



Democratic Services

Procurement and Commissioning

Tuesday, 07 February 2017

5.35 pm or on conclusion of DELEGATED DECISIONS

Room 2 (Civic Offices)

Marland (Leader of the Council) O'Neill (Deputy Leader)
Gifford Gowans Legg Long Middleton Nolan

If you have any enquires about this agenda please contact:

Clerk Name: Tina Milner

Clerk Telephone: 01908 254737

Clerk Email: tina.milner@milton-keynes.gov.uk

Health and Safety

Please take a few moments to familiarise yourself with the nearest available fire exit, indicated by the fire evacuation signs. In the event of an alarm sounding during the meeting you must evacuate the building immediately and follow all instructions provided by the fire evacuation officer who will identify him/herself should the alarm sound. You will be assisted to the nearest designated assembly point until it is safe to return to the building.

Mobile Phones

Please ensure that your mobile phone is switched to silent or is switched off completely during the meeting.

Agenda

Agendas and reports for the majority of the Council's public meetings can be accessed via the Internet at: <http://milton-keynes.cmis.uk.com/milton-keynes/> Wi Fi access is available in the Council's meeting rooms.

Users of Windows 7 and above can simply click the link to any documents you wish to see. Users of Windows XP will need to right click on the link and select 'open in browser'.

Recording of Meetings

The proceedings at this meeting may be recorded for the purpose of preparing the minutes of the meeting.

In accordance with the Openness of Local Government Bodies Regulations 2014, you can film, photograph, record or use social media at any Council meetings that are open to the public. If you are reporting the proceedings, please respect other members of the public at the meeting who do not want to be filmed. You should also not conduct the reporting so that it disrupts the good order and conduct of the meeting. While you do not need permission, you can contact the Council's staff in advance of the meeting to discuss facilities for reporting the proceedings and a contact is included on the front of the agenda, or you can liaise with staff at the meeting.

Guidance from the Department for Communities and local government can be viewed at the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/343182/140812_Openness_Guide.pdf

Comments, Complaints and Compliments

Milton Keynes Council welcomes comments, complaints and compliments from members of the public in order to make its services as efficient and effective as possible. We would appreciate any suggestions regarding the usefulness of the paperwork for this meeting, or the conduct of the meeting you have attended.

Please e-mail your comments to meetings@milton-keynes.gov.uk

If you require a response please leave contact details, ideally including an e-mail address. A formal complaints / compliments form is available online at <http://www.milton-keynes.gov.uk/complaints/>

A G E N D A

1. **Apologies**
To receive any apologies of absence.

2. **Minutes** 5 - 8
To approve, and the Chair to sign as a correct record, the Minutes of the meeting of Procurement and Commissioning held on 3 January 2017 (Item 2).

3. **Disclosures of Interest**
Councillors 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.

4. **Invitation to Tender - Capital Works for Enhancement of Day Care Services** 9 - 14
To consider Item 4.

5. **Invitation to Tender - Community HIV Prevention and Sexual Health Promotion Service** 15 - 20
To consider Item 5.

6. **Invitation to Tender - Milton Keynes Council Insurance Programme** 21 - 24
To consider Item 6.

7. **Award of Contract - Mechanical and Electrical Services to Northamptonshire County Council** 25 - 28
To consider Item 7.

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 meeting may consider the Annexes to the following reports:

- (a) Award of Contract - Synergy Park Refurbishment of Heating and Domestic Hot Water Systems (Ref: CU2547)
- (b) Award of Contract - Neighbourhood Employment Programme (Ref: CU2557)
- (c) Award of Contract - Furze House and Rivers Community Learning Centre Roof Projects (Ref: CU2550)
- (d) Award of Contract - Heating and Domestic Water Systems Upgrade to Great Linford Primary School and Giffard Park Primary School (Ref: CU2568)
- (e) Award of Contract - Day Nursery Catering Services (Ref: CYP001)

The Proper Officer of the Council has determined that the Annexes should be considered in the absence of the public and press 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.

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 meeting may consider the following items.

- | | | |
|-----|---|---------|
| 9. | Award of Contract - Synergy Park Refurbishment of Heating and Domestic Hot Water Systems | 29 - 34 |
| | To consider Item 9. | |
| 10. | Award of Contract - Neighbourhood Employment Programme | 35 - 40 |
| | To consider Item 10. | |
| 11. | Award of Contract - Furze House and Rivers Community Learning Centre Roof Projects | 41 - 46 |
| | To consider Item 11. | |
| 12. | Award of Contract - Heating and Domestic Water Systems Upgrade at Great Linford Primary School and Giffard Park Primary School | 47 - 52 |
| | To consider Item 12. | |
| 13. | Award of Contract - Day Nursery Catering Services | 53 - 58 |
| | To consider Item 13. | |



Minutes of the meeting of PROCUREMENT AND COMMISSIONING held on TUESDAY 3 JANUARY 2017 at 6.00 pm

Present: Councillor Middleton (Chair)
Councillors Gowans and Nolan

Officers: J Kealey (Head of Legal Services [Procurement, Planning and Property]), D Sharkey (Corporate Director - Place), T Blackburne-Maze (Service Director [Public Realm]), M Hancock (Assistant Director [Joint Commissioning]), M Culley (Corporate Procurement Manager), T Hannam, P Wong (Joint Commissioner), J Johnson (Discretionary Payments Manager) and T Milner (Committee Manager).

Apologies: Councillors, Legg, Long, Marland and O'Neill.

Also Present: Councillors Bint and McDonald

PC52 DISCLOSURE OF INTERESTS

None declared.

PC53 EXTENSION OF CONTRACT - SHORT BREAKS FOR CHILDREN AND YOUNG PEOPLE WITH DISABILITIES AND ADDITIONAL NEEDS (REF: CU2357 - LOTS A, B & C)

The Committee considered extending the contract for Short Breaks for Children and Young People with Disabilities and Additional Needs.

The Committee heard from Councillor Nolan, the responsible Cabinet member for Children and Families, who indicated that the contract extension would also allow an appropriate timescale for a full review of service requirements. Any outcomes from the service review would aid a future tender exercise.

The Committee heard from the Joint Commissioner that the Council recognised the importance of ensuring the continuation of short break provision of services were provided during the summer months, and as a consequence, would not inconvenience parents. Outcomes from an earlier partial review of services would be taken into consideration, in addition to the full review of services being undertaken during the contract extension period.

RESOLVED -

That the contracts for Short Breaks for Children and Young People with Disabilities and Additional Needs be extended for six months

from 1 April 2017 to 30 September 2017, and split into the following Lots:

- (a) Lot A: Universal provision but not including overnight short breaks or provision for children and young people with more complex needs.
- (b) Lot B: The provision of overnight short breaks only.
- (c) Lot C: Provision that specifically meets the needs of children and young people with more complex needs

PC54

EXCLUSION OF PUBLIC AND PRESS

That the public and press be excluded 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 Committee may consider the Annex to the following report:

Award of Contract - Framework for Provision of Household Goods for the Local Welfare Provision Scheme (Ref: CU2536).

PC55

AWARD OF CONTRACT - FRAMEWORK FOR PROVISION OF HOUSEHOLD GOODS FOR THE LOCAL WELFARE PROVISION SCHEME (REF: CU2536)

The Committee considered awarding the contracts for the Framework for the Provision of Household Goods for the Local Welfare Provision Scheme.

The Committee heard from Councillor Middleton, the responsible Cabinet member for Resources and Innovation, who indicated that by using the two Frameworks for Lot 1 - Kitchen Appliances and Lot 3 - Floor Coverings for the Local Welfare Provision Scheme, would result in savings of £16k per annum over the two year period for Lot 1, with Lot 3 being cost neutral to the Council. It was reported that Lot 2 would be tendered at a later date.

The Committee heard from the Discretionary Payments Manager, that Lot 2 - Beds and Mattresses, had not being incorporated as part of the contract due to post tender information advising that providers would not be able to deliver goods and services within the selected timeframes and to the localities required. As a consequence, the tendering of Lot 2 was currently under review, with consideration being given to the various property locations in Milton Keynes and the surrounding areas, whilst taking the opportunity to investigate potential cost savings for the Council.

Councillor Bint commented on the sensible approach of looking at tendering Lot 2 at a later date, and for consideration being given to the geographical area for deliveries.

