

CABINET

1 OCTOBER 2013

GATEWAY 1 PROCUREMENT COMMENCEMENT: INFRASTRUCTURE SUPPORT SERVICES FOR THE VOLUNTARY AND COMMUNITY SECTOR

Portfolio Holders: Councillor David Brake, Adult Services
Councillor Howard Doe, Housing and Community Services
Councillor Mike O'Brien, Lead Member, Children's Services

Report from: Barbara Peacock, Director of Children and Adult Services

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Summary:

This report seeks permission to commence the procurement of a combined infrastructure support service to the voluntary and community sector (VCS) in Medway. It is proposed that 3 existing services will be combined into one. The current funding arrangements are due to end on 31 March 2014.

This report has been approved for submission to Cabinet after review and discussion at a Children and Adults Directorate Management Team (DMT) meeting on 3 September 2013 and Procurement Board on 18 September 2013.

The Children and Adults DMT has recommended that this project be approved as "Category B High Risk" at Procurement Gateway 1 by Cabinet as, although this procurement project is a Services Category B Medium Risk procurement with a total contract value above £250,000.00, there are service sensitivities that Cabinet should be aware of. These service sensitivities are linked to the number of vulnerable people who rely on some of these services, the contract value and initial concerns expressed by some VCS organisations.

1. BUDGET AND POLICY FRAMEWORK

1.1 Service Background Information

- 1.1.1 The purpose of this report is to provide background and context to the services that are currently being delivered and to provide Cabinet with options for the future delivery of these services, so that officers can proceed with the commissioning of a combined infrastructure support service to the VCS in Medway. This service will include existing volunteer centre services and voluntary sector support services.

- 1.1.2 It is important for Cabinet to note that the current providers of these services have strong support from all sectors of the community, including local MPs and as such there may be strong feelings about any decisions made regarding these services. Sector engagement will be a significant aspect of the process to ensure a smooth transition.

Volunteer Centre Services

- 1.1.3 Volunteers in Medway are currently supported by two volunteer centres: HANDS Rochester Volunteer Centre (HR) and HANDS & Gillingham Volunteer Centre (HG). Both centres are based in Gillingham, and have been established for many years. The two organisations initially delivered their service in two separate geographical areas of Medway. However, more recently, each has expanded to deliver across Medway. This change has created competition, duplication and potential confusion for prospective volunteers and the local VCS and a risk that both volunteers and individuals / organisations using the services may experience a lack of consistency in service provision.
- 1.1.4 Each service provides “volunteer brokerage” in the form of information provision on volunteering opportunities, recruitment of volunteers, matching volunteers to volunteering opportunities, and monitoring volunteer progress for an initially agreed period.
- 1.1.5 In addition to volunteer brokerage, both organisations run “direct services” that support vulnerable individuals across Medway. The direct services provide practical help to older people aged over 75 and people with a disability, facilitating a number of direct services including transport, befriending, gardening, domestic services and lunch clubs. These services are preventative and designed to support individuals to maintain their independence and living within their community. Procurement Board recently approved the recommendation to consider during the commissioning process whether the direct services should be commissioned separately.

Voluntary Sector Support Services

- 1.1.6 The VCS in Medway is currently supported by the Council for Voluntary Services Medway (CVS) for adult services, by Young Kent for young people’s services and by Medway VOICE across all services. There is a gap in delivery currently to the VCS delivering children’s services although some of the support provided is generic and can cut across all sectors. Medway Council funds in part the delivery of infrastructure support services at CVS and Young Kent.

Council for Voluntary Services

- 1.1.7 As with the volunteer centres, this is a membership service that has been established for many years. CVS’s main role is to support and build a successful VCS. This includes the development of business processes and governance arrangements for the sector and the incubation of small VCS groups.
- 1.1.8 CVS is an independent infrastructure organisation in Medway. One of their prime responsibilities is to support VCS groups to become sustainable and to access appropriate funding streams where needed. In the current economic climate this support is becoming increasingly fundamental to the continuation of many voluntary organisations in Medway and sustaining the benefits these organisations bring to

Medway. CVS also has responsibility to facilitate training and the development of knowledge and skills for the voluntary sector, to provide information, encourage partnership working, strategic direction and the organisation of the sector and the identification of relevant synergies in line with Medway's strategic objectives, and to support effective communication and consultation between the sector and statutory partners.

