

Risk/Benefits Analysis of Options

Description of Options

Option	Description
<p>Option 1A - Multiple Outsourced Contracts</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"> 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.
<p>Option 1B - Multiple Outsourced Contracts</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"> 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.
<p>Option 2 - Multiple Outsourced Contracts</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"> 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.
<p>Option 5 – Joint Venture/Subsidiary</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)		
1.0 COMMERCIAL													
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
Sub-Total												28.5	
2.0 OPERATIONAL													
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
Sub-Total												23	
3.0 PROCUREMENT & LEGAL													
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
Sub-Total												27	
TOTAL												78.5	

* 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)		
1.0 COMMERCIAL													
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
	Sub-Total												35
2.0 OPERATIONAL													
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
	Sub-Total												19
3.0 PROCUREMENT & LEGAL													
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
	Sub-Total												6
	TOTAL												60

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

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			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)		
1.0 COMMERCIAL													
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
Sub-Total												20	
2.0 OPERATIONAL													
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
Sub-Total												-7.5	
3.0 PROCUREMENT & LEGAL													
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
Sub-Total												40.5	
TOTAL												53	

* 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)		
1.0 COMMERCIAL													
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.	4
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	8
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	0
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
Sub-Total												13.5	
2.0 OPERATIONAL													
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	4
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
Sub-Total												27.5	
3.0 PROCUREMENT & LEGAL													
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.	0
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
Sub-Total												7.5	
TOTAL												48.5	

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