



CABINET: 11 September 2018

COUNCIL: 17 October 2018

Report of: Borough Solicitor

Relevant Portfolio Holders: Councillors I. Moran and A. Yates

Contact for further information: Terry Broderick (Extn. 5001)
(E-mail: terry.broderick@westlancs.gov.uk)
Neale Walker (Extn. 5022)
(E-mail: neale.walker@westlancs.gov.uk)

SUBJECT: SUSTAINABLE ORGANISATION REVIEW: APPOINTMENT OF CONTRACTOR

Borough-wide interest.

1.0 PURPOSE OF THE REPORT

1.1 To seek agreement of the appointment of the contractor for the Sustainable Organisation Review Project (SORP).

2.0 RECOMMENDATIONS TO CABINET

2.1 That the content of this report be noted.

2.2 That subject to the approval of Council, Red Quadrant be appointed as the contractor for the SORP.

3.0 RECOMMENDATIONS TO COUNCIL

3.1 That the content of this report be noted.

3.2 That Red Quadrant be appointed as the Contractor for the SORP.

4.0 BACKGROUND

4.1 At an Extraordinary Meeting of Cabinet and Council on 28 February 2018 it was agreed that the Chief Executive be given delegated authority in consultation with the Sustainable Organisation Review Cabinet Working Group, to take all

necessary steps to procure a suitable contractor or contractors to support the SORP, up to recommending to Council and/or Cabinet the contractor offering the most economically advantageous proposal, in accordance with paragraphs 5.1-5.3 and 9.3 of the report then presented.

4.2 Accordingly, the Chief Executive in consultation with an Officer-based SORP Board gave detailed consideration to the procurement process which would lead to the appointment of suitable contractor(s). It was recognised that the primary criterion for selection of contractor(s) should be quality, followed by price. The Public Contracts Regulations 2015 and the Council's internal Contracts Procedure Rules determine that a sealed-bid tender process be undertaken.

4.3 Given the potential value of the contract(s) and the project timescales, the EU single-stage Open Procedure was chosen. Ahead of the formal process potential bidders were alerted to the opportunity via publication of a Prior Information Notice (EU-wide), and an Early Engagement notice was placed on Contracts Finder (the UK Government's public sector tender advertising website) on 21 March 2018. This asked suppliers to complete a no-obligation Soft Market Test Questionnaire. 11 Questionnaire responses were received, which was considered to be a good response rate. The main result of the Questionnaire feedback was that the four Lots initially proposed should be reduced to two:

- Lot 1: Organisational Review, including income generation and ICT advice
- Lot 2: Optional Additional Services, primarily implementation services, to be drawn down if and when required.

4.4 Draft tender documentation was developed by the officers forming the SORP Board and shared with the Cabinet Working Group at its meeting of 21 May 2018. Amendments were incorporated into the documentation to reflect suggestions offered by Members at the meeting. The main amendment related to a reduction in the scoring weighting for Timescales from 10% to 5%, and an increase for Method Statement from 25% to 30%. The final version of the scoring matrix is shown below.

CRITERION	WEIGHTING %
Supplier Questionnaire Part 1 Potential Supplier Information	Pass or Fail
Supplier Questionnaire Part 2 Exclusion Grounds	Pass or Fail
Supplier Questionnaire Part 3 Selection Questions	Pass or Fail
QUALITY QUESTIONS	
1. Individuals' Experience	10%
2. Corporate Experience	5%
3. Method Statement	30%
4. Timescales	5%
5. Risk Analysis	5%
6. References	5%
7. Economic and Financial Standing	Pass or Fail
Price	40%
TOTAL	100%

- 4.5 The tender documents were published on The Chest tendering portal and Contracts Finder on 23 May 2018, and on the EU tendering website the following day. The tender advert attracted 404 views on Contracts Finder, and 69 firms downloaded the tender documents from The Chest. 12 completed the Non-Disclosure Agreement which gave them access to detailed information about the Council's ICT arrangements. A number of clarification questions were received from potential bidders during the tender process, but none of these resulted in any significant amendments to the tender documentation.

5.0 TENDER RESPONSES

- 5.1 The tender submission deadline was noon on 3 July 2018. 13 tenders were received, of which one was rejected as it arrived after the tender submission deadline. Valid tenders were received from:

Lot 1: Agilisys
Caja
Castlerigg Consulting
CIPFA (C Co)
CPC Project Services LLP
Human Engine
Ignite
NVT Group (a consortium bid)
RedQuadrant
Trueman Change
Veraces

Lot 2: As above, with the addition of ICE Creates.

