

# PROCUREMENT COMMITTEE

TUESDAY 7 AUGUST 2012  
5.30 PM

***PLEASE NOTE TIME OF MEETING***

COUNCIL CHAMBER, CIVIC OFFICES  
CENTRAL MILTON KEYNES

## AGENDA

### **Members of the Committee:**

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

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

# CABINET PROCUREMENT COMMITTEE

## TERMS OF REFERENCE

### 1 Terms of Reference

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

### 2 Membership

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

### 3 Functions

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

- (a) To undertake initial consideration of large procurement related projects, defined as non-property related projects between the value of £100,000 and £20,000,000, including the consideration of initiation documents, full business cases and specification and the consideration of procurement projects where there is a TUPE transfer by the Council.
- (b) To authorise officers to issue specification and invitations to tender and, where within budget, to make an award of contract to the tenderer assessed as providing the highest score against the agreed MEAT (most economically advantageous tender) criteria in respect of large procurement projects.
- (c) To promote, oversee and monitor performance improvement regarding the full range of procurement activities, including Capital, Social Care and ICT projects, involving receipt of reports concerning.
- (d) To oversee and monitor procurement and contract activity, including:

- (i) reviewing the S151 Officers decisions to waive Contract Procedure Rules;
  - (ii) review of tenders and award of contracts on behalf of Cabinet in accordance with the Scheme of Delegation;
  - (iii) approval of contract variations, extensions and novations;
  - (iv) benefit realisation (post implementation) reviews;
  - (v) contract performance management; and
  - (vi) the commissioning cycle.
- (e) To review, approve or make recommendations to Cabinet concerning the Procurement Strategic Plan and the Procurement Forward Plan.
  - (f) To review the Contract Procedure Rules from time to time and make recommendations for change to Council.
  - (g) To advise the Cabinet on all matters concerned with procurement generally and to make recommendations on any of the above matters to (as appropriate) the Cabinet or Council.

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



## AGENDA

### 1. Apologies

### 2. Minutes

To approve, and the Chair to sign as correct records, the Minutes of the meetings of the Procurement Committee held on 3 July 2012 (Item 2) (**Pages 7 to 9**).

### 3. Disclosure of Interests

Members to declare any disclosable 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. Older People's Day Care Service

The following decision of the Committee in relation to Older People's Day Care Service, agreed on 3 July 2012 (Minute PC21), was called in for consideration by the Executive Scrutiny Panel:

"That the commencement of the tender process for separate and joint tenders for the procurement of the Older People's Day Care Service be approved."

The Executive Scrutiny Panel met on 24 July 2012 and agreed:

"That the decision be referred back to the Cabinet Procurement Committee and the Committee requested to consider allowing any issues arising from any consultations with the Health and Adult Social Care Select Committee and other stakeholders, including service users, to be taken account of as part of the tender process."

The Committee is asked to consider the decision of the Executive Scrutiny Panel.

A copy of the original report considered by the Committee on 3 July 2012 is attached at Item 4(a) (**Pages 10 to 14**)

A officer comment on the Executive Scrutiny Panel's decision is attached at Item 4(b) (**Page 15**) for information.

### 5. Approval to Tender for Microsoft Exchange (email) Server

To consider Item 5 (**Pages 16 to 20**)

### 6. Approval to Tender for the Position of Programme Director (Regeneration for Milton Keynes)

To consider Item 6 (**Pages 21 to 25**)

### 7. Approval to Tender Better Bus Area Fund Project Delivery

To consider Item 7 (**Pages 26 to 30**)

**8. Exclusion of the Press and Public**

The public and press may 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 Annexes to Item 9 and items 10 and 11 to 14.

**9. Tenders for Superfast Broadband Infrastructure**

To consider Item 9 (**Pages 31 to 38**)

**10. Approval to Award Contract - Supply of Rock Salt**

To consider Item 10 (**Pages 39 to 43**)

**11. Approval of the Award of the Contract for Queensway Stonework**

To consider Item 11 (**Pages 44 to 47**)

**12. Approval of the Award of the Contract for a New Depot, Colts Holm Road, Old Wolverton**

To consider Item 12 (**Pages 48 to 54**)

**13. Approval of the Award of the Contract for the Replacement of Windows and Doors at Priory Common School, Bradwell**

To consider Item 13 (**Pages 55 to 58**)

**14. Approval of the Award of the Contract for the Replacement of the Artificial Turf Pitch at Woughton on the Green**

To consider Item 14 (**Pages 59 to 62**)

**Health and Safety**

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**Agenda**

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**Recording of Meetings**

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

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**Meeting Attended: Cabinet Procurement Committee**

**Date of Meeting: 7 August 2012**

Comments:.....  
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Contact details:.....



Minutes of the meeting of the PROCUREMENT COMMITTEE held on TUESDAY 3 JULY 2012 at 5.45pm

**Present:** Councillors Hopkins (Chair), Bald and Bint

**Officers:** M Hancock (Assistant Director [Joint Commissioning and Infrastructure]), J Moffoot (Assistant Director [Democratic Services]), J Reed (Assistant Director [Housing]), P Sanders (Assistant Director [Community Facilities]), D Wilkinson (Assistant Director [Audit and Risk Management]), D Adib (Head of Contracts – Adult Social Care), P Gibson (Housing Policy & Development Officer), M Hartley (Joint Commissioning Manager, Older People & Physical Disabilities), K Hulatt (Solicitor), C Southern (Head Of Strategic Procurement), P Srinivasan (Senior Solicitor), R Trowse (Programme Manager - Neighbourhood Services), J Tweed (Framework & Surveying Manager) and S Muir (Committee Manager).

**Also Present** Councillors Miles and Edwards

**Members of the Public:** 0

**PC15 MINUTES**

RESOLVED -

That the Minutes of the meeting of the Procurement Committee held on 6 June 2012, be approved and signed by the Chair as a correct record.

**PC16 DISCLOSURES OF INTERESTS**

None received.

**PC17 BRIEFING NOTE – RESPONSE TO PROCUREMENT COMMITTEE QUESTION ON THE USE OF EXTERNAL PROFESSIONAL SERVICES TEAMS (SCHOOL BUILD)**

The Committee noted a report on the advantages of external professional services for school build projects.

**PC18 INVITATION TO TENDER - INTERIM RESIDUAL WASTE TREATMENT AND DISPOSAL**

The Committee considered seeking tenders for the procurement of interim residual waste treatment services in conjunction with Bedford Borough Council and Central Bedfordshire Council.

RESOLVED -

That the commencement of the tender process for the procurement of an interim residual waste treatment and disposal services in

conjunction with Bedford Borough Council and Central Bedfordshire Council, be approved

**PC19 INVITATION TO TENDER - WOLVERTON POOL GYM EQUIPMENT**

The Committee considered seeking tenders for the procurement of Gym Equipment for Wolverton Pool.

RESOLVED -

That the commencement of the tender process for the procurement of Gym Equipment for Wolverton Pool, be approved.

**PC20 INVITATION TO TENDER - MILTON KEYNES SENSORY SERVICE**

The Committee considered inviting tenders for the procurement of the Milton Keynes Sensory Service.

RESOLVED –

That the commencement of tender processes for the procurement of the Milton Keynes Sensory Service, be approved.

**PC21 INVITATION TO TENDER - OLDER PEOPLE'S DAY CARE SERVICE**

The Committee considered inviting tenders for the procurement of Older People's Day Care Services.

RESOLVED -

That the commencement of the tender process for separate and joint tenders for the procurement of Older People's Day Care Services, be approved.

**PC22 INVITATION TO TENDER - RENEWAL OF PROFESSIONAL SERVICES FRAMEWORKS**

The Committee considered inviting tenders for the establishment of a new three year (with a one year optional extension) call off Professional Services Framework for Architecture and Design incorporating Client Design Advisor services.

The new framework would be available across the Council to provide an alternative procurement option and additional flexibility.

RESOLVED -

1. That the establishment of a new three year (with a one year optional extension) call-off Professional Services Framework for Architecture and Design incorporating Client Design Advisor services, be approved.
2. That the new framework be available for use Council-wide.

**PC23 INVITATION TO TENDER - COUNCIL HOUSE BUILDING SELECTION OF DEVELOPMENT AGENT**

The Committee considered inviting tenders for the procurement of a Registered Provider to be the Council's development agent for the former Briar Lodge site in Stacey Bushes in Milton Keynes.

RESOLVED -

That subject to the final approval of the Corporate Director Resources, the commencement of the tender process for the procurement of a registered provider to be the Council's development agent for the former Briar Lodge site in Stacey Bushes, be approved.

**PC24 EXCLUSION OF PUBLIC AND PRESS**

RESOLVED -

That the public and press representatives be excluded from the meeting by virtue of Paragraph 3 (Information relating to the Financial or Business Affairs of the Authority) of Part I of Schedule 12A of the Local Government Act 1972, in order that the Committee may consider Annex to PC 25 (Award of Contract for Domiciliary Care Service).

**PC25 AWARD OF CONTRACT FOR DOMICILIARY CARE SERVICE**

The Committee considered awarding the tender for the provision of the Domiciliary Care Services - Preferred Providers.

RESOLVED -

That the contract for the Provision of the Domiciliary Care Services - Preferred Provider be awarded to the list of 17 tenderers achieving the required qualification score in accordance with the Most Economically Advantageous Tender (MEAT) criteria.

THE CHAIR CLOSED THE MEETING AT 6.30 PM



Report considered by Cabinet Procurement Committee 3 July 2012

**OLDER PEOPLES DAY CARE SERVICE – DECISION TO PROCEED TO TENDER**

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

**Executive Summary:**

This report is seeking approval to commence the tender process in accordance with the Council's Contract Procedure Rules and Financial Regulations.

Tenders will be invited using the Council's E-Tendering system for the provision of an Older People's Day Care service. This will utilise the two current day centre buildings, as well as other community settings, in order to provide a personalised day opportunity service for older people who are eligible for support from the Council.

**1 Recommendation(s)**

- 1.1 That the commencement of the tender process for the procurement of the the Older People's Day Care Service be approved.

**2 Issues**

- 2.1 The Council's Constitution requires all procurement in excess of £100,000 to be approved by Cabinet Procurement Committee. This includes both the decision to formally award contracts and the decision to authorise officers to commence tender processes.
- 2.2 This report requests approval to obtain tenders for the provision of the Older Peoples Day Care Service. The funding for the requirement will be met by revenue budget allocated within 2013/2016 years.
- 2.3 The value of the proposed contract is in the region of £312, 000 per year. This is the current budget for the all of the current provision so there is some potential for management cost savings if the services are combined.
- 2.4 In addition, the Council pays in the region of £63,000 per year on transport costs for this service. Transport for the re-tendered service will be commissioned by the Integrated Passenger Transport Unit (IPTU) and changes to the delivery model will be reflected in the revised transport arrangements, which could deliver further efficiencies.