RESOLVED -

1. That the Single Supplier Framework Contracts for the provision of Kitchen Appliances (Lot 1) and Floor Coverings (Lot 3) for the Local Welfare Provision Scheme and Social Service be awarded to the tenderers who have scored the highest in accordance with the Most Economically Advantageous Tender evaluation.
2. That any recommendation to extend this contract be brought back to this Committee for a decision in sufficient time, to allow a new procurement exercise to take place if the Committee consider it more appropriate.

PC56

URGENT ITEM - CONTRACT FOR THE OPERATION AND MANAGEMENT OF THE MATERIALS RECYCLING FACILITY

The Committee considered the urgent item, Contract for the Operation and Management of the Materials Recycling Facility.

The Committee heard from Councillor Gowans, the responsible Cabinet member for Public Realm, who indicated that there had been some ongoing issues in respect of the contract and that since 2009, much had changed in respect of materials being recycled and contamination rates at the Recycling Facility in Milton Keynes. As a consequence, the Council had reconsidered its position, and would look to re-tender the contract prior to the expiry date of 31 July 2018.

RESOLVED -

1. That the public and press be excluded from the meeting by virtue of Paragraphs 3 (Information Relating to the Financial or Business Affairs of the Authority) and 5 (Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of Part 1 of Schedule 12A of the Local Government Act 1972.
2. That the Settlement proposition be accepted thereby effectively terminating the contract with Viridor (Community Recycling MK) Limited as of 31 July 2018.
3. That approval be given to retender the contract for the 'Operation and Management of the Materials Recycling Facility' with the decision for the most appropriate procurement approach delegated to the Corporate Director - Place in consultation with the Portfolio Holder for Public Realm.
4. That in accordance with Overview and Scrutiny Procedure Rule 16 (j) the call-in period be waived.

THE CHAIR CLOSED THE MEETING AT 6.30 PM

Wards Affected:

Campbell Park and Old Woughton

ITEM 4**PROCUREMENT AND COMMISSIONING****7 FEBRUARY 2017****INVITATION TO TENDER – CAPITAL WORKS FOR ENHANCEMENT OF DAY CARE SERVICES (REF: CU2570)**

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

Sponsor: Mick Hancock (Assistant Director [Joint Commissioning])

Author and Contact: Sarah Bayliss (Project Leader (Capital))
Tel: 01908 252008

Executive Summary:

This report is seeking approval to commence the tender process for the capital works to the Council owned property in Simpson to provide suitable facilities to relocate existing day care services for older people including those with dementia. The estimated project value is £437,000.

1 Recommendation

1.1 That the commencement of a single stage open tender process for the procurement of capital works to create day care facilities for elderly people be approved.

2 Background

2.1 The procurement will facilitate the relocation of two day care services onto one site. The site proposed is a much better location for the service and will enhance the offer to older people. The project will also deliver required savings of £200,000 that was part of the budget saving proposals for 2016/17.

2.2 The Council has a duty to meet assessed social care needs under the Care Act 2014. Day services are a recognised and well-established way of meeting these needs.

2.3 The relocation of services from Cripps Lodge is part of a wider plan to make this site available for potential development to address the housing demand in Milton Keynes.

2.4 This report requests approval to obtain tenders for the capital works to create day care facilities at the Council owned building in Simpson. The estimated project value is £437,000.

2.5 Consultation

(a) The project commissioner and colleagues from Joint Commissioning have been involved in the development of the project and will continue

to be involved throughout its lifecycle to develop a scope of works that best suits the needs of the service whilst keeping the overall costs within budget.

- (b) A planning application will be submitted for the works and for the change of use of the building and pre-application consultation will take place with planning colleagues.
- (c) Prior to tendering, potential tenderers will be advised of this forthcoming tender opportunity via Milton Keynes Council's e-tendering system Intend.

2.6 Specification

- (a) The specification will be developed by technical specialists appointed either via the LGSS Framework for Professional Services for Building Surveying, Principle Designer and Contract Administration or via a quotation process with the support of the Procurement team.
- (a) In terms of Social Value, tenderers will be asked to include in their responses to the Most Economically Advantageous Tender (MEAT) evaluation criteria, their proposals for increasing local spend.

2.7 Evaluation Criteria and Panel

- (a) The MEAT evaluation of the open tenders includes the following tender specific requirements, which are listed below:

| Area | Evaluation Area | Weighting (%) |
|------|-----------------|---------------|
| 1 | Tender Price | 70% |
| 2 | Quality | 30% |

- (b) Open tenders submitted will be evaluated by a panel comprising the Project Leader (Capital) and technical specialist(s) appointed either via LGSS Framework for Professional Services for Building Surveying, Principle Designer and Contract Administration or via a quotation process with the support of the Procurement team. The commissioner of the project will also be invited to evaluate the Quality elements of the tender returns. Colleagues within Finance, Legal and Corporate Procurement will be engaged to support the tender process.

2.8 Contract Terms and Conditions

- (a) Tenders will be sought for a contract period starting in October 2017 and completing in March 2018, excluding the defects liability period, which will continue for 12 months after this. It is anticipated that permission to award the tender will be brought back to Procurement and Commissioning in August 2017.

- (b) It is anticipated that the form of contract to be used for the tender is NEC3 Engineering and Construction Contract Option A: Priced contract with activity schedule. Contract terms will be agreed with Legal prior to tendering.
- (c) Upon approval of the recommendation to award the contracts, the Project Leader will liaise with Legal to have the Terms and Conditions issued to the successful contractor as a formal contract, which will then be executed and stored in the deeds room in accordance with the Council's Constitution.

2.9 Project Management

- (a) The project will be delivered using the methodology contained in the Capital Projects RACI, which aligns with the MK Approach to Project Management.
- (b) The Project Leader (Capital) will be the Lead Client Officer for the procurement of this scheme.
- (c) The management of the contract will be overseen by a Building Surveyor commissioned either via the LGSS Framework for Professional Services for Building Surveying, Principle Designer and Contract Administration or via a quotation process with the support of the Procurement team.
- (d) Issues that cannot be resolved by, or are not within the remit of the Building Surveyor and Project Leader will be escalated to the People Directorate Leadership Team.

3 Alternative Options

3.1 The following options appraisal has been conducted:

- (a) **Do nothing:** this will result in the works not taking place.

Pros:

Capital funding could be reallocated within the capital programme to address other priority issues.

The building could be used for another purpose.

Cons:

If MKC do nothing, the dementia and older people's day services would continue to be delivered from locations that are not suitable and identified service savings to merge the two would not result in year on year savings. Both services currently deliver from shared sites where conflicts with other services arise daily, causing stress and upset to the vulnerable service users. If Redwood remained at Cripps Lodge, the site would not be made available for potential development opportunity to address the housing demand in MK.

- (b) **Restricted Tender:** there is insufficient time in the programme to undertake a Restricted Tender process.
- (c) **Open Tender:** It was agreed by Cabinet in October 2014 that works under £350,000 will be procured via tender to the open market. It is anticipated that the construction value will be approx. £350,000 and the nature of the works is best suited to an open tender process.

4 Implications

4.1 Policy

The award of this contract contributes to the aim in the Corporate Plan 2016/20 to provide a healthy city, to ensure lifelong wellbeing for all and promote prevention, choice and empowerment. This is strongly linked to the adult health and social care priority focussing on promoting independence, prevention, integrated working and dignity through empowering service users and their Carers.

4.2 Resources and Risk

Resource and Spend approval of £10,000 for 16/17 and £427,182.92 for 2017/18 will be requested at Cabinet on 7 February 2017. This budget is funded by Tariff and Section 106 monies.

The budget cost includes the works, professional fees, surveys and a project contingency.

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 enhance the delivery of vital day care services for elderly and dementia sufferers by combining two existing day centres and re-locating them to the Simpson site (currently known as MK Music Service). This project will deliver a required saving of £200,000 that was part of the budget saving proposals for 2016/17. It is assessed that the delivery of this contract provides a HIGH Likelihood that will secure the opportunity defined providing Milton Keynes Council with a HIGH positive Impact.

