

# Dacorum Borough Council

## Procurement Strategy Report

*for the future procurement of repairs,  
maintenance and improvements to the  
Council's housing & related assets*

Dated: September 2012

# Document Control

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## Revisions

Job Ref	Revision	Date	Prepared	Checked	Amended	Notes
10189	--	25/07/12	NT	KT	N/A	Outline Structure
10189	A	15/08/12	NT	KT	NT	Draft Issue (For Comment)
10189	B	03/09/12	NT	KT	NT	Following comments from DBC and BB
10189	C	13/09/12	NT	KT	NT	Following further comments from DBC
10189	D	17/09/12	NT	KT	NT	Insertion of section from BB
10189	E	20/09/12	NT	KT	NT	Following Project Board Meeting Review
10189	F	03/10/12	NT	KT	NT	Final Issue for Cabinet

# Glossary

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<b>CSU</b>	Customer Service Unit
<b>DBC</b>	Dacorum Borough Council
<b>DLO</b>	Direct Labour Organisation
<b>EU</b>	European Union
<b>ITPD</b>	Invitation to Participate in Dialogue
<b>ITT</b>	Invitation to Tender
<b>JCT</b>	Joint Contracts Tribunal
<b>JV</b>	Joint Venture
<b>M&amp;E</b>	Mechanical and Electrical
<b>MEAT</b>	Most Economically Advantageous Tender
<b>NEC</b>	New Engineering Contract
<b>NHF</b>	National Housing Federation
<b>OJEU</b>	Official Journal of the European Union
<b>PBA</b>	Project Bank Account
<b>PID</b>	Project Initiation Document
<b>PPC</b>	Project Partnering Contract
<b>PQQ</b>	Pre-Qualification Questionnaire
<b>PSPC</b>	Public Sector Partnering Contract
<b>SME</b>	Small, Medium Enterprise (Business)
<b>SOR</b>	Schedule of Rates
<b>TPC</b>	Term Partnering Contract

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## 1.0 EXECUTIVE SUMMARY

### 1.1 Description

This report relates to the proposed procurement strategy for Dacorum Borough Council (DBC) in the delivery of housing repairs and maintenance to support DBC improve and maintain its built assets. The following report is presented as a “Procurement Strategy” setting out the detailed methodology for the procurement of Service Providers to deliver housing (and related assets) repairs and maintenance with a target start date of 1 April 2014.

### 1.2 Purpose

To provide a robust procurement strategy that meets the client objectives set out at [2.3 Key Drivers](#).

### 1.3 Proposed Delivery Model

#### 1.3.1 Delivery Model

The proposed delivery model for this procurement is set out at [4.5 Proposed Delivery Model](#). Furthermore, the proposed procurement strategy is set out in more detail at [5.4.4 Procurement Route](#). In summary, it is recommended that 4 contract packages are procured as follows:-

1. Contract Package 1 – Total Asset Management
2. Contract Package 2 – Engineering, Servicing & Maintenance
3. Contract Package 3 – Gas servicing
4. Contract Package 4 – Consultancy Services (Housing)

#### 1.3.2 Contract Form

The proposed contract form will differ for each of the Packages described in Option 1A. In summary:

Contract Package 1: An appropriate form of “Term Services” contract will be utilised. This will most likely comprise a published form of contract, with bespoke amendments.

Contract Package 2: An appropriate form of “Term Services” contract will be utilised. This will most likely comprise a published form of contract, with bespoke amendments.

Contract Package 3: An appropriate form of “Term Services” contract will be utilised. This will most likely comprise a published form of contract, with bespoke amendments.

Contract Package 4: For the multi-disciplinary consultants, an appropriate standard form of term consultancy agreement with bespoke amendments or a bespoke form.

As set out in [5.3 Proposed Forms of Contract](#), the proposed contract forms will be developed in discussion with client, users and professional advisers, leading up to the dispatch of tender.



### 1.3.3 Contract Duration & Packaging

The proposed contract durations and packages (Lots) are set out in the table below:-

Contract	Lot	Description	Duration (Min)	Duration (Max)	Nr of Providers
1	<b>Contract Package 1 – Total Asset Management</b>		5 Years	10 Years	1
2	<b>Contract Package 2 – Engineering, Servicing &amp; Maintenance</b>				
	1	Fire Alarm Servicing & Maintenance	5 Years	10 Years	1
	2	Communal Boiler Maintenance	5 Years	10 Years	1
	3	Legionella Testing, Servicing & Maintenance	5 Years	10 Years	1
	4	Lift Maintenance	5 Years	10 Years	1
	5	Community Alarms Maintenance	5 Years	10 Years	1
3	<b>Contract Package 3 – Gas servicing*</b>		7 Years	10 Years*	1
4	<b>Contract Package 4 – Consultancy Services Contracts (Housing)**</b>				
	1	Multi-Disciplinary Consultant Services – Housing (Construction Related)	5 Years	10 Years	1
	2	Multi-Disciplinary Consultant Services – Housing (Engineering Related)	5 Years	10 Years	1

\* With regards to Contract Package 3 for gas servicing, it is proposed that this package is awarded with a minimum period of 7 years with an option to extend up to a maximum of 10 years on the basis of a total asset management package including replacement of the assets (boilers) during the term of the contract. Under a “5 Star” Service, the Service Provider effectively takes responsibility for the supply, installation, maintenance and management of the asset for the entire duration of the term programme. The Service Provider will be responsible for installing new assets under a dynamic planned programme. No separate payment will be made in respect of installation works. Instead, tenderers will be required to provide a fixed price per annum to include for annual servicing, maintenance and installation over the duration of the term programme. An output specification will set out the requirements relating to the condition of the assets at handover, either at the initial 7 year term or the 10 year term.

\*\* The exact scope of consultancy services that may be required to support DBC is unknown at this point. DBC will determine the requirements for consultancy support following the re-structure of Property and Place and a “needs” analysis. The procurement of external consultants can follow a different timeframe to the main contracts to be procured.

Each “Contract Package” will comprise of a unique Contract Notice. Where “Lots” are indicated, these will be separate “Lots” under a single Contract Notice. It is envisaged that 4 contract notices will be posted, representing one for each “Contract Package”.

## 1.4 Proposed Timetable

A detailed timetable for delivery of the procurement strategy is set out at **Appendix D – Project Plan**. The tender stage of the project varies dependant on the two proposed procurement routes using the competitive dialogue procedure for Contract Package 1 and the Restricted Procedure for Contract Packages 2, 3 & 4. A summary of the indicative key milestone dates are set out below:-

### 1.4.1 Contract Package 1 – Total Asset Management

Activity	Date
Publish OJEU Notice	18/12/12
Return of Pre-Qualification Questionnaire	06/02/13
Shortlist Bidders for Tender	21/03/13
Cabinet Meeting to Approve Shortlist	26/03/13
Issue Invitation to Participate in Dialogue	05/04/13
Tender Return	17/05/13
Dialogue with Bidders (Inc Site Visits)	17/06/13 – 12/07/13
Final Tenders (Tender Period)	15/07/13 – 09/08/13
Evaluation of Final Tenders	12/08/13 – 23/08/13
Report and Recommendations to Project Board	26/08/13 – 06/09/13
Approval to Proceed (Cabinet Approvals)	20/09/13
Leaseholder Consultation (Notice of Landlords Proposals)	23/09/13 – 29/11/13
Statutory Standstill Period	02/12/13 – 13/12/13
Appoint Contractor	13/12/13
Contract Mobilisation	14/12/13 – 31/03/14
Commence Contract	01/04/14

### 1.4.2 Contract Packages 2, 3, & 4

Activity	Date
Publish OJEU Notice	18/12/12
Return of Pre-Qualification Questionnaire	06/02/13
Shortlist Bidders for Tender	21/03/13
Cabinet Meeting to Approve Shortlist	26/03/13
Issue Invitation to Tender	05/04/13
Tender Return	31/05/13
Interviews/Site Visits	15/07/13 – 23/08/13
Report and Recommendations to Project Board	26/08/13 – 06/09/13
Approval to Proceed (Cabinet Approvals)	20/09/13
Leaseholder Consultation (Notice of Landlords Proposals)	23/09/13 – 29/11/13

Activity	Date
Statutory Standstill Period	02/12/13 – 13/12/13
Appoint Contractor	13/12/13
Contract Mobilisation	14/12/13 – 31/03/14
Commence Contract	01/04/14

All contracts referred to at [1.3.3 Contract Duration & Packaging](#) are planned to commence on 1 April 2014.

## 1.5 For Decision

Set out below are decisions required by the Project Board and Cabinet in order to proceed to the procurement stage:-

1. Approval to the proposed contract packages and lots;
2. Acknowledgement of the indicative timescales associated with the delivery of the project set out at **Appendix D – Project Plan**;
3. Approval to proceed to issuing the Notice of Intention to commence formal leaseholder consultation;
4. Approval to proceed to preparing the Contract Notice and Pre-qualification questionnaire to commence the formal EU procurement process.

## 2.0 INTRODUCTION

### 2.1 Background

This Report relates to the proposed procurement route for DBC in the procurement of Housing Repairs, Maintenance & Improvement of the Council's housing and related assets.

This report provides a summary of the current position and a proposed strategy to support the delivery of the Strategic and Project Objectives in the selection and appointment of Contractors to deliver the future housing repairs, maintenance improvements. The development of this report followed a simple stepped process as shown below:-

1. Where are we now? (see [3.0 Current Situation](#))
2. Where do we want to be? (see [4.0 Options Appraisal](#))
3. How are we going to get there? (see [5.0 The Procurement Strategy](#))
4. How can we ensure we get there safely? (see [6.0 Statutory and Regulatory Issues](#))

These are the underlying questions forming the backbone to this procurement strategy report.

### 2.2 Background Information

This report is in response to a decision at Cabinet held on 24 July 2012. This follows an initial "Options Appraisal" referred to in Cabinet Report entitled "Procurement Options Appraisal of the models of delivery available for housing repairs, maintenance new build and improvements". In particular, Cabinet made the following comment:-

*That the scope and progress of the options appraisal be noted and that options 1, 2 and 5 are taken forward to be considered in more detail.*

24 July 2012, CA/083/12, Item 9

### 2.3 Key Drivers

The ultimate objective of this project is to establish appropriate arrangements for the delivery of repairs and maintenance from April 2014. Therefore, the key drivers can be classified as:-

**Strategic Objectives** – Those objectives concerned with the overall project to deliver future repairs and maintenance;

**Project Objectives** – Those objectives concerned with the delivery of this procurement strategy in supporting the Council deliver the strategic objectives.

### 2.3.1 Strategic Objectives

The strategic objectives are set out below:-

1. To enter into a contract or contracts with one or more contractors in order to provide a high quality repairs and maintenance service that aligns with DBC's Housing business plan, asset management strategy and the corporate and housing priorities set out below;
2. To conclude robust, compliant and comprehensive selection and award evaluations on the Contractors and their proposals to ensure financial stability, ongoing viability; combined with a sustainable business plan;
3. To ensure that costs are continuously transparent, controllable and within a range of benchmarked costs;
4. To be able to demonstrate that innovation and continuous improvement of the service is tangible and measured;
5. Proactively involve tenants in the scrutiny and monitoring of the service;
6. Quality of workmanship and customer care to be consistently demonstrated and measured;
7. To promote opportunities for maximising the energy efficiency of the housing stock and reducing carbon through targeted investment and informed asset management and service delivery;
8. To build sustainable communities through procurement project, through training and employment of local people and the use of local suppliers.

### 2.3.2 Project Objectives

As set out in the PID dated 23/03/12 (**2.0 – Project Objectives**.) in connection with the development of the options appraisal, the key drivers for the project were identified as:-

1. To consider all the options available for the future delivery of housing repairs and maintenance, capital works and new build housing;
2. To build on lessons learned including recommendations from the David Bowles report and external audit, internal knowledge, experience and best practice in developing the procurement strategy;
3. To develop a clear and robust exit strategy for all current contracts;
4. To develop clear roles and responsibilities in the Project Group;
5. To ensure that all stakeholders (residents; Members; other Council departments; existing contractors; staff) are fully engaged in the process.

This procurement strategy report will seek to meet the objectives set out above.

## 2.4 Definitions

The proposed procurement comprises the award of contracts to different types of supplier for both “works” and “services” contracts including:-

- Contractor
- Consultant
- Service Provider
- Term Contractor

Where reference is made to any of the above within this document, this shall mean “Contractor” for the purpose of this procurement, being an organisation that will contract with DBC for the provision of works and/or services specified.

## 3.0 CURRENT SITUATION

### 3.1 Analysis of Current Situation

This section deals with ‘Where are we now?’ The following sections provide some further background to the specific nature of the procurement. In particular, this section covers:-

1. Summary of current contract arrangements
2. Summary of the key findings of the Options Appraisal

### 3.2 Summary of Current Contract Arrangements

#### 3.2.1 Property & Place

A list of current contracts (administered within Property & Place), together with estimated annual spend, expiry date of contract and details of the current provider is set out in the table below:-

Ref:	Contract Title	Name of Current Provider	Estimated Annual Spend(£)	Expiry Date of contract
1	Asbestos Removal Works	Silverdell (UK) Ltd	£200,000	Under review
2	Community alarms maintenance	Cirrus Communication Systems	£88,000	01/08/2014
3	Community Alarms System	Eldercare	£68,317	31/07/2014
4	Electrical contracting - rewiring - HRA	Southern Electric Contracting Ltd	£750,000	31/03/2014
5	Fire Servicing	Southern Electrical Contracting Ltd	£60,000	31/03/2015*
6	Gas servicing and water testing - Commercial HRA Combined with 14	Orion Heating	£80,000	07/07/2012 2yrs plus 3yrs
7	Gas servicing and water testing - Domestic HRA	Carillion	£1,100,000	30/06/2014
8	Partnering Adviser Housing	Cameron Consulting	£20,000	14/07/2013
9	Planned Capital Works – Housing	Apollo Group	£9,600,000	31/03/2014
10	Preventative Other Lift Maintenance	Express Elevators	£40,480	31/03/2015*
11	Preventative Passenger Lift Maintenance	Liftec Lifts	£24,108	31/03/2015*
12	Responsive & void repair service - HRA	Mitie Property Services Ltd	£7,000,000	27/01/2014
13	Window Cleaning Services	F & G Cleaners Ltd	£45,270	11/11/2012
14	Legionella Testing Combined with 6	Orion Heating	N/A	07/07/2012 2yrs plus 3yrs

\* Contracts due to expire post 31/3/14, contain early termination provisions without penalty. Current contractors will be served with a "notice of termination" at the appropriate time.

This procurement strategy relates to the re-procurement of the above contracts for a proposed commencement on 1 April 2014. Further details regarding the proposed "Lots" is set out in [5.2 Contract Packaging](#).

### **3.2.2 Call Centre**

In addition to the Contractor arrangements, DBC currently operates its own Customer Service Unit (CSU) on behalf of all Council Directorates. As part of this re-procurement it is proposed that the Housing related CSU could be included in Contract Package 1 and be delivered by the Contractor.

The CSU currently handles approximately 260,000 calls per annum and 65,000 face-to-face meetings, with housing and garage related calls/enquiries accounting for approximately 16% of the CSU volumes

## **3.3 Key Findings from Options Appraisal**

The Options Appraisal considered a number of options for the procurement of housing repairs, maintenance and improvement. In summary, these comprised of 3 options around the use of multiple outsourced contracts and an option for the Council to form a joint venture. A detailed "Risks and Benefits Analysis" was undertaken to arrive at the options presented to Cabinet.

In addition, the options appraisal set out the findings of the soft market testing exercise. In particular, this comprised of feedback from potential service providers in relation to:-

1. **Commercial Matters** – Forms of Contract and Pricing Methodologies;
2. **Added Value Services** – Details relating to additional services that could be provided by bidders;
3. **Technical Ability of Service Providers** – Details relating to the scope of services that could be provided by Service Providers.

In terms of this report, the recommendations contained herein are based, in part on the feedback from the market in helping to shape the overall procurement strategy, in relation to the matters outlined above.



### **3.4 Why are new Contracts needed?**

The majority of the Council's contracts are due to expire around the same time, i.e. 31 March 2014. This situation presents opportunities to consider a different approach, particularly around a "Total Asset Management" solution through the conjoining of repairs, maintenance and improvement into one contract. It is considered that new contract arrangements will:-

1. Lead to a more integrated approach to asset management;
2. Deliver improvements in efficiency of service delivery;
3. Reduce unit costs through better asset management.

## 4.0 OPTIONS APPRAISAL

### 4.1 Assessment of Options

This section deals with **'Where do we want to be?'** Based on the initial "Options Appraisal" and further to the Cabinet decisions of 24 July 2012, the following options are subject to further review:-

1. Option 1A - Multiple Outsourced Contracts – 1 Nr Single Provider for R&M/Planned in one area\*;
2. Option 1B - Multiple Outsourced Contracts – 2 Nr Single Providers for R&M/Planned in two areas\*;
3. Option 2 - Multiple Outsourced Contracts – Separate contracts for R&M and Planned works;
4. Option 5 – Joint Venture/Subsidiary

\* Option 1 comprises two options: 1A is effectively for a single service provider to undertake R&M/Planned works across the entire Borough; 1B is the same as 1A but with two service providers, each operating in distinct geographical areas.

This section seeks to consider in more detail, each of the above options to arrive at a recommended solution. In particular, this section covers:-

1. Description of Options;
2. Further Analysis;
3. Risk/Benefits Analysis of Options;
4. Proposed Delivery Model.

### 4.2 Description of Options

#### 4.2.1 Option 1A - Multiple Outsourced Contracts – 1 Nr Single Provider for R&M/Planned in one area

This option comprises a mix of different contract "Lots" for each different workstream. Bidders could bid for one or more lots. The basic essence of this approach is the potential to have a number of different contractors working for DBC, including potential for SME involvement. Packages as follows:-

1. Package 1 – Repairs & Maintenance and Planned Capital works under one term contract with one Service Provider;
2. Package 2 – Gas Servicing & Maintenance under one term contract with one Service Provider;

3. Package 3 – M&E works and services under many contracts with many Service Providers dependant upon the specialist nature of each programme of work. For example, separate contracts for lift servicing, district heating, water treatment etc.;
4. Package 4 – The establishment of a Framework Agreement with 3 or more Framework Operators to provide new build construction services on a “call-off” basis, through mini-competition.

#### **4.2.2 Option 1B - Multiple Outsourced Contracts – 2 Nr Single Providers for R&M/Planned in two areas**

This option comprises a mix of different contract “Lots” for each different workstream. Bidders could bid for one or more lots. The basic essence of this approach is the potential to have a number of different contractors working for DBC, including potential for SME involvement. Packages as follows:-

1. Package 1 – Repairs & Maintenance and Planned Capital works under one term contract with two Service Providers (By Area);
2. Package 2 – Gas Servicing & Maintenance under one term contract with one Service Provider;
3. Package 3 – M&E works and services under many contracts with many Service Providers dependant upon the specialist nature of each programme of work. For example, separate contracts for lift servicing, district heating, water treatment etc.;
4. Package 4 – The establishment of a Framework Agreement with 3 or more Framework Operators to provide new build construction services on a “call-off” basis, through mini-competition.

#### **4.2.3 Option 2 - Multiple Outsourced Contracts – Separate contracts for R&M and Planned works**

This option comprises a mix of different contract “Lots” for each different workstream. Bidders could bid for one or more lots. The basic essence of this approach is the potential to have a number of different contractors working for DBC, including potential for SME involvement. Packages as follows:-

1. Package 1 – Repairs & Maintenance works under one term contract with one Service Provider;
2. Package 2 – Planned Capital works under one term contract with one Service Provider;
3. Package 3 – Gas Servicing & Maintenance under one term contract with one Service Provider;
4. Package 4 – M&E works and services under many contracts with many Service Providers dependant upon the specialist nature of each programme of work. For example, separate contracts for lift servicing, district heating, water treatment etc.;

5. Package 5 – The establishment of a Framework Agreement with 3 or more Framework Operators to provide new build construction services on a “call-off” basis, through mini-competition.

#### 4.2.4 Option 5 – Joint Venture/Subsidiary

Under this option, DBC would either form a JV with a private partner(s) or form a subsidiary to deliver services. All workstreams would be considered to be included under the JV.

### 4.3 Further Analysis

Following the initial options appraisal, further work has been undertaken by the Project Team. This has comprised the following:-

1. **Further Peer Review** – Informal discussions with peer organisations;
2. **Staff Review** – A workshop with staff members (within Property & Place) involved in the delivery of repairs, maintenance and improvement works;
3. **Review of Soft Market Test** – A further review of the results of the soft market test.

The outputs of these exercises are set out below:-

#### 4.3.1 Further Peer Review

Following the Options Appraisal, DBC has undertaken a further peer review exercise. The purpose of the further peer review was to examine in more detail the remaining options and in particular, to explore options around the contract packaging with either single or multiple providers. The following organisations were approached for their views on different contract arrangements since these organisations were known to work with multiple providers:-

- Wolverhampton Homes
- Crawley Homes
- Croydon Council
- Enfield Homes
- Greenwich Council

Three of the organisations noted above responded and the results are provided at **Appendix C – Peer Review**. In summary, respondents were asked the following questions:-

1. Is the same type of contract (e.g. TPC2005) and KPIs used with both contractors?
2. What is the call centre arrangement? Does each contractor manage their own call centre team or is there one central team for both?