## 2.5 Consultation and Policy

2.5.1 The procurement seeks to progress the Council's Vision, outlined in the Corporate Plan 2012-16, that residents of Milton Keynes will have access to all the services they need and have the support to access opportunities and enjoy a healthy and good quality of life. In terms of outcomes, everyone in Milton Keynes will be able to:

- Achieve their full potential
- Experience choice and control
- Enjoy personal dignity and respect
- Enjoy happy and fulfilled lives
- Be safe from harm and neglect
- Enjoy personal dignity and respect

2.5.2 To help deliver this vision and secure the desired outcomes, the Council has established the following priorities, which are applicable to this tender:

- Develop cost effective models of support and care for vulnerable people that ensure they regain and maintain independence
- Deliver choice and control for individuals requiring support by providing preventative, community based approaches and outcome focused personalised care and support

2.5.3 Re-tendering will also provide the opportunity to develop this preventative service to incorporate community based day opportunities, which will help meet the personalisation agenda, providing people with more choice and control over the day time support and social opportunities they receive.

2.5.4 The draft specification will be developed in partnership with the relevant Cabinet Member and the following key stakeholders:

- Current and potential service users and their families and local voluntary sector organisations representing the interests of older people

## 2.6 Specification

2.6.1 The Service will provide a flexible range of services based on the needs and wishes of the individual service user and their families in order to meet the personalisation agenda.

2.6.2 The current service comprises of two day centres and a pilot day opportunity service. There is capacity for approximately 250 places per week.

2.6.3 Procurement of a new service will enable the development of a wider range of options and day opportunities, which will contribute to better individual outcomes and also increase the capacity of the service.

2.6.4 The service will be specified to deliver the following service outcomes, which will help meet individuals' identified outcomes and will:

1. Contribute to the reduction of social isolation
2. Help older adults to stay healthy, active and independent, contributing to service user wellbeing through the provision of activities that:
  - help maintain and improve mobility and stability
  - are mentally and intellectually stimulating
  - meet the interests of its service users
  - contribute to self esteem and self worth
  - encourage community participation
  - provide respite for carers and family
  - provide access to information and advice that enable service users to make informed decisions about their lifestyle

## 2.7 Evaluation Criteria & Panel

2.7.1 The MEAT evaluation of tenders will be as follows:

(a) Price @ 40%

(b) Quality @ 60%

2.7.2 The quality evaluation criteria will also have sub criteria that reflect the relative importance of the experience and expertise of the service provider tendering for the service; a commitment to effective service delivery focused on reablement and social inclusion and the experience and ability to deliver a service to rural and urban localities as required in Milton Keynes.

2.7.3 Tenders submitted will be evaluated by a panel comprising of social care professionals working within adult social care services, commissioners from the Joint Commissioning Team and service users. Colleagues within Finance and Legal and Corporate Procurement will be engaged to support the tender process.

## 2.8 Contract Terms and Conditions

2.8.1 Tenders will be sought for a contract period starting on 01/04/13 and ending on 31/03/16.

2.8.2 The contract will provide for an extension of 2 years.

2.8.3 The Council's standard Terms and Conditions for contract will be used.

2.8.4 The Council's Senior Client Officer for the procurement is the Head of Contracts, Adult Social Care and for the management of the contract is the Senior Joint Commissioner.

### 3 Alternative Options

3.1 The following options appraisal has been conducted:

- a) Do nothing (not recommended): This is not an acceptable option as the contracts for the two day centre service provision are due to expire 31<sup>st</sup> March 2013. The pilot Day Opportunity service also finishes on that date.
- b) Re-tender the two day centre services separately (not recommended): Tendering the two centres and day opportunity service together will provide a more flexible, personalised, Milton Keynes wide service, which will be better placed to offer service users more choice and control of the support offered.  
Implications

3.2 Policy

This service will help enable older people to improve their quality of life and promote their independence. It is consistent with health and social care policy as outlined in the NHS Operating Framework 2012-13 and the Adult Social Care Outcomes Framework. The service will also deliver against the following vision of the Council's Corporate Plan 2012-16:

- That our residents have access to all the services they need and have the support to access opportunities and enjoy a healthy and good quality of life.
- All those living in Milton Keynes should enjoy happy and fulfilled lives, and be safe from harm and neglect and achieve their full potential.

3.3 Resources and Risk

3.3.1 The key OPPORTUNITY secured by this contract is the future provision of a modernised day service for Older People that meets the need of the population of Milton Keynes now and in the future. It is assessed that the delivery of this contract provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

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

- Insufficient range of potential providers delivering this type of service may result in low numbers of tenders submitted.

This threat can be managed by advertising the opportunity to tender widely through the Council's electronic tendering framework In-tend and organising potential provider events to raise awareness of the service and the potential for

innovative service delivery. These measures provide a basis to conclude that these threats, properly managed represent a LOW Likelihood or a MEDIUM Impact.

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

### 3.4 Carbon and Energy Management

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

### 3.5 Legal

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

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

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

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

### 3.6 Other Implications

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

Background Papers:

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



**ITEM 4(b)**  
**CABINET PROCUREMENT**  
**COMMITTEE**  
**7 AUGUST 2012**

**INVITATION TO TENDER OLDER PEOPLE'S DAY CARE SERVICES**  
**APPROVAL TO TENDER**

1. At the Cabinet Procurement Committee on 3 July 2012 approval was given to proceed to tender for older people's day care services. Minute PC21 refers and states:  
  
"That the commencement of the tender process for separate and joint tenders for the procurement of the Older People's Day Care Service be approved. "  
  
2. This decision was subsequently called-in at the request of Councillor Long for several reasons. The Executive Scrutiny Panel met on 24 July 2012 and agreed:  
  
"That the decision be referred back to the Cabinet Procurement Committee and the Committee is requested to consider allowing any issues arising from any consultations with the Health and Adult Social Care Select committee and other stakeholders, including service users, to be taken into account of as part of the tender process."  
  
3. Accordingly the tender for Older People's Services will, as already stated in the report to the Cabinet Procurement Committee on 3 July 2012 (Item 8, Paragraph 2.5.4), develop the specification in partnership with the relevant Cabinet Member, current and potential service users, their families and local voluntary sector organisations representing the interests of older people. This is in line with usual practice. It aims to not only allay any concerns, but also to ensure that the views of users and their families/carers are taken into account in the design of future service delivery and the outcomes to be achieved. The views of the Health and Adult Social Care Select Committee will be taken into account, where the tender process allows, to further develop the specification for the services.

Mick Hancock  
Assistant Director  
Joint Commissioning



Wards Affected: *All Wards*

## APPROVAL TO TENDER FOR MICROSOFT EXCHANGE (EMAIL) SERVER

Author: Paul Wheeler, Senior IT and e-Government Manager

Tel: (01908) 254148

### Executive Summary:

This report sets out a recommendation for approval to tender to obtain the necessary hardware to implement the upgrade of Microsoft Exchange (email) Server 2010 from the current Exchange 2003

The most advantageous contract approach will be selected based upon standard framework contract responses for nationally agreed product sets and pricing. A START document gives further details and is available on request.

### 1. Recommendation(s)

- 1.1 That tenders be invited for the supply of hardware (servers and storage) to upgrade the Council's systems to Microsoft Exchange 2010.

### 2. Issues

- 2.1 The Council's Constitution and contract procurement procedures require all procurements in excess of £100,000 to be approved by the Cabinet Procurement Committee. This includes both the decision to formally award contracts and the decision to authorise officers to commence tender processes.
- 2.2 A capital project to replace the current Microsoft Exchange servers was proposed in 2011. In accordance with the Council's project management requirements a project START document was created that identified the strategic requirement to replace the aging email system at an estimated cost of £150K and has been subjected to scrutiny of CPRC. The START (part of the standard project management process for the Council) document was approved as part of the Capital programme in February 2012 and approval to spend was granted at the CPRC on 28<sup>th</sup> May 2012 with approval from Cabinet being sought on 25<sup>th</sup> July 2012.
- 2.3 Microsoft Exchange is the central hardware/software infrastructure which delivers the email service to desktop clients. It should be noted that the procurement of the latest MS Exchange software does not form part of the procurement as the Council already own the licenses to upgrade the server software version to Exchange 2010. The upgrade of the hardware will be used as an opportunity to update the Server software as part of the refresh. In addition the current version of Microsoft Exchange (2003) is going end of support and the implementation of new technologies for supporting the Public Access Strategy have dependencies on the latest version of Microsoft Exchange being available.

2.4 The tender forms part of an overall programme of change affecting the Council's ICT systems and infrastructure. Via this proposed tender the Council is seeking to deliver the strategic objectives in the updated ICT Strategy (2010-2012) and as updated in the MTFP report to the Cabinet in December 2011.

#### 2.5 Consultation and Policy

- (a) This software upgrade has been considered at the Corporate ICT Group.
- (b) The requirement specification is clear in that the Council will seek to procure the necessary hardware (servers and storage) required to migrate the current user-base on to Microsoft Exchange 2010. This upgrade will also support the exploitation of the full functionality MSOffice 2010 which has recently been procured.

#### 2.6 Specification Objectives

- (a) The procurement aims to ensure that the Council continues to use formally supported software in compliance with the Government Code of Connection. Microsoft software versions are supported across a 10 year lifecycle and that period ends in 2012/13 for the Microsoft Exchange 2003 version currently in use across MKC.

#### 2.7 Evaluation Criteria & Panel

- (a) The **MEAT** evaluation of tenders will be as follows:
  - i. Price @ 100% (estimated to be £150,000)
- (b) Tenders submitted will be evaluated by a panel comprising of the retained ICT client team together with relevant technical staff drawn from Mouchel IT services.