- 1.1.9 Some of CVS's current services include the Medway Older People's Partnership (MOPP) and North Kent Training Service. It is expected that similar services will be developed/will continue under the new contract.

Young Kent

- 1.1.10 This service is an amalgamation of Kent Youth and Kent Council for Voluntary Youth Services (KCVYS) which combined in 2012 to form Young Kent. It strives to be the leading youth work organisation in the county and offers membership support services, similar to that offered by CVS Medway, to fledgling or existing youth organisations of all sizes. Staff engage with member organisations and young people through its face to face programmes. This service currently receives a little funding from Medway Council Youth Services to assist with the support to new youth groups in Medway but this ends in 2014 and will not be continued.

Medway VOICE

- 1.1.11 Medway Voice is a free membership-led organisation open to the VCS in Medway. Its intention is to bring the people in the VCS together to form a cohesive body which can represent the views of the people who live and work for the good of others in Medway. It provides an opportunity to develop networks throughout the sector and gives people a chance to be more effective. Medway Council does not fund this organisation.

Current Contract Status

- 1.1.12 On 13 March 2013 the Monitoring Officer, in consultation with the Procurement Board, approved one year contract extensions for HR, HG and CVS to 31 March 2014. This was to ensure continuity of all services and to allow for a full procurement process to be undertaken in line with contract rules, including appropriate consultation with key stakeholders.
- 1.1.13 Whilst the commissioning of volunteer centres and voluntary sector supported by Local Authorities is not required under statute, the commissioning of these services is seen as essential for supporting and maintaining an effective and successful local VCS¹ and in particular developing social capital, i.e. volunteers; bringing communities together.

1.2 Council's Strategic Priorities And Core Values

The procurement of this requirement directly links into the following Council Strategic Priorities and Core Values:

¹ National Council for Voluntary Organisations – Best Practice Guide for Local Authorities and the Voluntary and Community Sector (October 2011)

Core Values

- Putting our customers at the centre of everything we do

This procurement requirement will deliver against the Core Value of 'Putting our customers at the centre of everything we do' through various workshops and consultations that are currently being held, involving service users, carers, operational frontline staff and various other stakeholders. The feedback will be reflected within the service specification as well as the entire commissioning process.

- Giving value for money

This procurement requirement will deliver against the core value of 'Giving value for money' by ensuring that savings are achieved while maintaining a good level of quality. This report recommends combining all three service contracts into one service contract, which would achieve a reduction in overhead and management costs. This would also ensure a consistent service is delivered across all areas of Medway. Continued support for the VCS will ensure organisations are equipped to generate their own incomes/secure alternative sources of funding and provide support to build social capital and be sustainable.

Strategic Priorities

- Adults maintaining their independence and live healthy lives & children and young people have the best start in life in Medway

This procurement requirement will deliver against the Strategic Priority of 'Adults maintaining their independence and live healthy lives' through the many independent services supported by CVS and the volunteers recruited by the two centres. These services are considered preventative and designed to support individuals to maintain their independence and live healthy lives. In addition, the procurement ensures appropriate regard is given to the inclusion of VCS services that provide support to children, young people and families, an area that has been considered weak in existing infrastructure services.

- Everyone benefiting from the area's regeneration

This procurement requirement will deliver against the Strategic Priority of 'Everyone benefiting from the area's regeneration' through supporting Medway Council's commitment to ensure that people have the skills they need to take up job opportunities created by providing volunteering opportunities for adults to develop and enhance their employability skills and be better able to re-enter the labour market.

1.3 Strategic Council Obligations

The procurement of this requirement directly links into the following Strategic Council Obligations:

Medway Council Plan 2013-15 & Sustainable Community Strategy 2010-26

The Council Plan and Sustainable Community Strategy acknowledges Medway's VCS as a strong foundation on which to build an empowered and self confident society, providing a range of services for local people/communities including engaging with the

most hard to reach groups. Success measures include increased civic participation and volunteering by all ages together with support for the VCS.

