ensuring all bearings are securely fixed and lubricated. Turn cap one full revolution in both directions and leave in working order.	Improvement	£0	
3.7.5		Grain bins	Fit hoppers bottom and protective cover to east grain bin.	Improvement	£0	
3.7.6		East millstones	Dismantle millstones and turn over runner stone. Re-dress and level working faces of both stones.	Improvement	£0	

ANNEX B TO ITEM 8

	Re-pack and lubricate the neck bearing of the stone spindle. Check spindle is vertical.	Improvement	£0
	Clean and overhaul wooden stone furniture and spouts. Rub down interior of stone case with a stainless steel scourer and seal any gaps between the staves to create a smooth surface suitable for flour production.	Improvement	£0
	Re-assemble millstones, set up crook strings, test tentering gear and leave in working order.	Improvement	£0
3.7.7	West millstones	Modernisation	£0
	Prepare designs for west millstone and elevator assembly	Modernisation	£0
	Insert temporary props to provide additional support to the first floor. Lower the peak millstone to the ground floor and remove it from the mill.	Modernisation	£0
	Provide suitable grey or composition runner stone, dressed in correct direction. The existing eye bar, preserved on first floor, can be used if required.	Modernisation	£0
	Provide suitable replacement bed stone, dressed in correct direction. Install a neck box (preserved on the first floor) and bearing brasses (to be supplied new) to fit the existing stone spindle.	Modernisation	£0
	Replicate the missing wooden items of stone furniture: grain spout, hopper, horse, shoe, damsel, millstone case and flour spout.	Modernisation	£0
	Set up the hand tentering gear and millstone governor using preserved metal parts where available and replicating missing items that are required.	Modernisation	£0
	Install a 3-phase 12hp electric motor with slow start mechanism, coupled to the millstone spindle below the millstones.	Modernisation	£0
	Install an electrically-powered grain elevator to raise grain from the ground floor to the hopper above the millstones.	Modernisation	£0
3.7.8	Flour dressing machine	Improvement	£0
	Prepare designs for flour dresser.	Improvement	£0
	Replicate the missing wire machine flour dresser, using the existing metal brush spindle, with new casing and brushes.	Improvement	£0
	Install flour dresser on first floor complete with feed mechanism and flour spouts to ground floor.	Improvement	£0

ANNEX B
TO ITEM 8

		Commission dresser with single-phase electric motor.	£0
		Carry out minor repairs to crown wheel. Remove existing cogs. Re-cog wheel in beech or hornbeam.	£0
		Manufacture wooden pattern for cast-iron pinion to engage crown wheel.	£0
		Fit oak hangers and bearers to support lay shaft, allowing pinion to be raised out of mesh with crown wheel.	£0
		Install steel lay shaft, wooden belt pulley and bearings. Fit pinion and set up to engage crown wheel cogs.	£0
		Fit leather belt to enable flour dresser to be driven by wind power if desired.	£0
		TOTAL:	£0
8. INTERIOR - CAP FRAME	3.8	Cap frame timberwork	£0
		Carry out minor woodwork repairs to cap frame.	Improvement
		TOTAL:	£0
9. EXTERIOR - CAP ROOF	3.9	Designs for cap cladding	£0
		Prepare design drawings for sail repairs, cap repairs and weathering details.	Modernisation
		Erect structural scaffolding up to level of cap pettecoat.	Modernisation
		Strip off existing weatherboarding.	Modernisation
		Repair existing rafters and treat all exposed woodwork with clear timber preservative.	Modernisation
		Renew weatherboarding, reinstating correct weathering details.	Modernisation
		Cover projecting rear ends of sheers and transverse timbers with code 3 lead flashings.	Modernisation
		Apply a layer of Belzona membrane to the exterior face of the weatherboards to weatherproof the joints.	Modernisation
		TOTAL:	£0
10. EXTERIOR - SAILS	3.10	Exterior - sails	£0
		Lower sails to ground level using mobile crane.	Improvement
		Transport sails and stocks to workshop for overhaul by millwright / to Museum site for overhaul by volunteers.	Improvement
		Strip sail frames to bare wood, replace decayed timber, treat with clear timber preservative and redecorate with white microporous paint (Holkham linseed oil paint or equivalent).	Improvement
		TOTAL:	£0

ANNEX B TO ITEM 8

	Strip stocks back to bare wood. Plug stop block holes at centre with oak dowels glued in position and trimmed off. Cut out any decayed timber and let in blocks of air-dried softwood using West system 2-part boatbuilding resin glue as required. Treat exposed area with wood preservative and allow to dry. Redecorate stocks.		£0
	Manufacture and install six wooden shutters to replace existing damaged shutters.	Improvement Modernisation	£0
	Manufacture 42 new wooden sail shutters.	Improvement Modernisation	£0
	Replace existing closed cleats with open cleats on outer two bays of each spring sail.	Improvement	£0
	Transport sails and stocks to site.	Improvement	£0
	Re-hang sails and stocks using mobile crane.	Improvement	£0
	Renew poll end wedges in air-dried oak. Test-fit, remove, decorate and re-fit wedges. Install metal retaining bar system to prevent wedges from working loose.	Modernisation	£0
TOTAL:			£0
Total for section 1 (site works)			£0
Total for section 2 (exterior stonework)			£0
Total for section 3 (ground floor dampness)			£0
Total for section 4 (windows)			£0
Total for section 5 (interior finishes)			£0
Total for section 6 (interior structure)			£0
Total for section 7 (gearing)			£0
Total for section 8 (cap frame)			£0
Total for section 9 (cap roof)			£0
Total for section 10 (sails)			£0
TOTAL for sections 1-10 excluding VAT			£0
TOTAL for sections 1-10 including VAT			£0