#### 2.8 Contract Terms and Conditions

- (a) Tenders will be sought for a supply of ICT hardware contract starting on or shortly after 22/08/2012 with a requirement of a 5 year maintenance warranty.
- (b) The Council's will enter into the supply contract using the Council's standard terms and condition.
- (c) The expected tender value is likely to be under the European Tendering limits and therefore the tender will offered as an open tender in order to make the supply opportunity accessible to local businesses to bid for the work.
- (d) The Council's Senior Client Officer for the procurement is the AD IT and e-Government. On-going management of the contract will be undertaken by the IT and e-Government Service Group operating in close consultation with other specialist stakeholders in Mouchel IT Services. Due to the dependency of the Public Access Strategy project implementation time

scales it is requested that authority to award be delegated to Corporate Director – Resources, Head Of Strategic Procurement, and Assistant Director (Democratic Services) for agreement.

## 2.9 Risk Mitigation

- (a) The recommendation to CPC manages the risk that if the supply of the necessary ICT Servers and storage is delayed it will have an impact on the implementation of the Public Access Strategy.

## 3. **Alternative Options**

The following options appraisals have been created:

**Option 1 - “Do Nothing”.** Essentially, don’t do anything; including not upgrading existing Exchange software. This is not a viable option. The Council is required to have formally supported, patched and maintained software to remain compliant with the Government Code of Connection. The current MS Exchange (email server) software will become non compliant (out of support) by 2013. The Council is technically already using up an ‘extended support period’ for this software. If the Council fails to remain compliant with the Code of Connection various critical services will be unable to operate (e.g. the Revenues and Benefits Service).

**Option 2 –** In this option the Council would adopt the use of a hosted Exchange service rather than invest in the hardware platform. Costs of this solution have been investigated. Mailboxes are available for £2.50 per user per month, which equates to £120,000 pa. Concerns as to the geographical location of the data centres have been raised, as they would need to be located in the UK to be compliant with the government Code of Connection. Warwickshire County Council have challenged this concern and have accepted the risk of hosting within the EC and are in negotiations with Central Government to moderate this requirement. They have been trialling a Goglemail solution for 100 users internally since September 2011. Their findings were due to be published in Summer 2012.

The Government e–Market place or “Cloudstore” was launched in February 2012 (<http://www.govstore.net>) to provide centrally procured cloud services. The number of services provided is growing all the time and a new offering: G101.001-2 provides an email exchange service on a cost per user per month for a standard mailbox. Concerns on the level of integration into line of business applications, resiliency and service level agreements have been raised and are being investigated. True costs for the solution are not currently clear. However, as with the Goglemail/Microsoft offerings, this solution would create a strain on revenue as this would represent an annual cost.

**Option 3 (recommended)** - Invite a tender for the supply of server & storage hardware to support the implementation of Exchange 2010. The Council has 2 purpose built data centres with failover facilities to provide an ideal installation location for the solution. The Council can flex the spare capacity within the current virtualised storage environment and hardware infrastructure to deliver the lowest cost option over the expected 5 year life of the project. The Council

already has the necessary Microsoft server and client licensing to implement the solution.

#### 4. Policy

The tender seeks to implement the Council's current ICT Strategy policy adopted by Cabinet on 26/01/2010 and as further updated by the MTFP report to the Cabinet in December 2011.

##### 4.1 Resources and Risk

The total anticipated contract spend is £150k based upon earlier modelling of various cost scenario.

Microsoft Exchange has been in use by the Council for over 15 years. Microsoft Exchange 2010 is now a mature low risk product offering systems integrity (few known bugs). Overall this change process will be on server infrastructure with little impact on users. The sheer scale of the change will raise the risk profile. Overall therefore the change is anticipated to have a LOW risk profile.

4.2 A separate Risk Assessment for this supply contract has been created within the GRACE risk management system and is available as a background paper.

4.3 The key OPPORTUNITY to be secured by this contract will be maintaining compliance with the Government Code of Connection and supporting the continued integration of the MKC Office software systems with the major line of business applications used by the Council.

4.4 It is assessed that the delivery of this contract provides a HIGH likelihood that a HIGH Impact will secure and maintain the service integrity targeted.

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

- Delays in availability of the new Exchange Server will have an impact on the delivery and implementation of the new technology currently being implemented as part of the Public Access Strategy

The governance measures set out in this report provide a basis to conclude that these threats, properly managed, represent a LOW Likelihood of a MEDIUM Impact.

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

##### 4.6 Carbon and Energy Management

The software obtained will be carbon neutral in its impact.

##### 4.7 Legal

This tender is required to enable continuity of service in support of most of the Council's statutory obligations when current software support arrangements end.

The recommended tender process will fully comply with MKC procedure rules and UK and European legislation.

#### 4.8 Other Implications

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

Background Papers:        START Document  
                                     GRACE Risk Assessment



**Wards Affected:**

*All Wards*

**APPROVAL TO TENDER FOR THE POSITION OF PROGRAMME DIRECTOR  
(REGENERATION FOR MILTON KEYNES)**

Author: Jane Reed (Assistant Director [Housing])      Tel: (01908) 253553

**Executive Summary:**

This report is seeking approval to commence the tender process in accordance with the Council's Contract Procedure Rules and Financial Regulations.

Tenders will be invited using the Council's E-Tendering system for the provision of Programme Director to progress the Council's Regeneration Delivery aims and objectives, crucially to drive forward the development of a partnership to deliver the physical regeneration of deprived areas within Milton Keynes.

**1 Recommendation(s)**

- 1.1 That the commencement of tender processes for the procurement of a Programme Director for Regeneration Delivery be approved.

**2 Issues**

- 2.1 The Council's Constitution requires all procurement in excess of £100,000 to be approved by Cabinet Procurement Committee. This includes both the decision to formally award contracts and the decision to authorise officers to commence tender processes.
- 2.2 This report requests approval to obtain tenders for the provision of project management capacity to enable the Council to embark on an innovative and ambitious programme to regenerate Milton Keynes most deprived areas.

The funding for the requirement will be met by revenue/capital budget allocated within 2012/2015 years.

**2.3 Consultation and Policy**

- 2.3.1 The procurement seeks to implement the Council's approach to Regeneration for Milton Keynes, agreed by Cabinet on 20/6/12. (Cabinet Committee to review and revise the Regeneration Strategy). The procurement seeks to progress the Council's strategic vision as set out in the Corporate Plan.

2.3.2 The draft specification will be developed in partnership with the relevant Cabinet Member

## 2.4 Specification

2.4.1 The procurement seeks to deliver the following service objectives:-

To develop and deliver a regeneration programme leading to the successful regeneration of the city's most deprived housing areas. Key objectives to include:

- A clear defining of the regeneration programme objectives, purpose and vision; for a Project Plan to be developed to clearly communicate programme timescales; to critically include resident engagement
- The establishing of governance arrangements together with project documentation and controls systems
- Development of an Outline Business Case
- The preparation of an output brief and specification for obtaining delivery partner(s)

## 2.5 Evaluation Criteria & Panel

2.5.1 The MEAT evaluation of tenders will be as follows:

(a) Price @ 40%

(b) Quality @ 60%

2.5.2 The quality evaluation criteria will also have sub criteria that reflect the relative importance of the skills and experience required to develop and lead the complex and demanding regeneration programme. Weighting will reflect ability and acumen in areas relating to investment, regeneration and development; technical professional and commercial expertise will be required.

2.5.3 Tenders submitted will be evaluated by Corporate Directors Finance and Community Wellbeing together with AD Housing. Corporate Procurement will be engaged to support the tender process.

## 2.6 Contract Terms and Conditions

2.6.1 Tenders will be sought for a contract period of two years, renewable at 6 monthly intervals, starting on 14/1/13 and ending on 14/1/15. Payment will be monthly but subject to clear delivery measures. The contract will be reviewed every 6 months.

2.6.2 The Council's standard Terms and Conditions for contract will be used.

2.6.3 The Council's Senior Client Officer for the procurement and management of the contract is Housing Assistant Director.

### 3 Options

3.1 The following options appraisal has been conducted:

#### 3.1.1 **Employment of permanent member of staff. Not recommended**

The required skills and experience are not easily found to deliver against the requirements of this kind of complex programme. It is not considered that a normal recruitment exercise would lead to the appointment of a suitable candidate.

#### 3.1.2 **Direct employment of fixed term contract employee. Not recommended**

Candidates would be selected via agencies who would require a 'finders fee'. In addition the anticipated daily rate of £500 with council on costs would be equivalent to a salary in the region of £150,000

#### 3.1.3 **Run a 'call-off' from a pre-established recruitment framework or project management framework (using GPS formally the OGC). Not Recommended**

Hourly overheads would be charged by the framework provider adding to costs.

#### 3.1.4 **Not to appoint a Programme Director for Regeneration Delivery. Not Recommended**

In house resources have not been identified to undertake the complex mix of technical, commercial, financial, management and regeneration experience required. Commercial acumen is needed, working with partners in the private sector, exploiting opportunities as they present, for the benefit of residents in regeneration areas. Clear leadership and direction is critical to achieve momentum to drive forward the council's regeneration strategies, delivering successful regeneration of the city's most deprived housing areas.

#### 3.1.5 To run an OJEU Tender. **The Recommended Option**

This option will almost certainly deliver the best value for money with no hourly overheads payable to the framework provider (as per the options above) and no in-built delay as with option 3.1.3. While the administration associated with this option is likely to be time consuming, with many applications expected with individual evaluation required, this can be mitigated by timely management and resourcing of this element of the recruitment process. A thorough testing of the market to obtain the most suitable candidate at the best price for this critically important position would merit the up-front investment in the recruitment process associated with this option.

## 4 Implications

### 4.1 Policy

The tenders seek to implement the Regeneration Strategy 2009 – 12 “ To arrest and reverse the cycle of neighbourhood decline, thereby transforming the life prospects of the most deprived residents”. The appointment of a Programme Director will be significant in making this ambition a reality.

### 4.2 Resources and Risk

'The costs of this contract are met from the Regeneration Budget (General Fund and Housing Revenue Account).The costs identified within this exercise can be contained within the agreed budget.

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

4.2.2 The key OPPORTUNITY secured by this contract is for a high standard of professional expertise to be secured in a key council priority area. Organisational Transformation programme Strand 7, 'Transformation of the Housing Service' is a major change programme requiring a level of technical and commercial experience and expertise. It has been recognised that in order to deliver against programme objectives there is the need to bring in the required high quality resource in specific areas and which is not available from within existing staff resources. The appointment of a programme director will provide the requisite skills, abilities and critically, commercial acumen, to drive forward the regeneration programme in Strand 7. It is assessed that the delivery of this contract provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

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

Administrative time associated with processing applications attracted through an open OJEU tender. This will be mitigated as outlined under 3.1.3

The governance measures set out above provide a basis to conclude that this threat, properly managed represent a MEDIUM Likelihood or a LOW Impact.