Big Society

The provision of volunteer centre services and voluntary sector support services across Medway is consistent with both the national and local move to harness social capital and supports the key priorities outlined within the Coalition Government's vision/programme of a Big Society; giving communities more power and encouraging people to take an active role in their communities.

1.4 Departmental and Directorate Service Plans

- 1.4.1 This procurement requirement links into the Children's Commissioning Service Plan to provide support to the voluntary sector forum in Medway.
- 1.4.2 A shared service plan is being developed by Partnership Commissioning in collaboration with NHS Medway Clinical Commissioning Group. This plan will reflect the need for appropriate infrastructure support in Medway.

2. BACKGROUND

2.1 Project Details

- 2.1.1 This procurement is a 'Services' procurement requirement. This report seeks permission to commence the retendering of a current procurement contract with a proposed contract duration of three years with provisions to extend for an additional contract duration of two years. The contract is proposed to commence on 1 April 2014 and conclude on 31 March 2017. The total value of this procurement contract retender is detailed in the exempt appendix. This procurement requirement is a standalone project with no linkage to any other procurement projects or procurement programmes.

2.2 Business Case

2.2.1 Procurement Project Outputs / Outcomes

As part of the successful delivery of this procurement requirement, the following procurement project outputs / outcomes within the table below have been identified as key and will be monitored as part of the procurement project delivery process.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/outcomes?	When will success be measured
Provision of a combined infrastructure support service to the VCS in Medway	By provision of a sole successful contractor for the service	Partnership Commissioning Team / Category Management Team	Conclusion of the procurement process
Provision of a better value service	By a direct cost comparison with previous service costs and comparison of service content.	Partnership Commissioning Team / Category Management Team	Conclusion of procurement process and at the one year anniversary of the

			contract implementation
Provision of a better quality service	By an examination of KPIs and the providers on-going record in meeting the same.	Partnership Commissioning Team / Category Management Team	Six month and one year anniversary of contract implementation
Appointing providers that can deliver the service requirements	Tender process will undertake appropriate checks on companies; performance and compliance visits, provider reports, service user surveys and feedback	Partnership Commissioning Team / Category Management Team	Measured throughout the procurement project on a regular basis
Customer Satisfaction	Service user surveys and feedback; level of complaints	Partnership Commissioning Team / Category Management Team	Six month and one year anniversary of contract implementation

2.2.2 Procurement Project Management

This procurement project will be resourced through the following project resources and skills:

- A Steering group composed of the Partnership Commissioning Manager, Service Manager (Partnership Commissioning – Adults), Category Specialist and other key stakeholders deemed appropriate will meet on a regular basis to discuss project progress and assist with decision-making
- The Partnership Commissioning Manager assisted by a Partnership Commissioning Officer will lead on the stakeholder consultations
- Category Management assisted by the Partnership Commissioning Manager will lead on Gateway 2 validation and the procurement process

2.2.3 Post Procurement Contract Management

The contract management of this procurement project post award will be resourced through the following contract management strategy – the Partnership Commissioning Manager will lead on the post procurement contract management, assisted by a Partnership Commissioning Officer. This will include monitoring performance against key performance indicators.

2.2.4 Other Issues

The following issues have been identified that could potentially impact both the procurement process and overall strategic aims as identified within Section 1 Budgetary and Policy Framework – Failure to procure a combined infrastructure support service to the voluntary and community sector in Medway service due to strong opposition from stakeholders.

2.2.5 TUPE Issues

Further to guidance from Legal Services, Human Resources and the Category Management Team, it has been identified that TUPE is likely to apply to this procurement process.

3. OPTIONS

In arriving at the preferred option as identified within Section 4.1 'Preferred Option', the following options have been considered with their respective advantages and disadvantages.