Wards Affected:

All Wards

AWARD OF CONTRACT - BUS STOP IMPROVEMENT DELIVERY

Author: Chris Jarman, Senior Passenger Transport Officer Tel: (01908) 252401

Nick Fenwick, Director of Planning and Transport Services Tel: (01908) 252401

Executive Summary:

This report seeks to obtain approval to award a contract to allow delivery of the Bus Stop Delivery programme during financial years 2013/14 and 2014/15.

Cabinet approval to tender the contract via the Midlands Highways Alliance Medium Scheme Framework (MSF1) was given in February 2013.

The initial contract term is for two years, expiring in March 2015. The estimated value of work issued in Year One is £405,000 with £487,000 in Year Two (total £892,000 Capital).

There is an option to extend the contract for a further two years at a value up to £483,000 (Capital) per annum (total £974k).

Work will only be committed once spend approval has been given, with the funding coming from the Local Transport Plan funds in Quality Bus Initiative and Rural/Urban Bus Stop Upgrades.

The potential term value over 4 years is £1,866,000 (Capital).

1 Recommendation(s)

- 1.1 That the contract for Bus Stop Improvement Delivery be awarded to the bidder who has scored the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation as named in **Annex A**.
- 1.2 That any recommendation to extend this contract is bought back to this committee for a decision in good time.

2 Context

- 2.1 As part of Milton Keynes Council's Local Transport Plan 3, the installation of raised kerbs at existing/new bus stops across the network provides improved accessibility to bus services within the Borough, a proven benefit when encouraging patronage growth. The Public Transport offer is further enhanced by introducing bespoke shelters that can incorporate Real Time Information screens in appropriate locations.

2.2 This tender exercise sought a contractor to undertake the work starting as early as possible in 2013/14 to deliver these infrastructure benefits. The work is typically implemented in one of three scenarios which were obtained in the tender:

2.2.1 Introduction of new raised kerbs, bus stop pole with flag (Inc timetable case) to indicate stopping point and bus stop clearway marking.

2.2.2 Introduction of new raised kerbs, new standard MKC bus shelter, resurfacing of area around stop, landscaping and bus stop clearway marking.

2.2.3 As 2.2.2, but requiring the introduction of a new lay-by and potentially new lit footpath link.

2.3 A number of works packages will be will be created by the Project Manager covering agreed locations across the Borough. Each works package will comprise of at least eight of the bus stop types each time being issued to the winning contractor. The submitted prices will be used to value each works package and allow the budget to be managed using these costs.

2.4 For ease of assessment, each bus stop type was given a weighting to indicate the likelihood of such work being issued and then an overall price was calculated for comparison. A breakdown of these weighting's are shown below:

Bus Stop Type	Weighting Percentage
2.2.1 – Simple Bus Stop	35%
2.2.2 – Bus Stop w/Shelter	60%
2.2.3 – Bus Stop w/new layby	5%

2.5 A breakdown of submitted costs is included in **Annex B**.

3 Background

3.1 The Council's Contract Procedure Rules (CPR's) were revised in January 2012. This procurement has applied those requirements.

3.2 Decision to Proceed to Tender

3.2.1 This procurement was approved to proceed to Tender by CPC on 05/02/13 and is consistent with Council's policy in the Local Transport Plan 3 approved by Cabinet in June 2011.

3.3 Consultation

3.3.1 The specification and evaluation criteria for this contract were developed following a detailed understanding of what is required on-street to overcome the obstacles to increased bus use. This was achieved through

feedback from key stakeholders including elected members, parish councils and the Milton Keynes Bus User Group.

3.3.2 Historically, it has taken too long to undertake this type of work and feedback from Parishes and Ward Members highlighted this. The procurement strategy was to overcome this and provide a more proactive process to implement improvements.

3.4 Market engagement and lessons learnt

3.4.1 Before this tender commenced, a 'Tester' scheme was tendered through the MHA to gauge interest, seek prices and implement under a more rigid contract framework primed the framework of the forthcoming tender requirements.

3.4.2 Lessons learnt from the old contract were:

- A slightly revised costing method was required when creating schedule of rates for submission.
- Reducing the number of quality criteria helps provide more meaningful proportions for assessment.
- Works packages need to be at least eight bus stops in size to provide construction efficiencies.
- One contractor managing workloads and payments for subcontractors made for simpler implementation on the client's behalf.