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

### 4.3 Legal

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

#### 4.4 Other Implications

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

Background Papers:       None



**Wards Affected:**

*All Wards*

**APPROVAL TO TENDER BETTER BUS AREA FUND PROJECT DELIVERY**

Author: Andrew Coleman (Passenger Transport Manager) Tel: (01908) 254736

**Executive Summary:**

This report seeks approval to commence the tender process in accordance with the Council's Contract Procedure Rules and Financial Regulations.

Tenders will be invited using the Council's E-Tendering system to secure the design and delivery of the three elements of the Better Bus Area Fund project covering Smarter Choices, Interchange Improvements and Wayfinding Improvements through the Midlands Highways Alliance Professional Services Partnership (PSP1) Framework.

**1 Recommendation(s)**

- 1.1 That the commencement of the tender processes for the procurement of the design and delivery of three elements of the Better Bus Area Fund project through the Midlands Highways Alliance Professional Services Partnership (PSP1) Framework, be approved.

**2 Issues**

- 2.1 The Council's Constitution requires all procurement in excess of £100,000 to be approved by Cabinet Procurement Committee. This includes both the decision to formally award contracts and the decision to authorise officers to commence tender processes.
- 2.2 In March 2012, the Council was awarded £2.23m (£872k capital and £1.358m revenue) from the **Better Bus Areas Fund** to fund a project that will develop Real Time Passenger Information (RTPI) and Marketing initiatives for public transport in Milton Keynes. The project is to be delivered by March 2014 and the bid was split into six areas, with indicative amounts set out as follows:
- funding to develop/expand RTPI (£875k), procurement of which has been carried out as part of the separate tender for a contract to cover maintenance of the RTPI system, and facilitate the future expansion of the system if funding becomes available from developers or other sources.
  - develop smart ticketing (£100k) (no procurement is required for this at the present time)
  - bus service enhancements (NIL - local contribution from Arriva).

- d. Smarter Choices - deliver bus based personalised travel planning (PTP) packs delivered to all 33,000 households within 400 metres of the 2, 4, 5 and 300 services and to 10,000 employees (accessing the 2, 4, 5 and 300 service corridors) (£575k).
- e. Interchange improvements with 4 new 'virtual interchange' locations installed offering high quality and simple bus-bus interchange environments (via improved on street promotion etc) (£340k).
- f. Wayfinding - Targeted improvements to the walk connections from three inward facing residential areas to 4 major bus routes (running along grid squares) with wayfinding routes developed and implemented in partnership with local residents (£340k).

2.3 The funding for the requirement will be met by the capital and revenue grant received from DfT for this project allocated within the 2012/13 and 2013/14 financial years. The split of funds, and the expected allocation in each year at the time of the bid, is shown below:

	2012-13		2013-14		Total by Element
	Capital	Revenue	Capital	Revenue	
(a): develop/expand RTPI	£186,000	£514,000	£46,000	£129,000	<b>£875,000</b>
(b): develop smart ticketing		£100,000			<b>£100,000</b>
(d): Smarter Choices		£201,000		£374,000	<b>£575,000</b>
(e): Interchange improvements	£170,000		£170,000		<b>£340,000</b>
(f): Wayfinding	£30,000	£32,000	£270,000	£8,000	<b>£340,000</b>
<b>Total</b>	<b>£386,000</b>	<b>£847,000</b>	<b>£486,000</b>	<b>£511,000</b>	<b>£2,230,000</b>

**Total - Capital**

**£872,000**

**Total - Revenue**

**£1,358,000**

## 2.4 Specification

This report requests approval to obtain tenders for the design and delivery of the latter three elements of the Better Bus Area Fund project covering smarter choices, interchange improvements and wayfinding. In each of these areas, the successful bidder will be required to build upon the bid document to design what is needed to fulfil the bid as well as to deliver it. In delivering this part of the project, the successful bidder will be required to consult key stakeholders including ward members, parishes, the Bus User Group and bus operators.

## 2.5 Evaluation Criteria & Panel

It is proposed to procure this work through the Midlands Highways Alliance (MHA) Professional Services Partnership framework (PSP1). This framework is managed by a board with members drawn from local authorities throughout the midlands and has demonstrated high quality performance in delivering a number of schemes. The use of the MHA frameworks is supported by the council's procurement and legal teams and is consistent with current OJEU regulations.

The MHA PSP1 framework has a single supplier, URS, and was established in April 2011, following a tender and evaluation process detailed below:

- Initially an OJEU notice was published by the MHA and 10 consultants submitted Pre Qualification Questionnaire. Of these ten, five were selected to tender for the framework. Tenders were submitted in December 2010, and were assessed against quality 30% on quality and 70% on price.
- The quality assessment was based on 10 criteria and each consultant was asked to give their proposals for each quality question as well as evidence of where this had already been achieved. A quality threshold also applied.
- To ensure that the best value was obtained from a single supplier, the price assessment was based on a table of hourly rates for different staff bands and different disciplines. Tenderers also had to submit multipliers for office based or seconded staff (in the latter case a separate multiplier for each authority in the MHA).
- Following completion of the assessment the scores were moderated and URS selected as the single supplier.

Evaluation of a bid from URS will be carried out in accordance with the criteria set out in the framework. Colleagues within Finance and Legal and Corporate Procurement will be engaged to support the tender process.

## 2.6 Contract Terms and Conditions

The contract will be a fixed term starting in November 2012 and ending on 31 March 2014. The framework Terms and Conditions will be used. The Council's Senior Client Officer for the procurement is Brian Matthews and for the management of the contract is Andrew Coleman.

## 3 **Alternative Options**

3.1 The following options appraisal has been conducted:

- a. It would be possible for the three elements to be procured separately but there is considerable crossover between them so dealing with them as one block would be beneficial. Procuring each block individually is likely to result in increased cost.
- b. An alternative to using the MHA PSP1 framework would be to do a full open tender through the OJEU process. This would extend the procurement timetable by 2 or 3 months, making it more difficult to deliver within the timescale available, over the two years to March 2014.

3.2 The preferred option is to go through the MHA PSP1 framework as indicated above.

## 4 Implications

### 4.1 Policy

This project fits in with the Council's priority of improving public transport, stated in LTP3 and other policy documents.

### 4.2 Resources and Risk

The costs of this contract will be met from revenue and capital grant available for the project. The total amount available for the three elements is £1.255m as indicated below. Legal, procurement and costs of officer time will also be managed within this budget.

	2012-13		2013-14		Total by Element
	Capital	Revenue	Capital	Revenue	
(d): Smarter Choices		£201,000		£374,000	<b>£575,000</b>
(e): Interchange improvements	£170,000		£170,000		<b>£340,000</b>
(f): Wayfinding	£30,000	£32,000	£270,000	£8,000	<b>£340,000</b>
<b>Total</b>	<b>£200,000</b>	<b>£233,000</b>	<b>£440,000</b>	<b>£382,000</b>	<b>£1,255,000</b>

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

### 4.3 Carbon and Energy Management

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

### 4.4 Legal

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

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

#### 4.5 Other Implications

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

Background Papers:

Bid Document:

[http://www.milton-keynes.gov.uk/transport/documents/MKBBAAApplication\\_240212\\_Final.pdf](http://www.milton-keynes.gov.uk/transport/documents/MKBBAAApplication_240212_Final.pdf)

Delegated Decision giving approval to bid:

<http://cmis.milton-keynes.gov.uk/CmisWebPublic/Binary.ashx?Document=34586>



**Wards Affected:**

All Wards

**TENDERS FOR SUPERFAST BROADBAND INFRASTRUCTURE**

Author: Martyn Smith, Infrastructure Coordination and Delivery Service Tel: (01908) 252056

**Executive Summary:**

The tenders will be for the provision of superfast broadband infrastructure (fibre optic cables in the ground etc.) in areas across Milton Keynes Borough, defined by Broadband Delivery (BDUK), which will be allowed to receive State Aid under EU competition laws.

The provision of superfast broadband infrastructure is a priority in the Council's new Corporate Plan and will enhance the economic competitiveness of Milton Keynes encouraging new investment and new jobs to the Borough.

The proposal to use the BDUK's Procurement Framework to procure the infrastructure is put forward as it will be fully approved by the EU and allows public investment to take place under a State Aid exemption.

The Council has an opportunity to procure this infrastructure with other Local Authorities which should provide economies of scale and attract more funding from the Industry than if we procure this infrastructure alone.

The option to procure on a standalone basis will still exist if the joint procurement option proves less favourable but the Council will need to use the BDUK Procurement Framework to avoid potential problems with State Aid rules

However, as the BDUK Procurement Framework has yet to be finalised we cannot currently guarantee that the BDUK Procurement Framework complies with the Council's Contract Procedure Rules and Financial Regulations but current knowledge indicates it will be compliant.

The proposed option is to seek approval to procure jointly, or alone, using the BDUK Procurement Framework subject to approval by senior officers once the final version of the Framework is available.

Whatever approach is adopted there will be no cross subsidy involved with other Authorities in the partnership.

## **1 Recommendations**

- 1.1 That Option B (i): To proceed tender under the BDUK Framework – with partners Central Bedfordshire and Bedford Borough Councils be approved, subject to confirmation from the Section 151 Officer; the Assistant Director (Law and Governance); the Assistant Director (Planning, Economy and Development) (Project Sponsor) and the Head of Strategic Procurement that the finalised terms of the BDUK Procurement Framework are consistent with the Council's policies and procedures.

## **2 Issues**

- 2.1 The BDUK Procurement Framework is the route by which BDUK allocated funding will become available.
- 2.2 If the Council chooses not to use the BDUK Framework there is a greater risk that the Council may have to negotiate its own arrangements on State Aid with the EU. This would incur very significant administrative cost and would delay the delivery of superfast broadband infrastructure.
- 2.3 BDUK has specified that Local Authorities should aim to procure jointly. To this end the Council has joined with Central Bedfordshire and Bedford Borough Councils. Central Bedfordshire is the lead authority for the purposes of this procurement. To ensure that this arrangement continues to provide value for this Council it is necessary to authorise either a joint or an independent procurement.
- 2.4 It is important that Milton Keynes funding is only spent in Milton Keynes itself. To this end it is likely that the procurement will be split into three "pots", one for each partner. Milton Keynes will retain control of its own procurement pot.

## **3 Consultation and Policy**

- 3.1 The procurement seeks to progress the Council's strategic vision for Digital Infrastructure in Milton Keynes, adopted by Cabinet on 28 September 2010, which is based on the following 5 strands<sup>1</sup> -
- UK leadership;
  - Ubiquitous coverage;
  - Competitive market;
  - Future-proof infrastructure; and
  - High take-up of digital services.