The key THREATS for this contract have been assessed as:

| Risk | Likelihood | Mitigation | Impact after Mitigation |
|-----------------------|------------|--|-------------------------|
| No tenders received | Low | Potential tenderers will be advised of this forthcoming tender opportunity via Milton Keynes Council's e-tendering system Intend. The tender documents will be kept as simple as possible for ease of reading, completion and submission. | Medium |
| Cost or time overruns | Low | The project is being tendered with sufficient time to enable the successful contractor to fully resource projects to deliver to the required budgets and programmes. | Medium |

| Risk | Likelihood | Mitigation | Impact after Mitigation |
|---------------------------------|------------|--|-------------------------|
| End User not engaged in process | Low | The commissioner and colleagues in Joint Commissioning are already committed to working with the Capital Development team in the delivery of the project and the Project Leader will promote effective communication amongst the project team. | Medium |

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

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

4.3 Carbon and Energy Management

The MEAT document for the open tenders is to include criteria to evaluate the contractors' environmental consideration and to confirm their compliance with the relevant environmental legislation.

4.4 Legal

The Council has a duty to meet assessed social care needs under the Care Act 2014. Day services are a recognised, well established and popular way of meeting these needs for some older people and their Carers.

This procurement will be carried out in compliance with the Council's Constitution and UK and EU legislation.

4.5 Other Implications

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

Background Papers:

START Project Documentation

Wards Affected:

'All Wards'

ITEM 5

PROCUREMENT AND COMMISSIONING

7 FEBRUARY 2017

INVITATION TO TENDER - COMMUNITY HIV PREVENTION AND SEXUAL HEALTH PROMOTION SERVICE PH0140

Responsible Cabinet Member: Councillor O'Neill (Cabinet member for Healthier and Stronger Communities)

Report Sponsor: Muriel Scott (Director of Public Health)

Author and contact: Cass Knight (Public Health Principal - Sexual Health)
Tel: 01908 254286

Executive Summary:

This report is seeking approval to commence the tender process for a Community HIV Prevention and Sexual Health Promotion Service, for a three (3) year contract, with the possibility of extension for two (2) years, subject to satisfactory performance and mutual agreement. The estimated budget for the contract will be in the region of £100,000 per annum.

The current contract is expiring on 30 September 2017. The new contract will be for a service that targets sexual health promotion, HIV prevention and HIV testing for all residents at increased risk of acquiring HIV, including Men who have Sex with Men (MSM) some disproportionately affected Black and Minority Ethnic Groups (BME), Sex Workers and People who Inject Drugs (PWID).

1. Recommendation(s)

1.1 That the commencement of an open tender process for the procurement of a Community HIV Prevention and Sexual Health Promotion Service be approved.

2. Background

2.1 The procurement of a Community HIV Prevention and Sexual Health Promotion Service is required in order to meet Milton Keynes Council's Public Health responsibility for commissioning sexual health services.

This report requests approval to obtain tenders for the provision of a Community HIV Prevention and Sexual Health Promotion Service.

2.2 Consultation

Initial consultation was via the Public Health Senior Management Team. The specification will be developed in partnership with the relevant Cabinet Member and the following key stakeholders: service users, members of the Milton Keynes Sexual Health Strategy Group which includes all relevant local providers and regional facilitators.

- (a) A review of the current contract identified the following:
 - (i) Lessons learned – The current contract has not focussed on HIV prevention or testing and has prioritised only some of the ‘at risk’ groups. In addition the focus was on support for HIV positive people and their families rather than prevention. This has been addressed and rectified in the new specification.
 - (ii) Areas of change / improvement needed - As HIV is now a manageable long term condition and given improvements in HIV treatment, it is felt that a shift towards self-management is more appropriate. The need to engage in HIV Prevention, Sexual Health Promotion and Community HIV testing for ‘high risk’ groups is more in line with current guidelines.

2.3 Specification

- (a) The procurement seeks to deliver the following service objectives:

To ensure that HIV prevention services in Milton Keynes achieve commissioned outcomes, with provision delivered in accordance with the most current need, standards and guidelines:

- (i) To Increase the knowledge and understanding about STI’s, HIV infection and transmission.
 - (ii) To provide a service that is acceptable and accessible to sub populations who are disproportionately affected by HIV infection. This will be based on up to date sexual health needs assessment.
 - (iii) To prioritise prevention, tackle stigma and discrimination and reduce inequalities for people affected by HIV.
 - (iv) To promote rapid and easy access to prevention, detection and treatment services for those affected by HIV and to reduce prevalence, late diagnosis and onward transmission.
 - (v) To increase the uptake of HIV testing amongst those more at risk of HIV and provide rapid referral to HIV care services following positive diagnosis.
 - (vi) To ensure quality data collection, robust reporting and clinical governance.
 - (vii) To provide opportunities for HIV positive people to manage their own physical, psychological health and their emotional and social wellbeing, either independently or with support.
- (b) Social Value - officers have considered whether this procurement can deliver any element of Social Value and have decided that the following requirements can be built into the Specification / MEAT Criteria

2.4 Evaluation Criteria and Panel

The MEAT evaluation of the tender includes the following tender specific requirements, which are listed below:

| Area* | Evaluation Area | Weighting (%) |
|-------|--|---------------|
| 1 | <i>Tender Price</i> | 40% |
| 2 | <i>Service Delivery: including details of the proposed service and how the organisation will deliver an outcomes focussed service which aims to improve sexual health and reduce inequalities</i> | 25% |
| 3 | <i>Expertise, experience and governance, including skills and knowledge around HIV prevention and sexual health promotion, including staff training and compliance with National and local protocols</i> | 20% |
| 4 | <i>Service user involvement: including how the service meaningfully involves service e users in the development and delivery of its services</i> | 5% |
| 5 | <i>Social Value: including how the service will deliver improvements to the social wellbeing of the Milton Keynes Community</i> | 5% |
| 6. | <i>Equalities and diversity: including how the service will engage with hard to reach and disproportionately affected groups in the population</i> | 5% |

Managers from both Milton Keynes and colleagues within Finance and Legal and Procurement will be engaged to support the tender process.

2.5 Contract Terms and Conditions

- (a) Tenders will be sought for a contract period starting on 1 October 2017 and ending on 31 September 2020.
- (b) The contract will provide for an optional extension of two years.
- (c) The Council's standard Terms and Conditions for contract for Services are to be used. Upon approval of this recommendation 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.
- (d) 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.

2.6 Project Management

Regular project management meetings will take place throughout this process

- (a) The Council's Project Manager for the procurement is The Public Health principal – Sexual health.
- (b) The Council's Senior Client Officer for the procurement is The Director of Public Health and for the management of the contract is Cass Knight

3. **Alternative Options**

HIV prevalence rates in Milton Keynes are high, at 2.97 per 1,000 () 15-59 year olds receiving an HIV diagnosis. A major challenge for Milton Keynes remains the timely diagnosis of HIV infection in order to commence Anti-Retroviral Therapy (ART) and prevent onwards transmission of infection.

3.1 The following options appraisal has been conducted:

- (a) Do nothing: This was not considered a feasible option as the contract will come to an end in September 2017 having already been extended for a further year
- (b) Open (single stage): This was considered the most appropriate option.
- (c) Restricted (two stages): This was not considered necessary due to the limited number of providers available to provide this service.
- (d) Extend current contract: The lack of HIV prevention, testing and engaging with all 'at risk' groups will limit the work to just a small number of communities. Please see item 2.3 (b).

4. **Implications**

4.1 Policy

The award of this contract will progress the following priorities/outcomes within the following Corporate Planning documents;

The Joint Health and Wellbeing Strategy 2012 – 15 approved by the Health & Wellbeing Board, outlines Milton Keynes' Strategic Priorities and Key Principles.

“Working in partnership, we will improve both the health and wellbeing of individuals and communities across Milton Keynes”

Drawing from the Joint Strategic Needs Assessment 2011/20121(JSNA), Social Atlas

2011, the Milton Keynes Child Poverty Commission Report 2012 and the Director of Public Health Annual Report 20102(DPHAR), we have identified three key strategic priorities to focus on during the period 2012 /15.

- (a) to Improve Wellbeing;
- (b) to Reduce Early Deaths and Tackle Major Diseases; and
- (c) to Reduce Health Inequalities.

The procurement also seeks to implement / apply the Council’s Sexual Health Strategy 2014 -2017.