3.1 Do nothing

The option of doing nothing is not a viable option as the funding for the delivery of volunteer centre services has been in place for 12 years and the funding for voluntary sector support for 11 years. To remove this funding and allow these services to lapse would have a negative impact on the voluntary sector and the Council's reputation. The contracts in this procurement project have already been subject to an exemption to contract rules procedure leading to a contract extension. The services have not yet been tested on the open market in line with EU procurement rules.

3.2 In-house service provision

The option of providing this requirement in-house has been considered but is not a viable option because insufficient expertise exists within the Council to provide the full range of services. In addition, this would discourage competition within the market and destabilise the current and potential providers. Lastly, the direct provision of services is contrary to the Council's stated position of seeking to become a commissioner rather than a provider of services. In house services are likely to be more expensive than those on the open market due to higher on-costs.

3.3 Using another Local Authority to deliver procurement requirements

The option of using another Local Authority to deliver procurement requirements has been considered and below is the advantages and disadvantages of this option:

Advantages

- Possible synergies with similar services
- Efficiency savings through larger cost and volume contracts and harmonisation of monitoring and reporting requirements
- Reduction of resource requirements to manage the procurement requirements

Disadvantages

- Reduction in direct management and political control over procurement process
- Loss of Medway identity and ability to specify detailed requirements within a larger block contract
- Loss of local identity and locally based volunteer centres and voluntary sector support office

3.4 Procurement via an EU compliant framework

No EU compliant frameworks have been identified from which Medway Council's procurement requirements can be satisfactorily delivered.

3.5 Formal tender process in line with EU Procurement Regulations.

The option of formally tendering this procurement requirement in line with EU Procurement Regulations has been considered because the value of this procurement requirement is above the EU Procurement Threshold for Services of £173,934.00. A formal tender process for a single contract for a combined infrastructure support service to the VCS in Medway has been considered. The advantages and disadvantages of this option are outlined below:

Advantages

- Consolidation of three current service contracts into one service contract will provide an opportunity to achieve cost savings through a competitive tender process
- A consolidated service will provide a better quality of service to Medway residents, with a more uniform and consistent service provided across all of Medway
- A combined service will allow for improved joint working between the two service strands
- Procuring a joint service will reduce the required resource to manage the procurement process
- This procurement project will ensure that the new combined infrastructure support service to the VCS in Medway is able to respond to and meet the diverse needs of Medway residents
- The procurement project will provide competitive tenders to ensure that the Council secures Best Value
- The Council will have greater cost certainty following the tender
- An outcomes based specification will allow innovation and flexibility of provision including the option for collaborative bids
- A formal tender process allows officers the opportunity to renew and vary the specifications for these services. Opportunities for break clauses will also be included
- Infrastructure support will be extended to VCS organisations delivering children's services

Disadvantages

- Possible political repercussions of the removal of funding for the two existing volunteer centres, and separate CVS
- Potential closure of one or two voluntary sector organisations although the volunteer centres have informed officers that they will continue to deliver services through alternative funding routes

3.6 Internal Medway Council Collaboration between departments

The option of procuring requirements through internal collaboration between Medway Council departments in order to exploit economies of scale and synergies has been considered but no such opportunities exist.

3.7 External public sector collaboration (e.g. other Councils, Fire Service, PCT, Police)

The option of procuring requirements through external collaboration between Medway Council and other external public sector organisations in order to exploit economies of scale and synergies has been considered but no such opportunities exist.

In 2012 Kent County Council examined new models of commissioning services from CVSs and volunteer centres. The review was carried out over a two-year period and included several consultations within the sector. The main outcome of the review was to encourage the sector to work more collaboratively, part of which was the decision to procure a single integrated CVS/VC for each of the six localities within KCC's jurisdiction. The Council's new commissioning strategy aims to commence on 1 April 2013. The proposal to commission a joint volunteer centre and CVS service in Medway is in line with KCC's findings and new strategy.