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<sup>1</sup> Broadband Delivery Programme for Milton Keynes, [March 2010], Analysis Mason Ltd.

- 3.2 The procurement also seeks to implement several key Policies including the Council's Corporate Strategy and the Economic Development Strategy and particularly the Council's broadband policy, adopted by Full Council, on 12 July 2011, which endorsed motion 5(b)(i) to develop a Local Broadband Plan as part of the BDUK requirements in order to bring better broadband to MK. This was followed by the delegated decision to approve the submission of the Joint Local Broadband Plan to BDUK on 20 March 2012.
- 3.3 A Project Board has been set up and meets regularly. The Assistant Director for Planning, Economy and Development is the Project Sponsor. The Project Manager also attends Project Board meetings with representatives from MKC Strategic Procurement, Legal Services and IT.
- 3.4 To help ensure that the overall package offered to the industry is attractive the total number of State Aid applicable properties has been maximised by developing the Local Broadband Plan into a Joint Local Broadband Plan with Milton Keynes's partners in the neighbouring authorities of Central Bedfordshire and Bedford Borough. This document is attached and has been approved by BDUK.
- 3.5 The use of public money to help fund the extension of the superfast broadband network is subject to the EU's rules on State Aid. BDUK's Framework will be fully approved by the EU and allow public investment to take place under a State Aid exemption.
- 3.6 It is also proposed to procure suppliers in conjunction with our Local Authority partners although the particular investment requirements of Milton Keynes will be ring-fenced. The funding for the Milton Keynes requirement will be met by an investment from the MKC capital budget. Formal capital spend allocation been submitted through the Capital Programme Review Panel (CPRP) and agreed with the Cabinet.
- 3.7 It is anticipated that through this procurement the successful supplier will match the public sector's contribution and provide a solution using a suitable mix of technologies to achieve superfast broadband in the designated State Aided areas of the Borough. A revised START document covering the project through to delivery of the necessary infrastructure was presented to CPRP on 7<sup>th</sup> July (and funding approved).
- 3.8 As the final details of the BDUK Procurement Framework have yet to be finalised it is not possible to assure the Committee that it meets with all the requirements of the Council's Contract Procedure Rules and Financial Regulations.
- 3.9 It is, therefore, proposed that an officer led panel comprising Assistant Director (Law and Governance); Assistant Director (Planning, Economy and Development) (Project Sponsor) and the Head of Strategic Procurement assesses the Procurement Framework, once available and provides assurance to the relevant Cabinet Member that it can be adopted for use for this procurement.

## 4 Specification

- 4.1 The procurement seeks to deliver the service objective 4: Guide and assist the progress of private sector and other public infrastructure investment
- 4.2 The draft specification will be developed in partnership with the relevant Cabinet Member and our Local Authority partners. It is based upon an examination performed on behalf of MKC by consultants, Analysis Mason, for the 2010 Digital Infrastructure Strategy and updated since then to provide the evidential basis for the Joint Local Broadband Plan.
- 4.3 The Joint Local Broadband Plan identifies a series of key short and longer term objectives.

### Joint Local Broadband Plan - Short-term objectives

- Provide NGA broadband (at least 24Mbit/s) to at least 90% of premises in the Bedford and Central Bedfordshire areas, and **to 95% in the Milton Keynes area by 2015**. The technology should be future-proofed, innovative, cost-effective and flexible for upgrade.
- **Deliver improved basic broadband (at least 2Mbit/s) to all premises in our areas by 2015**. The basic broadband service should be reliable, robust and future-proofed using a cost-effective solution.
- Increase competition between broadband providers, in line with the need to support the effective operation of the market.

### Joint Local Broadband Plan - Long-Term Objectives

- **Deliver NGA broadband to all premises in our areas by 2020 in line with the Digital Agenda for Europe, i.e. 50% receiving a minimum of 100Mbit/s**. The technology should be future-proofed, innovative, cost-effective and flexible for upgrade.
- 4.4 A survey of the Broadband needs of Milton Keynes was conducted between 30/6/2011 and 31/1/2012. The results of which have influenced the development of the Joint Local Broadband Plan. The Joint Local Broadband Plan aims to enable the provision of superfast broadband services to hard to reach places within the Borough. The Industry is expected to fund the rollout to other, more viable, areas of the Borough, mainly in the urban areas.
  - 4.5 Analysis Mason has identified which existing exchanges and their surrounding infrastructure will need to be upgraded but the proposed mix between hard wired (fibres); wireless and satellite solutions for the infrastructure to be provided will be determined by the tendering companies. The best overall solution that also offers the most private sector matching investment should be successful.

- 4.6 To encourage the development of local businesses a further requirement that the Council is keen to include in the specification is that the successful contractor should ensure the maximum use of local contractors to provide and install the required infrastructure.

## **5 Evaluation Criteria & Panel**

- 5.1 Evaluation criteria will be as designated in the BDUK Framework and these will be reviewed and agreed by the Project Board. There will need to be some discretion between cost and quality evaluation of the bids received, hopefully from BT and Fujitsu. However, the final decision about whether to accept a particular tender will remain with Milton Keynes Council.
- 5.2 BDUK Evaluation Criteria are broken down into the following elements:-
- (a) Value and Pricing (30 to 70%) divided between affordably & leverage and contract & commercial fit).
  - (b) Quality (max weighting 70%) divided between local solution design, solution outcomes & delivery. The split between both elements is to be agreed by Authority via the JLBO Project Board.
- 5.3 Tender Evaluation Panel arrangements will be determined by the procedures required by the BDUK Framework. These will also be reviewed by the JLBP Project Board to ensure they meet all the requirements of Milton Keynes Council's financial procedures. The relevant Cabinet Member will be included in the Tender Evaluation Panel.

## **6 Contract Terms and Conditions**

- 6.1 Tenders will be sought for a contract period starting on 01/04/2013 and ending on 31/03/2015. The contract may need to be extended depending upon the detailed infrastructure delivery requirements of the successful tender.
- 6.2 We have yet to receive final details of the BDUK Procurement Framework but we are content that in the light of this being a document produced by central government (BDUK is part of DCMS), and that it will be used by most other Local Authorities to procure their own superfast broadband services, it will allow us to meet the Council's requirements and the tender will be let in accordance with the Contract Procedure Rules (and will be agreed with the Legal Department).
- 6.3 The Council's Senior Client Officer for the procurement is Nick Fenwick, Assistant Director (Planning Economy and Development) and for the management of the contract is Martyn Smith, Programme Manager, Infrastructure Coordination and Delivery Service

## 7 Alternative Options

### 7.1 Option A: Do Nothing.

7.1.1 This would not achieve the stated national or local objectives for superfast broadband delivery and if progressed later would be unlikely to attract any national funding.

### 7.2 Option B: Proceed to tender under the BDUK Framework – with partners Central Bedfordshire and Bedford Borough

#### Positive

The OJEU has already been published by BDUK. Therefore there is no additional work or cost for MKC.

State Aid will be pre-agreed between BDUK and the EU. Agreement of State Aid approval independently by the Council would be a very significant task.

A joint procurement with partner Local Authorities includes more State Aided premises so should prove to be a more attractive tender to the potential suppliers. BDUK guidance is that partnerships should include around 100,000 State Aided premises to provide the maximum attraction to the Industry. Our partnership will provide 74,000 premises whilst Milton Keynes alone would only include around 20,000.

Availability of evaluation/Value for Money tools – The BDUK Framework will include a selection of tools designed to aid evaluation of bids.

The procurement is structure to allow the Council to award separately if it chooses. However, this would need to be agreed with BDUK.

#### Negative

There will be a maximum of two suppliers, BT and Fujitsu. It is possible that only BT will bid. Not using the BDUK framework could attract other suppliers but other risks weigh against this option.

Joint working (reduced autonomy of MKC). We will share project management and admin costs with partners but this is likely to reduce or limit the ability of the Council to do as it wishes, i.e. we would be bound by joint partnership decision making/governance.

7.2.1 There are two choices within this option as below:

#### i. Proceed now – **This is the recommended option**

Whilst the final format of the specification and contract has yet to finalised by BDUK the drafts appear acceptable. Economies of scale by procuring jointly with other Authorities may provide financial benefits and the project implementation will be the quickest of all options.

- ii. Proceed when BDUK terms are known

This would exclude the opportunity to consider better value for money arising from joint procurement and neighbouring authorities.

### **7.3 Option C: Join with the MKC Networks procurement (non BDUK Framework)**

7.3.1 The State Aid implications as outlined above outweigh all potential advantages for this option

## **8 Delivery Options**

8.1 BDUK and Milton Keynes Council funding will support the implementation in State Aided areas of the Borough. The tender exercise will solicit bids from the Industry to match fund these investments. It will be for the bidders to determine the best/most appropriate technical solutions required to meet coverage targets.

## **9 Policy**

9.1.1 The tenders will seek to implement the policy adopted by Full Council, on 12 July 2011, which endorsed motion 5(b)(i) to develop a Local Broadband Plan as part of the BDUK requirements in order to bring better broadband to MK.

## **10 Resources and Risk**

10.1 The costs of this contract are met from the 2013/2014 and 2014/2015 Capital Programme (Capital) funded from New Homes Bonus. The costs identified within this exercise can be contained within the agreed budget. Provision has also been made for the revenue costs of the project.

10.2 Resources and Risk Assessment for this project are available upon request as background papers

10.3 The key OPPORTUNITY secured by this contract is the provision of central government funding that is EU State Aid approved to help the Council extend superfast broadband coverage to the State Aided areas of Milton Keynes Borough. It is assessed that the delivery of this contract provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

10.4 The key THREATS for this contract include a lack of competition for BT. Fujitsu are the only other supplier included in the BDUK Procurement Framework which may reduce competitive tension and result in a less beneficial offer for the Council. To this end the Tenders received from BT and Fujitsu may not match the amount of public sector investment as currently assumed. This would result in a lower percentage of State Aid classified premises being provided with access to superfast broadband infrastructures, or further public sector money being spent to meet the current 95% target.

10.5 The governance measures set out in 3.3 above provide a basis to conclude that these threats, properly managed represent a MEDIUM Likelihood or a MEDIUM Impact.

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

### **Carbon and Energy Management**

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

### **Legal**

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

Other Implications – see attached START doc for explanation of these implications.