3. Do you notice an effort by the contractors to ‘compete’ and score better KPIs than the other?
4. How do you manage tenants’ perception and/or complaints if one contractor consistently outperforms the other?
5. Do you consider value for money is achieved better through the use of single or multiple providers?
6. Have you experienced any leaseholder issues with a multiple contract arrangement?

In summary, the results of the peer review do not really provide any compelling argument for or against different packaging options. Further, it is difficult to draw conclusions based on such a limited response.

#### 4.3.2 Staff Review

A staff review (Team Day) within Property & Place was held on 31 July 2012, facilitated by Fiona Williamson – Group Manager (Property & Place). Attendees of the Team Day were asked the following questions:-

1. What works well and not so well with the existing contract arrangements this table identifies what improvements could be made?
2. What works well with the existing contract arrangements?
3. What does not work well with the existing contracts?

The full results of the staff review are contained at **Appendix A – Outputs of Staff Review**. In summary, some of the abbreviated outputs are set out in the table below:-

What works well and not so well with the existing contract arrangements this table identifies what improvements could be made?	What works well with the existing contract arrangements?	What does not work well with the existing contracts?
Improvements in technology (and IT) to improve efficiency of service delivery	Residents trust DBC	Responsive repairs do not work so well. Lack of trust and perception that contractor driven by profit.
Closer working relationship with contractor(s) would be beneficial and particularly around communication	Good quality of work undertaken by the smaller contractors	Inefficiency in a number of areas, such as repeat visits, abortive calls etc.
Standardise contract forms to improve efficiency	Good control of budget by DBC	Inconsistency in quality of work.
Greater focus on the customer including greater customer engagement	Keeping certain contracts separate such as gas servicing	Pricing models based on schedule of rates and bonuses do not work well
More intelligent approach to asset management	Knowledge of pricing and value for money	Lack of integrated working with contractors

What works well and not so well with the existing contract arrangements this table identifies what improvements could be made?	What works well with the existing contract arrangements?	What does not work well with the existing contracts?
Improve administration and processes to improve performance	Flexibility and alternative options	Too many people involved – lack of ownership and responsibility

In conclusion, the outputs of the staff review have indicated the following:-

- That efficiencies can be achieved over the current way of working;
- That greater collaboration with contractors is required to achieve higher levels of performance;
- That it is important that DBC maintains a degree of control over the way in which services are delivered.

#### 4.3.3 Review of Soft Market Test

At 5.2.2 – *Summary of Results of the Options Appraisal*, a summary of results is provided in relation to questions posed in the soft market testing questionnaire. It is important to consider these responses in terms of market engagement to ensure that the proposed delivery model (see [4.5 Proposed Delivery Model](#)) reflects the market capacity and stimulates sufficient appetite for this procurement. The questions within the questionnaire were set out in the following sections:-

- Type of Work
- Contract Matters
- Pricing and Incentivisation
- Added Value
- Design Function
- Additional Information

A brief summary review of the key outputs against each of these sections is provided below:-

##### 4.3.3.1 Type of Work

Larger organisations would not be keen on forming a consortium to bid for work, though smaller organisations indicated a willingness to collaborate and bid for work.

#### *4.3.3.2 Contract Matters*

The SME organisations preferred smaller contracts. However many of the respondents were from specialist contracting organisations such as gas servicing. Larger contractors indicated a preference for larger combined contracts. The overwhelming response in terms of proposed contract duration was 7-10 years and under a partnering form of contract. The most popular form of contract was cited as the ACA Term Partnering Contract TPC2005 (Amended 2008).

#### *4.3.3.3 Pricing and Incentivisation*

Generally, larger contractors favoured newer, more innovative pricing models such as “price per property” or hybrid variants. Open book was popular across the board with schedule of rates being the least preferred pricing model.

#### *4.3.3.4 Added Value*

The larger contractors expressed a willingness to enter into a contract with a project bank account<sup>1</sup>. The smaller contractors were not so keen.

The majority of the larger contractors were willing to manage a CSU, whereas around ¾ of the smaller and medium sized contractors were willing to manage a CSU.

#### *4.3.3.5 Design Function*

Most respondents were able to offer a design function, although this reduced from larger to smaller contractors.

#### *4.3.3.6 Additional Information*

Generally speaking the larger contractors were able to demonstrate clearer thinking around innovation in service delivery.

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<sup>1</sup> A Project Bank Account (PBA) is means of achieving a “fair payment” mechanism, whereby named supply chain partners or contractors who are members of the PBA receive payment direct from the Employer once certified and not from the Lead Contractor.

#### 4.4 Risk/Benefits Analysis of Options

Based on the further analysis outlined at [4.3 Further Analysis](#) and the outputs of the initial options appraisal and in particular, the soft market testing, the risks and benefits of the remaining options outlined at [4.2 Description of Options](#) have been further refined. A detailed analysis is contained at **Appendix B – Risk & Benefits Analysis**. This analysis has been developed further into a more detailed analysis than the original analysis contained in the “Options Appraisal”. In particular, the new analysis has been developed further as follows:-

- A “Performance Importance” section has been added to each criteria to reflect the relative importance of each of the criteria being considered;
- A “Weighting” factor has been allocated to each of the criteria in terms of “desirability”. This weighting is on the basis of the criteria falling into one of the following categories: “Must Have”; “Should Have” and “Could Have”;
- For each of the identified “Benefits”, a new column has been added entitled “Developing the Benefits” to identify how each of the benefits can be developed;
- For each of the identified “Risks”, a new column has been added entitled “Mitigating the Risks” to identify how each of the risks can be reduced.

The overall summary of results is set out in the table below:-

Option	Overall Assessment	Rank
Option 1A - Multiple Outsourced Contracts	78.5	1
Option 1B - Multiple Outsourced Contracts	60.0	2
Option 2 - Multiple Outsourced Contracts	53.0	3
Option 5 – Joint Venture/Subsidiary	48.5	4

#### 4.5 Proposed Delivery Model

As set out in [4.4 Risk/Benefits Analysis of Options](#), the option presenting on balance, the best combination of benefits and risks is Option 1A – Multiple Outsourced Contracts. The key features of this model are:-

1. A single contract, Borough wide for the delivery of responsive repairs, maintenance and improvement works, with a single Service Provider;
2. Separate contracts in place with one or more service providers for the provision of “Specialist” contracts, including, but notwithstanding, the following:-
  - a. Community Alarms Maintenance
  - b. Fire Alarm Servicing & Maintenance



- c. Domestic Gas Servicing & Water Testing
  - d. Communal Gas Servicing & Water Testing
  - e. Lift Maintenance
  - f. Legionella Testing
  - g. New Build (Minor Works)
3. The award of Term Service Contracts for a period of up to 10 years under a Term Agreement;
  4. The establishment of term agreements and frameworks with consultancy organisations to support DBC deliver its programmes of work.

It may be possible to conjoin some of the above (2) into single contracts. For example, combining domestic and communal gas servicing and water testing. Further information on proposed contract packaging is set out at [5.2 Contract Packaging](#).

#### **4.5.1 Contract Packages for Deferral**

Whilst the original intention was to procure some contracts, which would be across the Council, rather than just specific to Property and Place, it is proposed that these are deferred for the time being. Therefore, the following contract packages will form part of a separate procurement exercise in the future:-

1. The establishment of a construction framework to deliver new build projects (primarily housing);
2. The establishment of a framework of consultants to support the Council deliver its new build programme;
3. The establishment of a framework of consultants to support the Council deliver construction projects in relation to corporate property assets.

## 5.0 THE PROCUREMENT STRATEGY

### 5.1 Introduction

This section deals with ‘**How are we going to get there?**’ In particular, this section covers the following:-

1. Contract Packaging
2. Proposed Form(s) of Contract
3. EU Procurement
4. Tender Activities
5. Outline Procurement Programme
6. Managing the Contract

### 5.2 Contract Packaging

There are a number of options for consideration when it comes to deciding upon how the programme will be packaged and subsequently delivered. As a background to the rationale in proposing different options, the following criteria have been considered:-

- The use of fewer numbers of providers;
- Less procurement activity;
- The opportunity to establish long term partnerships;
- The availability of resources to manage the contract(s);
- Enabling opportunities for SME engagement.

The above criteria are based on improving efficiency, achieving better value for money and ultimately to improve the quality of service delivery to residents.

The proposed packaging will be dependant on the criteria stated above and it is therefore a matter for DBC to consider in light of these issues.

#### 5.2.1 Packaging and Lots

Based on the proposed delivery model set out at [4.5 Proposed Delivery Model](#), the following contract packages and lots are identified, together with a description of the works/services to be included:-

1. Contract Package 1 – Total Asset Management
  - a. Total Asset Management (Building Assets)

2. Contract Package 2 - Engineering, Servicing & Maintenance
  - a. Fire Alarm Servicing & Maintenance
  - b. Communal Boiler Maintenance
  - c. Legionella Testing, Servicing & Maintenance
  - d. Lift Maintenance
  - e. Community Alarms Maintenance
  
3. Contract Package 3 – Gas servicing
  - a. Gas Servicing 5\* delivery
  
4. Contract Package 4 – Consultancy Services (Housing)
  - a. Multi-Disciplinary Consultant Services – Construction Related
  - b. Multi-Disciplinary Consultant Services – Engineering Related

These are now set out in more detail below:-

Contract Package 1 – Total Asset Management

Lot	Lot Title	Description of Works/Services
1	Total Asset Management – Building Assets	<ul style="list-style-type: none"> <li>- The provision of responsive repairs, void repairs, maintenance and improvement of housing assets including internal and external refurbishment;</li> <li>- The provision of construction services associated with minor new build, alterations and extensions;</li> <li>- The provision of a CSU;</li> <li>- The provision of design services;</li> <li>- The provision of asbestos removal services;</li> <li>- The provision of window cleaning services.</li> </ul>

Contract Package 2 – Engineering Servicing & Maintenance

Lot	Lot Title	Description of Works/Services
1	Fire Alarm Servicing & Maintenance	<ul style="list-style-type: none"> <li>- Fire Alarm Servicing &amp; Maintenance</li> </ul>
2	Communal Boiler Maintenance	<ul style="list-style-type: none"> <li>- The provision of gas servicing and maintenance of communal boiler installations;</li> <li>- The provision of new communal boiler installations.</li> </ul>
3	Legionella Testing, Servicing & Maintenance	<ul style="list-style-type: none"> <li>- The provision of legionella testing, servicing and maintenance;</li> <li>- The undertaking of planned preventative maintenance of water services installations.</li> </ul>

Lot	Lot Title	Description of Works/Services
4	Lift Maintenance	<ul style="list-style-type: none"> <li>- The provision of lift servicing and maintenance of hydraulic lifts, stairlifts, platforms and hoists to housing assets;</li> <li>- The provision of lift servicing and maintenance of hydraulic lifts, stairlifts, platforms and hoists to corporate building assets.</li> </ul>
5	Community Alarms Maintenance (Optional)	<ul style="list-style-type: none"> <li>- The provision of community alarms maintenance</li> </ul>

#### Contract Package 3 – Gas servicing

Lot	Lot Title	Description of Works/Services
1	Gas Servicing	<ul style="list-style-type: none"> <li>- The provision of gas servicing and maintenance of domestic boiler installations;</li> <li>- The installation of new domestic gas boilers;</li> <li>- The provision of a 5* total asset management solution.</li> </ul>

#### Contract Package 4 – Consultancy Services (Housing)

Lot	Lot Title	Description of Works/Services
1	Multi-Disciplinary Consultant Services – Construction Related	<ul style="list-style-type: none"> <li>- The establishment of a term service contract with a professional service organisation to support Property and Place in the delivery of the housing revenue account and capital projects. Services to comprise Project Management (Employers Agent); Building Surveying; Cost Consultancy; CDM Co-ordinator (1 Provider).</li> </ul>
2	Multi-Disciplinary Consultant Services – Engineering Related	<ul style="list-style-type: none"> <li>- The establishment of a term service contract with a professional service organisation to support Property and Place in the delivery of the housing revenue account and capital projects. Services to comprise Project Management (Employers Agent); M&amp;E Engineering &amp; Structural Engineering (1 Provider).</li> </ul>

### **5.2.2 Term Contracts**

Term Contracts are contracts with a service provider to undertake a defined scope of works/services over a fixed duration of time. Orders are raised to undertake works/services throughout the term of the contract, based on the pricing mechanism and contract terms established at the outset of the term. There is no limit to the length of a term contract, although best practice would point towards contract durations between 5 and 15 years. Any length of contract exceeding 15 years could be considered by the EU Commission as “restricting competition”. All of the contract packages and lots will be let as “Term Contracts”.

## 5.3 Proposed Forms of Contract

### 5.3.1 Term Contracts (Building Works)

The proposed form of term contract to be utilised will be determined by the Project Board. There are a number of published term contracts available, including the following:-

- ACA Term Partnering Contract TPC2005 (Amended 2008);
- JCT MCT2011 Measured Term Contract;
- JCT Constructing Excellence Contract;
- Public Sector Partnering Contract (PSPC) for Term Maintenance (Option 1 or 2);
- The NEC Term Service Contract (TSC);

Whilst DBC is familiar in the use of TPC2005 in the operation of their current repairs contract, the final decision regarding proposed form of contract to be used will be dependant upon contract management experience, fitness for purpose and market acceptability. The proposed form of contract does not need to be determined at pre-qualification stage. Further discussion on the proposed form of term contract will take place between the client, users and professional advisers prior to tender.

Some of the above published forms of contract include some of the following features:-

- Mechanisms to promote collaboration in the team;
- Integrated working practices;
- Risk management processes;
- Dispute avoidance & resolution processes;
- Incentivisation and/or pain/gain mechanisms;
- Value engineering processes;
- Supply chain development processes.

All of the above features would support DBC's objectives of building long-term sustainable partnerships.

Whilst the use of a published form of term contract is preferred, it will be necessary to include a bespoke schedule of amendments to the standard forms to take account of DBC being a public sector contracting authority and commercial/service specific issues, particularly relating to payment and performance management.

### **5.3.2 Term Service Contract (Consultancy Services)**

In respect of Package 4 (Lots 1 & 2), it is possible to execute a long-term service agreement with consultants working with DBC on the various works contract packages. There are published forms of consultants' agreement available such as the RICS Standard Form of Consultants Appointment. However, it may be necessary to execute a bespoke form of consultants' agreement.

### **5.3.3 Strategic Alliancing**

In addition to the proposed forms of contract noted above, it is proposed that service providers are encouraged to work collaboratively across different workstreams. In particular, this is likely to be in the areas of:-

- Promoting apprenticeships, training and development;
- Development of common supply chains;
- Sharing best practice;
- Promotion of local labour opportunities and working with SME supply chain partners;
- Corporate & Social Responsibility (CSR) activities;
- Value engineering and improving efficiency.

In this regard, it is proposed to include a non-binding Strategic Alliancing Agreement across the workstreams to promote all of the above. This will need to take the form of a bespoke agreement, though this can be very simple and straightforward in nature.

## **5.4 EU Procurement**

### **5.4.1 Introduction**

In delivering this project, the principal legal consideration is compliance with EU procurement rules (under the Public Contract Regulations 2006 and the Public Procurement (Miscellaneous Amendment) Regulations 2011). The purpose of procurement under the EU rules is to provide taxpayers and the general public with best value for money with the main objectives being:-

- The creation of the conditions of competition necessary for the non-discriminatory award of public contracts;
- The rational allocation of public money through the choice of the best offer presented;
- Suppliers' access to a truly single market with significant business opportunities;
- The reinforcement of competition among European enterprises.

The key objective of the EU's public procurement policy is to achieve fair and open competition for public contracts.

#### **5.4.2 EU Procurement Thresholds**

There are thresholds for which advertising works in the EU apply. The various contract lots will be classed as either “Works” or “Services”. In some cases, the package or lot will combined elements of works and services. In these cases, the predominant element will apply. Therefore, if the predominant element is “services” then the lower threshold for services will apply.

The current thresholds (as at 1<sup>st</sup> January 2012) within public contracting authorities are set out below:-

- Works        £4,348,350
- Services    £173,934
- Supplies    £173,934

#### **5.4.3 The Contract Notice**

Initially a Contract Notice should be published via The Official Journal of the European Union, which sets out the scope of the works/services for each “Lot” and to provide a basis for seeking initial expressions of interest from potential partners. The following issues will need to be considered when preparing the Notice:-

- Object of the Contract
  - o contract type and delivery location
  - o contract or framework agreement
  - o operators on framework agreement
  - o duration of contract
  - o value of contract
  - o description
  - o common procurement vocabulary
  - o number of Lots
- Legal, Economic, Financial and Technical Information
  - o contract details
- Procedure
  - o limitations
  - o award criteria
  - o time limits

If using the Restricted or Competitive Dialogue procedures, in order to arrive at a shortlist of contractors for tendering, a **pre-qualification questionnaire (PQQ)** will be issued to bidders. This will set out the selection criteria for shortlisting based upon technical, financial and economic capacity. This questionnaire may also be structured to elicit a more thorough examination of potential partners by probing further into their area of business in order to demonstrate suitability for the works. We will prepare a PQQ that is compliant with policy guidance together with an evaluation methodology to determine a fair means of evaluating initial expressions of interest. The PQQ will comprise the following main sections:-

1. Organisation & Contact Details
2. Grounds for Mandatory Rejection
3. Grounds for Discretionary Rejection
4. Economic & Financial Standing
5. Technical & Professional Ability
6. Signature

#### **5.4.4 Procurement Route**

In most cases the “Restricted Procedure” will be utilised for the procurement of the works package/lot. However, in the case of Contract Package 1 it is considered that the “Competitive Dialogue” route may be more appropriate due to the degree of complexity associated with this package and the opportunity for the market to propose innovative solutions. In particular, we do not consider that DBC will be able to determine objectively what the market can offer to satisfy its needs and therefore it cannot (i) define the technical means capable of satisfying its needs or objectives and/or (ii) specify the legal or financial make-up of the package. A brief description of each route is summarised below:-

##### *5.4.4.1 The Restricted Procedure*

The “Restricted Procedure” comprises a three stage process as follows:-

**Pre-Qualification** – Bidders will respond to an advert placed in the European Journal and request a PQQ. Bidders will complete and return these to the Contracting Authority who will evaluate these responses based on the selection criteria. Shortlisted bidders will be invited to tender;

**Tender Stage** – Shortlisted bidders will be invited to tender and to submit a response to an Invitation to Tender (ITT). Bidders will be evaluated in terms of MEAT (Most Economically Advantageous Tender) criteria and winning bidders, appointed on each lot.



**Contract Award** – After the Council has received tenders, it may ask for them to be clarified and fine-tuned. However, changes to the basic features of the tender or the ITT are not permitted, where those variations are likely to distort competition or have a discriminatory effect. Once the Council has identified the most economically advantageous tender it is only permitted to ask the preferred bidder to clarify parts of its tender and confirm commitments made within it. This is subject to the proviso that these changes do not have the effect of modifying substantial aspects of the tender or the ITT and does not risk distorting competition or causing discrimination. Once the decision to award the contract has been made, as well as notifying the winning bidder, the Council must also notify, in writing, the unsuccessful suppliers of its decision and provide certain prescribed information to them. Following this notification, the Council must then observe a standstill period prior to entering into any contract. This is to allow unsuccessful suppliers that consider that the public procurement regime has not been complied with the opportunity to take action prior to the contract being entered into.

The minimum timescales for the Restricted Procedure are:-

Stage	Minimum Time Period	Minimum Time Period (dispatched electronically)
Pre-Qualification Stage	37 calendar days	30 calendar days
Tender Stage	42 calendar days	35 calendar days
Standstill Period	15 calendar days	10 calendar days

#### 5.4.4.2 The Competitive Dialogue Procedure

The “Competitive Dialogue” procedure is also a three-stage process comprised of Pre-Qualification, Tender and Contract Award. The Pre-Qualification and Contract Award Stages are almost identical to those of the Restricted Procedure with the difference between the procedures coming in the Tender Stage / Dialogue Stage.

#### **Tender Stage / Dialogue Stage**

The aim of this stage is to identify and define the best solution to satisfy the Council's requirements. This stage can be broken down into the following parts:

**Invitation to participate in dialogue (ITPD):** the ITPD will be issued to each of the shortlisted bidders and marks the commencement of the dialogue stage. It will re-state the Council's needs and requirements, provide further guidance as to how the dialogue process will be managed, and the topics for dialogue and invite bidders to submit preliminary tenders/solutions following the initial dialogue sessions.

**Staging the dialogue stage:** the EU Regulations do not specify how the dialogue phase should be structured. Therefore, the Council may develop a dialogue process that meets its individual requirements. The Council should consider carefully how many bidders will be invited to submit final tenders. The number must be sufficient to ensure genuine competition (as long as there are enough solutions or suitable candidates). This normally requires at least two credible bids.

**Rules of conduct for the dialogue stage:** during the dialogue phase the Council is permitted to discuss all aspects of the solutions and contract with the selected bidders. This will enable it to explore various options and identify the means most suitable for satisfying its needs and requirements. The dialogue phase should be conducted in accordance with the general EU principles of equal treatment, non-discrimination and transparency. For example, throughout the dialogue the Council must ensure that no bidder is placed at a competitive advantage by being given more relevant information than other bidders.