3.5 Tender Evaluation

3.5.1 The contract was advertised on the Council's E-Tendering system on 28/02/13 and 3 tenders from the available 4 framework members were returned on 22/03/13.

3.5.2 The Tenders were evaluated by a suitably qualified and experienced panel of officers including Senior Passenger Transport Officer – Implementation and two external technical consultants, all who undertook this process with the previous contract and were part of the design process.

3.5.3 The Evaluation criteria and scores for all tenders are attached at **Annex C**. A summary of the Risk Assessment is set out in section 4.2.3.

3.5.4 The MEAT evaluation of tenders resulted in the following results (the actual names of suppliers their pricing and a break down of the Quality shown in the Confidential Annex A and B)

	Quality score (out of 50)	Price score (out of 50)	Total score (out of 100)	Ranking
Company A	20	50	70	3
Company B	43	35.5	78.5	2
Company C	44	39.7	83.7	1

3.5.5 The 50% Quality assessment focused on three criteria; Understanding the Project (20%), with particular evidence of the Milton Keynes working environment required; Delivery Assurance (20%), with evidence of similar schemes required and how they were delivered on time/on budget; Health and Safety (10%), with evidence required on scheme-specific risk mitigation. This assessment is available as a background paper.

3.5.6 After analysis of both cost and quality it was agreed by all assessors that whilst Company A provided the lowest priced submission, the Quality submission was non-specific to the tender and did not provide a full understanding of the quality required resulting in the low score. The submission offered a very inflexible way of working and the resource for delivery was unidentified. As MEAT analysis is designed to ensure the council obtains best value for its investment, it was assessed that in the absence of the required quality that a heightened risk to the reputation of the council existed if the contractors were not able (as assessed) to fully meet the standards required by the council in delivering a high profile programme of works on budget.

3.5.7 In the analysis of Company B and C, both submissions provided confidence that a good job would be done and went that extra step to show willingness to work with the Client to improve delivery and help the process. With both submissions presenting a similar high quality, the scoring of the price element determined the Most Economically Advantageous Tender.

3.5.8 Subsequent to the tender exercise, MKC have held discussions with the MHA regarding the quality of submission by Company A. Additional feedback will be provided to further explain the authority's expectations and that each framework member needs to continually submit quality bids when tendering. Moving forward, the MHA will investigate the possibility of incorporating tender scores in the performance of framework suppliers in addition to the contract outputs.

3.6 Contract Management

3.6.1 The Senior Client Officer for this contract is the Senior Passenger Transport Officer. The contract terms and conditions are based on the NEC3 Short Contract as per the approved MHA contract method.

3.6.2 The key governance processes include

- Monthly meetings comprising council officers, contractor and the design staff to ensure the delivery of the scheme, to manage the contract and to allow Early Contractor Involvement when developing new works.
- Agree and monitor performance measurement through contract specific Key Performance Indicators on a monthly basis, which is a contractor requirement under the MHA Medium Schemes Framework.
- All works will have a retention fee of 5% placed upon them. This is in addition to the client's monitoring of completion progress which has to be approved before appropriate funds are released.
- The standard Break Clauses of the NEC3 contract apply.
- All new assets created will be registered on the Council's Asset Management Plan.

4 **Implications**

4.1 Policy

This proposal is consistent with the Corporate Plan (2012-2016) which includes the theme "Visiting MK" with an outcome of "Efficient, accessible and integrated internal transport" and priority to "Deliver quality and sustainable public transport initiatives and information". In addition, approved and adopted policies contained within, the Local Transport Plan (2011-2031), and the Bus Strategy (December 2008) seek to encourage greater use of alternative forms of transport to the car through improved marketing and publicity of bus services via the application of new technologies:

The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4.2 Resources and Risk

4.2.1 The value of the contract was based on 85% of the likely budget available in the forthcoming financial years from the Local Transport Plan Capital settlement to be spent on new Public Transport infrastructure. Work will only be secured through this contract once Spend Approval has been given and all work packages will be priced against the submitted rates within the tender. Works will be issued only up to the budget available, as indicated in the table below.

Scheme	Resource Allocation in Capital Programme	Amount available to this contract
QBI – 13/14	£400,000	£309,091
Rural/Urban – 13/14	£124,320	£96,065
QBI – 14/15	£500,000	£386,364
Rural/Urban – 14/15	£142,979	£100,384
Total	£1,1167,299	£891,904

4.2.2 The key OPPORTUNITY secured by this contract is the ability to reduce the delivery time by having a competent contractor onboard. It is assessed that the delivery of this contract provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

4.2.3 The key THREATS for awarding this contract have been assessed as:

Risk	Likelihood	Mitigation
Potential challenge by the unsuccessful tenderers	L	Detailed additional report written providing overview of MEAT outcome. Provides more structured feedback and justification to all bidders.
Call-in of decision by Members/Public	L	Well evidenced decision and process outlined in detailed additional report.

The governance measures set out in 3.6.2 provide a basis to conclude that these threats, properly managed represent a LOW Likelihood.