Some VCS organisations expressed concerns to the Leader of the Council, Chief Executive and Director of Children and Adults Services. As a consequence the Assistant Director, Partnership Commissioning, with members of Category Management chaired a meeting of 12 representatives to discuss issues and concerns. It was agreed:

- The organisations represented agreed that the process should not be further delayed
- A market engagement event would be held in early September
- Medway Council would review the timetable to ensure sufficient time was built in to a) engage the sector b) enable organisations to bid, possibly as a consortium and c) allow mobilisation

3.8 Private sector collaboration e.g. Private Public Partnering/Private Finance Initiatives

The option of procuring requirements through private sector collaboration between Medway Council and other external private sector organisations has been considered but no such opportunities exist.

3.9 Procurement via a below EU Threshold Select List

No below EU Threshold compliant Select Lists have been identified from which Medway Council's procurement requirements can be satisfactorily delivered.

3.10 Other alternative options

No other alternative options have been considered.

4. ADVICE AND ANALYSIS

4.1 Preferred option

Further to an extensive review of procurement options above, the preferred option is 3.5 and is recommended to the Procurement Board, with the following justification for this recommendation:

a. Volunteering is becoming increasingly more important in a number of ways:

- As a means to bring communities and neighbourhoods together
- Developing and enhancing employability skills; particularly relevant, with the growing numbers of unemployed people across the country
- Enabling employers to demonstrate corporate social responsibility through employee and employer supported volunteering

Having a robust, responsive and flexible volunteer service is therefore essential to an effective economic and social community in Medway. Currently the volunteer services reach a limited market and signpost to a national volunteering website. The new contract will be seeking to ensure that the areas highlighted above form a key part of the service specification. In addition there will be a clear expectation that the service provider will work in partnership with the Council and other statutory organisations in supporting, developing and increasing volunteering widely across Medway.

b. The current contracts have not been subject to competition for a number of years and have instead been the subject of extensions covered by the exemption to contract rules procedure on a number of occasions. Opening these services to the competitive market allows an opportunity to revitalise volunteering and the voluntary sector in Medway.

c. The opportunity to renew this service and combine volunteer centre services and voluntary sector support services allows officers to revise the service specification to create a service which responds to and meets the diverse needs of Medway residents.

The proposed timetable allows for two months mobilisation during April and May 2014, where it is anticipated that there would be a shadow period in order to transfer services to the successful tenderer. This would only be required in the event that the current provider/s is unsuccessful.

4.2 Equality Act 2010

When considering making changes to any service provision, the Council must have due regard to its equalities duties set out in s149 of the Equality Act 2010. The general duty on the Council is to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The procurement project has been subject to a Diversity Impact Assessment Screening Tool (attached as appendix A). The procurement of this project will not have an adverse effect on the equality of access to the volunteer centre service or voluntary sector support service.

The Council's General Conditions of Contract will be incorporated into the contract for this service which provide the required adherence to the provisions of the Equality Act 2010. Officers will ensure that the Council's equalities policy will be followed during

the proposed procurement process, including relevant evaluations of provider's own policies and abilities to meet necessary requirements.

The proposed combination of services for the new contract will give greater flexibility to managing different types of need e.g. language; culture and religion; disability. In addition, the review of the "direct services" element of the service will include the ability to personalise the services to allow users greater choice and flexibility about who delivers their service and how it is delivered.

4.3 Corporate Sustainability Plan

The procurement project will be delivered in line with the Corporate Sustainability Plan and will be in accordance with all relevant health and safety legislation. Tenderers will be requested to submit relevant Health and Safety Policies or demonstrate that they meet recognized standards of accreditation bodies.

5. RISK MANAGEMENT

5.1 Risk Categorisation

The following risk categories have been identified as having a linkage to this procurement project:

Risk Categories	Outline Description	Risk Impact I=Catastrophic II=Critical III=Marginal IV=negligible Impact	Risk Likelihood A=Very High B=High C=Significant D=Low E=Very Low F=Almost Impossible	Plans To Mitigate Risk
Procurement process	Council decision making process affects programme, resulting in delays and cost increases	III	C	Projects are planned with realistic timetables and Procurement and Cabinet dates in mind to minimise delays
	Failure to secure a new contract in time for the expiration of the current contract	III	C	Officers will closely manage the procurement process and timetable in order to minimise any potential slippage
	A challenge from an unsuccessful tenderer	III	C	Officers will compose a robust and transparent evaluation process, provided to all tenderers within the tender documentation