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

Annex - Resources Allocated (Exempt Information)

Background Papers: OR weblinks to the relevant information

Risk Assessment (Exempt Information)

Joint Local Broadband Plan

**Wards Affected:**

*All Wards*

**APPROVAL TO AWARD CONTRACT - SUPPLY OF ROCK SALT**

Author: Andy Dickinson, Highways Network Co-Ordinator Tel: 01908 252379

Lead Officer : Andrew Jackman, Interim Head of Highways Tel : 01908 252513

**Executive Summary:**

In order to deliver the Winter Maintenance Plan for the year 2012/13 it is essential that adequate stocks of rock salt are in place for the start of the 'winter season' in late September.

Following consultation with procurement a strategy was developed in order to deliver this outcome.

The initial phase of this strategy was to seek approval to tender which was approved by this Committee on the 6<sup>th</sup> June 2012.

This further report seeks approval to award the contract for the supply of Rock Salt in accordance with the Council's Contract Procedure Rules and Financial Regulations. The specific purpose of requesting approval at this date is to ensure that stocks are delivered in advance to ensure that we are fully prepared for the forthcoming winter season.

The council is a member of the Midlands Highways Alliance (MHA) which was formed in 2007 and comprises 18 local highway authorities (including Milton Keynes) with £12m worth of tracked savings to date. The MHA is seen to be a national exemplar and the Council already uses the MHA Frameworks. One of the framework agreements is with ESPO (Eastern Shires Purchasing Organisation). Tenders have been invited via this framework for the supply of rock salt.

**1. Recommendation(s)**

- 1.1. That the approval is given to award the supply of Rock Salt contract for the period up to September 2013 to Bidder 1 who has scored the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation (see table 3.3).

## 2. **Issues**

- 2.1 The Council's Constitution requires all procurement in excess of £100,000 to be approved by Cabinet Procurement Committee. This includes both the decision to formally award contracts and the decision to authorise officers to commence tender processes.
- 2.2 This report requests approval to award a new contract for the Supply of Rock Salt as the current contract has expired. The contract is an essential element of the council's preparation for delivering an effective winter maintenance service which begins in late September.
- 2.3 This contract falls within the OTP work on modernising the Highways and Transport Service that was included in the Outline Business Case (OBC) for the Service considered by Cabinet on the 25th July 2012 which indicated a contract start date of October 2013. No decision as yet has been made as to whether the supply of salt should be included within any future contract that might be let for Highways & Transport.
  - 2.3.1 In order to maintain service continuity in the intervening winter prior to the contract commencement and also ensure that the salt barn is fully stocked at the contract commencement to ensure a smooth start to the 2013/14 winter season the contract period will run through to September 2013. There is the facility within the contract to extend the contract for a further year to September 2014 if required subject to the necessary approvals.
- 2.4 All costs associated with the process will be met by revenue budget allocated within 2012/13 years.
- 2.5 Through the larger buying power that MHA can achieve the rock salt procurement has achieved average savings to council's that have made use of it of 6%.
- 2.6 Tenders have been invited using the MHA rock salt supply only.

## 3. **Background**

### 3.1 Consultation and Policy

- 3.1.1 The procurement of these contracts seek to implement the Council's Highways Network Service Plan objective of providing a safer highway network thereby reducing the potential for accidents, delays and future costs to the council. Specific key Service outcomes are :

CP14 – To have an efficient transport and highways infrastructure.

CP15 – To promote sustainable movement through the borough of Milton Keynes.

3.1.2 The draft specification has been developed in partnership with the Procurement team and Interim Head of Service for Highways.

### 3.2 Specification

3.2.1 The MHA specification has been used which accords with best practise.

### 3.3 Evaluation Criteria & Panel

The MEAT evaluation criteria used for the tenders was:-

Price @ 75%

Summer restocking proposals @ 5%

Winter restocking proposals @ 15%

Delivery lead times @ 5%

3.3.1 The contract was procured using the MHA framework in conjunction with ESPO on the 5 July and their submissions were received on the 18 July

3.3.2 The submissions were evaluated by a suitably qualified and experienced panel of officers.

3.3.3 The Most Economically Advantageous Tender evaluation of the submissions resulted in the following results.

	Price	Summer Restocking proposal	Winter Restocking proposal	Delivery lead times	Total
Bidder 1	75 %	4.5 %	6 %	2 %	87.5 %
Bidder 2	57.19 %	4.5 %	6 %	5 %	72.69 %

### 3.4 Contract Management

3.4.1 The lead Client Officer for the contract is the Interim Head of Highways.

3.4.2 The Eastern Shires Purchasing Organisation (ESPO) standard terms and conditions will be used.

3.4.3 The contract terms provide for it ending on 01/09/2013 and include the facility for an extension of 1 year if needed.

## 4 Implications

### 4.1 Policy

The tenders seek to implement the policy in respect of this service.

### 4.2 Resources and Risk

The costs of this work will be met from the Highways Management Service Budget (Revenue). The annual value of the contract is typically £110,000 but the exact value of the works will vary from year to year dependant on weather conditions encountered during the season.

The key OPPORTUNITY secured by this contract is to uphold MKC's statutory duty under section 41, 1 (A) of the highway act 1980 to keep the highway clear of ice and snow. Additionally to reduce the number of insurance claims and minimise disruption to the highways network. It is assessed that the delivery of this contract provides a HIGH Likelihood that a LOW Impact will secure the opportunity defined.

The key THREATS for this contract have been assessed as:

- Procurement Timeline – Proposal to procure through the Midlands Highways Alliance will potentially reduce procurement timeline to ensure that contracts are delivered on time.
- Failure to Uphold statutory duty - Delay in supply of rock salt will compromise MK Councils winter service, the councils statutory liability under the highways act may also be compromised.

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

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

### 4.3 Carbon and Energy Management

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

### 4.4 Legal

The requirement for this tender will enable the council to meet it's statutory obligation to keep the highway in a safe condition under the 1980 Highways Act Section 41, 1 (A)

The Contract and its procurement are compliant with Council Constitution and United Kingdom and European legislation.

#### 4.5 Other Implications

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

Background Papers: Winter Maintenance Risk Assessment



**Wards Affected:**

Bletchley and Fenny Stratford

**AWARD OF CONTRACT FOR QUEENSWAY STONWORK**

Author: Sarah Layton, Capital Development Officer, Tel: (01908) 252008

**Executive Summary**

This report requests permission to award the tender for Queensway Stonework. This project will address the structural concerns and repair work required to the chimneys and stonework at The Queensway Centre in Bletchley.

The target construction completion date is November 2012. The project has been procured via a mini competition process, using the Milton Keynes Council Construction Framework and the award decision is based on a Most Economically Advantageous Tender evaluation carried out in line with Council procurement processes.

**1 Recommendation**

- 1.1 That the contract for Queensway Stonework be awarded to the highest ranked contractor.

**2 Context**

- 2.1 The contracted works will improve the condition of the external stonework of The Queensway Centre, reducing health and safety risks to building users and members of the public.

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

- 3.1.1 This project was considered by Capital Programme Review Panel on 29 November 2011. This procurement was approved to proceed to tender by Procurement Committee on 6 March 2012.

**3.2 Consultation**

- 3.2.1 The specification and evaluation criteria for this contract were developed using information from a specialist report on the condition of the building and in consultation with stakeholders.

### 3.3 Market engagement and lessons learnt

3.3.1 This contract was tendered via a Mini Competition procedure using Lot 3 of the Milton Keynes Council Construction Framework. This Framework was tendered on 10 February 2011 and let on 1 June 2011.

3.3.2 Lessons learnt from previous projects of a similar nature have been built into the new Mini Competition exercise.

### 3.4 Tender Evaluation

3.4.1 The contract was advertised on the Council's E-Tendering system to the four Lot 3 partners of the Milton Keynes Council Construction Framework on 31 May 2012 and their submissions were received by 29 June 2012.

3.4.2 The submissions were evaluated by a suitably qualified and experienced panel of officers. The winning tender has subsequently been price checked and validated by the Council's Framework Manager.

3.4.3 The evaluation criteria and scores for all submissions are attached at the **Annex** to this report which contains exempt information.

3.4.4 The Most Economically Advantageous Tender evaluation of the submissions resulted in the following results (note the actual names of contractors, their pricing and a breakdown of the quality is contained in the red paper).

Higher=Good	Quality score	Price score	Total score	Ranking
Company A	3.00	30.07	33.07	4
Company B	12.35	32.04	44.39	3
Company C	16.95	33.32	50.27	2
<b>Company D</b>	<b>17.85</b>	<b>70</b>	<b>87.85</b>	<b>1</b>

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

3.4.6 The successful contractor demonstrated a good understanding of the project requirements and provided suitable examples of previous projects with a similar nature to this.

### 3.5 Contract Management

- 3.5.1 The lead Client Officer for this contract is the Capital Development Officer, a member of the Capital and Infrastructure Team within Children and Families.
- 3.5.2 The Terms and Conditions as agreed under the Milton Keynes Council Construction Framework will be used for this contract.
- 3.5.3 The contract will be the National Engineering and Construction Contract 3 Option A: Priced Contract with Activity Schedule, which will be administered by a Senior Building Surveyor (Project Manager).
- 3.5.4 The project will be delivered using the methodology contained within the Capital Projects Manual, which has been approved by both the School Planning and Build Programme Board and Internal Audit and aligns with The MK Approach, the Council's guide to managing projects.
- 3.5.5 Issues that cannot be resolved by, or are not within the gift of the Project Manager and Client Officer, will be escalated to the Children and Families' Asset Management Programme Board.

## 4 Implications

### 4.1 Policy

- 4.1.1 The award of this contract contributes to the delivery of the following strategic aims:
- Living in MK
  - Cleaner, greener, safer healthier MK
- 4.1.2 The procurement of this contract has complied with Milton Keynes Council's Contract Procedure Rules and Financial Regulations and applicable European Procurement Regulations.

### 4.2 Resources and Risk

- 4.2.1 Capital funding of £192,000 (4/C/00565) has been made available in the 2011-12 Children and Families' Capital Programme. The funding source is the 2011-12 capital maintenance allocation. This budget includes all fees, surveys and works.
- 4.2.2 Any underspend at the end of the project will be returned to the Children and Families' Capital Programme budget.
- 4.2.3 A detailed risk register for the Children and Families' Asset Management Programme has been compiled and will be maintained throughout the lifecycles of the individual projects within the Asset Management Programme, from pre-start through to post-completion. All stakeholders

contribute to this register to ensure that it is comprehensive (end users, client officers, project managers, constructors). The Risk Register contains all risk and mitigating actions/strategies. It is formally reviewed and updated by the Asset Management Programme Board on a monthly basis.