- (a) to focus resources towards the prevention of sexual ill health; and
- (b) to target work towards groups known to have a higher risk of poor sexual health and face stigma and discrimination, which can influence their ability to access services

The tender seeks to implement the principles adopted by each of these policies/strategies in respect of this service.

4.2 Resources and Risk

The costs of this contract are met from the Public Health Service Budget.

The costs identified within this exercise can be contained within the agreed budget. The estimated budget for this will be in the region of £100,000 per annum. This is £30,000 less than in the current contract due to a change of emphasis from support to prevention as per changes in government guidelines, and the reduced need for large premises.

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

- (a) The key opportunity secured by this contract is a reduction in late HIV diagnosis and a more targeted approach towards HIV prevention aimed at high risk groups. Reducing the social care elements of this contract will allow us to save money. It is assessed that the delivery of this contract provides low likelihood that will secure the opportunity defined providing the Council with a high positive Impact.
- (b) The key threats for this contract have been assessed as:

| Risk | Likelihood | Mitigation | Impact after mitigation |
|---|-------------------|---|---|
| Current service users may lack the current level of group support | L | Self-management will be encouraged with pathways in place for referral to other organisations as needed | Clients will self-manage their condition but can also access support from other organisations |

The governance measures set out in 2.8 above provide a basis to conclude that these threats, properly managed represent a LOW likelihood with a LOW Impact.

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

4.3 Carbon and Energy Management

None

4.4 Legal

Section 12 of the Social Care Act 2012 amended the NHS Act 2006 and created new public health duties for local authorities. Section 2B of the NHS Act 2006 requires the Council to take appropriate steps to improve the health of the population in its area.

This report seeks approval for the commencement of a tender process that will contribute to the improvement of health of people within Milton Keynes through prevention of HIV infection.

The services fall under the Light Touch Regime (LTR) services as specified under the Public Contracts Regulations 2015. The estimated value of the contract over term (including extension) is £500,000 which is below the LTR threshold for advertisement in the Official Journal of European Union. However, the Council must satisfy itself that there is no concrete indication of cross boarder interest in the services. Where there is cross boarder interest then there will be a requirement to publish the tender to the European Market. The principles of fairness, transparency and equality in relation to bidders must be adhered to in the procurement exercise. Additionally, even where there is no requirement to advertise in the European Union due to the estimated value being under threshold, some of the Lord Young reforms which are enshrined in Chapter 8 of the public contracts regulations 2015 such publication of the opportunity in the contracts finder apply to the procurement.

The tender must also comply with the Council's contract procedure rules. In particular, the proposed price element of the tender is 40% which meets the requirements of the Council's contract procedure rules.

4.5 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:

Service specification available

Wards Affected:

All

ITEM 6

PROCUREMENT AND COMMISSIONING

7 FEBRUARY 2017

INVITATION TO TENDER - MILTON KEYNES COUNCIL INSURANCE PROGRAMME (REF: CU2579)

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Innovation)

Report Sponsor: Nicole Jones (Corporate Director - Resources)

Author and Contact: Mark Greenall (LGSS Insurance Manager)
Tel: 01223 699112

Executive Summary:

This report is seeking approval to commence the tender process for the provision of insurance protection for the Council. The proposed insurance contracts will be let for 3 years with the opportunity to extend annually for a further two years. The tender is to be run in collaboration with Northamptonshire and Cambridgeshire County Council's and Northampton Borough Council.

1 Recommendation

1.1 That approval be given to the commencement of the tender process via the OJEU open procedure for the procurement of the Council's insurance arrangements.

2 Background

Consultation

2.1 LGSS has undertaken pre tender market consultation meetings with potential tenderers to ensure that markets are aware of the scale and timing of the tender exercise

2.2 By undertaking a joint procurement exercise it is expected that all Council's will obtain benefits due to reduced administration both internally and with insurance providers.

Specification

2.3 The specification for the insurance programme will be determined via a review of the existing programme.

2.4 The specification can be summarised as:

- (a) Casualty Insurance Policy - public and employers liability.
- (b) Material Damage Policy - buildings and assets.
- (c) Motor Insurance - compulsory insurance protection.
- (d) Fidelity Guarantee/Crime Policy - employee theft insurance.

- (e) Other ancillary covers - including but not limited to personal accident, computer, engineering.

2.5 The tenders will be evaluated on the basis of the following criteria:

| Area | Evaluation Area | Weighting (%) |
|------|---|---------------|
| 1 | Tender Price: | 40 |
| 2 | Quality: comprising of; Programme Policy Coverage Claims Handling Weighting to be determined according to the demands and needs of each Lot | 60 |

2.6 Tenders submitted will be evaluated by a panel comprising LGSS Insurance representatives and the LGSS appointed insurance broker (Arthur J Gallagher) with support from procurement colleagues. The tender will be run via LGSS E-tendering portal Due North. InTend may also be used to notify and sign post the tender to market.

2.7 The procurement process is being managed by Cambridgeshire County Council on behalf of LGSS partner and client Council's who are included in the tender process, for avoidance of doubt the insurance programmes for the following organisations are being tendered:

- (a) Milton Keynes Council
- (b) Cambridgeshire County Council
- (c) Northamptonshire County Council
- (d) Northampton Borough Council
- (e) Northampton Partnership Homes

Contract Terms and Conditions

2.8 Tenders will be sought for contract periods starting from October 2017 and completing in September 2020, with the option to be extended for 12 months for a maximum of two years. The ultimate contract expiration date will be September 2022

3 Alternative Options

3.1 The following options appraisal has been conducted:

- (a) **Do nothing, i.e.** Cease to purchase insurance - not an option - the Council is required to hold certain classes of insurance and it is

financially prudent for risks such as property and liability to be subject to some form of financial risk protection.

- (b) **Deliver the requirement internally (in-source)** - the Council already holds a large self insured retention on its insurance programme, LGSS are reviewing this to ensure that the Council has the most financially appropriate blend of self and externally insured risks.
- (c) **Extend current contract** - not deemed appropriate, due to LGSS tendering the insurances for other partner and client Council's there are procurement and market advantages to procuring now, also the existing contract of insurances are subject to long term agreements that expire in 2017.

4 Implications

4.1 Policy

The award of this contract contributes to the delivery of the Council's Corporate Plan 2016-2020 through mitigating corporate spend on insurance protections.

4.2 Resources and Risk

The key risks for this contract have been assessed as:

| Risk | Likelihood/Impact | Mitigation | Likelihood/Impact after Mitigation |
|------------------------|-------------------|--|------------------------------------|
| No tenders received | Low/Medium | A market engagement exercise has been undertaken and we continue to work with brokers to explore methods to make the contract attractive to a larger volume of suppliers in what is a restricted market. | Low/Low |
| Premium costs increase | Medium/Medium | The local authority insurance market is showing a trend toward increasing premiums, insurers are being selective with regard to the risks they underwrite, as a result we are looking at how and what Milton Keynes insures to ensure that the offering is as attractive as possible to providers at favourable rates. | Medium/Low |

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

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

4.3 Carbon and Energy Management

This section is not applicable to this procurement

4.4 Legal

This procurement will be carried out in compliance with the Council's Constitution, Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4.5 Other Implications

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

Background Papers:

START Project Documentation

Wards Affected:

All

ITEM 7

PROCUREMENT AND COMMISSIONING

7 FEBRUARY 2017

INVITATION TO TENDER - MECHANICAL AND ELECTRICAL SERVICES TO NORTHAMPTONSHIRE COUNTY COUNCIL (REF: LGSS FRAMEWORK)

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Innovation)

Report Sponsor: Yvonne Mullens (Facilities Services Manager)

Author and contact: Tracey Plant (Procurement and Contracts Manager)
Tel: 01908 253308

Executive Summary:

This report is seeking approval to use the Local Government Shared Services (LGSS) Framework for the Mechanical and Electrical (M&E) Services to Northamptonshire County Council. This framework is available to MKC to utilise as a partner of LGSS and will enable / support the delivery of Mechanical and Electrical Services to the portfolio of buildings belonging to MKC.

The contract term:

- is for 3 years, expiring on 12 August 2018. The annual value of this contract is estimated to be approximately £160,000. This estimation is based on expenditure over the last year and whilst it is expected that this will be lower in the future due to compliancy being brought up to date, it is not possible to estimate unforeseen breakdowns and repairs.
- and can, if necessary be extended until 12 August 2019.