**Concluding the dialogue stage:** by the time the dialogue is concluded, the Council should be confident that one or more of the solutions presented will meet its needs and requirements and also be in a position to invite and evaluate final bids in a competitive manner. This may not necessarily be based on a common specification or contract as different solutions may require different financial mechanisms or risk allocations. However, there will need to be sufficient commonality to enable fair and final evaluation to take place. In practice, the contracting authority will, by this stage, have developed solutions with the remaining bidders in parallel. The CFT will invite final offers on price and confirmation of the other commitments that have been negotiated during the dialogue phase. The CFT should also specify any processes for conducting post-dialogue discussions and handling other possible issues with bidders that could arise. This should facilitate the smooth running of the process to contract award and may reduce the risk of legal challenge.

The minimum timescales for the Competitive Dialogue Procedure are:

Stage	Minimum Time Period	Minimum Time Period (dispatched electronically*)
Pre-Qualification Stage	37 calendar days	30 calendar days
Competitive Dialogue Stage	No minimum*	No minimum*
Standstill Period	15 calendar days	10 calendar days

\* Although no minimum period is stated, it would be reasonable to assume an initial period for submission of outline proposals to be similar to the restricted procedure, i.e. 42/35 days. The remaining phases of the dialogue stage will be set out in the project timetable.

#### **5.4.5 Justification regarding the Proposed Procurement Route**

As set out in [5.4.4.2 The Competitive Dialogue Procedure](#) the Competitive Dialogue (CD) route is being proposed for the procurement of Contract Package 1 (Total Asset Management). Whilst the contract package is not “particularly complex” there are elements of the contract that would benefit from having a dialogue with bidders on, particularly around the commercial aspects of their bid. It is proposed that this dialogue will be strictly limited in scope and in any event, only on areas where DBC may be able to garner the very best in innovation and commercial practice.

In addition, DBC is committed to developing clear and robust tender documentation. This is supported through the development of working groups tasked with developing tender documentation; each working group will be focused on specific aspects of the tender, see [7.3 Delivering the Project](#). It is possible to revert to the Restricted Procedure if tender documentation becomes sufficiently developed. Under these circumstances, the decision to use the Restricted or Competitive Dialogue procedure must be made prior to the posting of the Contract Notice.

### **5.5 Tender Activities**

Following shortlisting, bidders will be invited to tender based on the issue of the following documentation:-

- **Part A Introduction & Instructions**
  - o Invitation to Tender (ITT) or Invitation to Participate in Dialogue (ITPD) (comprising Instructions to Tenderers)
- **Part B Information Documents**
  - o Term Briefs/Specifications for each “Lot”
  - o A Price Matrix for each “Lot”
  - o Form of Contract
- **Part C Return Schedules**
  - o Tenderers’ proposals (method statements)
- **Part D Appendices**

This documentation is discussed below, although specific mention should be made of the Invitation to Tender (ITT) and Invitation to Participate in Dialogue (ITPD).

### 5.5.1 Invitation to Tender (ITT) or Invitation to Participate in Dialogue (ITPD)

This is the overarching document that contains all the tender documents. This will contain details relating to the contract structure. In addition the ITT/ITPD will set out the qualitative elements of the bid. The ITT/ITPD will contain a series of questions relating to the proposed contract, which will require the submission of detailed method statements. The bidders' response to these questions will make up part of the overall evaluation of the bid in terms of quality. At this stage, it is proposed that tenders will be evaluated based on MEAT (Most Economically Advantageous Tender) criteria, being a balance of cost and quality. The exact ratio of quality to cost will be determined by the Project Board prior to tender (see [5.5.3 Selection Weighting](#)).

### 5.5.2 Contract Specifications

Detailed specifications will be developed for each contract package/lot. Specifications will be based on a combination of technical, output and outcome based criteria. In some cases, particularly those lots within Contract Package 2 – Engineering, servicing and maintenance, specialist, M&E input will be required. DBC will work with specialist consultants to develop the technical specifications for each lot.

For other contract packages/lots, a series of workshops will be held with client officers, users and stakeholders with the purpose of developing appropriate specifications that are “fit for purpose”.

### 5.5.3 Pricing Models

There are a number of different pricing models that could be utilised in the delivery of the project. Invariably, different pricing models will be used on each package/lot. Some of the typical pricing models are discussed below:-

**Schedule of Rates** – This could either be a published schedule such as the National Housing Federation (NHF) or a bespoke schedule of rates. Bidders price defined tasks which provide the basis for cost reimbursement;

**Fixed Price/Price per Property** – Bidders price a single unit rate or lump sum based on a defined output specification. For example, for gas servicing, bidders would provide a single price for the servicing and maintenance of the asset.

**Open Book** – Bidders will provide cost information on an open book basis, such as through management accounts to demonstrate the actual cost of delivering the service. This could be on a pure open book basis, or linked with other pricing models such as schedule of rates;

**Hybrid Models** – Typically, this will comprise the use of 2 or more different pricing models. For example, this may be a fixed “price per property” model, with open book. Under this arrangement, the contractor would receive payments based on the “price per property” model, but then any adjustment made following an open book review.

The development of appropriate pricing models will be established through workshops with DBC, external consultants and stakeholders. The proposed pricing models for each contract package/lot will be presented to the Project Board for approval.

#### 5.5.4 Contractor Selection and Evaluation

It is now widely acknowledged that contractor award should be based on **value** as opposed to **cost**. There are three principle concepts:-

- Identifying what represents ‘value’ to the particular client in a particular project
- Defining what tenderers must offer if they are to add to that value
- Making the tenderers potential to add value the main selection criterion

There are three key stages in contractor selection:-

1. Qualification
2. Shortlisting
3. Final selection and appointment

**Qualification** for the proposed services will be via the submission of a PQQ to identify a number of bidders with the minimum requirements of skill and capacity to carry out the services required by DBC. This will typically include financial standing, health and safety, previous experience, management structure and available resources, quality procedures, equal opportunities and references.

**Shortlisting** will be the process of identifying a small number of bidders (we recommend an envisaged number of 6 bidders per lot for the award of single provider term contracts and 12 bidders per lot for the award of multiple frameworks) particularly suitable to compete for the services against criteria specific to the contract.

**Final selection and appointment** will include the following:-

- Inviting tenders from the shortlist, including interviews and/or site visits
- Identifying the preferred tenderers by applying the relevant award criteria
- Obtaining authority and signing an appropriate contract.

### 5.5.5 Award Criteria (Weighting)

It is common under the current procurement climate to select tenderers on a weighted split between quality and cost. The value of the weighting depends greatly on the importance of the Strategic Objectives of the overall project.

We have experience of clients adopting a 70:30, quality:cost split, or at the lower level, 40:60, quality:cost split. In our experience, the most common split is 60:40, quality:cost split. The value of this weighting places slightly greater emphasis on the qualitative evaluation of the tenderer leading to the selection of quality partners, yet with a reasonable price submission. The pricing element will be broken down into constituent parts. The balance of quality and cost may vary across the different contract packages and lots. This will depend on the following criteria:-

- The complexity of the services/works being procured;
- The quality of the contract specification in establishing minimum quality thresholds or outputs or outcomes;
- The relative importance of quality and cost in terms of overall service delivery.

A separate evaluation model for the qualitative and quantitative assessment will be produced before tender and will be agreed with the Project Board.

### 5.5.6 SME Engagement

Procurement Policy Note – Progress Update on the Modernisation of the EU Procurement Rules, Information Note 08/12 24 August 2012, issued by the Cabinet Office, sets out some of the key areas in which the proposed new procurement rules, due to come into force in 2014, are being considered. In particular, point 23 sets out how SMEs should be encouraged to tender. In particular, this should be achieved through:-

- Avoid setting excessive minimum turnover requirements for bidders;
- Splitting contracts into “Lots” as far as is practical to encourage SME interest

This guidance has been taken into consideration in the structure of this procurement strategy.

## 5.6 Outline Procurement Programme

Attached at **Appendix D – Project Plan** is the Outline Procurement Programme for the entire procurement process. The key milestones identified are largely driven by the constraints of the EU process.

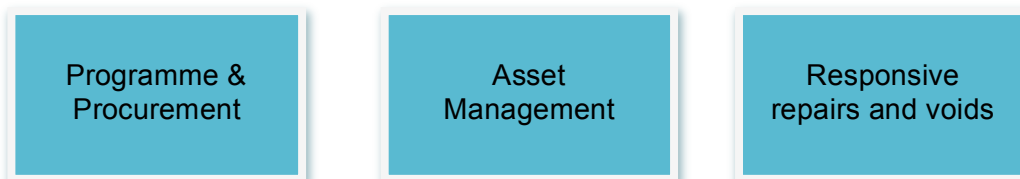
The programme is designed to achieve the commencement of the contracts in April 2014.

## 5.7 Post Contract Management

### 5.7.1 In House Team (Property & Place)

The Property and Place (P&P) Team currently manage the contract administration and monitoring of the existing repairs and maintenance arrangements. The structure of the team was in part designed to reflect the contracts and to optimise the use of specific skills and knowledge prevalent within the teams.

The Property and Place is divided into three teams as outlined below:-



The proposed model for delivery will enable the client team in Property and Place to have a more strategic approach towards the management of the assets. There will be a reduction in the need to procure individual projects, as the majority of the work will be contained within the scope of the main contractors tender. The feedback from both the soft market test and the staff team day, identified a number of issues that arise from the administration of a contract that is priced on a schedule of rates, and the move away from such detailed analysis will change the roles of the responsive repairs team.

It is anticipated that there will be a change in both the day to day activity and skills required within the client team, with more understanding of hybrid/open book financial mechanisms, rather than detailed schedule of rates analysis.

It has been acknowledged that there is some duplication of activities arising from the current methods of appointing and supervising the work that is undertaken by the contractors and the benefits of co-location of the workforce or the potential transfer of some functions to the contractor have been considered.

Additionally the requirement to accurately attribute and recharge leaseholders for work that is carried out to the blocks in which they live will require more detailed involvement and consideration will be given to how this is achieved in the restructure of the Housing Landlord teams.

### **5.7.2 External Support (Consultants)**

P&P is currently undertaking a review of the team to support the delivery of the works programmes (see [5.7.1 In House Team \(Property & Place\)](#)). The outcome of this will determine the extent to which P&P will be reliant on external support. Once this review has been concluded, then the appropriate procurement activities will be undertaken.

The procurement of consultants as part of the procurement strategy (see [5.2 Contract Packaging](#)) sets out the proposal to procure construction consultants to support the team deliver the overall programme. In particular, it may be necessary to procure a multi-disciplinary organisation to support Property and Place. The successful consultant will be expected to provide a wide range of services including, but notwithstanding the following:-

- Project Management (Inc Employer's Agent);
- Building Surveying (Inc Lead Consultant);
- M&E Engineering (Inc Lead Consultant);
- Structural Engineering
- CDM Co-ordinator
- Clerk of Works

The decision regarding the procurement of consultants will be taken once the re-structure of P&P has been agreed and in any event, if consultancy support is required, then this will be undertaken in time for the start of the new contracts in April 2014.

There is also the potential to derive further economies of scale by procuring consultancy services in conjunction with the Corporate Building services team.



## 6.0 STATUTORY AND REGULATORY ISSUES

### 6.1 Introduction

This section deals with ‘**How can we ensure we get there safely?**’ In particular, this section covers the following:-

1. Compliance with Landlord & Tenant Act 1987;
2. Compliance with TUPE Regulations;
3. Compliance with Public Contract Regulations;
4. Risk Management

### 6.2 Compliance with Landlord & Tenant Act 1987

DBC should undertake a review of all relevant agreements with its tenants/leaseholders in order to understand the extent to which such agreements permit costs recovery in respect of repair and maintenance works.

DBC should structure its OJEU procurement strategy with regard to the consultation process required by Section 20 of the Landlord and Tenant Act 1987; see **Appendix E – Briefing Note on Section 20 Matters**, prepared by Bevan Brittan that summarises the statutory consultation process.

### 6.3 Compliance with TUPE Regulations & Pensions

#### 6.3.1 TUPE

The procurement process will need to build in the following steps and/or take account of the following issues:

- Running an appropriate TUPE consultation process;
- Carrying out an assessment of the provisions in the existing repair and maintenance contract(s) to understand the degree of assistance that can be obtained in managing the due diligence and transfer process;
- Due diligence of employment liabilities for the transferring workforce;
- Identifying the areas of risk and drafting and negotiating indemnities to protect DBC.

The key issue for compliance with the TUPE Regulations is early engagement with the issues and collation of all relevant due diligence information in order to enable the bidders to submit robust pricing proposals for their service solutions.

We have set out at **Appendix F – Briefing Note on TUPE**, a list of due diligence information that should be collated to ensure bidders have all relevant information in order not to submit qualified bids and also an overview of the consultation requirements that must be built into the re-procurement programme/timetable.

### 6.3.2 Pensions

Pensions are a key area for risk transfer and therefore a determining factor in bidders' pricing strategies. We have set out at **Appendix G – Briefing Note on Pension Issues**, a list of risk transfer issues to be considered that will impact on bidder pricing together with details of information to be included in a Pensions Information Pack to assist the bidders' due diligence process.

By way of background, the TUPE Regulations do not provide protection for occupational pension rights (except old age, invalidity and survivors benefits). However, Local Government employees who transfer under the TUPE Regulations (including those employees who previously transferred out to a contractor under TUPE and enjoyed these pension protections and who are then the subject of a further transfer on a re-procurement of relevant services) do enjoy special protection under:

- HM Treasury Guidance - A Fair Deal for Staff Pensions (June 1999 and updated in June 2004);
- Cabinet Office Statement - Staff Transfers in the Public Sector (January 2000 and revised in January 2007); and
- Best Value Authorities Staff Transfers (Pensions) Direction 2007.

In summary, this special protection requires that where such employees transfer they must have both their future pension rights and their accrued pensions rights protected. This will be achieved by either:

- the selected bidder becoming an “Admission Body” within the LGPS so that the transferring staff can remain in the LGPS (in other words, the pension position remains largely unchanged); or
- the selected bidder providing its own pension scheme which is certified by the Government Actuary’s Department (GAD) as providing benefits that are broadly comparable to the LGPS, together with the opportunity (should they chose to do so) to "bulk transfer" their accrued benefits under the LGPS from the LGPS to the new broadly comparable pension scheme on a favourable basis (in other words, if they chose to

transfer those accrued rights, they will get equivalent 'day-for-day' service credit in the new broadly comparable pension scheme as they had under the LGPS).

The bidders will ultimately select which of the above options they wish to follow as part of their bid.

#### **6.4 Compliance with Public Contract Regulations**

We consider the selection of the appropriate procurement procedure and the running of a compliant tendering exercise is crucial to the success of this project as we are seeing an increase in the number of procurement challenges at the same time as there has been a corresponding increase in risk for contracting authorities as a result of the Remedies Directive.<sup>2</sup>

With the coming into force of the Remedies Directive, Claimants are now able to challenge a contract award and the courts will be required to declare the prospective provisions of a contract ineffective in circumstances where it has not been properly tendered and no opportunity for challenge prior to contract award was given (the courts may also impose a financial penalty on the contracting authority). In addition to the new remedy of ineffectiveness, the following existing remedies still apply: first, an order to set aside a decision of a contracting authority in the course of a tender procedure; and second, the award of damages to an operator which has suffered loss or damages as a result of the breach.

This procurement strategy sets out how the procurement of contracts will be achieved in compliance with current procurement rules and guidance. In particular, this procurement will be conducted in accordance with The Public Contract Regulations 2006 and The Public Procurement (Miscellaneous Amendments) Regulations 2011. In addition, the Project Board will review best practice and guidance during the procurement stage and in particular, review any Procurement Policy Notes (PPNs) issued by the Cabinet Office.

Ben Hosier Group Manager Commissioning, Procurement & Compliance is involved in the Project Board and that it will be his team that will manage these procurements to ensure compliance with the Public Contract Regulations 2006.

Finally, DBC will refer any legal procurement issues via the Council's Legal department and if external support is required, then this will be commissioned by the Council.

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<sup>2</sup> In December 2007, the EU Institutions adopted a new Directive (2007/66/EC), which amends the existing Directives (89/665/EEC and 92/13/EEC) on improving the effectiveness of review procedures concerning the award of public contracts (the marketplace refers to this new Directive as the "Remedies Directive"). On 20 December 2009, the Public Contracts (Amendments) Regulations 2009 (SI 2009/2992) (2009 Regulations) came into force, implementing the Remedies Directive in England and Wales. Similar regulations, the Public Contracts and Utilities Contracts (Scotland) Amendment Regulations 2009 (SSI 2009/428), implement the Remedies Directive in Scotland.

## 6.5 Risk Management

In order to ensure that this procurement project is delivered with minimal risk, a risk register has been developed. This will be reviewed by the Project Board at each stage of the project to ensure that the risks on the project are:-

- **Eliminated**, through the implementation of appropriate strategies to eliminate risk where possible;
- **Mitigated**, through putting in place appropriate strategies to reduce risk where possible;
- **Minimised**, through putting in place appropriate contingency plans to be implemented if a particular risk were to occur.
- **Monitored**, to ensure that all risks are constantly kept under review and that any new risks are identified at the earliest opportunity.
- **Reported**, on regularly via the Project Board and if necessary Cabinet, but in any case with the Corporate Director and Assistant Director of Housing in between Project Board meetings if deemed necessary.

## 7.0 STAKEHOLDER ENGAGEMENT

### 7.1 Stakeholder Involvement

A Project Board has been formed for this project comprising representatives from:-

- The Council's Cabinet (Portfolio Holder for Housing);
- The Corporate Management Team (CMT)
- Legal;
- Finance;
- Procurement;
- Property & Place;
- Tenants and Leaseholder Committee;
- Maintenance Focus Group.

The Project Board contributed to the development of the "Options Appraisal" and will continue to be involved in the project during the procurement stage.

Project Board meetings have been established for the duration of the project.

It is envisaged that the Project Board will be required to contribute to the following key tasks during the procurement stage including, but notwithstanding, the following:-

- Reviewing tender documentation at pre-qualification and tender stage;
- Developing the brief in relation to the Invitation to Tender documentation;
- Developing performance criteria for post contract monitoring;
- Contractor selection;
- Interviews and/or site visits;
- Post contract monitoring.

In addition to the Project Board, the following recognised groups will be engaged throughout the project:-

- Maintenance Focus Group (MFG)
- Tenant & Leaseholder Committee (TLC)
- Housing & Community (Overview & Scrutiny)
- Cabinet (Programme Board)

At project inception, a Stakeholder Map will be developed to identify the different groups and the methods in which they will be consulted throughout the project.

## 7.2 Existing Suppliers

The establishment of a large-scale procurement strategy is likely to concern existing suppliers working for you. To mitigate the risk of any potential downturn in performance, it is proposed that current providers are well consulted about the new contract and encouraged to express an interest. Ideally you should outline to them the following:-

- Your vision for the future
- Your Proposed Procurement Strategy
- An overview of EU Procurement Rules – The Process
- The Timetable for Re-procurement
- How to get involved

Furthermore, exit strategies will need to be planned to ensure the successful demobilisation of existing contracts.

## 7.3 Delivering the Project

The procurement of new contracts on this scale represents a significant challenge to DBC. Accordingly, effective project management is required to undertake the various tasks set out in the project plan at **Appendix D – Project Plan**.

### 7.3.1 The Project Board

As set out in [7.1 Stakeholder Involvement](#), a Project Board has been established. The purpose and role of the Project Board is to monitor the delivery of the project and to act as a discussion forum for recommendations brought forward for delegated officer approval. The delegated officer, being the Director of Housing or Assistant Director of Housing (both of whom are members of the Project Board) will have the relevant authority to approve recommendations brought to the Project Board. Recommendations made at Project Board will be taken to Cabinet when required, either for decision (at contract award stage) or through the Programme Board for information only and to update Cabinet on the progress of the project.

### 7.3.2 Specialist Sub-Groups

A series of specialist working sub-groups will be established to work on certain areas of the project. This will typically include the following:-

- **Total Asset Management sub-group** for developing the tender documentation for repairs and planned works;
- **M&E sub group** for developing the tender documentation for engineering, servicing and maintenance contracts;

- **Pricing sub group** for developing pricing models and incentivisation strategies across the different packages/lots;
- **Procurement sub-group** for developing systems, processes and procedures for evaluating tenders at each stage of the project;
- **Performance monitoring sub group** for development post contract performance monitoring systems;
- **IT & Information Management** for ensuring that the Council's IT systems and methods of information management are integrated with its contractors;
- **HR & TUPE** for ensuring that any potential TUPE issues are managed effectively through consultation to transfer;
- **Resident Involvement** for ensuring that residents both within recognised groups and the wider community are engaged in the process and kept informed throughout.

An illustration of the specialist working sub-groups is set out at **Appendix J – Project Board and Sub-Working Groups**.

The sub-working groups will be established on the basis of the following:-

1. Each sub-group will have a “Project Lead” who will be responsible for the delivery of defined functions and tasks allocated to them by the Project Board;
2. The “Project Lead” will be required to report to the “Project Board” on a regular basis, either in person at meetings or by report;
3. The purpose of each sub-group is to provide specific intelligence and support on specific areas of the project. This may include explicit requirements and specifications to include in tender documentation. Alternatively, the sub-group may act in more of a “consultative” role, reviewing and/or approving documentation and processes;
4. Each sub-group will be responsible for delivering its tasks in accordance with the overall project timetable and key milestones;
5. Each sub-group should have sufficient resources and competences to be able to undertake the specific tasks and functions allocated to it.

