

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)

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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)'.
2.2 The services will be provided specifically for children attending the Kingston Day Nursery (Kingston), the Playzone Day Nursery (Netherfield) and the

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**)