1. Recommendation(s)

- 1.1 That the Council approves the use of the Local Government Shared Services framework, that allows the Council to engage with the contractor appointed under the Local Government Shared Services managed procurement process.

2. Context

- 2.1 The contracted works / services will affect the whole council, across the portfolio of approximately 95 buildings (MKC reserves the right to add or delete parts or entire properties within the portfolio and will not guarantee the value or volume of orders) within SMART Property FM. The specific service delivery elements will include:

- (a) Electrical Reactive and Planned Works (breakdowns and compliancy etc.)
- (b) Gas/Plumbing Reactive and Planned works (breakdowns and compliancy etc.)

- (c) Emergency Light Testing and Repair (Compliance and breakdown / failures).
- (d) Portable Appliance Testing (Compliance).
- (e) Air Conditioning Service and Repair.
- (f) Lifts Service and Repair.

3. **Background**

- 3.1 The Council owns or has corporate landlord responsibility for a large number of premises. These facilities were managed by a wide range of services who occupy the buildings. As a result, some staff that were assigned a property management role did not have the required skills, knowledge or experience to ensure that this responsibility was properly discharged. Furthermore, a Property Management sample check of the property stock revealed a significant shortfall in statutory compliance that needed to be addressed. The skill and information gaps resulted in the setting up of the SMART project. Maintenance Programmes have been developed to identify where the councils property assets need to be maintained at a level that preserves the assets and meets the council's statutory duties. Several smaller contracts were put in place to deal with this in the short term whilst detailed maintenance programmes continue to be developed with a sound overall methodology.
- 3.2 Data captured to date shows that good progress is being made, with the 2016/17 budget year being used to benchmark requirements and associated budgets. Most budgets have centralised with some minor responsibilities being held locally by the occupier. Use of this framework will allow the flexibility to determine the specific requirement at the call off stage and the leverage/economies of scale through aggregation – coverage of all services at predetermined prices with terms and conditions agreed.
- 3.3 The Framework Tender Evaluation has been carried out by Northamptonshire County Council
- (a) The Tenders were evaluated by a suitably qualified and experienced panel of officers.
 - (b) LGSS undertook a fully competent and compliant procurement process to appoint an appropriate supplier that is technically competent, financially sound and perceived as best for the task.
- 3.4 **Contract Management**
- (a) The Senior Client Officer for this contract is Facilities Management Services Procurement and Contracts Manager. The contract adheres to the Council's Framework conditions as maintained by the Council's Legal Services team.
 - (b) The key governance processes include:

- (i) A clear communication and reporting plan with regular monthly meetings with a view to reduce to quarterly when the standard of services are deemed to be satisfactory.
- (ii) The contract allows for an escalation process to the provider with contacts being provided via a hierarchy structure.
- (c) Review frequency
 - (i) Performance measurement (including key contract performance measures) - KPI's will be agreed and reviewed on a monthly basis via an electronic reporting system.

4. Implications

4.1 Policy

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

- (a) Cleaner, greener, safer, healthier MK. The council has a duty to safeguard all service users, visitors and staff to our buildings.
- (b) The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4.2 Resources and Risk

- (a) A revenue budget has been allocated to cover expenditure within the SMART project.
- (b) It is difficult to quantify what savings will be delivered at this time, but long term consolidation of the smaller contracts under one supplier should lead to efficiencies and better management of assets moving forward
- (c) The Risk Assessment for this contract is available if requested or directly via Members access to GRACE.
- (d) The key OPPORTUNITIES secured by this contract are:
 - (i) Using the framework will negate the need undertake a new procurement therefore ensuring that a compliant contract is implemented straight away.
 - (ii) Time and resources will be reduced through fewer quotations needing to be obtained for ad hoc reactive works.
 - (iii) Using one supplier for all services should lead to efficiencies and better management of assets moving forward.

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

| Risk | Likelihood / Impact | Mitigation | Likelihood / Impact after mitigation |
|--|----------------------------|--|---|
| Failure of essential building services which will result in failure of the service | M | Have in place a robust contract in which priority response will be assigned according to nature of fault | L |

The governance measures set out in 3.4 above provide a basis to conclude that these threats, properly managed represent a LOW likelihood or a LOW impact.

4.3 Resources and Risk Implications

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

4.4 Carbon and Energy Management

The continued use of this framework will contribute to the reduction in carbon footprint and reduce costs for MKC through the greater efficiency of maintained systems.

4.5 Legal

- (a) The LGSS contract and its procurement are compliant with the council's contract and finance procedure rules, and UK and European legislation.
- (b) The Council's Constitution requires that Procurement and Commissioning approve use of frameworks for all works/services with estimated value of over £100k. This report seeks approval to commence use of this framework in line with the Councils constitutional requirements.

4.6 Other Implications

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

Background Papers:

None

Wards Affected:

Woughton and Fishermead

ITEM 9**PROCUREMENT AND COMMISSIONING****7 FEBRUARY 2017****AWARD OF CONTRACT - SYNERGY PARK REFURBISHMENT OF HEATING AND DOMESTIC HOT WATER SYSTEMS (REF: CU2547)**

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Innovation)

Report Sponsor: Sean Rooney (Head of Highways)
Yvonne Mullens (Facilities Services Manager)

Author and contact: David Fearn (Mechanical and Electrical Engineer)
Tel: 01908 252737
Pralene Peterson (Public Access Governance Manager) Tel: 01908 252373

Executive Summary:

This report is seeking approval to award the contract for the enhancement of the buildings boilers, calorifiers (hot water vessel) and introducing heating management systems. In addition enhancement to the heating distribution systems and radiators complete with independent thermostatic valve controls. The enhancement works will ensure that there is capacity to provide heating for any proposed accommodation expansion projects in the future. This is as a result of the existing heating systems being condemned and decommissioned. The project will support the delivery of an energy efficient system.

The contract term is for the installation period. The value of this contract is £180785.69.

Procurement and Commissioning previously agreed that the tender could progress at its meeting on 5 July 2016 (Minute PC005 refers).

1. Recommendation(s)

- 1.1 That the contract for the Heating and Domestic Hot Water System be awarded to the bidder who has scored the highest in accordance with the Most Economically Advantageous Tender evaluation.

2. Context

- 2.1 The contracted works / services / supplies will affect the staff at Synergy Park when the installation of the systems are carried out. All works will fully comply with CDM 2015 to ensure the wellbeing of the staff.

3. Background

- 3.1 Decision to Proceed to Tender

This procurement was considered at officer level by the Capital and Programme Review Panel on 25 May 2016. This procurement was approved

to proceed to Tender by Procurement & Commissioning on 5 July 2016 and is consistent with Council's policy for Imagine MK2050 Strategy (Low Carbon Living Strategy) approved by Cabinet on 21 October 2014.

3.2 Consultation

- (a) The specification and evaluation criteria for this contract were developed following consultation with the following key stakeholders:

The Cabinet Member of Resources and Innovation has been consulted, along with the Council's Head of Highways and the Council's Facilities Management team.

3.3 Tender Evaluation

- (a) The contract was advertised on the Council's E-Tendering system on 26 September 2016 and 12 tenders were returned on 24 October 2016.
- (b) The Tenders were evaluated by a suitably qualified and experienced panel of officers including FM Building Services Engineer and Mechanical Consultant. The Moderation element was carried out by a member of the Procurement Team.
- (c) 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 | Price | 70% |
| 2 | Quality Health and Safety Programming | 30% |

- (d) The MEAT evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a breakdown of the Quality will be detailed in the exempt **Annex** to this report).

| | Total Score | Position |
|-----------|-------------|----------|
| Company A | 77.5 | 7 |
| Company B | 79.5 | 6 |
| Company C | 76.3 | 8 |
| Company D | 73.4 | 10 |

| | Total Score | Position |
|-----------|--------------------|-----------------|
| Company E | 88.7 | 4 |
| Company F | 90.0 | 3 |
| Company G | 71.2 | 11 |
| Company H | 57.4 | 12 |
| Company I | 91.9 | 1 |
| Company J | 90.4 | 2 |
| Company K | 87.2 | 5 |
| Company L | 75.0 | 9 |

- (e) Company I scored the highest and their quality evaluation met the requirements to a high standard.
- (f) Public Services (Social Value) Act 2012 was not considered as part of this tender due to the nature and duration of the works.