Y	Capital	N	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

Delivery of the project will fit in with the Carbon & Energy Management policy which includes an action (9) "Use vehicles with low fuel consumption and pollution-reducing technology and ensure their regular servicing and energy

conscious operation. Promote and facilitate the use of alternative modes of transport”.

4.4 Legal

The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

4.5 Other Implications

Encouraging greater use of alternative forms of transport to the car through improved accessibility and improved infrastructure allows better access to essential services for all people, especially those without access to a car. All buses new since 2001 have to be compliant to the disability aspects of the Equality Act 2010, but improved boarding/alighting facilities will only aid the passenger experience in Milton Keynes.

Y	Equalities/Diversity	Y	Sustainability	N	Human Rights
Y	E-Government	Y	Stakeholders	Y	Crime and Disorder
Y	Carbon and Energy Policy				

Background Papers:

Decision to Proceed to Tender 05/02/13

Local Transport Plan 3 (June 2011)

Adopted MKC Bus Strategy (Dec 2008)

AWARD OF CONTRACT - BUS STOP IMPROVEMENT DELIVERY

MEAT Quality Criteria – 50%

Tenderers are required to submit responses to the Quality Elements shown in the table below.

Reference	Quality Element	Weighting
Q1	<p>Relevant Experience/References</p> <p>Please demonstrate how the Tenderer intends to carry out the work and how it complies with the Client's specified Requirements, dealing adequately with project specific risks whilst showing an understanding of the Milton Keynes working environment</p>	20%
Q2	<p>Delivery Assurance</p> <p>Provide details of how of how you successfully delivered scheme(s) of a similar nature to time and within budget and clearly show how this scheme will be adequately resourced for the successful completion of the contract</p>	20%
Q3	<p>Health and Safety</p> <p>Provide evidence of the contractors approach to Health and Safety during the Construction including how scheme-specific risks have been mitigated adequately.</p>	10%

Wards Affected:

Hanslope Park Ward

ITEM 10**DELEGATED DECISION****7 MAY 2013****AWARD OF CONTRACT FOR HAVERSHAM FLOODSPAN BRIDGES REFURBISHMENT (REF:CU2320)**

Author: Sue Chaundy, Team Leader Bridges. Tel : (01908) 252583,

Lead Officer: Rachael Kingsley, Head of Highways Tel: (01908) 252411

Executive Summary:

This report is seeking approval to award the contract for the essential refurbishment of the eight Haversham Floodspan Bridges on the Haversham to Wolverton Road.

Procurement Committee agreed that the tender could progress on 05/03/2013.

1 Recommendation

1.1 That the Contract for the replacement of the eight Haversham Floodspan Bridges be awarded to Supplier 1 who has scored the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation.

1.2 Context

The contracted works will affect the parish of Haversham cum-Little Linford Parish, in the Hanslope Ward for the duration of the works which will be carried out under temporary lane closures.

2 Background**2.1 Decision to Proceed to Tender**

2.1.1 This procurement was considered by Capital & Procurement Review Panel (C&PRP) on 13/02/2013. This procurement was approved to proceed to Tender by CPC on 05/03/2013.

2.1.2 An open tender was published on the Council's E-Tendering system on 19/03/2013.

2.2 Consultation

2.2.1 The specification for access, traffic management and the works period was developed following consultation with the relevant cabinet member and the following key stakeholders:

- Ward Councillors
- The Parks Trust and private landowners where applicable for access
- Statutory undertakers

2.2.2 The consultation highlighted a number of points which were built into the specification including:

- The works should be carried out under temporary lane closures and not a full road closure.
- The works should be carried out between the late spring and late summer bank holidays.

2.3 Market engagement and lessons learnt

2.3.1 The tender was advertised on the Council's E-Tendering system on 19/03/2013 and 4 tenders were returned on 15/04/2013. Two tender were rejected because they were non-compliant leaving 2 tenders to be reviewed using the MEAT evaluation.

2.3.2 The Tenders were evaluated by a suitably qualified and experienced panel of officers including bridge engineers from Mouchel Infrastructure Services and members of the project team.

2.3.3 A summary of the Risk Assessment is set out in section 4.2. The full risk assessment is available to Members on request.

2.3.4 The MEAT evaluation of tenders was based on 60% price and 40% quality. The evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a break down of the Quality will be in the red paper)

	Quality score	Price score	Total score	Ranking
Supplier 1	28.94	60.00	88.94	1
Supplier 2	28.10	43.52	71.63	2

2.4 Contract Management

2.4.1 The Senior Client Officer for this contract is the Assistant Director of Highways and Transport.

2.4.2 The contract uses the NEC3 Engineering and Construction Contract as approved by the Council's Legal team.

2.4.3 The key governance processes include:

- Site supervision and project management to ensure works are in accordance with the design specification and agreed programme.
- Approval of contractors method statements.