### **7.3.3 Resourcing the Project**

The delivery of the project will require the combined inputs of “Internal” and “External” resources. A detailed “Resource Plan” is set out at **Appendix H – Resource Schedule**. This is based on the project tasks and milestones set out at **Appendix D – Project Plan**. In summary, this comprises an estimate of “person days” for both “Internal” and “External” resources, by discipline. The Project Board will monitor the resource input on a regular basis, taking into consideration the following:-

- Available resources;
- Competency of personnel involved;
- Peaks in resource input at key stages of the project.

Any changes in resource input will be discussed at Project Board.



## 8.0 SUMMARY & RECOMMENDATIONS

### 8.1 Overall Summary

At [2.0 Introduction](#), we set out the following questions in relation to the development of this procurement strategy:-

1. Where are we now?
2. Where do we want to be?
3. How are we going to get there?
4. How can we ensure we get there safely?

A summary of the responses to each of these questions is set out below:-

<b>1</b>	<b>Where are we now?</b>
	This section summarises the current situation. In particular, it sets out the current contract structure within Property and Place. In addition, reference is made to the work undertaken during the “Options Appraisal” stage and the further work directed by Cabinet in developing the remaining options.
<b>2</b>	<b>Where do we want to be?</b>
	This section summarises the further analysis of the remaining options (1,2 and 5). In particular, further work was undertaken, including a detailed re-appraisal of the Risks/Benefits Analysis. The conclusion of this section is a “Proposed Delivery Model” based on Option 1A.
<b>3</b>	<b>How are we going to get there?</b>
	This section provides the detail of the procurement based on the delivery model, 1A. In particular, the detail of the proposed contract packages and lots is set out, together with a timetable, outlining the key milestone dates and tasks.
<b>4</b>	<b>How can we ensure we get there safely?</b>
	This section considers the legal and regulatory matters influencing the delivery of the procurement strategy.

### 8.2 Recommendations

Based on the summary set out above, the following recommendations are made:-

1. That, *Option 1A - Multiple Outsourced Contracts – 1 Nr Single Provider for R&M/Planned in one area* is accepted as the proposed delivery model for the project;
2. That the contract packages and lots set out in [5.2.1 Packaging and Lots](#) are accepted as the proposed packages to be procured;
3. That the proposed use of the “Competitive Dialogue Procedure” for Contract Package 1 as set out at [5.4 EU Procurement](#) is accepted;
4. That the proposed use of the “Restricted Procedure” for Contract Packages 2, 3 & 4 as set out at [5.4 EU Procurement](#) is accepted.

# Appendix A

## Outputs of Staff Review

## Comments from Team Day

31<sup>st</sup> July 2012

What works well and not so well with the existing contract arrangements this table identifies what improvements could be made?

Less inconvenience to tenants More focus on customers' needs	Offer staff initiatives	Holistic approach use of building
Work together more – not them and us More partner contract Contractors hot desk in office Working closer with the contractor in the same location Closer communication (not us and them)	Working to the same goals set KPI's Consistency with PI's	Different form of contract no SOR
More post inspections More contract management More in-house controls (client)	Cleaning team should not be in a separate office	One team (in office)
Impose penalties for non performance	Improve speed of delivery	Apprenticeships
Standardise contracts to save time	Void spreadsheet Keys in/out spreadsheet	Voids team in one place
Maintenance specific call centre More specialist call centre Technical training to first officers contact Maintenance only call staff Designated call centre Dedicated call centre Call centre to be specialised Dedicated call centre for housing.	Better IT resources Scanning no filing Better technology PDA's Better IT Electronic storage of house files PDA's for officers Invest in technology Investment in up to date technology Improve communication technology	Improve quality of work by larger contractors
Contractor 1 step completion	Speed up procurement Improve procurement process Streamline procurement (5X) Streamline procurement process	Use current talent better (building professionals) Employ more specialist staff
Defined areas of responsibility	Local focus	Officers responsible for an area of DBC not just a section of work
Less red tape Speed things up	Include tenants and leaseholders more Tenant lessee interaction from site Improve feedback from customers	Communication between existing teams Better communication

**What works well with the existing contract arrangements?**

Local economy	Residents trust DBC & DBC staff Trust Trust Trust both sides	Choice Choice
Responsive service interested Tailored service client focused	Apollo management good Planned works client contractor relationship good	Local Knowledge by contractors Local economy Small contractors They know the community Use of local contractors Boost local companies Local Option to use smaller local co. Local Economy Using local contractors
Control of Quality Robust delivery	Good quality work small contractors	Localism Societal input
Corporate responsibility for fire safety under law	DBC hold budget Certain controls in-house	Tenant involvement Involvement
Keep gas servicing separate	Customer satisfaction established	Not all eggs in one basket
Value for money Better value for money Knowledge of prices built up and value for money	Mutual interest in work	Build up of some trust with main contractor Close working relationship
Controlled by us More control	Flexibility	Consistency of standard built in over time
Mutual	Alternatives – no monopoly	Knowledge of contractors ability Tenants recognition of contractors and what to expect.
Competition	Exchange of Knowledge	Good rapport with some contractors
Good response times	Shared risk in partnership	

## What does not work well with the existing contracts

SOR Bonuses Wrong codes being used	Focus	Not working together
Not enough monitoring of quality of repairs	Contractors hard	Larger Contractors driven by profit Larger contractors ? quality of work Larger contracts QS lead
Repeat visits to complete jobs Lots of admin invoices/orders Too much paperwork	Contract alignment start/finish	Lack of mutual trust with Responsive contractor
Incorrect data	No cross over res-plan	Frustration Working against each other
Abortive calls	Not working together	Call centre issue works to MITIE
No consistency	Lack of flexibility	Authorisation and variations
Procurement Ongoing procurement of work Procurement not working well- need an expert on the team	Standard of repairs Standards differ Inconsistent standards	Call centre confusion – wrong contractor Call centre No specialist call centre
Too many people to deal with one job	Too many people doing too many specialist jobs	Not taking responsibility ( passing blame) They need to take more responsibility Contractors deferring work because they don't think it is their responsibility.
Which officer is responsible No ownership of work	MITIE do what they want No feedback Cherry pick jobs MITIE not carrying out correct repairs Lack of communication MITIE MITIE not completing work Not doing what told Voids subcontracted MITIE only want small jobs Repeat visits to complete 1 job	Historic practices Costly for Council Poor aspects of old DLO transferred over to MITIE
Targets	Profits before tenants Poor service for tenants	Lack of control over main contractor
Lack of admin support	Get in get out quick mentality	Coordination, direction, objective, Ethos , ethics

# Appendix B

## Risk & Benefits Analysis

Risk/Benefits Analysis of Options

Description of Options

Option	Description
<p><b>Option 1A - Multiple Outsourced Contracts</b></p>	<p>This option would comprise a mix of different contract "Lots" for each different workstream. Bidders could bid for one or more lots or lot profiles could be restricted. The basic essence of this approach is the potential to have a number of different contractors working for DBC, including potential for SME involvement. Packages as follows:-</p> <ol style="list-style-type: none"> <li>1. Package 1 – Repairs &amp; Maintenance and Planned Capital works under one term contract with one Service Provider;</li> <li>2. Package 2 – Gas Servicing &amp; Maintenance under one term contract with one Service Provider;</li> <li>3. Package 3 – M&amp;E works and services under many contracts with many Service Providers dependant upon the specialist nature of each programme of work. For example, separate contracts for lift servicing, district heating, water treatment etc;</li> <li>4. Package 4 – The establishment of a Framework Agreement with 3 or more Framework Operators to provide new build construction services on a "call-off" basis, through mini-competition.</li> </ol>
<p><b>Option 1B - Multiple Outsourced Contracts</b></p>	<p>This option would comprise a mix of different contract "Lots" for each different workstream. Bidders could bid for one or more lots or lot profiles could be restricted. The basic essence of this approach is the potential to have a number of different contractors working for DBC, including potential for SME involvement. Packages as follows:-</p> <ol style="list-style-type: none"> <li>1. Package 1 – Repairs &amp; Maintenance and Planned Capital works under one term contract with two Service Providers (By Area);</li> <li>2. Package 2 – Gas Servicing &amp; Maintenance under one term contract with one Service Provider;</li> <li>3. Package 3 – M&amp;E works and services under many contracts with many Service Providers dependant upon the specialist nature of each programme of work. For example, separate contracts for lift servicing, district heating, water treatment etc;</li> <li>4. Package 4 – The establishment of a Framework Agreement with 3 or more Framework Operators to provide new build construction services on a "call-off" basis, through mini-competition.</li> </ol>
<p><b>Option 2 - Multiple Outsourced Contracts</b></p>	<p>This option would comprise a mix of different contract "Lots" for each different workstream. Bidders could bid for one or more lots or lot profiles could be restricted. The basic essence of this approach is the potential to have a number of different contractors working for DBC, including potential for SME involvement. Packages as follows:-</p> <ol style="list-style-type: none"> <li>1. Package 1 – Repairs &amp; Maintenance works under one term contract with one Service Provider;</li> <li>2. Package 2 – Planned Capital works under one term contract with one Service Provider*;</li> <li>3. Package 3 – Gas Servicing &amp; Maintenance under one term contract with one Service Provider;</li> <li>4. Package 4 – M&amp;E works and services under many contracts with many Service Providers dependant upon the specialist nature of each programme of work. For example, separate contracts for lift servicing, district heating, water treatment etc;</li> <li>5. Package 5 – The establishment of a Framework Agreement with 3 or more Framework Operators to provide new build construction services on a "call-off" basis, through mini-competition.</li> </ol>
<p><b>Option 5 – Joint Venture/Subsidiary</b></p>	<p>Under this option, DBC would either form a JV with a private partner(s) or form a subsidiary to deliver services. All workstreams would be considered to be included under the JV.</p>



## Dacorum Borough Council

Procurement Strategy for Repairs, Maintenance & Improvement Works

### Risk/Benefits Analysis of Options

#### Overall Assessment of Risk/Benefits

Option	Overall Assessment	Rank
Option 1A - Multiple Outsourced Contracts	78.5	1
Option 1B - Multiple Outsourced Contracts	60.0	2
Option 2 - Multiple Outsourced Contracts	53.0	3
Option 5 – Joint Venture/Subsidiary	48.5	4



Ref	Item Heading	Benefits (Advantages)	Performance Importance			Assessment of Benefits		Developing the Benefits	Risks (Disadvantages)	Assessment of Risks		Mitigating the Risks	Benefit/Risk Analysis Benefit (E) - Risk (G)
			A	B	C	D	E			F	G		
			Importance Weighting (1 to 5)	Desirability Factor (0.5, 1.0, 1.5)*	Adjusted Weighting (A x B)	Assessment of Benefit (0 to 5)	Total Weighted Score (C x D)			Assessment of Risk (0 to 5)	Total Weighted Score (C x F)		
<b>1.0 COMMERCIAL</b>													
1.1	Cost of delivering the service (ongoing costs)	- One set of contract overheads across entire Borough for R&M & Planned; - Potentially less responsive repairs through better alignment and planning of planned works;	4	1	4	4	16	- Through the design of the specification and pricing frameworks; - More intelligent asset management and programmed works, through linking planned and responsive.	- Potential increase in planned expenditure over the short term; - Loss of bargaining power with single supplier;	2	8	- Having a robust pricing mechanism	8
1.2	The ability of the selected option to implement innovative and flexible pricing mechanisms	- Potential to have fixed price per property linking planned and responsive work and therefore cost certainty across the assets; - Greater potential for managing using open book; - Reduced administration of contract.	4	1	4	4	16	- Through the design of the specification and pricing frameworks; - More intelligent asset management and programmed works, through linking planned and responsive.	- Ability of DBC to manage new methods of pricing; - Only one supplier who could influence the ongoing viability of some of the SME's in the area; - Commercial viability of the chosen pricing model - unknown	3	12	- Support from DBC Finance; - Training & Development of DBC's Team - Flexibility in the contract	4
1.3	The ability of the selected option to avoid business Failure of the Contractor and/or his Supply Chain	- Deeper knowledge and working relationship with single provider; - Better understanding and knowledge of contract; - Greater contract value is more attractive	5	1.5	7.5	3	22.5	- In the design of the specification and term brief; - DBC taking proactive approach to contract management.	- In the event of failure, ability to continue delivering the entire service; - Reputational damage to the Council - Re-procurement (associated costs); - No formal back up during interim period	4	30	- There is a need to give thought to what we would do should the selected contractor fall into business failure and what the consequences will be	-7.5
1.4	The ability of the selected option to achieve value for money	- Avoids potential waste and duplication of work; - Less expenditure on overheads as some functions can be combined to reduce duplication.	5	1.5	7.5	4	30	- In the design of the specification and term brief; - DBC having a strategic approach to asset management. - DBC being explicit about community and regeneration benefits and have them priced independently so they can be evaluated in terms of VFM separately.	- Ongoing management of contract does not reflect the commercial tender offer; - Generic claims from Contractor that are difficult to quantify or see evidenced in delivery	2	15	- Implementation of robust performance management systems	15
1.5	The ability of the selected option to attract the market to express interest and subsequently tender for these works/services	- Limited market for delivering this mode so evaluation can be very targeted; - Essential to get good market engagement to secure the best deal for the residents of Dacorum	3	1	3	5	15	- Having a robust procurement strategy; - Continued engagement with the market.	- Potential failure to engage SMEs; - Likelihood of winning may be low - may deter some bidders.	2	6	- Include options in the contract for SME engagement such as allowing consortium bids	9
<b>Sub-Total</b>												<b>28.5</b>	
<b>2.0 OPERATIONAL</b>													
2.1	The ability of the selected option to deliver efficiencies in overall contract management	- Avoids potential waste and duplication of work; - Better collaborative working; TUPE or other personnel issues would be undertaken by a single organisation.	4	1	4	5	20	- In the design of the specification and term brief; - DBC taking proactive approach to contract management; - Developing a cultural shift in the team	- Complacency of service provider; - Resistance to change from DBC staff.	2	8	- Change management strategy to be developed - Implement performance management systems into contract - Skills gap analysis to be undertaken on current staff (or staff expected to be retained) and robust training schedule to be set up	12
2.2	The ability of the selected option to achieve high levels of resident satisfaction	- Total responsibility for the service; - Consistency across the Borough; - Single provider would simplify responsibility for the tenants and enable familiarity with service provider.	5	1.5	7.5	4	30	- Robust performance management in place in the contract; - Through the tender selection process; - Manage tenant expectations.	- If service is poor, this is likely to be across all service areas; - Reputational damage to DBC; - Complacency of service provider; - Lack of comparative data.	4	30	- Benchmark performance with peer organisations - Implement performance management systems into contract	0
2.3	The ability of the selected option to deliver a quality product	- Better alignment between planned & responsive; - Active role in asset management strategy; - Knowledge of components/Life cycle/supply chains	5	1	5	4	20	- In the design of the specification and term brief; - DBC having a strategic approach to asset management; - DBC to implement quality control procedures - DBC to ensure the client team has the necessary skills to "client" the contract effectively.	- Complacency of service provider; - Inability to change service provider; - Poor resident satisfaction; - Quality linked to price - If too low, then quality will suffer.	3	15	- Implementation of robust performance management systems; - Quality control procedures - Inclusion of continuous quality improvements	5
2.4	The ability of the selected option to transfer overall risk to the Service Provider(s)	- Far greater role for service provider in terms strategic asset management; - Potential better allocation and use of resources; - Better arrangements in terms of warranties and defects.	3	0.5	1.5	4	6	- In the design of the specification and term brief; - Explicit details about risk and associated costs of this to be evaluated prior to tender award.	- Potential costs associated with the transfer of risk to service provider who culturally are reluctant to accept such risk without a high cost payable; - Loss of DBC control; - Risk only transferred to one Service Provider	3	4.5	- Implementation of robust performance management systems; - Quality control procedures; - Proactive contract risk management - DBC to be fully aware of all risks associated with this contract	1.5
2.5	The ability of the model to deliver a wider range of services, comprising call centre function and design services	- Single point responsibility and accountability; - Placing additional services where best expertise is held; - More seamless service; - Allows DBC to be a more strategic client.	3	0.5	1.5	5	7.5	- In the design of the specification and term brief;	- More areas affected the more services undertaken by provider; - May restrict number of providers with ability to undertake all services	2	3	- Encourage consortium bids - Managing a robust procurement process; - Collateral warranties to be in place with specialist sub-contractors	4.5
<b>Sub-Total</b>												<b>23</b>	
<b>3.0 PROCUREMENT &amp; LEGAL</b>													
3.1	The ability of the selected option to withstand potential challenge from bidders throughout the process	- Procurement rules to be complied with reducing risk of challenge and associated costs and delays; - Transparent and robust evaluation process;	3	1	3	3	9	- Having a robust procurement strategy; - Continued engagement with the market.	- Potential failure to link evaluation criteria with outputs; - Single contract may result in larger organisations bidding with greater degree of sophistication in terms of challenging award;	4	12	- Having a robust procurement strategy and evaluation model for transparent evaluation.	3
3.2	The ability of the selected option to allow the procurement project to be delivered on time, i.e. start on site: 1/4/14	- Single procurement activity with less evaluation time required; - Smoother and more efficient mobilisation; - Lower requirement for deployment of DBC resources during the procurement process.	4	1.5	6	4	24	- Having a robust procurement strategy; - Managed by a Project Board throughout the duration of the procurement.	- Project creep; - Legal challenge from bidders; - Market does not respond to this option;	2	12	- Having a robust procurement strategy; - Managed by a Project Board throughout the duration of the procurement.	12
3.3	Suitability of published contract forms to align with the selected option	- All contractual requirements set out in a single contract; - Enforceability of terms easier with single provider; - Published forms can be utilised	3	0.5	1.5	4	6	- External legal support required to develop appropriate contract documentation (based on published forms)	- Extensive re-drafting of published forms may be required; - Contract may need to be sub-divided if differing pricing mechanisms are operated for planned work and responsive work.	2	3	- External legal support; - Understanding DBC requirements from outset.	3
3.4	The ability of the selected option to satisfy the requirements of Landlord and Tenant law in terms of consultation and long term sustainability	- Consistent leaseholder re-charging across the Borough	5	1.5	7.5	4	30	- Pricing mechanisms to clearly set out separate elements for leaseholder re-charging.	- Leasehold Valuation Tribunal (LVT) in the event of any potential breach;	5	37.5	- External legal support;	-7.5
3.5	The ability of the selected option to efficiently and effectively manage the TUPE of staff to the new provider(s)	- Single contractor award allows for smoother and more efficient transfer; - Consistent approach to the transfer of staff; - Easier to determine allocation to staff to one provider.	5	1.5	7.5	5	37.5	- Set out in tender documents	- DBC failure to include sufficient information in tender documentation.	2	15	- Early engagement with current service providers and obtaining relevant information	22.5
<b>Sub-Total</b>												<b>27</b>	
<b>TOTAL</b>												<b>78.5</b>	

\* Desirability Factor on the basis of 0.5=Could Have; 1=Should Have; 1.5=Must Have

Option 1B - Multiple Outsourced Contracts (A)