3.4 Contract Management

- (a) The Council's Project Manager is the Facilities Technical Officer.
- (b) The contract will adhere to JCT Minor Works Building Contract with Contractor's Design, 2011 Edition.
- (c) The key governance processes include:
 - (i) Performance and review meetings will occur once the contract has been awarded in line with the project delivery timetable.
 - (ii) The contract includes a 5% retention, half of which is released to the Contractor on practical completion, with the other half being released at the end of the defects liability period.

4. Implications

4.1 Policy

The procurement seeks to implement the council's policy for Imagine MK2050 Strategy (Low Carbon Living Strategy) approved by Cabinet on 21 October 2014.

The award of this contract will progress the following priorities/outcomes within the Corporate Plan 2012/16 - Cleaner, greener, safer and healthier MK.

- (a) Clean and high quality buildings.
- (b) MKC is committed to the implementation of a low carbon agenda.

4.2 Resources and Risk

- (a) Resource Allocation and spend approval of £300k for these works were approved as part of the 16/17 capital programme.
- (b) The Risk Assessment for this contract is available if requested or directly via Members access to GRACE.
- (c) The key OPPORTUNITY secured by this contract is to renew the complete heating and cold water boiler systems, pipe work, radiators and controls whilst giving MKC lower utility expenses and reducing the Councils carbon footprint. It is assessed that the delivery of this contract provides a HIGH likelihood that will secure the opportunity defined providing MKC with a MEDIUM Impact will secure the opportunity defined.
- (d) The key THREATS for this contract going forward have been assessed as:

| Risk | Likelihood/Impact | Mitigation | Likelihood/Impact after mitigation |
|--|--------------------------|---|---|
| Delivery of service being interrupted. | Medium/High | Ensure that the existing air conditioning cassettes are fully maintained. | Medium |

The governance measures set out in 3.4 above provide a basis to conclude that these threats, properly managed represent a MEDIUM / HIGH likelihood or a MEDIUM impact.

4.3 Resources and Risk Implications

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

4.4 Carbon and Energy Management

The completion of this project will contribute to the reduction in carbon emissions and reduce costs for MKC through the greater efficiency of the new heating systems.

4.5 Legal

- (a) The contract and its procurement are compliant with the council's contract and finance procedure rules, and UK and European legislation.

- (b) The Council's Constitution requires that Procurement and Commissioning approved commencement of tenders for all contracts with estimated value of over £100k and also that such contracts are advertised via the Council's Intend system. This report seeks approval to commence tender in line with the Councils constitutional requirements.

4.6 Other Implications

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

Sustainability:

The nature of the contract provides a sustainable solution.

Background Papers: Decision to Proceed to Tender 5 July 2016

[Link to P&C Report - Invitation to Tender on 5 July 2016](#)

Exempt Papers: Evaluation criteria (**Annex**)

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)

Author and contact: Diane Jeavons (Strategic Partnership Manager)
Tel: 01908 253224

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**)

Wards Affected:

Bletchley West

ITEM 11

PROCUREMENT AND COMMISSIONING

7 FEBRUARY 2017

AWARD OF CONTRACT - FURZE HOUSE AND RIVERS COMMUNITY LEARNING CENTRE ROOF PROJECTS (REF: CU2550)

Responsible Cabinet Member: Councillor Middleton, Cabinet Member for Resources and Innovation

Report Sponsor: Kamran Rashid – Capital Programme Director, Resources

Author and Contact: Jill Dewick, Project Leader (Capital),
Tel: 01908 253621

Executive Summary

This report is seeking approval to award the contract to replace the roof at Furze House, Furzton and Rivers Community Learning Centre (CLC), Bletchley. Procurement and Commissioning previously agreed that the tender could progress at its meeting on 20 September 2016 (Minute PC018 refers).

Tenders were invited from the open market using the Council's E-Tendering system as three lots, Lot 1 one Rivers Community Learning Centre, Lot 2 Furze House and Lot 3 both projects. The projects were tendered as three lots to ensure that the council achieves best value.

1. Recommendation(s)

- 1.1 That Lot 1, Contract for the Roof replacements at Rivers Community Learning Centre, be awarded to the tenderer who has scored the highest in accordance with the Most Economically Advantageous Tender evaluation.
- 1.2 That Lot 2, Contract for the Roof replacements at Furze House, be awarded to the tenderer who has scored the highest in accordance with the Most Economically Advantageous Tender evaluation.
- 1.3 That any recommendation to extend these contracts be brought back to this Committee for a decision in sufficient time, to allow a new procurement exercise to take place if the Committee consider it more appropriate.

2. Context-

- 2.1 The contracted works will address the priorities for roof works that were identified in the condition surveys undertaken in 2015. This was part of the SMART Project which proposed to bring all MKC facilities up to acceptable standards and carry out essential repairs and maintenance

3. Background

- 3.1 This procurement was approved to proceed to Tender by Procurement & Commissioning on 20 September 2016.

3.2 Consultation

- (a) The specification and evaluation criteria for this contract were developed following consultation with the Managers at both sites.
- (b) The consultation highlighted that the need for programming not to affect the work at both centres so that they can remain operational during the works. At Furze House the need for minimum disruption to the young residents is required and this was built into the evaluation criteria and phased programming.

3.3 Market Engagement and Lessons Learnt

Potential tenderers were advised of the forthcoming tender via Milton Keynes Council's e-tendering system Intend.

3.4 Tender Evaluation

- (a) The contract was advertised on the Council's E-Tendering system on 18 November 2016 and 5 tenders were returned on 15 December 2016
- (b) The Tenders were evaluated by a suitably qualified and experienced panel of officers including Capital Development's Project Leader and Project Support Co-ordinator and external Technical Advisor. A Procurement moderation meeting was held on 5th January 2017.
- (c) 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.
- (d) The MEAT evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a breakdown of the Quality will be detailed in the exempt **Annex** to this report).
- (e) The results of the evaluations showed best value to be achieved with two separate lots.

Lot 1 – Rivers CLC

| | Total score | Position |
|-----------|-------------|----------|
| Company A | 95.1 | 1 |
| Company B | 81.7 | 3 |
| Company C | 85.0 | 2 |

Lot 2 – Furze House

| | Total score | Position |
|-----------|-------------|----------|
| Company A | 81.9 | 3 |
| Company B | 96.4 | 1 |
| Company C | 88.2 | 2 |

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

| | | |
|---|--|-----|
| 1 | Tender Price | 60% |
| 2 | <p>Quality (The quality criteria comprises of the questions listed below, their weighting totalling 100%)</p> <p>Functional and Technical Compliance 45%</p> <p>Programme and Supervision 45%</p> <p>Environmental 10%</p> | 40% |

- (g) References were asked for on both projects with a pass or fail criteria. All companies passed on this question.
- (h) A recent certificate of competence to install flat roofs was asked for on the Lot 1 (Rivers CLC) project. All companies passed on this question.
- (i) There was a minimum quality score to question 1 on Lot 2. One company did not meet with this criteria and was therefore excluded from the pricing evaluation.
- (j) Public Services (Social Value) Act 2012. This was considered prior to tender. The decision not to include SV in these projects was because it was not proportionate to the requirement. This was agreed within the P&C report in September 2016.
- (k) Contract Management

The Senior Client Officer for this contract is the Project Leader from the Capital Development Team based in the Resources and Commercial directorate. The contract adheres to the NEC Engineering and Construction terms and conditions which will be administered by a Project Manager partner from the Milton Keynes Council Professional Services Framework.

The key governance processes will be delivered using the methodology contained within the Capital Projects Manual, which aligns with the MK Approach.