- Weekly site progress reports submitted to MKSP Bridges Team Leader by the project manager highlighting progress, issues and remedies.
- Monthly meetings with the designer, project manager, supervisor and contractor and additional meetings (at a reduced frequency) to address specific or potential issues as they arise.
- Retention – 5% of the price of completed work will be retained from amounts due to the contractor until completion when this figure is reduced to 2.5%. This figure is retained until all defects are rectified.
- Escalation process. – The designers Mouchel escalate to the MKSP Bridges Team Leader who escalates to the MKC Head of Highways Services.

3 Implications

3.1 Policy

3.1.1 The award of this contract will progress the following *priorities/outcomes* within the Corporate Plan 2012-16:

- CP14 – To have an efficient transport and highways infrastructure
- CP15 – To promote sustainable movement through the borough of Milton Keynes

3.1.2 The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

3.2 Resources and Risk

3.2.1 The total value for the project (including amounts spent in prior years) is £529,106.60 of which the resource allocation in 2013/14 is £383k. The costs of the contract are contained within the Capital Bridge Programme for 2013/14.

3.2.2 The key OPPORTUNITY secured by this contract is provision of eight structures that are fit for purpose and the deterioration has been prevented ensuring the structures remain safe for use. It is assessed that the delivery of this contract provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

3.2.3 The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation
Delays to the contract commencement due to tender returns being higher than the available budget	M	Bridges Capital Programme re-phasing as appropriate
Delays to contract commencement due to adverse weather and flooding as the structures cross a flood plain	M	Unavoidable

3.2.4 The governance measures set out in 2.4 above provide a basis to conclude that these threats, properly managed represent a MEDIUM Likelihood or a MEDIUM Impact.

3.3 Resources & Risk Implications

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	N	Asset Management

3.4 Carbon and Energy Management
N/A

3.5 Legal

Under Section 41 of the Highways Act 1980 MKC has a Statutory Duty to maintain the public highway. This embraces the two legal essential functions of 'safe for use' and 'fit for purpose'. Network Management duties under sections 16 and 17 of the Traffic Management Act 2004.

Legal have advised that the NEC 3 contract could be used and said that the Construction Client's Board (formerly Public Sector Construction Clients' Forum) recommends that public sector organisations use the NEC3 contracts when procuring construction. Standardising use of this comprehensive suite of contracts should help to deliver efficiencies across the public sector and promote behaviours in line with the principles of Achieving Excellence in Construction

The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

3.6 Other Implications

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers: Decision to Proceed to Tender 05/03/2013

Wards Affected:

All Wards

AWARD OF CONTRACT FOR THE PROVISION OF SERVICES THAT WILL SUPPORT THE DEVELOPMENT OF THE GOVERNMENT'S TROUBLED FAMILIES PROGRAMME (REF: CU2360)

Author: Peter Wong (Tel: 01908 253218), Head of Service: Amanda Farr (Tel: 01908 253233)

Executive Summary:

This report is seeking approval to award the contract for the provision of services that will support the development of the government's Troubled Families programme (known locally as Strengthening Families). The contract will provide personalised support for those families that meet the eligibility criteria and help scope the further development of services required in the longer term.

It is also proposed that the services be jointly commissioned with the National Probation Services (Thames Valley) who building on a successful pilot had intended to independently commission provision to support individuals currently probation and, where necessary, their families.

The contract term is for one year, starting on 29/07/2013 and expiring on 28/07/2014. The total annual value of this contract is £172,500 with the National Probation Service (Thames Valley) contributing £40,000 and Milton Keynes Council contributing £132,500 from the Troubled Families Programme grant received from central government.

1 Recommendation(s)

- 1.1 That the contract for services that will support the development of the government's Troubled Families programme (known locally as 'Strengthening Families') be awarded to **P3** and that the requirement to conduct a competitive process in line with the Contract Procurement Rules be waived on the grounds that
- owing to the time limited nature of the programme and the associated grant funding received from central government to support the development of designated services there is a need to demonstrate positive outcomes by the end of March 2015.

- market research has shown there is not an established market of providers locally for this sort of service. The scope and speed of delivery required in this circumstance does not allow time to develop providers to tender, and therefore we have sought to identify a provider who has the capacity and experience to meet our short term needs.
- making a short term investment in piloting provision offered by an external supplier with experience of working locally with individuals and their families that meet the eligibility criteria, will help scope the further developments necessary whilst the market for delivery develops

1.2 That the services be jointly commissioned with The National Probation Service (Thames Valley) thereby achieving economies of scale and building capacity for supporting identified individuals and their families in partnership with an organisation that has shared and complimentary objectives.

2 Context

2.1 'Strengthening Families' is Milton Keynes Council's approach to the Coalition Government's Troubled Families programme, announced in December 2011, to help families with a multiplicity of long lasting problems to improve their lives. The programme is led by the Department for Communities and Local Government (DCLG).

2.2 Troubled families are those that often cause problems to the community around them and place high costs on the public purse. The government characterised these families as households that:

- are involved in crime and anti-social behaviour
- have children not in school
- have an adult on out of work benefits

2.3 Through use of their research data, the DCLG identified that Milton Keynes has 425 troubled families who they believe meet the criteria to receive support.

