

Wards Affected:

All

ITEM 10

PROCUREMENT AND COMMISSIONING

7 FEBRUARY 2017

**AWARD OF CONTRACT - NEIGHBOURHOOD EMPLOYMENT PROGRAMME
(REF: CU2557)**

Responsible Cabinet Member: Councillor Long (Cabinet Member for Adult Care and Housing)

Report Sponsor: Kathryn Eames (Head of Regeneration)

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Executive Summary:

This report is seeking approval to award the contract for the provision of the Neighbourhood Employment Programme's (NEP) mainstream job club activity for a period of 3 years. The NEP delivers community based employment support across Milton Keynes with a focus on areas with high unemployment; targeting those with low skills and no skills.

The contract term: 3 years, expiring on 31 March 2020. The total value of the contract is £ 290,656.95 (£96,885.65 pa)

Procurement and Commissioning previously agreed that the tender could progress at its meeting on 1 November 2016.

Councillor Long

Cabinet Member for Adult Care and Housing

1 Recommendation

1.1 That the contract for the delivery of the Neighbourhood Employment Programme mainstream job clubs be awarded to the tenderer who has scored the highest in accordance with the Most Economically Advantageous Tender evaluation.

2 Context

2.1 Milton Keynes Council's (MKC) Neighbourhood Employment Programme (NEP) was established in 2012 as the key tool in responding to socio-economic exclusion in Milton Keynes (MK). It targets areas and groups with high levels of unemployment and deprivation through its 25 community based Job Clubs.

2.2 A particular focus is the long term unemployed, single parents, those in housing need, 50+ year olds and those who experience mental health problems.

2.3 The NEP provides free access to employability support, 1-2-1 advice, vocational training, and support with complex needs and multiple barriers and job search facilities. Since the programme began it has been accessed by over 6,400 people, with over 5,700 being supported into training and over 1,860 into paid employment. This means the NEP is supporting almost 1 in 3 into employment. Furthermore, 58% of jobs are secured by people from the most deprived areas of Milton Keynes and 65% are still off benefits 6 months after starting work.

2.4 These results present significant benefits and value to the local community, economy, Council and state. Based on a yearlong evaluation of the NEP results show that it:

- (a) generated a £3,727,000 saving to the state over that period;
- (b) resulted in an accumulated £2,696,000 of financial income to clients per year; and
- (c) produced an estimated £797,000 increase in social value through improved skills and wellbeing.

The NEP is delivered by both a small staff team and commissioned expert providers.

3 Background

3.1 Decision to Proceed to Tender

This procurement was approved to proceed to Tender by Procurement and Commissioning on 1 November 2016 and is consistent with Council's policy.

3.2 Consultation

The specification and evaluation criteria for this contract were based on procurement carried out in previous years, but includes specific outcomes and targets to ensure the continued success and performance of the programme. Discussion and reflection took place between the Head of Service, NEP Strategic Partnership Manager and Operational Manager before a decision reached.

3.3 Market Engagement and Lessons Learnt

Before tenders were invited there was a period of time to understand the current appetite for this type of contract and the likely cost of our requirement.

The previous contract for the provision of the NEP expired on 31 March 2016 and was worth £93,540 per annum.

Lessons learnt from the previous contract have been built into the new contract, i.e. provision of a daily, centrally located job club and inclusion of quarterly and annual performance targets based on previous year's performance.

The contract has not been awarded to the lowest price tenderer (see section [d] below and the confidential **Annex** for further details).

3.4 Tender Evaluation

The contract was advertised on the Council's E-Tendering system on 16 November 2016 and 4 tenders were returned on 5 December 2016.

The tenders were evaluated by a suitably qualified and experienced panel of officers; Corporate Procurement Manager, NEP Strategic Partnership Manager and the NEP Operational Manager.

The evaluation criteria, scores and prices for all tenders are attached as an **Annex** (exempt Paper) to this report. A summary of the risk assessment is set out in section 4.2 of this report. The full risk assessment is available to Members on request or via direct access into GRACE (the Council's Risk Management System).

Area*	Evaluation Area	Weighting (%)
1	Tender price	50%
2	Provide evidence of how you will provide sustainable, high quality and effective employment support services across multiple sites in line with the specification.	50%

The contract has not been awarded to the lowest priced submission as a result of failure to respond to clarification in relation to the tender price. (please see confidential **Annex** for further details).

3.5 Contract Management

The Senior Client Officer for this contract is the Strategic Partnership Manager. The contract adheres to the Council's standard terms, and conditions as maintained by the Council's Legal Services team.

The key governance processes include:

The Strategic Partnership Manager and NEP Operational Manager hold quarterly performance review meetings with commissioned providers. Any resulting concerns are raised with Head of Service.

Performance is tightly managed by the NEP Operational Manager and measured via ongoing daily data entry (into a central data base) input from commissioned providers in addition to monthly data submissions, operational meetings and quarterly contract performance meetings (see section (i)). The NEP is also recorded on P+.

Public Services (Social Value) Act 2012 - Local regeneration, skills and employment are at the centre of this contract. The Neighbourhood Employment Programme fully complies with the local authorities social value obligations by providing employability support to disadvantaged areas of MK.

4 Implications

4.1 Policy

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

(a) Working in MK.

(b) Living in MK.

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

Resources and Risk {extent of detail here will be dependent on the type of contract being procured}.

The costs of the contract are already contained within the revenue budget for three years.

Delivery of any savings will be monitored by the Strategic Partnership Manager.

The Risk Assessment for this contract identifies – N/A

The key OPPORTUNITY secured by this contract is paid employment for unemployed residents of Milton Keynes. It is assessed that the delivery of this contract provides a HIGH likelihood that a HIGH impact will secure the opportunity defined.

The key THREATS for this contract going forward have been assessed as:

Risk	Likelihood / Impact	Mitigation	Likelihood / Impact after mitigation
Targets set are unachievable due to falling unemployment	Low	Welfare reforms are supporting flows onto the programme	L
Unsuccessful existing, bidder refuses access to their venues which are used for current delivery	Low	Providers will be required to provide alternative venues for community based delivery	L
Challenge of award from disqualified bidder	Medium	Evidence of robustness of procurement process and efforts made to seek clarification in order to properly assess bid	M

The governance measures set out in 3.5 above provide a basis to conclude that these threats, properly managed represent a LOW likelihood or a LOW impact.

4.2 Resources and Risk Implications

	Capital		Revenue		Accommodation
	IT		Medium Term Plan		Asset Management

4.3 Carbon and Energy Management

None.

4.4 Legal

The Council has powers under Section 1 of the Localism Act 2011 (general powers of competence) to provide support to its unemployed residents.

The procurement has been conducted in compliance with the Council's contract procedure rules.

Regulation 69 of the public contracts regulations imposes a duty on the Council to seek clarification from a tenderer to explain the price or costs where the tender appears to be abnormally low in relation to the services and the regulation further permits the authority to reject such a tender where the evidence supplied does not account for the low level price or costs proposed.

The underlying principles of fairness, equality and transparency apply to all procurement processes. To comply with the requirements of fairness to all bidders, the Council should be able to complete its evaluation of tenders in a timely manner and prompt response from bidders is necessary.

4.5 Other Implications

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

The NEP upskills those that are furthest from the job market. The employability support offered provides additional skills and educational attainment enabling disadvantaged, unemployed residents to participate on a more equal basis to secure good and sustainable employment.

Background Papers:

Decision to Proceed to Tender 1 November 2016

[Link to P&C - Invitation to Tender 1 November 2016](#)

Exempt Papers:

Evaluation criteria (**Annex**)