4. Implications

4.1 Policy

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

- (a) The award of this contract contributes to meeting the Corporate Plan theme of Living in MK: Ensuring people are satisfied with Milton Keynes as a place to live, and to support them effectively through the provision of high quality and efficient public services.
- (b) The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4.2 Resources and Risk

- (a) Resource Allocation of £330,000 for Rivers re-roofing and £160,000 for Furze House re-roofing was approved as part of the 16/17 capital programme. The budget cost includes the works, professional fees, surveys, a project contingency.
- (b) The Risk Assessment for these contracts is available if requested or directly via Members access to GRACE.
- (c) The key OPPORTUNITY secured by this contract is to address the failing roof at Furze House to ensure safe and secure lodgings for the resident young people.
- (d) The key OPPORTUNITY secured by this contract is to address the failing roof at the Rivers Centre to ensure this does not fail completely resulting in costly repairs and maintenance bills.
- (e) It is assessed that the delivery of these contracts provides a HIGH Likelihood that will secure the opportunity defined providing Milton Keynes Council with a HIGH positive Impact.
- (f) The key THREATS for this contract was assessed pre tender and updated below:

| Risk | Likelihood | Mitigation | Impact after Mitigation |
|-----------------------|------------|---|-------------------------|
| Cost or time overruns | Low | The project was tendered with sufficient time to enable the successful contractor to fully resource and programme both projects | Low |
| End User engagement | Low | Both Managers fully engaged in tender process. | Low |

The governance measures set out above provide a basis to conclude that these threats, properly managed represent a LOW likelihood with a MEDIUM Impact.

4.3 Resources and Risk

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

4.4 Carbon and Energy Management

Tenderers were required in their MEAT evaluation responses to explain how they would deal with recycling and waste material, reduction in energy use and protection of the local environment. Both companies to be awarded had comprehensive responses to this question and good processes in place.

4.5 Legal

The procurement of the works is compliant with the Council’s Contract Procedure Rules and United Kingdom and European legislation.

There is a low legal risk attached to this procurement. To ensure such risk is mitigated a formal contract will be executed as a deed between the Council and successful tenderer.

4.6 Other Implications

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

Background Papers: Decision to Proceed to Tender 20 September 2016 (Minute PC018 refers)

[Link to P&C Invitation to Tender report - 20 September 2016](#)

Exempt Papers: Evaluation criteria (**Annex**)

Wards Affected:

Newport Pagnell South and
Stantonbury

ITEM 12**PROCUREMENT AND COMMISSIONING****7 FEBRUARY 2017****AWARD OF CONTRACT - HEATING AND DOMESTIC WATER SERVICES UPGRADE AT GREAT LINFORD PRIMARY SCHOOL AND GIFFARD PARK PRIMARY SCHOOL (REF: CU2568)**

Responsible Cabinet Member: Councillor Nolan (Cabinet member for Children and Families)

Report Sponsor: Kamran Rashid (Capital Programme Director)

Author and contact: Sarah Bayliss (Project Leader (Capital))
Tel: 01908 252008

Executive Summary:

This report is seeking approval to award the works contract to upgrade the heating and domestic water services at Great Linford Primary School and Giffard Park Primary School in accordance with the Councils Procedure Rules and Financial Regulations

Procurement and Commissioning previously agreed that the tender could progress at its meeting on 20 September 2016 (Minute PC020 refers).

1. Recommendation

- 1.1 That the contract for the heating and domestic water systems upgrade at Great Linford Primary School and Giffard Park Primary School be awarded to the tenderer who has scored the highest in accordance with the Most Economically Advantageous Tender evaluation.

2. Context

- 2.1 The contracted works will address identified capital maintenance issues at Great Linford Primary School and Giffard Park Primary School and improve the condition of the existing school buildings.

3. Background

- 3.1 Decision to Proceed to Tender

This procurement was considered at officer level by the Capital and Programme Review Panel on 31 October 2016. This procurement was approved to proceed to Tender by Procurement and Commissioning on 20 September 2016.

- 3.2 Consultation

- (a) The specification and evaluation criteria for this contract was developed by technical specialists appointed via a call off contract through the Council's Professional Services Framework for Building

Surveying, Minor Works Project Management, Construction Design and Management and Clerk of Works Services. This, together with the knowledge of previous schemes, including feedback from schools, has driven the detail of the specified works.

- (b) The consultation highlighted that the schools needed to be fully engaged in the development of the scheme to ensure the programme and design would best suit the needs of each school, whilst minimising disruption during the installation period. This was built into the specification and the procurement strategy

3.3 Market Engagement and Lessons Learnt

Prior to tendering, potential tenderers were advised of these forthcoming tender opportunities via Milton Keynes Council's e-tendering system Intend.

3.4 Tender Evaluation

- (a) The contract was advertised on the Council's E-Tendering system on 22 November 2016 and four tenders were returned on 20 December 2016.
- (b) The Tenders were evaluated by a suitably qualified and experienced panel of officers including the Project Leader, Capital and the Project Manager (a chartered Building Surveyor). One school evaluated the social values question.
- (c) A tender moderation session was held between the evaluators and chaired by Corporate Procurement
- (d) 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 | 70% |
| 2 | Quality (each quality element and its weighting is detailed below) | 30% |
| | Programme and Supervision | 40% |
| | Functional and Technical Compliance | 40% |
| | Environmental Consideration | 10% |
| | Social Value | 10% |

- (e) The MEAT evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a breakdown of the Quality will be detailed in the exempt **Annex** to this report).

| | Total score | Position |
|-----------|---|----------|
| Company A | No quality submission, therefore non-compliant tender | n/a |
| Company B | 96.3 | 1 |
| Company C | 69 | 3 |
| Company D | 82 | 2 |

(f) Public Services (Social Value) Act 2012

Tenderers were asked to provide their proposals for working with both schools to engage pupils in the project, for example by participating in an age appropriate assembly or workshop about construction health and safety or working in the construction industry. The recommended successful tenderer provided a positive response to this.

3.5 Contract Management

- (a) The Senior Client Officer for this contract is the Project Leader, Capital, a member of the Capital Development Team, within Resources. The contract adheres to the NEC3 Engineering and Construction Contract conditions as maintained by the Council's Legal Services team.
- (b) The key governance processes will be delivered using the methodology contained within the Capital Projects RACI which aligns with the MK Approach
- (c) Issues that cannot be resolved by, or are not within the remit of, the Project Manager and Client Officer, will be escalated to the Capital Projects Director in the first instance and then, if required, the overarching Education and Effectiveness Management Board.

4. Implications

4.1 Policy

The award of this contract contributes to the delivery of the strategic theme of the Council's Corporate Plan 2012-16 'Living in MK' through serving the needs of growing communities within Milton Keynes, ensuring local school places for local communities

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

4.2 Resources and Risk

- (a) Resource allocation of £420,000 for Great Linford Primary School and £438,000 for Giffard Park Primary School has been made available for

using the Schools Condition Allocation Grant received from the Government. Each project budget includes all fees, surveys and works.

- (b) Any underspend at the end of the projects will be returned to the Milton Keynes Council's Capital Programme Budget.
- (c) The Risk Assessment for the Capital Maintenance Programme of projects is held within GRACE.
- (d) The key OPPORTUNITY secured by this contract is addressing identified condition issues within the school buildings ensuring access to safe and suitable teaching and learning accommodation. It is assessed that the delivery of this contract provides a HIGH likelihood that the opportunity defined will deliver Milton Keynes Council with a HIGH positive impact.
- (e) The key THREATS for this contract going forward have been assessed as:

| Risk | Likelihood /Impact | Mitigation | Likelihood/Impact after mitigation |
|-----------------------|---------------------------|--|---|
| Cost or time overruns | Low | Projects have been tendered with sufficient time to enable contractors to fully resource projects to deliver to the required budgets and programmes. The recommended successful contract is within budget and meets the prescribed design and works programme. | Low |
| School not engaged | Low | The schools are already committed to working in partnership with the Council in the delivery of the project and the Project Leader will continue to promote effective communication amongst the project team and a positive understanding of the project by the schools. | Low |

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.

Resources and Risk implications

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

4.3 Carbon and Energy Management

- (a) The heating works include the upgrade of the distribution pipework, emitters (radiators/fan convectors), plant, controls and sensors. The installation of energy management control systems and the separation of areas of the schools into heating zones will allow the new systems to operate more efficiently, reducing wasted heat and thereby reducing carbon emissions and future energy costs.
- (b) Tenderers were required in their MEAT evaluation responses to explain how they would deal with recycling and waste material and the initiatives they would take to protect the environment.