2.4 In addition to the above criteria, the council is entitled to take into account local factors to act as filters alongside the prescribed criteria. In MK, domestic abuse, frequent Police call outs, substance misuse and issues relating to housing have been identified as relevant filters. These have been applied to supplement the criteria in identifying additional families and are taken into consideration where families meet some, but not all of the prescribed criteria

2.5 The three year programme is being run on a payment by results basis. It is judged that intervention with a troubled family will cost the local authority £10,000 of which the DCLG will provide 40% (£4,000) of the funding. The payment by results outcomes are:

- More than 85% attendance in schools and fewer than three exclusions from school
- A 60% reduction in anti-social behaviour across the whole family
- A 33% reduction in youth offending

- Households on the journey back into work

2.6 It has become increasingly evident that in order to achieve the desired outcomes practitioners will need to engage individuals and their families on a more intensive basis than capacity within existing services currently will allow for.

3 Background

3.1 Decision to Proceed to Tender

3.2 Market research has shown there is not an established market of providers for this sort of service. The scope and speed of delivery required in this circumstance does not allow time to develop providers to tender, and therefore we have sought to identify a provider who has the capacity and experience to meet our short term needs.

3.3 Given the time-limited nature of the programme and the payments by results funding regime it is not considered feasible to run an Open Competitive Tendering process.

3.4 The identified provider has considerable experience of delivering highly specialised niche services that require very particular skills sets and expertise as well as considerable local knowledge.

3.5 Under public contract regulation this is a category B, and consequently it is not compulsory for this service to be advertised; however we have to demonstrate that we have acted in a fair, equitable and transparent way. In order to do this officers investigated the market and spoke to other local authorities and government agencies to determine if there were sufficient providers with the capacity to deliver within these demanding timescales.

3.6 Failure to build on the limited capacity that currently exists within the council will jeopardise outcomes for families as well as impact on the potential to recover investment in services from central government through the payments by results funding model.

3.7 Should the contract not be awarded and the council choose instead to proceed to a full competitive procurement process the timescales involved would inevitably reduce the overall impact of the programme and potentially expose the local authority to challenge from government that it is failing to demonstrate sufficient commitment to it.

3.8 The option to develop services in house is considered to be resource intensive and less likely to engage families on a voluntary basis than services provided by a third party voluntary sector organisation. The latter thought likely to be perceived as independent and less stigmatising than council provided services.

3.9 Market engagement and lessons learnt

3.10 Although the market has not been fully tested informal enquiries suggest that there are few if any alternative providers who

- are able to offer the necessary quality and level of expertise
- possess the capacity to mobilise services quickly

- have established local networks
- are already working with partner organisations (National Probation Service) to deliver shared and complimentary objectives

3.11 A recent Children and Young People Select Committee report expressed the view that 'it takes a very skilled professional to take on this level of support'. I went on to conclude that 'there are few workers with this level of skill who are available to be deployed. Most are already in fulltime work. This is further compounded by the time-limited nature of the programme, due to end in March 2015'.

3.12 **P3** have built a strong track record at a national and local level for working with individuals and their families that have complex needs. Having delivered housing support services for MKC up to the end of March 2013 and the continuing services the organisation will provide for The National Probation Service (Thames Valley), P3 have been commended for the effectiveness of the services provided to date and are well placed to mobilise services within a relatively short timescale

3.13 P3 offers successful and lasting routes out of social exclusion and homelessness by operating a variety of services to help to overcome the challenges that the public sector can no longer tackle alone in creating positive outcomes to people at real risk of social exclusion. The organisation is currently working with a number of local authorities to achieve these aims.

4 Contract Management

4.1 The senior client officer for this contract is the commissioning officer for Children and Families Early Help. The contract will adhere to the council's standard terms and conditions as maintained by the council's Legal Services team.

4.2 The key governance processes include

- Performance review frequency: Quarterly
- Performance measurement: Progress against the performance measures will be established through monitoring of data returns produced on a quarterly, six-monthly and annual basis, dependent on the data return requirement
- Retention / Financial payment profile: Payments are monthly in arrears
- Break Clauses: Standard MKC terms and conditions apply
- Escalation process: Issues are escalated initially to the designated MKC Officer and if necessary to the MKC Head of Productivity Early Help
- Savings: The collaboration with The National Probation Service (Thames Valley) will deliver economies of scale resulting in better value for money than would have been achieved otherwise

- Social Value Act: The contract will make a significant contribution to local regeneration, skills & employment

5 Implications

5.1 Policy

5.2 The award of this contract will progress the following priorities/outcomes within the Corporate Plan 2012-16:

5.2.1 Living in MK

All those living in Milton Keynes should enjoy happy and fulfilled lives, and be safe from harm and neglect and achieve their full potential. We aim to have strong communities with a sense of pride. People in urban and rural areas should be satisfied with Milton Keynes as a place to live and be effectively supported through high quality and efficient services, including those they develop and manage themselves.

5.2.2 Working in MK

We also aim to improve the skills and opportunities of all people in Milton Keynes and help them into work in addition to attracting and retaining businesses to provide those

5.2.3 Cleaner, Greener, Safer and Healthier MK

We aim to improve health and well-being, reduce health inequalities and work with partners to reduce crime and disorder to improve the quality of life in Milton Keynes.