	Attempts from stakeholders to destabilise the process could restrict commissioning timeline further	II	B	Stakeholders will be offered every opportunity to engage with the process and to inform the specification An initial meeting has already been held
	Evaluation panel members may not be impartial to the decision	II	C	Evaluation panel members will be required to declare any interest in bidding organisations
Contractual delivery	Appointment of a provider that fails to deliver the required level of service	III	D	The specification will clearly prescribe the required level of service provision, and the evaluation procedure will be drafted to ensure that only the most capable and appropriate provider is appointed Inclusion of regular contract monitoring procedures within the contract documents Default clauses are part of the contract documentation Break and variation clauses will be included in the contract to allow for change
Service delivery	Lack of specified performance	III	E	A detailed specification with key milestones and performance indicators will be produced Break and variation clauses will be included in the contract to allow for change
Reputation / political	Resistance from key stakeholders to combine services into one contract Combining services into one contract will result in	II	B	Communication strategy setting out the Council's response to providers affected by the decisions Open and transparent communication with all

	<p>the potential loss of two VCS organisations in Medway</p> <p>The proposed procurement may destabilise valued small community groups supported by the CVS, such as MOPP</p>			<p>key stakeholders throughout the process</p> <p>The volunteer centres have informed officers that they will continue to deliver services through alternative funding routes</p> <p>An outcomes based specification which will allow for flexibility in how organisations come together to provide services and which will allow innovation and for services to be tendered against local need</p> <p>Decision to progress with procurement made by Cabinet</p>
Financial	Possibility of tender submissions costing more than the Council can afford	II	B	<p>A combining of three individually operating contracts into one should potentially provide economies of scale</p> <p>Officers will also incorporate cost criteria in the evaluation process</p> <p>The tender will provide a ceiling for the expected contract price</p>

6. CONSULTATION

6.1 Internal (Medway) Stakeholder Consultation

6.1.1 As part of this procurement project, the following internal stakeholder consultation is required before the commencement of the procurement project in order to direct the specification:

- Consultation with colleagues from Children's Services, the Access and Information Team, the Self Directed Support Team, Care Management representatives from across all client categories and Service Managers across Children and Adult Directorate; Regeneration Community and Culture Directorate and Public Health Directorate to discuss what is going well, and any perceived gaps within the current service

- Meetings with colleagues from Performance and Intelligence to determine their views of the current services
- A steering group will be established to manage the re commissioning process, which will include representation from all relevant stakeholders

6.1.2 As part of this procurement project, the following internal stakeholder consultation is required during the procurement process in order to aid the evaluation process:

- Again, as part of this procurement project officers will be consulting closely with relevant service managers during the procurement process
- Further consultation with Legal, Category Management and Finance colleagues will be undertaken as part of Gateway 2

6.1.3 As part of this procurement project, the following internal stakeholder consultation is required post procurement/tender award in order to aid the contract management process:

- The relevant officers in either the Partnership Commissioning Team or Category Management Team will be consulting with the relevant service manager and operational staff with regard to post award contract monitoring. Partnership Commissioning will be introducing a Balance Scorecard approach to capturing performance data which will be used to monitor these services

6.2 External Stakeholder Consultation

6.2.1 Children and Adult Services have carried out consultation through studies/reports with Volunteering England and Children England that revealed important service improvements that will be incorporated in the new service specification and to ensure more appropriate recognition in the contract for support to children, young people and family services.

As part of wider consultation, there are a wealth of stakeholders in Medway including voluntary and community groups that use volunteers, volunteers themselves, services users that are in receipt of direct services from the current providers and stakeholders from within the Council. As part of the re commissioning process wide consultation across all sections of the community is planned to ensure that the service to be commissioned is appropriate and meets the needs of Medway. The feedback will be used to inform the specification.