Ref	Item Heading	Benefits (Advantages)	Performance Importance			Assessment of Benefits		Developing the Benefits	Risks (Disadvantages)	Assessment of Risks		Mitigating the Risks	Benefit/Risk Analysis Benefit (E) - Risk (G)
			A	B	C	D	E			F	G		
			Importance Weighting (1 to 5)	Desirability Factor (0.5, 1.0, 1.5)*	Adjusted Weighting (A x B)	Assessment of Benefit (0 to 5)	Total Weighted Score (C x D)			Assessment of Risk (0 to 5)	Total Weighted Score (C x F)		
<b>1.0 COMMERCIAL</b>													
1.1	Cost of delivering the service (ongoing costs)	Potential for competition between the two providers for ad-hoc lots of work - Increased leverage in terms of open book and ongoing development of pricing throughout the term.	4	1	4	4	16	- Through the design of the specification and pricing frameworks; - More intelligent asset management and programmed works, through linking planned and responsive; - More collaborative working with both contractors.	- Potential increase in planned expenditure over the short term; - Two sets of mobilisation costs; - Two sets of ongoing overheads; - Increased ongoing clientside costs.	3	12	- Having a robust pricing mechanism; - Benchmarking costs throughout the duration of the term either through open book or benchmarking.	
1.2	The ability of the selected option to implement innovative and flexible pricing mechanisms	- Potential to have fixed price per property and therefore cost certainty across the assets; - Potential for open book; Potential for 2 providers to bring more innovation	4	1	4	4	16	- Through the design of the specification and pricing frameworks; - More intelligent asset management and programmed works, through linking planned and responsive.	- Ability of DBC to manage new methods of pricing; - Managing two suppliers; - Commercial viability of the chosen pricing model - unknown	3	12	- Support from DBC Finance; - Training & Development of DBC's Team - Flexibility in the contract	
1.3	The ability of the selected option to avoid business Failure of the Contractor and/or his Supply Chain	- Two contractors therefore potential for back up arrangements; - Good understanding and knowledge of contract; - Contract value is still attractive to market;	5	1.5	7.5	4	30	- In the design of the specification and term brief; - DBC taking proactive approach to contract management; - Procurement to allow for back-up arrangements	- Reputational damage to the Council - Re-procurement (associated costs).	3	22.5	- Include flexibility in the tender for each of the bidders to cover the other geographical area in the interim period should a business failure occur.	7.5
1.4	The ability of the selected option to achieve value for money	- Avoids potential waste and duplication of work; - Promotes competition between providers	5	1.5	7.5	4	30	- In the design of the specification and term brief; - DBC having a strategic approach to asset management; - Benchmark vfm between providers.	- Ongoing management of contract does not reflect the commercial tender offer; - Two sets of overheads may increase overall unit costs. - Community benefits on costs could be duplicated across two organisations	3	22.5	- Implementation of robust performance management systems; - Benchmark vfm between providers	7.5
1.5	The ability of the selected option to attract the market to express interest and subsequently tender for these works/services	- Limited but strong and reliable market for delivering this model; - More opportunities to secure a contract if 2 "Lots" available - To get the best deal for the residents of Dacorum	3	1	3	5	15	- Having a robust procurement strategy; - Continued engagement with the market.	- Potential failure to engage SMEs; - Some providers may be unwilling to participate in consortia bids	1	3	- Include options in the contract for SME engagement such as allowing consortium bids	12
	<b>Sub-Total</b>												<b>35</b>
<b>2.0 OPERATIONAL</b>													
2.1	The ability of the selected option to deliver efficiencies in overall contract management	- Avoids potential waste and duplication of work; - Ability to align the client side to manage the two contracts. - Better collaborative working;	4	1	4	4	16	- In the design of the specification and term brief; - DBC taking proactive approach to contract management; - Developing a cultural shift in the team	- Complacency of service provider; - Resistance to change from DBC staff.	2	8	- Change management strategy to be developed - Implement performance management systems into contract - Skills gap analysis to be undertaken on current staff (or staff expected to be retained) and robust training schedule to be set up	6
2.2	The ability of the selected option to achieve high levels of resident satisfaction	- Total responsibility for the planned and responsive repairs in a defined area of the Borough; - Ability for tenants and client side officers to become familiar with the service provider.	5	1.5	7.5	4	30	- Robust performance management in place in the contract; - Through the tender selection process; - Manage tenant expectations.	- Service performance may vary across the Borough - Reputational damage to DBC; - Complacency of service provider; - Lack of comparative data.	4	30	- Benchmark performance with peer organisations - Implement performance management systems into contract - Inclusion of tenants on contract performance board	6
2.3	The ability of the selected option to deliver a quality product	- Better alignment between planned & responsive; - Active role in asset management strategy; - Knowledge of components/Life cycle/supply chains can be shared	5	1	5	4	20	- In the design of the specification and term brief; - DBC having a strategic approach to asset management; - DBC to implement quality control procedures	- Complacency of service provider; - Quality may vary across the Borough - Poor resident satisfaction; - Quality linked to price - if too low, then quality will suffer.	3	15	- Implementation of robust performance management systems; - Quality control procedures - Inclusion of continuous quality improvements	5
2.4	The ability of the selected option to transfer overall risk to the Service Provider(s)	- Far greater role for service provider in terms strategic asset management; - Potential better allocation and use of resources; - Better arrangements in terms of warranties and defects; - Risk transferred to two providers, spreading future risk.	3	0.5	1.5	4	6	- In the design of the specification and term brief;	- Potential costs associated with the transfer of risk to service providers; - Loss of DBC control.	2	3	- Implementation of robust performance management systems; - Quality control procedures; - Proactive contract risk management	3
2.5	The ability of the model to deliver a wider range of services, comprising call centre function and design services	- Responsibility and accountability defined; - Placing additional services where best expertise is held; - More seamless service; - Allows DBC to be a more strategic client.	3	0.5	1.5	5	7.5	- In the design of the specification and term brief;	- More areas affected the more services undertaken by provider; - May restrict number of providers with ability to undertake all services; - May be difficult to operate two call centres across the Borough	3	4.5	- Encourage consortium bids - Managing a robust procurement process; - Collateral warranties to be in place with specialist sub-contractors	3
	<b>Sub-Total</b>												<b>19</b>
<b>3.0 PROCUREMENT &amp; LEGAL</b>													
3.1	The ability of the selected option to withstand potential challenge from bidders throughout the process	Procurement rules to be complied with reducing risk of challenge and associated costs and delays; - Transparent and robust evaluation process;	3	1	3	3	9	- Having a robust procurement strategy; - Continued engagement with the market.	- Potential failure to link evaluation criteria with outputs; - Larger organisations bidding with greater degree of sophistication in terms of challenging award;	4	12	- Having a robust procurement strategy and evaluation model for transparent evaluation.	3
3.2	The ability of the selected option to allow the procurement project to be delivered on time, i.e. start on site: 1/4/14	- Two contracts of similar nature will require same processes to be followed during the procurement and evaluation	4	1.5	6	3	18	- Having a robust procurement strategy; - Managed by a Project Board throughout the duration of the procurement.	- Project creep; - Legal challenge from bidders; - Market does not respond to this option; - Mobilisation more complex with two providers	3	18	- Having a robust procurement strategy; - Managed by a Project Board throughout the duration of the procurement.	6
3.3	Suitability of published contract forms to align with the selected option	- Contractual requirements set out in two single contract for R&M & Planned; - Enforceability of terms and direct comparison of contractor interpretation of clauses; - Published forms can be utilised	3	0.5	1.5	3	4.5	- External legal support required to develop appropriate contract documentation (based on published forms)	- Extensive re-drafting of published forms may be required; - Contract variants may exist dependant on "Lot"	2	3	- External legal support; - Understanding DBC requirements from outset.	1.5
3.4	The ability of the selected option to satisfy the requirements of Landlord and Tenant law in terms of consultation and long term sustainability	- Compliance with relevant legislation will ensure L&T compliance	5	1.5	7.5	4	30	- Pricing mechanisms to clearly set out separate elements for leaseholder re-charging.	- Leasehold Valuation Tribunal (LVT) in the event of any potential breach; - Different re-charging rates across the Borough - may lead to challenge and/or poor reputation	4	30	- External legal support;	9
3.5	The ability of the selected option to efficiently and effectively manage the TUPE of staff to the new provider(s)	- Two contractors allows for smooth and efficient transfer;	5	1.5	7.5	4	30	- Set out in tender documents	- DBC failure to include sufficient information in tender documentation. Client officers consultation would be more complex with two organisations.	3	22.5	- Early engagement with current service providers and obtaining relevant information	7.5
	<b>Sub-Total</b>												<b>6</b>
	<b>TOTAL</b>												<b>60</b>

\* Desirability Factor on the basis of 0.5=Could Have; 1=Should Have; 1.5=Must Have

Ref	Item Heading	Benefits (Advantages)	Performance Importance			Assessment of Benefits		Developing the Benefits	Risks (Disadvantages)	Assessment of Risks		Mitigating the Risks	Benefit/Risk Analysis Benefit (E) - Risk (G)
			A	B	C	D	E			F	G		
			Importance Weighting (1 to 5)	Desirability Factor (0.5, 1.0, 1.5)*	Adjusted Weighting (A x B)	Assessment of Benefit (0 to 5)	Total Weighted Score (C x D)			Assessment of Risk (0 to 5)	Total Weighted Score (C x F)		
<b>1.0 COMMERCIAL</b>													
1.1	Cost of delivering the service (ongoing costs)	- Smaller providers undertaking various packages of works may derive lower rates; - Lower overheads from smaller providers - more direct labour and working management	4	1	4	3	12	- Through the design of the specification and pricing frameworks; - More operationally based client service to manage the various contracts.	- Lack of opportunity for shared overheads and efficiencies; - High level of client management costs involved.	4	16	- Having a robust pricing mechanism; - Benchmarking costs across the contract and with peer organisations;	4
1.2	The ability of the selected option to implement innovative and flexible pricing mechanisms	- Flexibility to vary pricing mechanisms across different workstreams; Comments from soft market test, contractors working on single workstreams often develop QS pricing support based on existing SOR contracts.	4	1	4	3	12	- Through the design of the specification and pricing frameworks;	- Ability of DBC to manage new methods of pricing; - Managing many suppliers; - Commercial viability of the chosen pricing model - unknown	3	12	- Support from DBC Finance; - Training & Development of DBC's Team - Flexibility in the contract	0
1.3	The ability of the selected option to avoid business Failure of the Contractor and/or his Supply Chain	- No single point of failure - back up arrangements; - Many providers = lower likelihood of redundancy in service provision; - Smaller contracts could be procured relatively quickly in the event of failure	5	1.5	7.5	4	30	- In the design of the specification and term brief; - DBC taking proactive approach to contract management; - Procurement to allow for back-up arrangements	- Reputational damage to the Council - Re-procurement (associated costs).	2	15	- There is a need to give thought to what we would do should one of the selected contractors fall into business failure and what the consequences will be	15
1.4	The ability of the selected option to achieve value for money	- Promotes competition between providers; - Pricing may be more appropriate to specialist nature of work, less reliance on sub-contractors	5	1.5	7.5	4	30	- In the design of the specification and term brief; - DBC having a strategic approach to asset management; - Benchmark vfm between providers. Not if they are undertaking different types of work.	- Ongoing management of contract does not reflect the commercial tender offer; - Different sets of overheads may increase overall unit costs; - More client side management required to manage contracts	4	30	- Implementation of robust performance management systems; - Benchmark vfm between providers	0
1.5	The ability of the selected option to attract the market to express interest and subsequently tender for these works/services	- Wide market for range of different workstreams - strong response expected; - To get the best deal for the residents of Dacorum Soft market test indicated there are a number of providers of one type of service	3	1	3	5	15	- Having a robust procurement strategy; - Continued engagement with the market.	- Procurement is split into individual contracts; - Missed opportunity for a more strategic approach	2	6	- Include options in the contract for SME engagement such as allowing consortium bids	9
<b>Sub-Total</b>													<b>20</b>
<b>2.0 OPERATIONAL</b>													
2.1	The ability of the selected option to deliver efficiencies in overall contract management	- Reflects current modus operandi - DBC familiar with contract management and therefore have process in place	4	1	4	4	16	- In the design of the specification and term brief; - DBC taking proactive approach to contract management; - Building upon current working arrangements and practice	- Many different contracts to manage - extensive client side management required; - High administrative burden on DBC	4	16	- Develop common practices and procedures; - Consider strategic alliancing arrangements between service providers.	0
2.2	The ability of the selected option to achieve high levels of resident satisfaction	- Total responsibility for one area of the service; Contractors of single services will have developed systems to address the specific areas of customer satisfaction and complaints through direct experience.	5	1.5	7.5	4	30	- Robust performance management in place in the contract; - Through the tender selection process; - Manage tenant expectations.	- Service performance may vary across the Borough - Reputational damage to DBC; - Complacency of service provider; - Lack of comparative data.	4	30	- Benchmark performance with peer organisations - Implement performance management systems into contract	0
2.3	The ability of the selected option to deliver a quality product	- Specialist contractors focussed on specific workstreams	5	1	5	3	15	- In the design of the specification and term brief; - DBC having a strategic approach to asset management; - DBC to implement quality control procedures	- Lack of integration between different workstreams; - Resource intensive client input required to ensure quality - Missed strategic opportunity	3	15	- Implementation of robust performance management systems; - Quality control procedures	0
2.4	The ability of the selected option to transfer overall risk to the Service Provider(s)	- Specific transfer of risk on each workstream	3	0.5	1.5	2	3	- In the design of the specification and term brief;	- Most risk likely to remain with DBC;	4	6	- Implementation of robust performance management systems; - Quality control procedures; - Proactive contract risk management	3
2.5	The ability of the model to deliver a wider range of services, comprising call centre function and design services	- Additional services likely to be limited; some parts of service may be able to offer wider range of services	3	0.5	1.5	1	1.5	- In the design of the specification and term brief;	- Model not likely to be able to provide wider range of services. Contractors may move into new areas of work without the relevant experience or skills and could sub-contract out. - Client function likely to remain as is with built in inefficiency and duplication of some tasks.	4	6	- Encourage consortium bids - Managing a robust procurement process; - Collateral warranties to be in place with specialist sub-contractors	4.5
<b>Sub-Total</b>													<b>-7.5</b>
<b>3.0 PROCUREMENT &amp; LEGAL</b>													
3.1	The ability of the selected option to withstand potential challenge from bidders throughout the process	- Procurement rules to be complied with; - Transparent and robust evaluation process; - Smaller organisations less likely to challenge award	3	1	3	3	9	- Having a robust procurement strategy; - Continued engagement with the market.	- Potential failure to link evaluation criteria with outputs;	3	9	- Having a robust procurement strategy and evaluation model for transparent evaluation.	0
3.2	The ability of the selected option to allow the procurement project to be delivered on time, i.e. start on site: 1/4/14	- Different contracts could be staggered to allow for more flexible procurement. Start date not critical for repairs contract as provision to extend still within scope of existing contract.	4	1.5	6	4	24	- Having a robust procurement strategy; - Managed by a Project Board throughout the duration of the procurement.	- Project creep; - Legal challenge from bidders; - Market does not respond to this option; - Mobilisation more complex with many providers	3	18	- Having a robust procurement strategy; - Managed by a Project Board throughout the duration of the procurement.	6
3.3	Suitability of published contract forms to align with the selected option	- Many published forms available; - Contracts could be developed to be unique to each workstream - appropriateness	3	0.5	1.5	5	7.5	- External legal support required to develop appropriate contract documentation (based on published forms)	- Higher level of administration required than for a single contractual arrangement; - Training of DBC team required if using differing pricing models;	2	3	- External legal support; - Understanding DBC requirements from outset.	4.5
3.4	The ability of the selected option to satisfy the requirements of Landlord and Tenant law in terms of consultation and long term sustainability	- Compliance with relevant legislation will ensure L&T compliance - Leasehold works could be procured separately for re-charging purposes	5	1.5	7.5	5	37.5	- Pricing mechanisms and/or separate contracts to clearly set out separate elements for leaseholder re-charging.	- Leasehold Valuation Tribunal (LVT) in the event of any potential breach;	3	22.5	- External legal support.	15
3.5	The ability of the selected option to efficiently and effectively manage the TUPE of staff to the new provider(s)	- TUPE would be based largely on current contract arrangements	5	1.5	7.5	4	30	- Set out in tender documents	- DBC failure to include sufficient information in tender documentation.	2	15	- Early engagement with current service providers and obtaining relevant information	15
<b>Sub-Total</b>													<b>40.5</b>
<b>TOTAL</b>													<b>53</b>

\* Desirability Factor on the basis of 0.5=Could Have, 1=Should Have, 1.5=Must Have

Ref	Item Heading	Benefits (Advantages)	Performance Importance			Assessment of Benefits		Developing the Benefits	Risks (Disadvantages)	Assessment of Risks		Mitigating the Risks	Benefit/Risk Analysis Benefit (E) - Risk (G)
			A Importance Weighting (1 to 5)	B Desirability Factor (0.5, 1.0, 1.5)*	C Adjusted Weighting (A x B)	D Assessment of Benefit (0 to 5)	E Total Weighted Score (C x D)			F Assessment of Risk (0 to 5)	G Total Weighted Score (C x F)		
<b>1.0 COMMERCIAL</b>													
1.1	Cost of delivering the service (ongoing costs)	- One set of contract overheads across entire Borough for R&M & Planned; TUPE conditions could be renegotiated within the JV. - Potentially less responsive repairs through better alignment and planning of planned works;	4	1	4	4	16	- Through the design of the specification and pricing frameworks; - More intelligent asset management and programmed works, through linking planned and responsive.	- Potential increase in planned expenditure over the short term; - Loss of bargaining power with single supplier; - client team unable to control the costs robustly.	3	12	- Having a robust pricing mechanism and sufficient shareholding in the JV.	
1.2	The ability of the selected option to implement innovative and flexible pricing mechanisms	- Potential to have fixed price per property and therefore cost certainty across the assets.Option for surplus / profits to be linked to share ownership and reinvested. - Greater potential for open book; - Reduced administration of contract.	4	1	4	4	16	- Through the design of the specification and pricing frameworks; - More intelligent asset management and programmed works, through linking planned and responsive.	- Ability of DBC to manage new methods of pricing due to limited knowledge of JV's; - Only one supplier; - Commercial viability of the chosen pricing model - unknown	2	8	- Support from DBC Finance; - Training & Development of DBC's Team - Flexibility in the contract	
1.3	The ability of the selected option to avoid business Failure of the Contractor and/or his Supply Chain	- Deeper knowledge and working relationship with single provider; - Better understanding and knowledge of contract; - Greater contract value is more attractive - JV offers shared risk	5	1.5	7.5	4	30	- In the design of the specification and term brief; - DBC taking proactive approach to contract management.	- In the event of failure, ability to continue delivering the entire service; TUPE transferred staff exposed to commercial risk. - Reputational damage to the Council - Re-procurement (associated costs); - No formal back up during interim period	4	30	- There is a need to give thought to what we would do should the selected contractor fall into business failure and what the consequences will be	
1.4	The ability of the selected option to achieve value for money	- Avoids potential waste and duplication of work; - Less expenditure on overheads	5	1.5	7.5	4	30	- In the design of the specification and term brief; - DBC having a strategic approach to asset management.	- Ongoing management of contract does not reflect the commercial tender offer; High legal costs to establish the JV. Limited in-house commercial expertise. - JV likely to incur additional management charges and overheads	3	22.5	- Implementation of robust performance management systems	7.5
1.5	The ability of the selected option to attract the market to express interest and subsequently tender for these works/services	- Limited but developed number of bidders available to deliver the JV model; - To get the best deal for the residents of Dacorum	3	1	3	2	6	- Having a robust procurement strategy; - Continued engagement with the market.	- Potential failure to engage SMEs; - Likelihood of winning may be low - may deter some bidders; - May need to procure using Competitive Dialogue Procedure - costly and lengthy	4	12	- Include options in the contract for SME engagement such as allowing consortium bids	6
	<b>Sub-Total</b>												<b>13.5</b>
<b>2.0 OPERATIONAL</b>													
2.1	The ability of the selected option to deliver efficiencies in overall contract management	- Avoids potential waste and duplication of work; - Better collaborative working;	4	1	4	4	16	- In the design of the specification and term brief; - DBC taking proactive approach to contract management; - Developing a cultural shift in the team	- Complacency of service provider; - Resistance to change from DBC staff. - Transfer of client staff to JV - Management time to integrate and build the JV	3	12	- Change management strategy to be developed - Implement performance management systems into contract	
2.2	The ability of the selected option to achieve high levels of resident satisfaction	- Total responsibility for the service; - Consistency across the Borough; - Familiarity with service provider.	5	1.5	7.5	4	30	- Robust performance management in place in the contract; - Through the tender selection process; - Manage tenant expectations.	- If service is poor, this is likely to be across all service areas; - Reputational damage to DBC; - Complacency of service provider; - Lack of comparative data.	3	22.5	- Benchmark performance with peer organisations - Implement performance management systems into contract	7.5
2.3	The ability of the selected option to deliver a quality product	- Better alignment between planned & responsive; - Active role in asset management strategy; - Knowledge of components/Life cycle/supply chains	5	1	5	4	20	- In the design of the specification and term brief; - DBC having a strategic approach to asset management; - DBC to implement quality control procedures	- Complacency of service provider; - Inability to change service provider; - Poor resident satisfaction; - Quality linked to price - If too low, then quality will suffer.	2	10	- Implementation of robust performance management systems; - Quality control procedures	10
2.4	The ability of the selected option to transfer overall risk to the Service Provider(s)	- Far greater role for service provider in terms strategic asset management; - Potential better allocation and use of resources; - Better arrangements in terms of warranties and defects.	3	0.5	1.5	4	6	- In the design of the specification and term brief;	- Potential costs associated with the transfer of risk to service provider; - Loss of DBC control; - Risk only transferred to the JV.	3	4.5	- Implementation of robust performance management systems; - Quality control procedures; - Proactive contract risk management	1.5
2.5	The ability of the model to deliver a wider range of services, comprising call centre function and design services	- Single point responsibility and accountability; - Placing additional services where best expertise is held; - More seamless service; - Allows DBC to be a more strategic client.	3	0.5	1.5	5	7.5	- In the design of the specification and term brief;	- More areas affected the more services undertaken by provider; - May restrict number of providers with ability to undertake all services	2	3	- Encourage consortium bids - Managing a robust procurement process; - Collateral warranties to be in place with specialist sub-contractors	4.5
	<b>Sub-Total</b>												<b>27.5</b>
<b>3.0 PROCUREMENT &amp; LEGAL</b>													
3.1	The ability of the selected option to withstand potential challenge from bidders throughout the process	- Procurement rules to be complied with; - Transparent and robust evaluation process;	3	1	3	3	9	- Having a robust procurement strategy; - Continued engagement with the market.	- Potential failure to link evaluation criteria with outputs; - Single contract may result in larger organisations bidding with greater degree of sophistication in terms of challenging award;	4	12	- Having a robust procurement strategy and evaluation model for transparent evaluation.	3
3.2	The ability of the selected option to allow the procurement project to be delivered on time, i.e. start on site: 1/4/14	- Single procurement activity; - Smoother and more efficient mobilisation; - Lower requirement for deployment of DBC resources during the procurement process.	4	1.5	6	3	18	- Having a robust procurement strategy; - Managed by a Project Board throughout the duration of the procurement.	- Project creep; Inexperience of developing JV and statutory approvals delaying process - Legal challenge from bidders; - Market does not respond to this option; - Complex Competitive Dialogue may delay start	5	30	- Having a robust procurement strategy; - Managed by a Project Board throughout the duration of the procurement.	12
3.3	Suitability of published contract forms to align with the selected option	- All contractual requirements set out in a single contract; - Enforceability of terms easier with single provider;	3	0.5	1.5	4	6	- External legal support required to develop appropriate contract documentation (based on published forms)	- Specialist JV Agreement required; - Extensive legal support required - costly	4	6	- External legal support; - Understanding DBC requirements from outset.	6
3.4	The ability of the selected option to satisfy the requirements of Landlord and Tenant law in terms of consultation and long term sustainability	- Consistent leaseholder re-charging across the Borough	5	1.5	7.5	4	30	- Pricing mechanisms to clearly set out separate elements for leaseholder re-charging.	- Leasehold Valuation Tribunal (LVT) in the event of any potential breach; - Some works/services may need to be procured outside of the JV to satisfy L&T requirements.	4	30	- External legal support;	0
3.5	The ability of the selected option to efficiently and effectively manage the TUPE of staff to the new provider(s)	- Single contractor award allows for smoother and more efficient transfer; - Consistent approach to the transfer of staff; - Easier to determine allocation to staff to one provider.	5	1.5	7.5	5	37.5	- Set out in tender documents	- DBC failure to include sufficient information in tender documentation.	2	15	- Early engagement with current service providers and obtaining relevant information	22.5
	<b>Sub-Total</b>												<b>7.5</b>
	<b>TOTAL</b>												<b>48.5</b>