4.4 Legal

- (a) The Council has a legal obligation under The Education Act 1996 to secure that the school premises maintained by it conform to the prescribed standards set out in the Education (School Premises) Regulations. The prescribed standard in this instance relates to the efficiency of both schools heating and water systems to heat the school buildings.
- (b) The procurement of the works is compliant with the Council's Contract Procedure Rules and United Kingdom and European legislation.
- (c) There is a low legal risk attached to this procurement. To ensure such risk is mitigated a formal contract will be executed as a deed between the Council and successful tenderer.

4.5 Other Implications

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

Background Papers: Decision to Proceed to Tender 20 September 2016

[Link to P&C 20 September 2016 - Invitation to Tender report](#)

Exempt Papers: Evaluation criteria (**Annex**)

Wards Affected:

All

ITEM 13

PROCUREMENT AND COMMISSIONING

7 FEBRUARY 2017

AWARD OF CONTRACT - DAY NURSERY CATERING SERVICES (REF: CYP0001)

Responsible Cabinet Member: Councillor Nolan (Cabinet member for Children and Families)

Report Sponsor: Michael Bracey (Corporate Director - People)

Author and contact: Peter Wong (Commissioning Manager [Children and Families]) Tel: 01908 253218

Executive Summary:

This report is seeking approval to award the contract for the provision of Day Nursery Catering Services. The contract will contribute to protecting vulnerable children from harm and neglect and provide support so every child has the opportunity to succeed. The contract term:

- is for three years, expiring on 31 March 2020. The overall value to the successful bidder will be in the region of £242,739 over the three year term; and
- can, if necessary, be extended until 31 March 2022.

Procurement and Commissioning previously agreed that the tender could progress at its meeting on 4 October 2016 (Minute PC029 refers).

1. Recommendation(s)

- 1.1 That the Contract for the Day Nursery Catering Services be awarded to the tenderer who has scored the highest in accordance with the Most Economically Advantageous Tender evaluation.
- 1.2 That any recommendation to extend this contract be brought back to this Committee for a decision in sufficient time, to allow a new procurement exercise to take place if the Committee consider it more appropriate.

2. Context

- 2.1 The contract will secure a high quality, catering service that meets the nutritional needs of children and ensures that the council continues to: meet The Early Years Foundation Stage (Welfare Requirements) Regulations 2007; complies with the Advisory Panel on Food and Nutrition in Early Years (2011) Laying the Table: Recommendations for National Food and Nutrition Guidance for Early Years settings in England; and contributes to the government's plan to reduce childhood obesity as set out in the report 'Childhood obesity: a plan for action (August 2016)'.
The services will be provided specifically for children attending the Kingston Day Nursery (Kingston), the Playzone Day Nursery (Netherfield) and the
- 2.2

Rowans Day Nursery (Fullers Slade). The nurseries are key components of the council's early help provision and both the Playzone and the Rowans nurseries are integral to the support offered by the Hedgerows and the Rowans Family Centres.

3. **Background**

3.1 Decision to Proceed to Tender

This procurement was approved to proceed to Tender by Procurement and Commissioning on 4 October 2016 and is consistent with the following priority within the Corporate Plan (2016/20):

Children - protecting our vulnerable children from harm and neglect and provide support so every child has the opportunity to succeed.

3.2 Consultation

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

- (i) Parents and carers.
- (ii) MKC Day Nursery staff.
- (iii) Children's Centres Co-Ordinator.
- (iv) Head of Service, Youth and Community.

(b) The consultation highlighted that services need to be: procured on a longer term basis; of a consistently high standard; and deliver good value for money. This was built into the service specification and evaluation criteria and influenced the procurement strategy.

3.3 Market Engagement and Lessons Learnt

(a) Before tenders were invited there was a period of market engagement to give advance warning of the Council's requirements. During this time potential providers had the opportunity to attend a market engagement event hosted by the Council.

(b) Lessons learnt from the old contract have been addressed. As indicated in the P&C Report considered at the meeting on 4 October 2016, procuring services on a short term basis, albeit out of necessity at the time, is resource intensive and creates uncertainty for Day Nursery Leaders, service users and providers.

3.4 Tender Evaluation

(a) The contract was advertised on the Council's E-Tendering system on 8 November 2016 and, whilst there were expressions of interest from three potential providers, one (1) tender was returned on 29 November 2016.

(b) Of the two potential providers that expressed interest but did not submit a bid, one gave TUPE implications as the reason. The other did

not consider that it had sufficient time available in which to prepare a comprehensive/bespoke proposal.

- (c) The Tender was evaluated by a suitably qualified and experienced panel of officers including:
 - (i) Head of Service, Youth and Community
 - (ii) Children’s Centres Co-Ordinator
 - (iii) Commissioning Manager, Children and Families
- (d) 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 | 45% |
| 2 | Functional and Technical Compliance with the Specification | 25% |
| 3 | Quality Assurance | 25% |
| 4 | Social Value | 5% |

- (e) The MEAT evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a breakdown of the Quality will be detailed in the Exempt Annex to this report).

| | Total score | Position |
|-----------|-------------|----------|
| Company A | 84.75 | 1 |

- (f) The evaluation criteria were weighted to ensure that essential quality aspects of the tender were scored accordingly and minimum scores set.
- (g) A minimum threshold of 60% overall was required for the Quality criteria in order for tender submissions to be taken forward to the Price evaluation stage.
- (h) A requirement to deliver elements of the Public Services (Social Value) Act 2012 was built into the MEAT Criteria.

3.5 Contract Management

- (a) The Senior Client Officer for this contract is Children and Families Commissioning Manager. The contract adheres to the Council’s

standard terms and conditions as maintained by the Council's Legal Services team.

- (b) The key governance processes include:
 - (i) Quarterly performance reports to be reviewed by the Children and Families Commissioning Manager.
 - (ii) Quarterly performance review meetings chaired by the Children and Families Commissioning manager.
 - (iii) Financial payment profile monitored by Children and Families Commissioning Manager reporting by exception to the Head of Service for Youth and Community.
 - (iv) Matters of concern that cannot be resolved by the Children and Families Commissioning Manager will be escalated initially to the Head of Service for Youth and Community and subsequently to the Service Director for Children and Families, if necessary.
 - (v) The recommended bidder has demonstrated its capacity to deliver social value to the local community. Evidence of the social value delivered will be a key requirement in the quarterly performance reports.

4. **Implications**

4.1 Policy

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

Children - protecting our vulnerable children from harm and neglect and provide support so every child has the opportunity to succeed.

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

4.2 Resources and Risk

- (a) The cost of the contract are already contained within the revenue budget for three years.
- (b) The contract is structured in such a way as to recover costs from parents/carers who pay in full or part for the meals provided dependent on the geographical area in which they live. The amount of payment required from the parent/carer is determined by the level of deprivation associated with the particular geographical area in which the child lives
- (c) The Risk Assessment for this contract is available if requested. In summary:
- (d) The key OPPORTUNITY secured by this contract is better value for money for MKC Day Nursery users. It is assessed that the delivery of

this contract provides a HIGH Likelihood that will secure the opportunity defined providing MKC with a HIGH positive Impact.

- (e) The key THREATS for this contract going forward have been assessed as:

| Risk | Likelihood / Impact | Mitigation | Likelihood/Impact after mitigation |
|---|----------------------------|--|---|
| MKC fails to comply with statutory requirements and national guidelines | M | Detailed service specification and rigorous evaluation process | L |

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

Resources and Risk Implications

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

4.3 Carbon and Energy Management

The award of this contract contributes to the reduction in our carbon emissions by minimising the number of delivery journeys that will need to be undertaken over the term of the contract.

4.4 Legal

- (a) The award of the contract will ensure that the council continues to meet The Early Years Foundation Stage (Welfare Requirements) Regulations 2007 and complies with the Advisory Panel on Food and Nutrition in Early Years (2011) Laying the Table: Recommendations for National Food and Nutrition Guidance for Early Years settings in England.
- (b) The services will also enable the council to continue to comply with the Voluntary Food and Drink Guidelines for Early Years (2012).
- (c) The proposal to award contract contained in this report complies with the Council's contract procedure rules and the Public Contracts Regulations 2015.

4.5 Other Implications

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

Background Papers: Decision to Proceed to Tender 4 October 2016

[Link to P&C 4 October 2016 - Invitation to Tender report](#)

Exempt Papers: Evaluation criteria (**Annex**)