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

#### 4.3 Carbon and Energy Management

4.3.1 The capital project will support the Council's Carbon and Energy Management policy and will use sustainable sources/methods where possible. The recommended contractor is compliant with the relevant environmental legislation.

#### 4.4 Legal

4.4.1 The Contract and its procurement are compliant with Council Constitution and United Kingdom and European legislation.

#### 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 6 March 2012

Exempt Annex: - Evaluation Criteria and Scores

**Wards Affected:**

*Wolverton and Greenleys*

**AWARD OF CONTRACT FOR A NEW DEPOT, COLTS HOLM ROAD, OLD WOLVERTON**

Rebecca Trowse (Programme Manager) Tel: (01908) 254782

**Executive Summary:**

This contract is for the award of contract to company C, to design and build a new depot at Colts Holm Road, Wolverton. The contract will support the delivery of services for collection, treatment and disposal of municipal waste, together with cleansing services. The provision of these services requires a depot with adequate space to accommodate vehicles for the current operation and also sufficient for future growth.

The current depot at Home Farm, Sherwood Drive Bletchley is adjacent to housing and is therefore restricted by its Operators' licence in the number of vehicles it can accommodate and the hours it can be operational. The growth in service has resulted in the use of temporary satellite parking for the additional operational vehicles that are required. The temporary arrangements for parking are on land adjacent to the Materials Recycling Facility (MRF) at Old Wolverton. This is the land that is being recommended for the development of the new operational depot.

The co-location of the new operational depot with the MRF and the proposed residual waste treatment facility provides the opportunity to reduce mileage and carbon footprint of the vehicles.

The contract term:

- is for commencement in August 2012 preparing a planning application to construction start January 2013 with completion August 2013. The total value of the project is £3.312m.

**1 Recommendation(s)**

- 1.1 That the contract for the design and build of a new depot at Colts Holm Road, Wolverton, as named in **Annex B**, be approved.

**2 Context**

- 2.1 The contracted works are located within Wolverton and Greenleys Town Council area. The operation of the depot is for vehicle parking, workshop for maintenance of the vehicles, amenity facilities and offices. The majority of the vehicles currently travel to Colts Holm Road to visit the Materials Recycling

Facility a few times a day and therefore there will be a limited increase in vehicle numbers. In the longer term, the co-location of waste facilities will provide for a reduction in vehicle movements as vehicles will be able to deposit both recycling and residual waste and will not need to leave the area at the end of the working day, as happens now to return to Bletchley.

- 2.2 Information sessions have been held with Haversham Parish Council, local businesses and residents, of which a representative from New Bradwell Parish Council attended. These sessions have also been offered to Stony Stratford and Wolverton and Greenleys Town Councils.
- 2.3 The current depot site at Home Farm, Sherwood Drive, Bletchley will be put on the market for sale as a freehold.

### **3 Background**

3.1 The Council's Contract Procedure Rules (CPR's) were revised in January 2012. This procurement has applied those requirements. This design and build contract has been procured via a mini competition process, using Lot 1 of the Milton Keynes Council Construction Framework.

#### **3.2 Decision to Proceed to Tender**

3.2.1 This procurement was considered by Capital & Procurement Review Panel (C&PRP) in April 2010. This procurement was approved to proceed to Tender by Cabinet on 14 June 2011 (C15) and is consistent with Council's policy for the Zero Waste Strategy 2011 approved by delegated decision on 30 November 2011 and the inclusion of a new depot is contained in the Collection and Cleansing contract (CU1723), which commenced on 2 March 2009.

#### **3.3 Consultation**

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

- Head of Environment and Waste
- Construction Project Management consultants

3.3.2 The consultation highlighted that a Swept Path Analysis and traffic management plan for evaluation of how the vehicles will move and operate externally and in the internal space and details of any environmental elements such as sustainable construction, energy efficiency and water conservation and recycling should be built in to the evaluation criteria.

#### **3.4 Market engagement and lessons learnt**

3.4.1 Before this tender commenced there was a contract engagement session to give advance warning of our requirements. This was completed with the three construction companies on the Council's Construction Framework on

5 March 2012. Cost estimates were also carried out by the cost control consultants to estimate the likely cost of our requirement.

3.4.2 Lessons learnt from the current operational depot at Home Farm, Bletchley have been built into the requirements of the new depot. These include:

- Keeping vehicle and pedestrian movements separate;
- To provide a one way vehicle system;
- The siting of a new depot location should not be next to immediate housing.

### 3.5 Tender Evaluation

3.5.1 The contract was advertised on the Council's E-Tendering system to the three Lot 1 partners of the Milton Keynes Council Construction Framework on 19 March 2012 and 3 tenders were returned on 17 May 2012.

3.5.2 The Tenders were evaluated by a suitably qualified and experienced panel of officers and external consultants.

3.5.3 The Evaluation criteria and scores for all tenders are attached at Annex B, which is not for publication 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.

3.5.4 The Most Economically Advantageous Tender (MEAT) evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a break down of the Quality will be in the red paper in Annex B)

	Quality score	Price score	Total score	Ranking
Company A	15.23	54.84	70.07	2
Company B	Non – compliant bid			
Company C	27.83	55.00	82.83	1

3.5.5 The Most Economically Advantageous Tender is Company C. Company C's proposal was comprehensive, well designed and fit for purpose providing the best value for money. Company B qualified their bid. The tender price did not relate to the design proposals submitted. Therefore the tender is non compliant.

### 3.6 Contract Management

3.6.1 The Senior Client Officer for this contract is the Programme Manager, within Neighbourhood Services. The contract adheres to the Council's

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

- 3.6.2 The project will be delivered using project management methodology, which aligns with the MK approach to project management.
- 3.6.3 The contract will be the National Engineering and Construction Contract 3 Option A: Priced Contract Activity Schedule, which will be administered by a Project Manager partner from the Milton Keynes Council Framework for Professional Services.
- 3.6.4 Issues that cannot be resolved by, or are not within the remit of the Project Manager and Client Officer, will be escalated to the Waste Infrastructure Programme Board.
- 3.6.5 The timetable for delivery of this contract is as follows:

Task	Timetable
Planning application submission	September/October 2012
Construction start	January 2013
Construction complete	August 2013
Facility operational	September 2013

## 4 Implications

### 4.1 Policy

- 4.1.1 The award of this contract applies the Council's policy for the Zero Waste Strategy, and contributes to the delivery of the outcomes in the following Corporate Plan themes:
- Living in MK
  - Cleaner, greener, safer and healthier MK
- 4.1.2 The procurement of New Waste Depot is necessary to implement and house the vehicles that serve relevant elements of the Council's Zero Waste Strategy as well as to ensure that statutory duties are fulfilled.
- 4.1.3 One of the policies of the Zero Waste Strategy is to meet the statutory obligations of a waste collection and disposal authority as efficiently as possible and to be highly rated by local residents.
- 4.1.4 A new depot with sufficient space for current operation and spare capacity for future growth will ensure the continuous achievement of these goals.

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

## 4.2 Resources and Risk

4.2.2 Capital funding (3/C/00516) has been approved and is in the capital programme. The funding source is from the Waste Infrastructure Grant, Tariff and s.106.

4.2.3 A risk register has been set up to identify risks that apply and to take appropriate steps to take advantage of opportunities that may arise and avoid, reduce or react to threats. The risk register contains all information about the risks, their analysis, countermeasures, actions/strategies and status. It is regularly reviewed and is located on the Council's risk management system, GRACE.

4.2.4 Some of the consequences of not awarding the contract would be:

- Breach of contract with Serco. The financial penalties may be in the region of £100,000 per year.
- Loss of opportunities of co-location of the Material Recycling Facility, Residual Waste Treatment and the New Operational Depot.
- Current building is close to full capacity and therefore services will not be able to fulfil any population growth in MK, or any necessary improvements to service.
- The abortive costs of £83k from the work already undertaken on the project.

4.2.5 The key opportunity secured by this contract is the co-location with other waste infrastructure (the Materials Recycling Facility and Residual Waste Treatment Facility). This will reduce carbon footprint by reducing vehicle movements and miles travelled. The new depot will also have the capacity to deal with growth into the future. It is assessed that the delivery of this contract provides a high likelihood that a low impact will secure the opportunity defined.

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

- Delay in or refusal of planning permission
- Lack or delays to the decision making process

4.2.7 The governance measures set out in 3.6 above provide a basis to conclude that these threats, properly managed represent a medium likelihood or a medium impact.

4.2.8 Accommodation/ Asset Management and IT: The new waste depot is required to accommodate the growth of the Borough and will remain in the Council's ownership but leased to Serco. The current depot in Bletchley will be put on the market. IT will be required for a number of Council desks located in the depot.

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

#### 4.3 Carbon and Energy Management

4.3.1 The award of this contract contributes significantly to the reduction in our carbon emissions, reduced usage/costs; improved management/use of energy by reducing vehicle mileage. Once recyclable materials have been taken to the Materials Recycling Facility, also on Colts Holm Road, then vehicles will park next door at the depot. In the future when the Residual Waste Treatment Facility is in operation, the facilities will reduce further mileage saving vehicle journeys to Bletchley Landfill Site.

#### 4.4 Legal

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

#### 4.5 Other Implications

*Equalities/Diversity:* Equality considerations have been taken into account in the tender evaluation.

*Sustainability:* Environmental initiatives and impacts were considered in the tender evaluation.

*E-Government:* The Council's E-procurement tool has been used in the tendering process.

*Stakeholders:* Residents, Milton Keynes Council Members, Wolverton and Greenleys Town Council, Haversham Parish Council, New Bradwell Parish Council and Stony Stratford Town Council and local businesses have been invited to information session and will be invited to pre- planning sessions.

*Crime and Disorder:* Designing out crime will be considered in the design of the new depot.

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

Background Papers: Cabinet Approval to Proceed to Tender 14 June 2011  
Milton Keynes Council's Zero Waste Strategy 2011

**Annex A** Evaluation Criteria and Weightings

**Annex B** Bidder Evaluation Scores (Contains Exempt information)

Table 1 – Evaluation Criteria and Weightings

<b>Area</b>	<b>Level 1 Criteria</b>	<b>Level 1 Weighting</b>
1	Tender Price	55%
2	Functional & Technical Compliance with Specification	25%
3	Measuring Quality	10%
4	Delivery	5%
5	Risk Management	5%



**Wards Affected:**

Bradwell

**AWARD OF CONTRACT FOR REPLACEMENT OF WINDOWS AND DOORS AT PRIORY COMMON SCHOOL, BRADWELL**

Author: Kath Cook, Capital Development Officer, Tel: (01908) 253332

**Executive Summary**

This report requests permission to award the tender for the capital works to replace and upgrade external windows and doors at Priory Common School.