\* Desirability Factor on the basis of 0.5=Could Have, 1=Should Have, 1.5=Must Have

# Appendix C

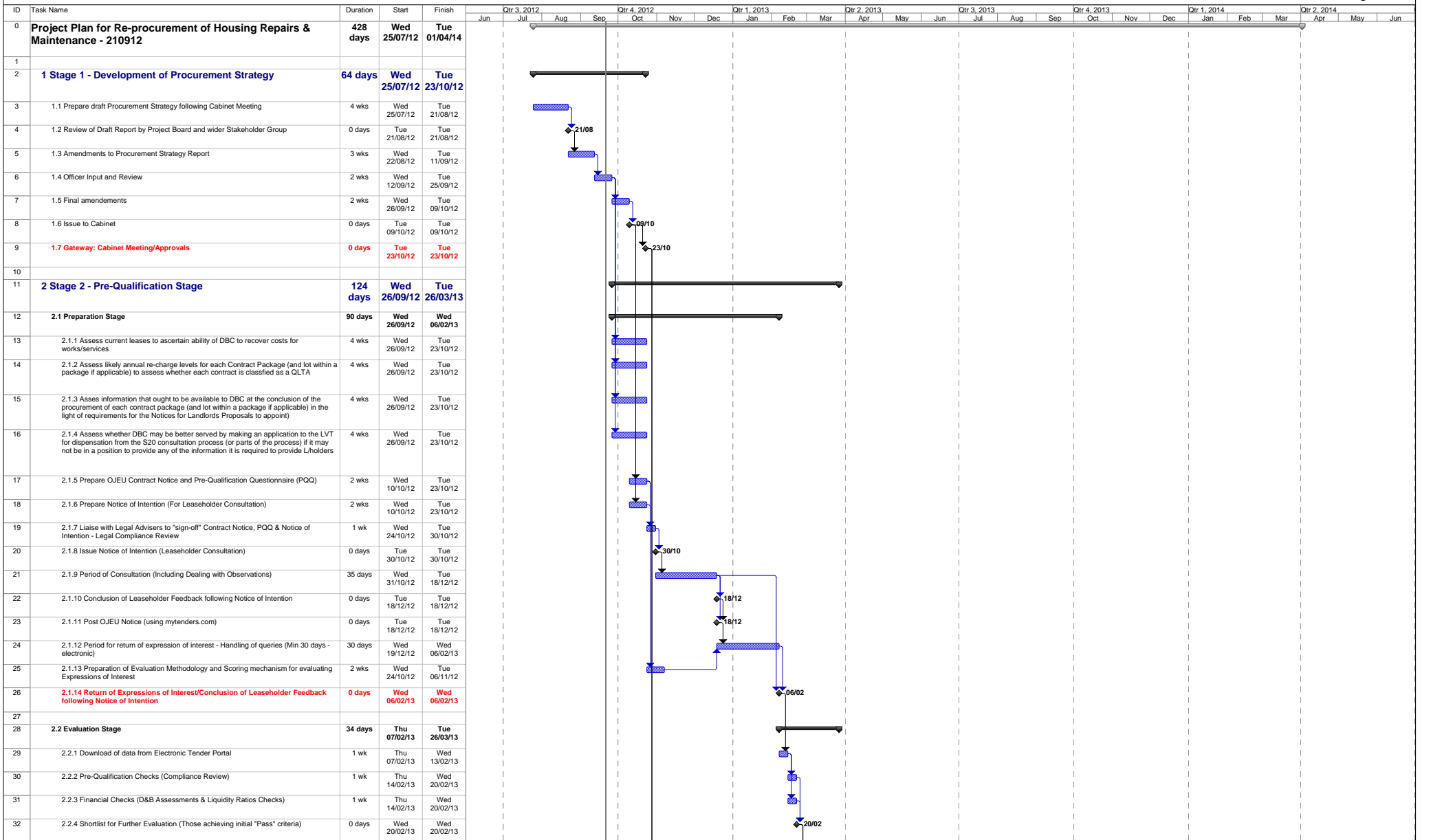
## Peer Review

Appendix D - Peer Review

Question	Peer Organisation				
	Wolverhampton Homes	Crawley	Croydon	Enfield Homes	Greenwich
<i>Housing stock size</i>	23,519	8,267	14,024	11,482	23,404
<b>Is the same type of contract (e.g. TPC2005) and KPIs used with both contractors?</b>	Yes. Similarly pain gain incentivisation is the same.	Yes - the contracts were procured at the same time. - Mears were our existing contractor at the time who successfully bid and MITIE were also successful after completing the thorough procurement process.	Yes Croydon is using TPC 2005 form of contract for both contractors. We are currently reviewing the scope of the repairs service and looking at possible benefits of combining repairs with elements of the planned maintenance service as part of a planned reprocurement of the repairs service.	Sent by email - no response as yet	Ben forwarded to a colleague - still awiating a reply
<b>What is the call centre arrangement? Does each contractor manage their own call centre team or is there one central team for both?</b>	My repairs is in-house. But if it were me I would use a central repairs call centre to take and distribute the calls. The schedulers could be paid for via the contract teams north and south from two servers. this would assist in the management of contracts and allow the client to resources north south as supply and demand fluctuate.	For responsive repairs the 2 contractors and council are badged as 'Crawley Repairs Team' and are co located in one office at the Town Hall. with one contact number for tenants. The introduction of a new phone system has meant that callers can now select their neighbourhood which sends them to the call team for the right contractor - but the teams are all sitting next to each other anyway and using the same software.	All repairs calls are handled by a specialist team within the Council's contract centre with back office support. We are looking at the optimum model for repairs call handling provision for the new repairs service.		
<b>Do you notice an effort by the contractors to 'compete' and score better KPIs than the other?</b>	Absolutely. they are very competitive	I'm not really in a position to comment on this but from what I see there is an element of competition at management level.	Regular joint performance monitoring meetings are held with contractors to encourage competition. Both contractors seem to like to keep pace or do better than each other. However our view is that if you have one contractor in place if you focus on this and have the right performance monitoring, benchmarking and incentives in place particularly with regards to payments a contractor will want to do well.		
<b>How do you manage tenants' perception and/or complaints if one contractor consistently outperforms the other?</b>	Answered in forum Q&A	Repairs performance is produced for tenants for Crawley Repairs Team as a whole although it is monitored on a monthly basis by contractor at a 'Core group' that includes tenants and staff.	A report is produced quarterly which analysis and categorises complaints. Team managers working jointly contractors as a management team draw up an action plan which focuses on addressing the issues.		
<b>Do you consider value for money is achieved better through the use of single or multiple providers?</b>	Answered in forum Q&A	I'm not really in a position to comment on this.	We are looking at the most suitable number of contractors for delivery of the repairs service and considering 1 or 2 contractors.		
<b>Have you experienced any leaseholder issues with a multiple contract arrangement?</b>	No. What I have done is developed a 30 year leaseholder investment plan. A no surprise approach. this help immensely when consulting. remember tenants are interested in quality of repairs and then VFM. Leaseholder are the opposite. what I have done and its taken a while is to realise the rates between the two, so it make no advantage to issue to one contractor over the other.	No more than usual as the responsive repairs contract has clearly defined geographic areas for each contractor.	We have a tenant and leaseholder panel in place that meets regularly and is updated on contractor performance on a regular basis. A specific consultation took place with leaseholders before the current contractors were appointed. A leaseholder consultation is also planned for the procurement of the new repairs service. Main concerns of leaseholders have been around what they should be charged for rather than cost or quality of work.		

# Appendix D

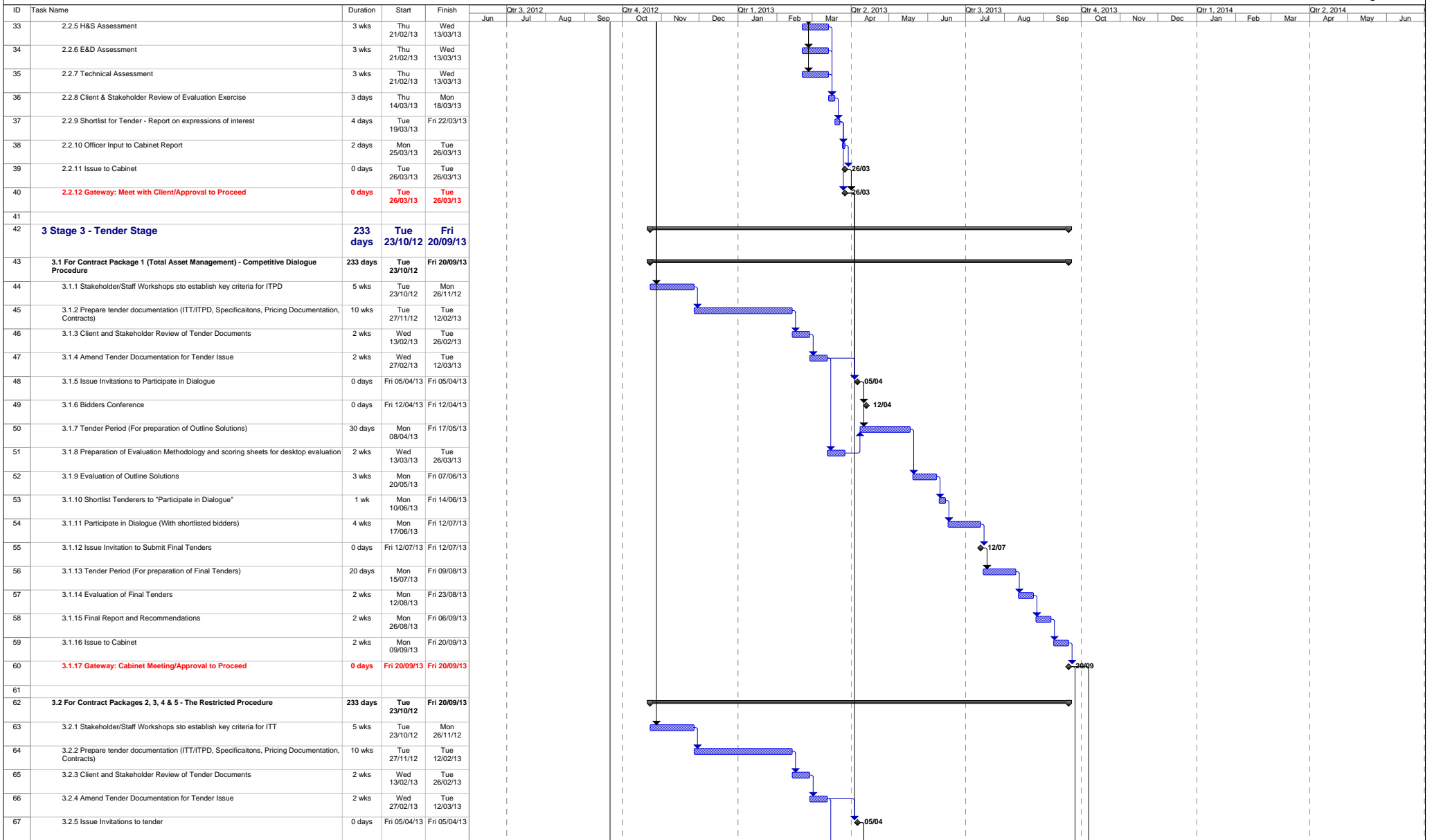
## Project Plan



Project: Project Plan for Re-procurement  
Date: Fri 21/09/12

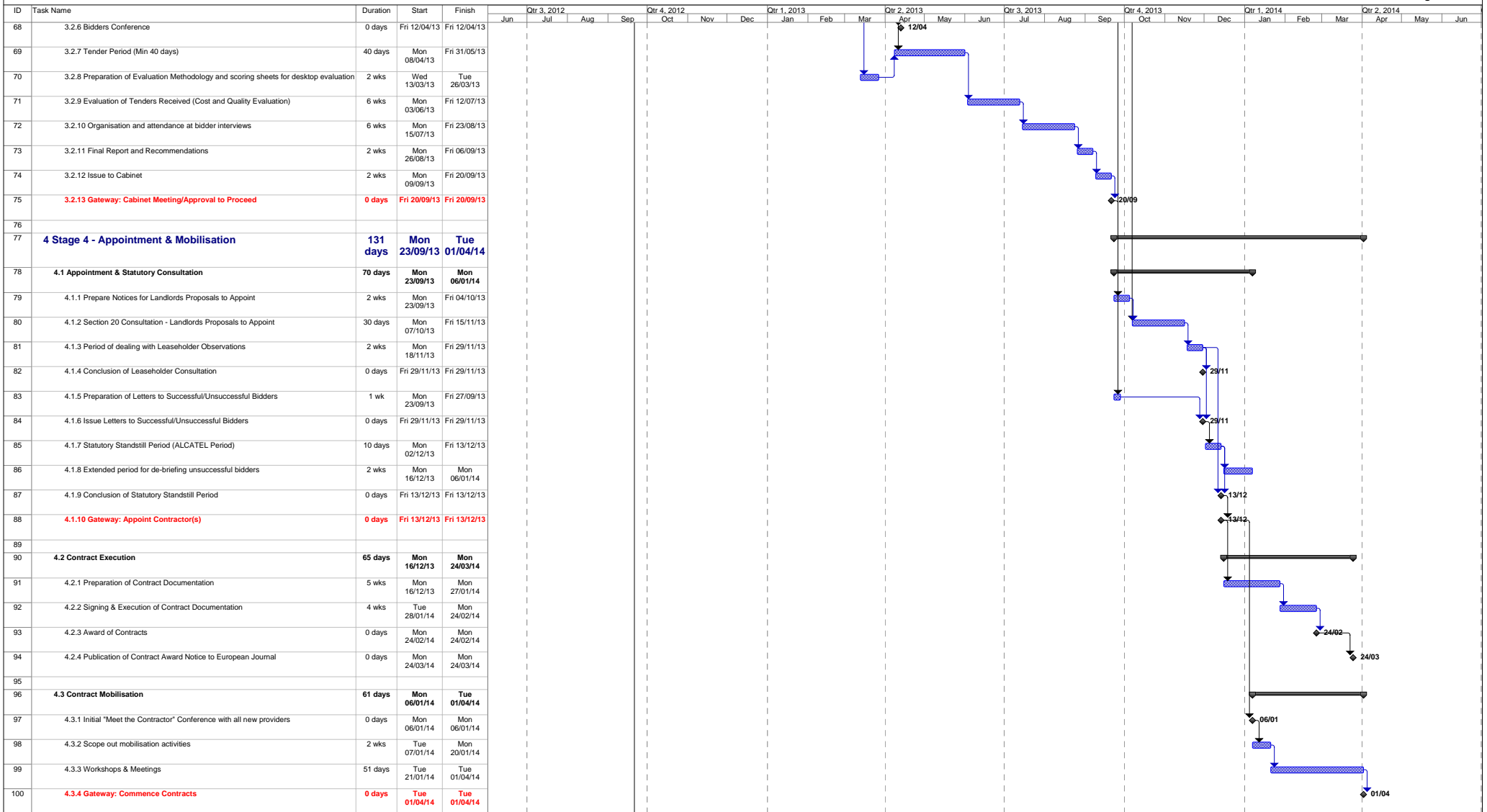






Project: Project Plan for Re-procureme  
Date: Fri 21/09/12

Task		Summary		External Milestone		Inactive Summary		Manual Summary Rollup		Finish-only
Split		Project Summary		Inactive Task		Manual Task		Manual Summary		Progress
Milestone		External Tasks		Inactive Milestone		Duration-only		Start-only		Deadline



Project: Project Plan for Re-procurement  
Date: Fri 21/09/12

Task		Summary		External Milestone		Inactive Summary		Manual Summary Rollup		Finish-only	
Split		Project Summary		Inactive Task		Manual Task		Manual Summary		Progress	
Milestone		External Tasks		Inactive Milestone		Duration-only		Start-only		Deadline	



# Appendix E

## Briefing Note on Section 20 Matters

## DACORUM BOROUGH COUNCIL

### Briefing note in respect of the Section 20 Consultation Process

This note summarises the requirements of the Landlord and Tenant Act 1985 (the "**Act**") and Schedule 2 of the Service Charges (Consultation Requirements) (England) Regulations 2003 (the "**Regulations**") in relation to the statutory consultation process set out in Section 20 of the Act ("**Section 20**").<sup>1</sup>

A recent decision of the Court of Appeal is a reminder that a failure to comply strictly with the Section 20 process can have serious financial consequences for landlords and as such it is critical that Dacorum Borough Council ("**DBC**") must plan the re-procurement process in such a way as to factor in the requirements of the Section 20 process.<sup>2</sup>

#### The Section 20 process – how it applies to DBC

The basic principle is that leaseholders who pay a service charge and have a significant interest in their property should be consulted before DBC embarks on major works or enters into any long term contracts for goods and services as the costs associated with such works or contracts will end up being re-charged to the leaseholders through their service charge payments.<sup>3</sup>

Whilst Section 20 imposes the obligation to consult the detail is set out in the Regulations which impose different consultation regimes depending on whether the proposed costs relate to:

- expenditure on "qualifying works" (i.e. works which will lead to a service charge liability of more than £250 per unit); or
- entry into a "qualifying long term agreement" (generally speaking, a contract lasting longer than 12 months (a "**QLTA**")) where the amount payable by any one leaseholder in any accounting period could exceed £100 (the £100 figure relates to the total amount payable by each leaseholder in each accounting period, including VAT and any associated administrative costs).

DBC should note that the consultation process applies only to "long tenancies" which comprises leases of more than 21 years and right to buy leases granted under Part V of the Housing Act 1985.

#### Consequences of a failure to comply with Section 20

The sanctions for failing to comply with Section 20 will restrict DBC's ability to recover costs from leaseholders as statutory caps will be imposed as to how much it can recover through service charge. These statutory caps are:

- £250 per unit in relation to "qualifying works"; or

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<sup>1</sup> This briefing is intended to be a user-friendly guide and reference should always be made to the Act and the Regulations for clarification of the precise legal requirements when structuring a procurement and consultation process.

<sup>2</sup> In *Daejan Investments Ltd v Benson* [2011] EWCA Civ 38 Daejan tenants relied on their landlord's failure to comply with the Section 20 process to prevent him from passing on £270,000 of expenditure to them through their service charge.

<sup>3</sup> Please note that the consultation requirements are in addition to the other rights and remedies available under the Landlord and Tenant Act 1985 in relation to the reasonableness of any service charges.

- £100 per unit where works are done and/or goods and services are supplied under a QLTA.

Where the amount to be recovered from all properties affected will be less than these statutory caps no leaseholder consultation is required, however, given the scope of DBC's proposed re-procurement process, this is very unlikely. Therefore, as the costs are likely to be higher for affected properties, DBC must carry out statutory consultation otherwise the statutory caps will limit the amount which can be recovered.

### **The consultation process**

In overview, the consultation process may be divided into seven stages:

#### *Stage One – issue of the "notice of intention"*

The consultation process for a proposed QLTA starts with the service of a "notice of intention" by the authority. The purpose of the notice is to provide leaseholders with basic information about the proposed contract and to invite their observations on it within 30 days.

Where the OJEU process applies nominations for a preferred contractor do not need to be sought from leaseholders and any recognised tenant's association but a "notice of intention" needs to be sent out before the OJEU advert is placed to enable leaseholders to encourage their favourite contractor to reply to the OJEU advert.

#### *Stage Two – having regard to observations received*

Where observations are received in relation to the notice of intention, the authority must have regard to those observations (and be able to prove that it has done so).

#### *Stage Three – the OJEU process*

A compliant process would be run to select a preferred contractor(s) for the various contracts.

The preferred contractor(s) will need to be selected on terms which will allow the authority to take into account observations received during the remainder of the statutory consultation process.

Addressing Section 20 issues from the outset will mean that the procurement timetable will build in allowances for the various consultation stages (and in particular the two 30 day consultation periods identified at Stages One and Four).