6.0 OVERVIEW OF TENDERS RECEIVED

- 6.1 Most of the responses were of a high standard, and responded to our detailed requirements in a way which allowed us to analyse the assumptions and methodologies which underpin the proposals.
- 6.2 Few of the bidders have recent experience of conducting reviews of this type across a whole local authority. Most have experience of reviewing only one or several departments or services.
- 6.3 Several bidders lack experience in reviewing specific areas of activity, primarily income generation, HR or ICT.
- 6.4 The methodologies proposed by some of the bidders are proprietary models and approaches which may lack the flexibility to be fully adapted to the Council's particular situation. In some instances the process may not take the Council much further as they replicate earlier processes, e.g. organisational re-engineering.
- 6.5 Examination of the method statements provided as part of each tender reveals wide variations in the amount of man-days of effort proposed. These range between 98 and 253 days. Some of the reason for this is linked to comment 6.6

below; the tenders with fewer man-days of effort seem to indicate that more support and effort will be required from Council staff than those with higher days.

6.6 It is clear from the method statements that some bidders would demand a much greater input of senior officer time and/or project support from the Council than others. This has been taken into account in the scoring process through the approved methodology.

7.0 TENDER EVALUATION

7.1 A sub-group of the SORP Officer Board carried out the detailed tender evaluation in accordance with the scoring criteria and weightings described in paragraph 4.4 above. A shortlist was arrived at comprising the two highest-scoring bidders for Lot 1. A series of questions relating to their tenders was developed and sent to the shortlisted bidders. Each shortlisted bidder attended a clarification meeting to receive their responses and discuss them in further detail.

7.2 The end result of this process was that Red Quadrant received the highest scores for both Lots 1 and 2. This was a good quality submission at a good price and the evaluation demonstrated that this contractor should be able to carry out the required work to a high standard.

7.3 The scores for each tender are summarised below (ranked):

Lot 1: Organisational Review, including income generation and ICT advice.

Ranking	Quality score (out of 60)	Price score (out of 40)	Total score %	Price £
1	51.90	25.35	77.25	119,812
2	43.23	32.81	76.05	94,000
3	30.97	40.00	70.97	69,150
4	32.73	36.62	69.35	80,850
5	52.20	15.02	67.22	155,520
6	48.60	11.71	60.31	166,950
7	38.23	14.09	52.33	158,720
8	32.27	13.51	45.78	160,738
9	43.00	0.00	43.00	211,938
10	36.53	0.00	36.53	325,000
11	28.83	0.00	28.83	567,595

Lot 2: Optional Additional Services, primarily implementation services, to be drawn down if and when required.

Ranking	Quality score (out of 60)	Price score (out of 40)	Total score %
1	53.67	34.44	88.10
2	51.00	32.80	83.80
3	44.00	37.26	81.26
4	35.97	40.00	75.97
5	39.70	35.48	75.18
6	41.60	33.01	74.61

7	35.97	38.60	74.56
8	36.70	36.81	73.51
9	45.00	27.90	72.90
10	44.50	22.55	67.05
11	31.43	30.66	62.10
12	31.87	22.16	54.03

7.4 Details of the tender process and its outcome were reported to the SORP Cabinet Working Group at its meeting on 4th September. Any agreed comments from this meeting will be reported back to Cabinet and Council as appropriate.

8.0 CONTRACT AWARD PROCESS

8.1 All bidders will be/were formally notified of the tender result on 11 September 2018 following which a mandatory 10-day standstill period is/was imposed to allow unsuccessful bidders to be de-briefed. The standstill period ends/ended on 21 September 2018.

8.2 A contract is being drawn up with Red Quadrant so that Lot 1 work can commence as soon as possible after Council approval of the appointment and signature of the contract. It is intended that the Red Quadrant will commence work on the SORP project in November and that the outcome of this work will be reported to Council in July 2019.

8.0 SUSTAINABILITY IMPLICATIONS

8.1 No significant implications at this early stage and no significant implications for crime and disorder.

9.0 FINANCIAL AND RESOURCE IMPLICATIONS

9.1 The contract price for Lot 1 is £119,812. The total price for Lot 2 will depend upon the types and volumes of implementation activity identified at the end of the Lot 1 phase. The cost will be funded 80% from the General Revenue Account (through the Policy Options / Sustainable Organisation Review Reserve) and 20% from the Housing Revenue Account in line with staffing numbers / budgets.

10.0 RISK ASSESSMENT

10.1 There could be a challenge to the tender process which would delay the timescales for implementation. A carefully considered tender process has been put in place, and tender responses are being evaluated in accordance with strict criteria. This should minimise the risk of a credible challenge.

10.2 The SORP has been included on the Council's Key Risk Register as it will play a vital role in ensuring the Council's continuing financial health over the medium term future.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

This is an initial report and does not make any recommendations that would require an Equality Impact Assessment at this time.

Appendices

Minute of Cabinet – 11 September 2018 (below)

CABINET

HELD: Tuesday, 11 September 2018

37 SUSTAINABLE ORGANISATION REVIEW - APPOINTMENT OF CONTRACTOR

Councillor Yates introduced the report of the Borough Solicitor which sought agreement of the appointment of the contractor for the Sustainable Organisation Review Project (SORP).

In reaching the decision below, Cabinet considered the details as set out in the report before it and accepted the reasons contained therein.

RESOLVED (A) That the report be noted.

(B) That subject to the approval of Council, Red Quadrant be appointed as the contractor for the Sustainable Organisation Review Project.