The contract is exclusively for the works specified in the tender documents, namely to replace the external windows and doors and associated replacement of structural beams.

The scheme has been procured via a mini competition process using Lot 3 of the Milton Keynes Council Construction Framework.

**1 Recommendation**

- 1.1 That award of the contract for the replacement of windows and doors at Priory Common School, Bradwell to the highest ranked contractor, be approved.

**2 Context**

- 2.1 The contracted works will address identified capital maintenance issues at Priory Common School and improve the condition of the existing school building.

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

- 3.1.1 This project was approved by Cabinet on 28 February 2012. Approval to obtain tenders was given by Procurement Committee on 04 April 2012.

**3.2 Consultation**

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

The Headteacher and Site Manager.

- 3.2.2 The school was offered the opportunity to take part in the tender evaluation exercise, but on this occasion declined.

### 3.3 Market engagement and lessons learnt

3.3.1 This contract was tendered via a Mini Competition procedure using Lot 3 of the Milton Keynes Council Construction Framework. This Framework was tendered on 10 February 2011 and let on 01 June 2011.

3.3.2 Lessons learnt from previous projects of a similar nature have been built into the new Mini Competition exercise.

### 3.4 Tender Evaluation

3.4.1 The contract was advertised on the Council's E-Tendering system to the four Lot 3 partners of the Milton Keynes Council Construction Framework on 25 June 2012 and their submissions were received on 20 July 2012.

3.4.2 The submissions were evaluated by a suitably qualified and experienced panel of officers.

3.4.3 The evaluation criteria and scores for all submissions are attached at **Annex A** to this report (to follow).

3.4.4 The Most Economically Advantageous Tender evaluation of the submissions is detailed at **Annex B** to this report (to follow)

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

3.4.6 The successful contractor demonstrated a good understanding of the upgrade and replacement of windows and doors in an occupied school.

### 3.5 Contract Management

3.5.1 The lead Client Officer for this contract is the Capital Development Officer, a member of the Capital Development Team within Children and Families.

3.5.2 The Terms and Conditions as agreed under the Milton Keynes Council Construction Framework will be used for this contract.

3.5.3 The contract will be the National Engineering and Construction Contract 3 Option A: Priced Contract with Activity Schedule, which will be administered by a Senior Building Surveyor (Project Manager).

3.5.4 The project will be delivered using the methodology contained within the Capital Projects Manual, which has been approved by both the School Planning and Build Programme Board and Internal Audit and aligns with The MK Approach, the Council's guide to managing projects.

3.5.5 Issues that cannot be resolved by, or are not within the remit of the Project Manager and Client Officer, will be escalated to the Children and Families'

Capital Maintenance Programme Board and then if required to the Head of Capital and Infrastructure (Capital Projects Director).

## 4 Implications

### 4.1 Policy

4.1.1 The award of this contract contributes to the delivery of the following strategic aims:

- Living in MK
- Cleaner, greener, safer healthier MK

4.1.2 The procurement of this contract has complied with Milton Keynes Council's Contract Procedure Rules and Financial Regulations and applicable European procurement regulations.

### 4.2 Resources and Risk

4.2.1 Capital funding of £187,000 (4/C/00573) has been made available in the 2012-13 Children and Families' Capital Programme. The funding source is the 2012-13 capital maintenance allocation. This budget includes all fees, surveys and works.

4.2.2 Any underspend at the end of the project will be returned to the Children and Families' Capital Programme budget.

4.2.3 A detailed Risk Register for the Children and Families' Capital Maintenance Programme has been compiled and will be maintained throughout the lifecycles of the individual projects within the Capital Maintenance Programme, from pre-start through to post-completion. All stakeholders contribute to this register to ensure that it is comprehensive (end users, client officers, project managers, constructors). The Risk Register contains all risk and mitigating actions/strategies. It is formally reviewed and updated by the Asset Management Programme Board on a monthly basis.

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

### 4.3 Carbon and Energy Management

4.3.1 The capital project will support the Council's Carbon and Energy Management policy and will use sustainable sources/methods where possible. The recommended contractor is compliant with the relevant environmental legislation.

#### 4.4 Legal

4.4.1 The Contract and its procurement are compliant with Council Constitution and United Kingdom and European legislation.

#### 4.5 Other Implications

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

Background Papers:       None

**Wards Affected:**

All Wards

**APPROVAL OF THE AWARD OF THE CONTRACT FOR THE REPLACEMENT OF THE ARTIFICIAL TURF PITCH AT WOUGHTON ON THE GREEN**

## Authors:

Richard Davis-Boreham (Sports Development Manager) Tel: (01908) 253500

Paul Sanders (Assistant Director [D Community Facilities]) Tel 01908 253639

**Executive Summary:**

This report seeks approval to appoint the preferred contractor to undertake the works at Woughton on the Green playing fields to replace and enhance the artificial grass pitch facility including new lighting and fencing.

The contractor has been selected using the Council's E-tendering system

**1. Recommendation(s)**

- 1.1 That the contract for the works for the replacement artificial turf surface and associated pitch reconfiguration at Woughton on the Green Playing Fields be awarded to the tenderer in accordance with the Most Economically Advantageous Tender (MEAT) criteria.
- 1.2 That the contract for the lighting upgrade be awarded only when it has been confirmed that the shock pad is in a sound condition and is not in need of either replacement or improvement. If the shock pad needs replacing then the contract award will be made to install a new shock pad.

**2. Issues**

- 2.1 The current artificial grass pitch surface was laid in 2002 and has come to the end of its useful life.
- 2.2 Since taking over the management of the facility, users have complained about the safety of the facility without a dividing fence and residents have complained about the glare that occurs from the floodlights which were installed in 1992 and do not meet current industry standards.

Consultation and Policy

- (a) The procurement seeks to implement / apply the Council's policy for Sport and Leisure, adopted by Cabinet in April 2009 and subsequently refreshed in 2011. The works will progress the Council's Strategic theme of World Class MK and specifically the outcome of 'being a premier sporting city'

(b) The detailed specification has been developed in partnership with the relevant Cabinet Member and the following key stakeholders:

- Milton Keynes Hockey Club
- Hockey England
- The Berks and Bucks Football Association
- The New Parish Council / Residents Association.

## 2.2 Specification and Funding

(a) The works will deliver the following service objectives:

- Replacement artificial grass pitch. Artificial pitch surfaces are fixed life items and have on average a ten year lifespan of use before there is a need for a replacement in order to provide for a safe playing surface meeting sports governing body requirements.
- New floodlights. The current floodlights are causing issues for local residents with light spill and problems for users due to the lack of uniformity with the lighting levels.
- New fencing to create two distinct playing areas which will create additional revenue and also prevent the health and safety issues of having football and hockey being played in the same open space.
- A new shock pad should this be deemed a necessity once the old turf has been lifted

(b) The scheme has £260,000 reserve funding secure which will deliver a replacement artificial grass pitch. It was hoped that a source of funding could be secured from Sport England to deliver a broader offer including funding for floodlights and baseball and softball facilities. This has not been possible and so the base option is being pursued which is to replace the pitch surface and deliver the lighting scheme but only if the shock pad doesn't need replacing. . The total budget available for the delivery of the project is £320,000.

2.3 The total costs of the replacement of the AGP and the associated reconfiguration of the artificial turf pitch is: £260,000 including fees and contingencies. The cost for the replacement lighting scheme is ££50,000. The cost for the replacement shockpad is approximately £60,000. The lighting aspect of the tender will only be awarded when it has been confirmed that the shock pad is fit for purpose.

## 2.4 Evaluation Criteria & Panel

(a) The MEAT evaluation of tenders was carried out as follows:

(a) Price @ 60%

(b) Quality @ 40%

2.5 The quality evaluation criteria was devised by Sports Labs who have extensive experience of managing projects of this nature and this informed the MEAT evaluation

## 2.6 Contract Terms and Conditions

(a) The successful tenderer contract will commence September 2012 and end October 2012.

(b) The Council's standard Terms and Conditions for contract will be used.

(c) The Council's Senior Client Officer for the procurement is Paul Sanders, Assistant Director Community Facilities Unit and for the management of the contract is Richard Davis-Boreham, Sports Development Manager

## 3. **Options**

3.1 The following options appraisal has been conducted:

No investment is made into the artificial turf surface: This would result in the facility deteriorating to the point where no bookings could be taken due to concerns over health and safety. It would also mean the displacement of a number of community clubs and impact significantly on the business model for the facility which relies heavily on the income from the artificial surface.

Replace the artificial surface but do not undertake any of the other works. This would provide a fit for purpose facility but would not resolve the user or resident issues with the facility. It would also prevent any additional alterations until the next time the surface needs replacing in approximately 10 years.

## 4. **Implications**

### 4.1 Policy

The works will implement the Sport and Leisure Strategy adopted by Cabinet in April 2009 in respect of this service.

### 4.2 Resources and Risk

The costs of this contract are met from the Community Facilities Service Budget. The basic artificial surface replacement costs identified within this exercise can be contained within the agreed budget (£320,000).

4.2.1 The lifespan of the new artificial grass pitches will be approximately 15 years. In order to achieve a replacement fund for the facility, a clause will be inserted into any future management arrangement for monies to be set aside at the end of each financial year to secure future works.

4.2.2 The key OPPORTUNITY secured by this contract is an improved facility for the user which provides more opportunity for income generation and cost savings through increased efficiencies. It is assessed that the delivery of this contract provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

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

- There may be additional costs depending on the current state of the shock pad on which the artificial surface is laid. If in a poor state a new shock pad may have to be installed. The estimated cost of a new shock pad is £60,000 and if needed would be paid for from the Tattenhoe Pavilion reserves.

The governance measures set out in 2.4.2 above provide a basis to conclude that this threat, properly managed represent a MEDIUM Likelihood with a HIGH Impact.

	Capital		Revenue		Accommodation
	IT		Medium Term Plan		Asset Management

#### 4.3 Carbon and Energy Management

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

#### 4.4 Legal

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

#### 4.5 Other Implications

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

Background Papers: Specialist Survey of the Pitch