#### *Stage Four – preparation of authority's proposal and further notice of intention to enter into a QLTA*

Once the procurement process has been undertaken and a preferred contractor has been identified, a further consultation phase must take place. This involves the service of a second "notice of intention" on leaseholders and any recognised tenants' association, but this time providing much more detail about the terms of the proposed QLTA.

The notice should provide the following information:

- the identity of the contractor(s);
- any connections between the contractor(s) and the authority;
- the term of the contract(s);

- a summary of observations received from leaseholders to the first notice of intention and the authority's formal response to each of them;
- the best available costs information to allow leaseholders to understand the likely financial impact of the contract(s) upon them (and if this is not available at the time, the authority must say when it will become available); and
- where the proposed appointment would involve the authority appointing an agent to discharge any of the authority's obligations to its leaseholders relating to the management of premises, the proposal must provide certain information in relation to the agent.

Leaseholders need to be given a further 30 days to comment on the proposals and the QLTA cannot be entered into until the 30 day consultation period has expired and the local authority has had proper regard to all comments received.

#### *Stage Five - having regard to observations received*

As at stage two, the authority must have regard to all observations received.

#### *Stage Six – authority's response to observations*

The authority must respond in writing individually to the maker of each observation stating its response to the observations; any response must be provided within 21 days of receipt of an observation.

#### *Stage Seven – entry into the QLTA(s)*

Following satisfactory conclusion of the consultation process, the authority will be in a position to enter into the proposed agreement(s).

#### **So, is that all that is required?**

Not necessarily. Once a QLTA has been signed up, if specific works are to be carried out under the contract that would expose leaseholders to a service charge liability of more than £250, further consultation is required (as set out in Schedule 3 of the Regulations).

However, as the contractor for those works will already be in place the consultation will relate to the nature and extent of the works and why they are required.

#### **Dispensation from the Leasehold Valuation Tribunal**

It is possible for an authority to apply to the Leasehold Valuation Tribunal ("**LVT**") for dispensation from some or all of the consultation requirements.

The starting point for the LVT will be that the consultation process should be gone through unless there are good reasons to dispense with all or part of it. Mere inconvenience will not be enough. That said, applications for dispensation are becoming more common in respect of large or complicated procurements and/or procurements designed to put in place framework arrangements (which do not sit well with the Section 20 process).

Therefore, taking upfront legal advice on the merits of a dispensation application is a prudent step, as this may enable an authority to avoid both the wasted time and effort on an unsuccessful application and the resultant delays to the procurement process.

# **Appendix F**

## **Briefing Note on TUPE Matters**

**DACORUM BOROUGH COUNCIL**

**Briefing note on the duty to inform and consult – TUPE Regulations 2006**

**1 Background**

The law relating to the duty to inform and consult in a transfer situation is now contained in Regulation 13 of the TUPE Regulations 2006 (as amended).

The duty is placed on both the transferor and the transferee, and relates to ALL employees, who may:

- be affected by the transfer, or
- be affected by measures taken in connection with the transfer.

(Referred to as the “affected employees”)

This is the case whether or not the employees are assigned to the organised grouping of resources or employees that is the subject of the relevant employee.

It does not have to be shown that the employee will be affected by the transfer or measures taken in connection with it – just that there is a real possibility that he will be affected.

**2 The Duty to Inform and Consult (Regulation 13)**

The employer must inform appropriate representatives of the affected employees of:-

- the fact that the relevant transfer is to take place, when approximately it is to take place and the reasons for it;
- the legal, economic and social implications of the transfer for the affected employees (legal implications alludes to the impact of the transfer upon the employees' contractual or statutory rights against their employer, economic implications refers mainly to pay and prospects, social implications are social security implications such as pensions, national insurance etc);
- the measures which he envisages he will, in connection with the transfer, take in relation to those employees or, if he envisages that no measures will be so taken; and
- if the employer is the transferor, the measures which the transferee envisages he will, in connection with the transfer, take in relation to such of those employees who will become employees of the transferee after the transfer or, if he envisages that no measure will be so taken. (The transferee has to inform the transferor and to enable the transferor sufficient time to comply with the duty to inform the appropriate representatives).

The information which is to be given to the appropriate representatives must be given to each of them by being delivered to them, or sent by post to an address notified by them to the employer, or (in the case of representatives of a trade union) sent by post to the Union at the address of its head or main office.



The information must be conveyed long enough before a relevant transfer to enable the employer to then consult all the persons who are appropriate representatives of any of those affected employees. This is except in “special circumstances” which render it not reasonably practicable to do so, when an employer is excused from the duty to inform and consult, although he must still do what he can towards compliance. Special circumstances are not defined in the regulations but are taken to mean special in the sense of being something unforeseen or unexpected, i.e. something out of the ordinary run of commercial or financial events.

Where the employer of any affected employees envisages that he will, in connection with the transfer, be taking measures in relation to any such employees, he must consult all persons who are appropriate representatives of the affected employees in relation to whom he envisages taking measures, with a view to seeking their agreement to the measures to be taken.

Envisages means what the respective employer actually visualises or foresees will happen at the time of the transfer, whenever that measure is likely to take place. The relevant employer need not have made plans for the detail of the changes, but there must be some definite plan or proposal in mind to implement.

Measures is not defined, but can catch any action, step or arrangement. The spirit of the Regulations is that the respective workers are entitled to know what if any changes the future holds for them. An employer proposes measures when he proposes any material change in existing work practises or working conditions. It is important to remember that there is a duty to consult only about measures which are to be taken “in connection with” the transfer.

During consultation the employer must:

- Consider any representations made by the appropriate representatives;
- Reply to those representations and if he rejects any of the representations, state his reasons for doing so;
- Allow the appropriate representatives access to the affected employees and shall afford to those representatives such accommodation and other facilities as may be appropriate.

### **3 Appropriate Representatives**

The Regulations define the following as appropriate representatives:

- if the affected employees are of a description in respect of which an independent trade union is recognised by their employer, representatives of the trade union, or
- in any other case whichever of the following employee representatives the employer chooses:
  - employee representatives appointed or elected by the affected employees otherwise than for the purpose of the TUPE Regulations, who having regard to the purposes for and the method by which they were appointed or elected, have authority from those employees to receive information and to be consulted about the transfer on their behalf; or

- employee representatives elected by them for this purpose.

#### 4 Electing Representatives

Regulation 14 sets out the requirements for the election of employee representatives. The employer must:

- make such arrangements as are reasonably practicable to ensure that the election is fair;
- determine the number of representatives to be elected so that there are sufficient representatives to represent the interests of all the affected employees having regard to the number and classes of those employees;
- determine whether the affected employees should be represented either by representatives of all the affected employees or by representatives of particular classes of those employees;
- determine the term of office as employee representatives so that it is of sufficient length to enable information to be given and consultations to be completed;
- ensure the candidates for election as employee representatives are affected employees on the date of the election;
- ensure no affected employee is unreasonably excluded from standing for election;
- ensure all affected employees on the date of the election are entitled to vote for employee representatives;
- ensure that the employees are entitled to vote for as many candidates as there are representatives to be elected to represent them or, if there are to be representatives for particular classes of employees, ensure the employees may vote for as many candidates as there are representatives to be elected to represent their particular class of employee; and
- ensure the election is conducted so as to secure that:
  - so far as is reasonably practicable, those voting do so in secret; and
  - the votes given at the election are accurately counted.

If after the representatives have been elected, one ceases to act leaving employees without a representative, those employees shall elect another representative by election following requirements (1) a, e, f and i above only.

If, after the employer has invited affected employees to elect representatives, they fail to do so within a reasonable time, he must give each affected employee the information set out in paragraph 2 above.

**6 Failure to Inform or Consult (Regulation 15)**

If an employer fails in any of his obligations to inform or consult, including in relation to the election of employee representatives, a complaint may be made by the appropriate representatives in the Employment Tribunal, who may be awarded a declaration and, where appropriate, compensation.

The compensation awarded will be an amount the Tribunal deems just and equitable having regard to the seriousness of the employers default, up to a maximum of 13 weeks' pay. There is no statutory limit placed on the amount of a week's pay.

## DUE DILIGENCE INFORMATION

The following list is indicative of the appropriate information to be assembled by DBC that will be required by bidders:

- 1 Details of notice required to terminate each Employee's contract of employment (or if the contract is for a fixed term, details of that fixed term).
- 2 Salary, wages and overtime details (including how often the Employee is paid, whether overtime given and overtime rates).
- 3 Copies of the Employees' job descriptions.
- 4 Pension details, including whether Employees are members of any pension scheme, commencement of pensionable service and employer and employee contribution rates.
- 5 Fringe benefits/ facilities
- 6 Details of contracts of employment (including all matters set out in any statement of particulars provided pursuant to section 1 of the Employment Rights Act 1996).
- 7 Details of any commission or bonus scheme.
- 8 Details of any shift systems/patterns/rotas applying to each Employee together with details of any shift premiums applying.
- 9 Details of any trade union recognised in respect of the Employees and collective agreements.
- 10 Details of any agreements, including individual collective or workforce, pursuant to the Working Time Regulations.
- 11 Details of all Employees who have been off sick for more than two weeks in the last two years.
- 12 Details of any Employee about to exercise or who has given notice to exercise or who has exercised a right to maternity leave and who, it may be possible, may elect to return to work after such leave.
- 13 Details of any living accommodation provided to any Employee and the terms on which it is provided.
- 14 Details of any recent changes to terms and conditions in relation to any Employee.
- 15 Details of any matters notified by any Employee which could amount to a protected disclosure under the Public Interest Disclosure Act 1998.
- 16 Details of disciplinary and grievance procedures affecting the Employees.
- 17 Details of any dispute whatsoever with any Employee whether brought under disciplinary or grievance procedures or otherwise or any matters which might give rise to such claims.
- 18 Details of any current appeals against dismissal.

- 19** Details of any litigation threatened, pending or ongoing in respect of the Employees including any county court claims, High Court claims or employment tribunal or arbitration claims or any matters which might give rise to such claims.
- 20** Details of all employment tribunal or other court claims in the last 24 months.
- 21** Details of any current employment tribunal award, county court order or High Court judgment in respect of any employee dispute.
- 22** Details of any enquiry by the Equality and Human Rights Commission.
- 23** Details of any enquiry by the Commission for Racial Equality in respect of the Employees and any outcome thereof, whether or not passed to the Equality and Human Rights Commission.
- 24** Details of any enquiry by the Equal Opportunities Commission in respect of the Employees and any outcome thereof, whether or not passed to the Equality and Human Rights Commission.
- 25** Details of any enquiry by the Disability Rights Commission in respect of the Employees and any outcome thereof, whether or not passed to the Equality and Human Rights Commission.
- 26** Details of any enquiry by the Health and Safety Inspectorate in respect of the Employees and any outcome thereof.
- 27** Details of any enquiry by HM Customs and Revenue or Contributions Agency in respect of the Employees and any outcome thereof.

# **Appendix G**

## **Briefing Note on Pension Matters**

DACORUM BOROUGH COUNCIL

PAPER ON PENSION ISSUES

**1 Admission Body Status to the LGPS**

There are a number of risk areas for the procuring authority and bidders where the Admission Body Status route is followed. Consideration by the procuring authority of whether some of these risks could be retained in whole or in part by them may help to minimise discussions in this area and may lead to a more appropriate best value solution rather than trying to get the bidders to take these risks on board.

Issue/Risk	Comments	Options and Risks
<p>Funding of the LGPS in respect of the Eligible Employees at the start of the Admission Agreement with bidders seeking notional 100% and continuing that notional 100% funding basis at the start on each triennial valuation.</p>	<p>It is unusual for a procuring authority to proceed on anything other than a notional 100% funding basis at the start of the Admission Agreement. This ensures that if there is any underfunding of the LGPS Fund prior to the start of the new Admission Agreement, this does not get passed to the bidder for which they will charge the procuring authority not only the costs of the underfunding, but also a premium for doing so.</p>	<p>(a) Provide an assurance to the bidder that the scheme will be notionally 100% funded in respect of the period prior to the start of the new Admission Agreement. This may then be backed up with an indemnity in the event that this isn't so procured – this option provides certainty for the bidders and the procuring authority;</p> <p>(b) Provide no assurance to the bidder regarding funding levels in respect of the period prior to the start of the new Admission Agreement – this option could lead to significant risk pricing by the bidder depending on the information available regarding the funding status of the relevant LGPS scheme.</p>
<p>If the notional 100% funding of the LGPS in respect of the Eligible Employees cannot be offered, how is that risk dealt with.</p>	<p>If this is the case, then it is likely that this would result in a higher initial employer contribution to address the underfunding. This will result in higher costs for the procuring authority as part of the scheme, together with the bidder probably charging a premium for having to take this risk on.</p>	<p>(a) Provide a cap and collar mechanism whereby the bidder prices a certain element of the risk and the procuring authority retains a certain element of the risk – this could lesson the impact of any risk pricing by the bidder;</p> <p>(b) Provide no mechanism and ask the bidders to price the risk - this option could lead to significant risk pricing by the bidder depending on the information</p>

		available regarding the funding status of the relevant LGPS scheme.
Changes to the employer contribution rate throughout the life of the relevant agreement where these do not arise because of the actions of the bidder.	Such changes can arise because of general fund performance within the relevant LGPS Fund, for example where investments don't perform or actuarial assumptions are not borne out. This is not something which the procuring authority will have any control over either, but the question is whether the risk best sits in this regard.	<p>(a) Provide a cap and collar mechanism whereby the bidder prices a certain element of the risk and the procuring authority retains a certain element of the risk – this could lesson the impact of any risk pricing by the bidder;</p> <p>(b) Provide no mechanism and ask the bidders to price the risk - this option could lead to significant risk pricing by the bidder;</p> <p>(c) Alternatively, provide a fixed contribution rate by means of pooling the bidder contributions with those of the procuring authority – this would lesson the impact of any risk pricing by the bidder.</p>
Changes to the employer contribution rate throughout the life of the relevant agreement where these arise because of the actions of the bidder (for example, by making a number of ill-health retirements).	Where such changes arise because of the bidders own actions, this is a risk which we would suggest should remain with the bidders as this is something which is within their control.	Where any mechanisms are negotiated in relation to funding, ensure that such matters are carved out from those mechanisms.
Underfunding across the relevant LGPS Fund in relation to the employees of the authorities and/or other Admission Bodies during the life of the relevant agreement and how this is addressed.	If this is the case, procuring authorities should discuss with the relevant Administering Authority whether the risks will be shared across all participating bodies in the relevant LGPS Fund or whether each admission body is given their own ring-fenced fund so that these wider underfunding issues do not impact on the relevant admission body under the scheme.	<p>(a) Provide assurances to the bidder that such risks will not be passed on to the bidder by way of variations to the employer contribution rate;</p> <p>(b) Provide a cap and collar mechanism whereby the bidder prices a certain element of the risk and the procuring authority retains a certain element of the risk – this could lesson the impact of any risk pricing by the bidder;</p>



		<p>(c) Provide no mechanism and ask the bidders to price the risk - this option could lead to significant risk pricing by the bidder;</p> <p>(d) Alternatively, provide a fixed contribution rate by means of pooling the bidder contributions with those of the procuring authority – this would lesson the impact of any risk pricing by the bidder.</p>
<p>Exit valuations being undertaken on expiry or termination of the Admission Agreement and how this is addressed.</p>	<p>Bidders will often refer to the fact that they cannot have such uncapped liabilities on exit for various accounting related reasons. However, depending on the relevant agreement under which these issues arise, these exit valuation risks could be significant.</p>	<p>(a) Provide a risk sharing mechanism with the bidder whereby they retain a certain element of any risk on exit (such as by means of a cap) with the procuring authority retaining the remainder of the risk – in any such mechanism, the procuring authority should not be expected to take the risk of any exit deficit caused by the bidders own acts or omissions;</p> <p>(b) Provide no mechanism and ask the bidders to price the risk - this option could lead to significant risk pricing by the bidder;</p> <p>(c) Provide an indemnity to the bidder under which the procuring authority retains all risk in relation to such exit valuation - the procuring authority should not be expected to take the risk of any exit deficit caused by the bidders own acts or omissions.</p>

## 2 Broadly Comparable Pension Scheme

Where a bidder decides to offer a Broadly Comparable Scheme different risks and considerations need to be taken into account. Issues do not tend to arise in relation to changes in the employer contribution rate and/or underfunding on such schemes because they are the bidder's own pension scheme and these are issues for them to manage. The issues for discussion tend to be more around the Bulk Transfer Terms in the Actuary's Letter and any Shortfall on transfer.

Issue/Risk	Comments	Options and Risks
Bulk Transfer Issues on Commencement	<p>The procuring authority will have already obtained from the actuary to the relevant LGPS Fund and provided to bidders the draft Actuary's Letter setting out the Bulk Transfer Terms. There may be some negotiation on the terms between the respective actuaries but the Shortfall issues come from the fundamental differences which exist in relation to those assumptions and what they will mean in relation to any transfer values going forward.</p> <p>Under the Fair Deal requirements, the transferring members have to be given the same day-for-day service credits in the Broadly Comparable Scheme. However, the Fair Deal requirements also acknowledge that because of the uncertainty around bulk transfer values, bidders can indicate in their bid documentation if any price adjustment is proposed on account of any costs or benefits conferred by their acceptance of those bulk transfer terms. Any adjustment sought should be accompanied by a reasoned statement of need. Procuring authorities and their advisers will then be expected, in liaison with the relevant actuary responsible for setting the bulk transfer terms, to test the reasonableness of any price adjustment being sought.</p> <p>Procuring authorities therefore need to be alive to this issue and consider it early on in the scoping process in order to identify how they wish to proceed. Best value decisions on this issue can only really be made with the proposed price adjustment figures are received from the bidders, but if the procuring authority has already determined whether it is willing to accept a price adjustment in</p>	<p>(a) Provide a mechanism for dealing with any shortfall risk – this could lessen the impact of any risk pricing by the bidder;</p> <p>(b) Provide no mechanism and ask the bidders to price the risk - this option could lead to significant risk pricing by the bidder;</p>

	principle, this will assist in shortening the dialogue on these issues.	
Bulk Transfer Issues on Expiry or Termination	<p>The Fair Deal guidance suggests that bulk transfer arrangements on expiry or termination should take place on the same basis as the transfer to the Broadly Comparable Scheme originally.</p> <p>As financial and demographic conditions may evolve over the life of a agreement there can be no assurance that such an arrangement will result in a satisfactory bulk transfer at the end of the agreement without further expense to the procuring authority to finance the difference between what the first generation scheme is offering and what prevailing conditions require the second generation scheme to seek in order to provide the required day for day (or actuarial equivalent) protection for staff. To insulate itself from this risk the contracting authority would need to the bidder to commit in advance to provide for an onward bulk transfer on whatever terms the contracting authority determined at the end of the contract. Bidders will be extremely averse to such an open-ended commitment and if they were prepared to enter into it (which is unlikely) they would certainly place a premium price on the risk, which the procuring authority would need to meet in the price of the agreement. The result almost certainly would be less efficient and more costly to the procuring authority than if the requirement is merely for the bidder to provide for an onward bulk transfer on no less favourable terms than the bulk transfer which its scheme receives at the start of the contract, and the contracting authority carries the risk that by the end of the contract this may have proved to be a marginally inadequate amount.</p> <p>However, bidders remain reluctant to agree to such an arrangement and often seek derogations to confirm that the terms will be agreed on expiry or termination. Procuring authorities should work closely with their pension's advisors and the actuary for the relevant LGPS Fund on this issue to determine how they wish to proceed.</p>	<p>(a) Require the standard form position to be followed – this option could lead to significant risk pricing by the bidder;</p> <p>(b) Agree that the bulk transfer terms will be agreed on expiry or termination - this could lessen the impact of any risk pricing by the bidder but leads to more uncertainty;</p>

## **Bidder's Pension Pack**

The following are the documents we would recommend including in a bidders' pensions pack. We have many of the generic documents saved as PDFs and can provide them for you if you would like. Some of the other documents will have to be provided by the Council and/or the Administering Authority. Please note that the documents listed below relate only to the transferring staff who are protected by Fair Deal and the Direction 2007.