5.3 The procurement of this contract requires elected members to waive s20 of the current contract procurement rules for the reasons set out in this report

5.4 Resources and Risk

5.5 The costs of the contract will be met by a grant from central government specifically for the Troubled Families Programme

5.6 Working alongside existing services the commissioned service will increase capacity to provide the necessary support to the families identified and improve outcomes. Based on government calculations this will in turn result in savings to the local authority

5.7 There is a possibility that there may be some organisations that might challenge the decision not to run a competitive tendering process. However, there is no evidence to suggest that there are very many organisations that have the skills, expertise or capacity to mobilise their services quickly and as a result the assessed the risk is low.

5.8 The key opportunity secured by this contract will be a reduction in overall cost to the council by assisting those individuals and their families who meet the criteria to make a more positive contribution to the community and become less

dependent on central and local government services. It is assessed that the delivery of this contract provides a MEDIUM Likelihood that a HIGH Impact will secure the opportunity defined.

5.9 The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation
Few if any suppliers have experience of delivering the outcomes required by the Troubled Families Programme and performance outcomes may prove difficult to achieve	H	M
Failure to award contract would leave the council with insufficient resources to deliver the programme	H	M
Decision not to proceed with open competitive tendering process could be open to challenge	M	L

5.10 The governance measures set out in 4 above provide a basis to conclude that these threats, properly managed represent a MEDIUM Likelihood or a MEDIUM Impact.

5.11 Resources & Risk Implications

N	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

5.12 Carbon and Energy Management

The award of this contract contributes to the reduction in our carbon emissions, reduced usage/costs; improved management/use of energy by locating provider staff in existing council and probation service premises and utilising the existing facilities

5.13 Legal

The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

The contract will be awarded using the Council's standard terms and conditions of contract and will be drafted with support from the Legal services team.

5.14 Other Implications if you say Y then make sure this is addressed in the main body of the report.

Y	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	Y	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers: Troubled Families Programme (DCLG March 2012)

Wards Affected: All Wards

Report Considered by Cabinet Procurement Committee – 2 April 2013

AWARD OF CONTRACT FOR PROVISION OF AN OLDER PEOPLE'S DAY CARE SERVICE

Author: Mick Hancock (Assistant Director Joint Commissioning) Tel: (01908) 257967

Executive Summary:

This contract is for the provision of an older people's day care service to enable the delivery of a buildings based day care service with a combined day opportunity service for older people across the Borough of Milton Keynes.

The intention was to utilise the two day centre buildings owned by Milton Keynes Council in Olney and Bletchley, as well as other community settings, in order to provide a personalised day opportunity service for older people who are eligible for support from the Council.

The service specification sought to deliver the following service outcomes:

1. Contribute to the reduction of social isolation
2. Help older adults to stay healthy, active and independent, contributing to service user wellbeing

The intended contract term was for 3 years, from 2013 to 2016. The annual value of the contract was set at £312,000 per year. In the absence of a suitable tender this report sets out the recommendation to internalise the provision of an older people's day care service.

1 Recommendation(s)

1.1 That the contract for the older people's day care service is not awarded and that the single bid received is rejected. This is due to the submitted tender being in excess of the available budget.

1.2 That the following alternative options are considered:

- a) Discontinue the older people's day care service

Not recommended: The day care service, although not a statutory service, is integral to helping vulnerable older people to remain independent and live at home for as long as possible.

- b) Invest the funding into a different form of day support service such as day opportunities

Not recommended: Day opportunities are valued by some older people but a buildings based service offers those who need it a service for a whole day, including the opportunity to shower and have a hot mid-day meal. A whole day at the centre also offers valuable respite care to help families. Hence a varied approach to day care is required.

- c) Invest more money in the service and accept the bid tendered

Not recommended: The budget advertised is the current amount that the service costs Milton Keynes Council. Combining the two day centres should have offered an opportunity for efficiency savings, not cost significantly more.

- d) Re-tender

Not recommended at this stage: The tender was advertised in line with the criteria agreed at Cabinet Procurement Committee on 3/7/12. Although there were 10 expressions of interest, these were not from organisations experienced in providing a day care service. Following on from the pre-qualification questionnaire stage there was only one tender submitted. The very limited response has led to the conclusion that the market in this area is not a vibrant one. In neighbouring areas, day centres have been developed as social enterprises or returned to council management.

- e) Review the pricing assumptions and specification

Not recommended: A clarification interview with the organisation that tendered indicated that their bid was accurate, apart for some possible efficiency savings regarding the transport element of their bid that the Integrated Passenger Transport Unit (IPTU) had identified.

- f) Provide a Council run day service

Recommended: This would ensure the continuation of an older people's day care service. The service will be structured to provide both buildings based day care and day opportunities. Work has been undertaken to evidence that the service can be provided internally and within the current budget. Additionally, Milton Keynes Council currently owns and maintains both the day centre buildings and pays the transport costs. Existing day centre staff would be subject to TUPE regulations. This option would allow for a period of service consolidation followed by a review of the provision.