Some VCS organisations expressed concerns to the Leader of the Council, Chief Executive and Director of Adult and Children's Services. As a consequence the Assistant Director, Partnership Commissioning, with members of Partnership Commissioning and Category Management chaired a meeting of 12 representatives to discuss issues and concerns. It was agreed a market engagement event would be held in early September 2013 (see 3.7 above).

6.2.2 As part of this procurement project, the following external stakeholder consultation is required during the procurement process in order to aid the evaluation process.

The procurement may mean a change of the current provider, which may have an adverse impact from the perspective of staff working for the current providers and from the volunteer's perspective. To mitigate the adverse impact, the steering group will

oversee the commissioning process to ensure that views of all key stakeholders are represented and the voice of volunteers are communicated. It is also hoped that VCS providers and volunteers will be directly engaged in the evaluation of tenders.

- 6.2.3 As part of this procurement project, the following external stakeholder consultation is required post procurement/tender award in order to aid the contract management process.

Feedback will be routinely sought from volunteers and stakeholders by the provider as part of their quality assurance systems and the Partnership Commissioning Team as part of their contract management process.

7. PROCUREMENT BOARD

- 7.1 The Procurement Board considered this report on 17 September 2013 and supported the recommendations set out below.

8. FINANCIAL AND LEGAL IMPLICATIONS

8.1 Financial Implications

- 8.1.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, is expected to cost less than the three current contracts, which it seeks to replace.
- 8.1.2 Detailed finance and whole-life costing information is contained within Section 2.1 Finance and Whole-Life Costing of the Exempt Appendix.

8.2 Legal Implications

- 8.2.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following legal implications which the Cabinet must consider.
- 8.2.2 Whilst the original contracts with all three providers contain no provisions to extend beyond 2004, all have nonetheless been extended by agreement between the Council and the respective parties, with the termination date in all cases being 31 March 2014. Therefore there is no requirement for the Council to consider any further extensions. Although there is no obligation to serve formal notices of termination, in view of the previous practice of extending the contracts, it would be good practice to inform the incumbent providers of the Council's intention to undertake a formal tender process as soon as possible should a decision be reached to adopt this option.
- 8.2.3 The Council must ensure compliance with its equality duties as set out in the report in order to avoid any potential challenges from those with protected characteristics.
- 8.2.4 Where any consultation is undertaken it must be undertaken at a time when proposals are still at a formative stage; it must include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response; adequate time must be given for this purpose; and the product of consultation must be taken into account when the ultimate decision is taken.

8.2.5 The Preferred Option ensures compliance with the requirements of the EU Procurement Directives, the Public Contract Regulations 2006, as amended, and the Council's internal Contract Procedure Rules.

8.3 Procurement Implications

8.3.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following procurement implications which the Cabinet must consider.

8.3.2 The value of the proposed contract is above the EU procurement threshold for services currently set at £173,934 and therefore subject to EU Procurement Rules and accordingly a compliant open procurement exercise must be conducted.

8.3.3 The TUPE (The Transfer of Undertaking Regulations 2006) must be taken into consideration by potential providers.

8.3.4 This service is a non-statutory service and due consideration must be given to the longer term future funding regarding this service provision.

8.4 ICT Implications

8.4.1 This procurement requirement does not have any ICT implications.

9 RECOMMENDATIONS

8.1 Cabinet is recommended to approve the procurement of one contract for a combined infrastructure support service to the VCS in Medway, as set out in paragraph 4.1 of the report

9 SUGGESTED REASONS FOR DECISION(S)

9.1 In addition to the reasons set out in paragraph 4.1 of the report, the proposed procurement will provide the opportunity to deliver much improved volunteer centre and voluntary sector support services, with the potential for a cost saving by consolidating three current service contracts into one.

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Background papers

The following documents have been relied upon in the preparation of this report:

Description of document	Location	Date
The Council Plan 2013-2015	http://www.medway.gov.uk/councilanddemocracy/performanceandpolicy/councilplan.aspx	April 2013
Sustainable Community Strategy 2010-26	http://www.medway.gov.uk/councilanddemocracy/performanceandpolicy/localstrategicpartnership/sustainablecommunitystrategy.aspx	April 2013