- 1 Extracts from ODPM Circular 03/2003 (Section 2) – *Bevan Brittan can provide*
- 2 Cabinet Office Statement of Practice - Staff Transfers in the Public Sector (2000) (inc annex HM Treasury Guidance - A Fair Deal for Staff Pensions (1999)) – *Bevan Brittan can provide*
- 3 HM Treasury Guidance - A Fair Deal for Staff Pensions: Procurement of Bulk Transfer Agreements (2004) – *Bevan Brittan can provide*
- 4 Anonymised (at this stage) data regarding transferring staff membership including pensionable salary, pensionable service, sex, date of birth, whether part-time or full-time (and % if relevant), officer or manual worker, employee contribution rate (5 or 6%) – *Council to provide*
- 5 Fund member booklet – *Council to provide*
- 6 Indicative information from Fund re contribution rates, bond amounts etc – *Administering Authority to provide*
- 7 Draft Fund Admission Agreement and Bond/Indemnity – *Administering Authority to provide*
- 8 Copy of Council's written policy statement relating to its discretions under the LGPS Regulations and also under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 – *Council to provide*
- 9 ODPM Guidance Note on Admission Agreements (2003) – *Bevan Brittan can provide*
- 10 Association of Consulting Actuaries Guidance Note on Admission Agreements (2000) – *Bevan Brittan can provide*
- 11 Draft Actuary's Letter from Fund setting out bulk transfer assumptions – *Administering Authority to provide*
- 12 Government Actuary's Department Note "Passport System for Pensions (2002) (inc Annex - Statement of Practice on the Assessment of Broad Comparability of Pension Rights (1999)) – *Bevan Brittan can provide*

# Appendix H

## Resource Schedule

Ref	Task Description	Internal Input (DBC) / Days					External Input / Days					TOTAL	Notes
		P&P	Finance	Procurement	Legal	Sub-Total	Procurement (PC)	Legal Adviser (LA)	M&E (ME)	Cost Consultancy/ Finance	Sub-Total		
<b>1</b>	<b>Stage 1 - Pre-Qualification Stage</b>												
<b>1.1</b>	<b>Preparation Stage</b>												
1.1.1	Assess current leases to ascertain ability of DBC to recover costs for works/services	1.00	-	-	2.00	1.00	-	0.50	-	-	0.50	1.50	DBC, in conjunction with their Legal Advisers, to review leases to determine the scope of what should be included within the "Notice of Intention".
1.1.2	Assess likely annual re-charge levels for each Contract Package (and lot within a package if applicable) to assess whether each contract is classified as a QLTA	2.00	-	-	-	2.00	-	1.00	-	-	1.00	3.00	
1.1.3	Asses information that ought to be available to DBC at the conclusion of the procurement of each contract package (and lot within a package if applicable) in the light of requirements for the Notices for Landlords Proposals to appoint	1.00	-	-	-	1.00	-	1.00	-	-	1.00	2.00	
1.1.4	Assess whether DBC may be better served by making an application to the LVT for dispensation from the S20 consultation process (or parts of the process) if it may not be in a position to provide any of the information it is required to provide L/holders	3.00	-	-	1.00	4.00	-	1.00	-	-	1.00	5.00	
1.1.5	Prepare OJEU Contract Notice and Pre-Qualification Questionnaire (PQQ)	1.00	0.50	0.50	-	2.00	3.00	0.50	-	-	3.50	5.50	PC, in conjunction with DBC will prepare the Contract Notice and PQQ. DBC to prepare "Information Memorandums" in connection with each Package/Lot. Final documentation to be reviewed by Legal Adviser for compliance.
1.1.6	Prepare Notice of Intention (For Leaseholder Consultation)	2.00	-	-	1.00	3.00	-	-	-	-	-	3.00	
1.1.7	Liaise with Legal Advisers to "sign-off" Contract Notice, PQQ & Notice of Intention - Legal Compliance Review	1.00	-	-	-	1.00	0.50	1.00	-	-	1.50	2.50	Receive comments from Legal Adviser and amend Contract Notice and PQQ documentation
1.1.8	Issue Notice of Intention (Leaseholder Consultation)	3.00	-	-	-	3.00	-	-	-	-	-	3.00	To be managed by DBC
1.1.9	Period of Consultation (Including Dealing with Observations)	2.00	-	-	-	2.00	-	-	-	-	-	2.00	
1.1.10	Conclusion of Leaseholder Feedback following Notice of Intention	3.00	-	-	-	3.00	-	-	-	-	-	3.00	
1.1.11	Post OJEU Notice (using mytenders.com)	-	-	0.50	-	0.50	-	-	-	-	-	0.50	Contract Notice to be posted by DBC
1.1.12	Period for return of expression of interest - Handling of queries (Min 30 days - electronic)	5.00	-	4.00	-	9.00	-	-	-	-	-	9.00	All queries during PQQ stage to be managed and dealt with by DBC.
1.1.13	Preparation of Evaluation Methodology and Scoring mechanism for evaluating Expressions of Interest	3.00	0.50	0.25	-	3.75	2.00	0.25	-	-	2.25	6.00	PC to prepare Evaluation Methodology. Legal Adviser to review evaluation methodology for legal compliance
1.1.14	Return of Expressions of Interest/Conclusion of Leaseholder Feedback following Notice of Intention	2.00	-	-	-	2.00	-	-	-	-	-	2.00	
	<b>Sub-Section Total</b>	<b>29.00</b>	<b>1.00</b>	<b>5.25</b>	<b>4.00</b>	<b>37.25</b>	<b>5.50</b>	<b>5.25</b>	<b>-</b>	<b>-</b>	<b>10.75</b>	<b>48.00</b>	
<b>1.2</b>	<b>Evaluation Stage</b>												
1.2.1	Download of data from Electronic Tender Portal (or from electronic submissions (CD-Rom/USB))	-	-	-	-	-	2.00	-	-	-	-	2.00	Dependant on how tenders are received, the submissions will need to be downloaded to the server and prepared ready for evaluation purposes - Could utilise Dropbox or similar.
1.2.2	Pre-Qualification Checks (Compliance Review)	4.00	1.00	8.00	-	13.00	-	-	-	-	-	13.00	DBC to undertake initial checks on pass/fail criteria such as insurances and QA/Environmental. Based on 145 Expressions of Interest.
1.2.3	Financial Checks (D&B Assessments & Liquidity Ratios Checks)	-	4.00	-	-	4.00	-	-	-	-	-	4.00	Pass/Fail criteria only. DBC Finance to undertake initial review and assessment. Based on 145 Expressions of Interest.
1.2.4	Shortlist for Further Evaluation (Those achieving initial "Pass" criteria)	0.50	0.50	0.50	-	1.50	-	-	-	-	-	1.50	DBC to prepare a shortlist of those for further evaluation

Ref	Task Description	Internal Input (DBC) / Days					External Input / Days					TOTAL	Notes
		P&P	Finance	Procurement	Legal	Sub-Total	Procurement (PC)	Legal Adviser (LA)	M&E (ME)	Cost Consultancy/ Finance	Sub-Total		
1.2.5	H&S Assessment	4.00	-	2.00	-	6.00	-	-	-	-	-	6.00	Based on Pass/Fail Criteria. Those with SSIP (such as CHAS accreditation) will receive automatic "Pass". Only those without will be evaluated further. DBC to undertake.
1.2.6	E&D Assessment	1.00	1.00	2.00	-	4.00	-	-	-	-	-	4.00	Based on Pass/Fail Criteria. DBC to undertake.
1.2.7	Technical Assessment	23.00	-	-	-	23.00	5.00	-	-	-	5.00	28.00	DBC P&P to undertake technical assessment with guidance from PC. Based on 145 Expressions of Interest. Based on 8-10 evaluations per day, per person. Team of 3-4.
1.2.8	Client & Stakeholder Review of Evaluation Exercise	1.00	0.50	1.00	-	2.50	1.00	-	-	-	1.00	3.50	Workshop to review evaluations
1.2.9	Shortlist for Tender - Report on expressions of interest	1.00	0.50	-	-	1.50	2.00	-	-	-	2.00	3.50	PC to prepare final report and recommendations
1.2.10	Gateway: Meet with Client/Approval to Proceed	0.50	0.50	0.50	0.50	2.00	0.50	0.50	-	-	1.00	3.00	Project Board Meeting to "Sign-Off" report and recommendations
	<b>Sub-Section Total</b>	<b>35.00</b>	<b>8.00</b>	<b>14.00</b>	<b>0.50</b>	<b>57.50</b>	<b>10.50</b>	<b>0.50</b>	-	-	<b>11.00</b>	<b>68.50</b>	
	<b>Stage Sub-Total</b>	<b>64.00</b>	<b>9.00</b>	<b>19.25</b>	<b>4.50</b>	<b>94.75</b>	<b>16.00</b>	<b>5.75</b>	-	-	<b>21.75</b>	<b>116.50</b>	
<b>2</b>	<b>Stage 2 - Tender Stage</b>												
<b>2.1</b>	<b>For Contract Package 1 (Total Asset Management) - Competitive Dialogue Procedure</b>												
2.1.1	Stakeholder/Staff Workshops to establish key criteria for ITPD	3.00	3.00	-	-	6.00	4.50	-	-	3.00	7.50	13.50	Allowance of 3Nr facilitated workshops to develop the ITPD
2.1.2	Prepare tender documentation (ITT/ITPD, Specifications, Pricing Documentation, Contracts)	-	1.00	-	-	1.00	7.00	2.00	1.00	5.00	15.00	16.00	Preparation of documentation suitable for tendering. LA to input into procurement and commercial aspects of documentation
2.1.3	Client and Stakeholder Review of Tender Documents	1.00	1.00	1.00	1.00	4.00	1.00	1.00	-	-	2.00	6.00	Workshop to review tender documentation
2.1.4	Amend Tender Documentation for Tender Issue	0.50	-	-	-	0.50	1.50	-	-	-	1.50	2.00	
2.1.5	Issue Invitations to Participate in Dialogue	-	-	0.50	-	0.50	-	-	-	-	-	0.50	DBC to issue tenders via tender portal or equivalent.
2.1.6	Bidders Conference	0.50	0.50	0.50	0.50	2.00	1.00	0.50	-	-	1.50	3.50	Half day bidders conference to meet the bidders and answer any queries
2.1.7	Tender Period (For preparation of Outline Solutions)	1.00	-	3.00	-	4.00	1.00	-	-	-	1.00	5.00	Responding to tender queries during the tender period
2.1.8	Preparation of Evaluation Methodology and scoring sheets for desktop evaluation	-	0.50	0.25	-	0.75	2.00	0.25	-	2.00	4.25	5.00	Preparation of evaluation methodology, including all scoring sheets and templates ready for evaluation. LA to review for procurement compliance.
2.1.9	Evaluation of Outline Solutions	3.00	0.50	-	-	3.50	3.00	-	-	2.00	5.00	8.50	DBC P&P to undertake evaluations with guidance from PC. Based on 6 bidders.
2.1.10	Shortlist Tenderers to "Participate in Dialogue"	0.50	-	-	-	0.50	0.50	-	-	-	0.50	1.00	Interim shortlisting report.
2.1.11	Participate in Dialogue (With shortlisted bidders)	3.00	1.00	3.00	-	7.00	3.00	3.00	-	-	6.00	13.00	Based on 2 1/2 day meetings with each bidder; 3 bidders only enter into dialogue.
2.1.12	Issue Invitation to Submit Final Tenders	-	-	-	-	-	1.00	-	-	-	1.00	1.00	Prepare documentation to invite final tenders
2.1.13	Tender Period (For preparation of Final Tenders)	-	-	-	-	-	-	-	-	-	-	-	

Ref	Task Description	Internal Input (DBC) / Days					External Input / Days					TOTAL	Notes
		P&P	Finance	Procurement	Legal	Sub-Total	Procurement (PC)	Legal Adviser (LA)	M&E (ME)	Cost Consultancy/ Finance	Sub-Total		
2.1.14	Evaluation of Final Tenders	2.00	2.00	-	-	4.00	2.00	2.00	1.00	1.00	6.00	10.00	
2.1.15	Final Report and Recommendations	2.00	-	-	-	2.00	1.50	-	-	-	1.50	3.50	
2.1.16	Issue to Cabinet	1.00	-	-	-	1.00	-	-	-	-	-	1.00	
2.1.17	Gateway: Cabinet Meeting/Approval to Proceed	1.00	-	-	-	1.00	-	-	-	-	-	1.00	
	<b>Sub-Section Total</b>	<b>18.50</b>	<b>9.50</b>	<b>8.25</b>	<b>1.50</b>	<b>37.75</b>	<b>29.00</b>	<b>8.75</b>	<b>2.00</b>	<b>13.00</b>	<b>52.75</b>	<b>90.50</b>	
<b>2.2</b>	<b>For Contract Packages 2, 3, 4 &amp; 5 - The Restricted Procedure</b>												
2.2.1	Stakeholder/Staff Workshops to establish key criteria for ITT	3.00	3.00	-	-	6.00	4.50	-	-	-	4.50	10.50	Allowance of 3Nr facilitated workshops to develop the ITT: 1 for M&E; 1 for Consultants; 1 for Gas Servicing
2.2.2	Prepare tender documentation (ITT/ITPD, Specifications, Pricing Documentation, Contracts)	3.00	-	-	-	3.00	9.00	2.00	10.00	-	21.00	24.00	Preparation of documentation suitable for tendering. LA to input into procurement and commercial aspects of documentation. PC to prepare technical content of gas servicing, new build and consultancy. ME input on M&E contracts/lots.
2.2.3	Client and Stakeholder Review of Tender Documents	1.00	1.00	1.00	1.00	4.00	1.00	1.00	-	-	2.00	6.00	Workshop to review tender documentation
2.2.4	Amend Tender Documentation for Tender Issue	1.00	-	-	-	1.00	1.50	-	-	-	1.50	2.50	
2.2.5	Issue Invitations to tender	-	-	0.50	-	0.50	-	-	-	-	-	0.50	DBC to issue tenders via tender portal or equivalent.
2.2.6	Bidders Conference	0.50	0.50	0.50	0.50	2.00	1.00	0.50	0.50	-	2.00	4.00	Half day bidders conference to meet the bidders and answer any queries
2.2.7	Tender Period (Min 40 days)	1.00	-	3.00	-	4.00	1.00	-	-	-	1.00	5.00	Responding to tender queries during the tender period
2.2.8	Preparation of Evaluation Methodology and scoring sheets for desktop evaluation	-	-	0.25	-	0.25	4.00	0.25	0.25	-	4.50	4.75	Preparation of evaluation methodologies for each Contract Package including all scoring sheets and templates ready for evaluation. LA to review for procurement compliance.
2.2.9	Evaluation of Tenders Received (Cost and Quality Evaluation)	20.00	-	-	-	20.00	5.00	-	1.00	-	6.00	26.00	54 tenders over 9 packages/lots. PC to guide the evaluation team through the process. Based on 5 days of evaluations with a team of 4.
2.2.10	Organisation and attendance at bidder interviews	5.00	-	-	-	5.00	5.00	-	-	-	5.00	10.00	Interviews only conducted on gas servicing and housing consultant. All other packages are desktop evaluation only.
2.2.11	Final Report and Recommendations	2.00	-	-	-	2.00	3.00	-	0.50	-	3.50	5.50	
2.2.12	Issue to Cabinet	1.00	-	-	-	1.00	-	-	-	-	-	1.00	
2.2.13	Gateway: Cabinet Meeting/Approval to Proceed	1.00	-	-	-	1.00	-	-	-	-	-	1.00	
	<b>Sub-Section Total</b>	<b>38.50</b>	<b>4.50</b>	<b>5.25</b>	<b>1.50</b>	<b>49.75</b>	<b>35.00</b>	<b>3.75</b>	<b>12.25</b>	<b>-</b>	<b>51.00</b>	<b>100.75</b>	
	<b>Stage Sub-Total</b>	<b>57.00</b>	<b>14.00</b>	<b>13.50</b>	<b>3.00</b>	<b>87.50</b>	<b>64.00</b>	<b>12.50</b>	<b>14.25</b>	<b>13.00</b>	<b>103.75</b>	<b>191.25</b>	
<b>3</b>	<b>Stage 3 - Appointment &amp; Mobilisation</b>												
<b>3.1</b>	<b>Appointment &amp; Statutory Consultation</b>												
3.1.1	Prepare Notices for Landlords Proposals to Appoint	2.00	-	-	-	2.00	-	-	-	-	-	2.00	



Ref	Task Description	Internal Input (DBC) / Days					External Input / Days					TOTAL	Notes
		P&P	Finance	Procurement	Legal	Sub-Total	Procurement (PC)	Legal Adviser (LA)	M&E (ME)	Cost Consultancy/ Finance	Sub-Total		
3.1.2	Section 20 Consultation - Landlords Proposals to Appoint	2.00	-	-	-	2.00	-	-	-	-	-	2.00	
3.1.3	Period of dealing with Leaseholder Observations	2.00	-	-	-	2.00	-	-	-	-	-	2.00	
3.1.4	Conclusion of Leaseholder Consultation	1.00	-	-	-	1.00	-	-	-	-	-	1.00	
3.1.5	Preparation of Letters to Successful/Unsuccessful Bidders	-	-	-	-	-	4.00	0.50	-	-	4.50	4.50	Preparation of letters and de-brief information. LA to review letters for legal compliance. DBC to issue notifications.
3.1.6	Issue Letters to Successful/Unsuccessful Bidders	-	-	2.00	-	2.00	-	-	-	-	-	2.00	
3.1.7	Statutory Standstill Period (ALCATEL Period)	2.00	-	2.00	-	4.00	2.00	2.00	-	-	4.00	8.00	Dealing with queries and providing further feedback to unsuccessful bidders during standstill period.
3.1.8	Extended period for de-briefing unsuccessful bidders	-	-	-	-	-	-	-	-	-	-	-	
3.1.9	Conclusion of Statutory Standstill Period	-	-	-	-	-	-	-	-	-	-	-	
3.1.10	Gateway: Appoint Contractor(s)	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-Section Total</b>		<b>9.00</b>	<b>-</b>	<b>4.00</b>	<b>-</b>	<b>13.00</b>	<b>6.00</b>	<b>2.50</b>	<b>-</b>	<b>-</b>	<b>8.50</b>	<b>21.50</b>	
<b>3.2</b>	<b>Contract Execution</b>												
3.2.1	Preparation of Contract Documentation	1.00	-	-	1.00	2.00	-	TBA	-	-	-	2.00	
3.2.2	Signing & Execution of Contract Documentation	-	-	-	0.50	0.50	-	TBA	-	-	-	0.50	
3.2.3	Award of Contracts	0.50	-	-	0.50	1.00	-	-	-	-	-	1.00	
3.2.4	Publication of Contract Award Notice to European Journal	-	-	2.00	-	2.00	-	-	-	-	-	2.00	DBC to prepare and publish contract award notices.
<b>Sub-Section Total</b>		<b>1.50</b>	<b>-</b>	<b>2.00</b>	<b>2.00</b>	<b>5.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.50</b>	
<b>3.3</b>	<b>Contract Mobilisation</b>												
3.3.1	Initial "Meet the Contractor" Conference with all new providers	1.00	-	-	-	1.00	1.00	-	-	-	1.00	2.00	
3.3.2	Scope out mobilisation activities	1.00	-	-	-	1.00	1.00	-	-	-	1.00	2.00	Preparation of plan of mobilisation activities
3.3.3	Workshops & Meetings	8.00	4.00	4.00	4.00	20.00	12.00	-	1.00	2.00	15.00	35.00	Allowance of 8Nr workshops during mobilisation stage
3.3.4	Gateway: Commence Contracts	1.00	-	-	-	1.00	-	-	-	-	-	1.00	
<b>Sub-Section Total</b>		<b>11.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>23.00</b>	<b>14.00</b>	<b>-</b>	<b>1.00</b>	<b>2.00</b>	<b>17.00</b>	<b>40.00</b>	
<b>Stage Sub-Total</b>		<b>21.50</b>	<b>4.00</b>	<b>10.00</b>	<b>6.00</b>	<b>41.50</b>	<b>20.00</b>	<b>2.50</b>	<b>1.00</b>	<b>2.00</b>	<b>25.50</b>	<b>67.00</b>	
<b>TOTALS</b>		<b>142.50</b>	<b>27.00</b>	<b>42.75</b>	<b>13.50</b>	<b>223.75</b>	<b>100.00</b>	<b>20.75</b>	<b>15.25</b>	<b>15.00</b>	<b>151.00</b>	<b>374.75</b>	

Resource Schedule

Ref	Task Description	Internal Input (DBC) Days					External Input/ Days					TOTAL	Notes
		P&P	Finance	Procurement	Legal	Sub-Total	Procurement (PC)	Legal Adviser (LA)	M&E (ME)	Cost Consultancy/ Finance	Sub-Total		

**KEY**

Internal Resource Input

- P&P** Property & Place
- Finance
- Procurement
- Legal

External Resource Input

- PC** Procurement Consultant
- LA** Legal Adviser
- ME** M&E Consultantant
- Other

## Project: Repairs & Maintenance Procurement



### Anticipated Bidders (By Lot)

Contract	Lot	Description	Duration (Min)	Duration (Max)	Nr of Providers	Invited to Tender	Anticipated Nr of Responses at PQQ Stage
1	<b>Contract Package 1 – Total Asset Management</b>		5 Years	15 Years	1	6	15
2	<b>Contract Package 2 – Engineering, Servicing &amp; Maintenance</b>						
	1	Fire Alarm Servicing & Maintenance	5 Years	10 Years	1	6	15
	2	Communal Boiler Maintenance	5 Years	10 Years	1	6	10
	3	Legionella Testing, Servicing & Maintenance	5 Years	10 Years	1	6	10
	4	Lift Maintenance	5 Years	10 Years	1	6	10
	5	Community Alarms Maintenance	5 Years	10 Years	1	6	10
3	<b>Contract Package 3 – Gas servicing</b>		5 Years	15 Years	1	6	15
4	<b>Contract Package 4 – Consultancy Services</b>						
	1	Multi-Disciplinary Consultant Services – Housing (Construction Related)	5 Years	10 Years	1	6	30
	2	Multi-Disciplinary Consultant Services – Housing (Engineering Related)	5 Years	10 Years	1	6	30
<b>TOTALS</b>					<b>9</b>	<b>54</b>	<b>145</b>

# Appendix J

## Project Board & Sub-Working Groups

## Procurement of Repairs and Maintenance

### Project Board Structure and Working Sub-Groups