2 Background

- 2.1 The Council's Contract Procedure Rules (CPR's) were revised in January 2012. This procurement has applied those requirements.

2.2 Context

Older people's day care services are highly valued by service users, their families and health and social care professionals and they successfully provide a pivotal role in meeting current policy requirements.

The procurement process undertaken was intended to provide a building based service combined with a day opportunity service. The latter would allow for service users to undertake personalised activities that are not traditionally provided for in a day centre e.g. support to take part in hobbies.

A more flexible, personalised service will continue to provide high level services for those with complex needs, while providing more emphasis on well being, greater choice and control for individuals and improved outcomes through self-directed support.

The proposed value of the contract was £312,000 per year. The contract was intended to commence in 2013 and run until 2016.

2.3 Decision to Proceed to Tender

This procurement was approved to proceed to tender by Cabinet Procurement Committee on 3/7/12 and is consistent with Council policy.

2.4 Consultation

2.4.1 The specification and evaluation criteria for this contract were developed following evaluation of a pilot day opportunity service and consultation with the following key stakeholders:

- Current service providers and their clients
- The Adult Social Care Teams
- The Cabinet Member

2.4.2 The consultation and pilot day opportunity service highlighted that the development of a more flexible preventative service was welcomed. This new service will incorporate community based day opportunities alongside traditional day centre support and will help meet the personalisation agenda, providing people with more choice and control over the day, time, level of support and type of social opportunities they receive.

2.5 Market engagement and lessons learnt

2.5.1 Before this tender commenced there was a period of market engagement with the service providers to give advance warning of our requirements to meet the personalisation agenda. A year long pilot day opportunity service was set up to measure the likely demand and cost of our requirement.

2.5.2 The previous contract for the provision of Day services at the Manor Road Day Centre, Bletchley is due to expire on 31/3/13 but through negotiation was extended to 30/06/13.

The previous contract for the provision of Day services at the Kitchener Day Centre, Olney expires 30/06/13.

2.5.3 Transport for the two day centres is currently provided. The IPTU are expected to review transport requirements.

2.5.4 Running the two centres and day opportunity service together was intended provide a more equitable, flexible, personalised, Milton Keynes wide service, which would be better placed to offer service users more choice and control of the support offered.

2.6 Tender Evaluation

2.6.1 The contract was advertised on the Council's E-Tendering system on 21/09/12 and on the Community Care Website directing to In-Tend on 18/09/12. In line with the decision made at Cabinet Procurement Committee on 3/7/12 the service was advertised with two options: to run an integrated service encompassing both day centres; or provide a variant bid to run either day centre as a separate service if there was sufficient interest to cover both centres.

2.6.2 The Tender was evaluated by a suitably qualified and experienced panel of officers including the Adult Social Care Community Team Lead, and two members of the Joint Commissioning Team OP/PD.

2.6.3 The Evaluation criteria and scores for all tenders are attached at the Annex.

2.6.4 The MEAT evaluation of tenders resulted in the following results (note the actual name of the supplier, their pricing and a break down of the Quality will be in the red paper)

Organisation	Quality Score	Price Score	Total Score	Ranking
Organisation AA	26.48	40.00	66.48	1

2.6.5 The evaluation criteria were weighted to ensure that essential quality aspects of the tender were scored accordingly, and minimum scores set.

3 Implications

3.1 Policy

This tender sought to contribute to the delivery of the following vision from the Council's Corporate Plan 2012-2016, that vulnerable and hard to reach citizens of Milton Keynes will have access to all the services they need and have the support to access opportunities and enjoy a healthy and good quality of life. In terms of outcomes, eligible older people in Milton Keynes will be able to:

- achieve their full potential
- experience choice and control
- enjoy personal dignity and respect
- Be safe from harm and neglect
- Enjoy personal dignity and respect

The procurement process has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

3.2 The key OPPORTUNITY secured by the council managing the service as specified for the contract is the continuous provision of a modernised day service for older people that meets the need of the population of Milton Keynes now and in the future. It is assessed that the delivery of this contract provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

In addition, proposed transport arrangements for the re-tendered service will be evaluated by the Integrated Passenger Transport Unit (IPTU) and changes to lease/hire arrangements could deliver further efficiencies.

3.3 The key RISK is that current day centre staff will need to undergo transition to become council employees, which may have some TUPE implications to the council such as pension provision for employees.

3.3

N	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

3.4 Carbon and Energy Management

As set out in the specification, evaluation criteria and risk assessment.

3.5 Legal

There are no council statutory obligations to provide a day service for older people although the National Health Services Act 1977 Section 21, Schedule 8, identifies the power for local authorities to provide and maintain day centres or similar facilities.

This recommendation complies with MKC rules, UK and European legislation.

3.6 Other Implications

Y	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers: Putting People First Concordat (2007): A shared vision and commitment to the transformation of Adult Social Care

Decision to Proceed to Tender 3 July 2012