

## **CABINET**

**11 MARCH 2014**

### **GATEWAY 3 CONTRACT AWARD: INFRASTRUCTURE SUPPORT SERVICES FOR THE VOLUNTARY AND COMMUNITY SECTOR (VCS) IN MEDWAY, INCLUDING VOLUNTEERING**

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

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

Author: Marsha Wrye, Category Specialist

#### **SUMMARY**

This report seeks permission to award a contract to the supplier(s) as highlighted within Section 3.2 of the Exempt Appendix for 3 years with an option to extend for 2 years.

The Cabinet approved the commencement of this requirement at Gateway 1 on 1 October 2013 following initial consideration by the Procurement Board on 17 September 2013.

This Gateway 3 Report has been approved for submission to the Cabinet after review and discussion at the Children and Adults Directorate Management Team Meeting on 4 February 2014 and the Procurement Board on 18 February 2014.

#### **1. Budget and Policy Framework**

- 1.1 The Infrastructure Support Services for the Voluntary and Community Sector (VCS) in Medway (including Volunteering), is a 'Services' contract award recommended to the supplier(s) as highlighted within section 3.2 of the Exempt Appendix.

## **1.2 Background Information**

- 1.2.1 The Gateway 1 report by the Partnership Commissioning Team sought permission to commence the procurement of a combined infrastructure support service to the VCS in Medway. The report provided background and context to the services that were currently being delivered and options for the future delivery of these services, so that officers could proceed with the commissioning of a combined infrastructure support service to the VCS in Medway. This service would include existing volunteer centre services and VCS support services. The proposed procurement would provide the opportunity to deliver much improved volunteer centre and VCS support services, with the potential for a cost saving by consolidating three current service contracts into one.
- 1.2.2 Whilst the commissioning of volunteer centres and voluntary sector support 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 VCS and in particular developing social capital, i.e. volunteers; bringing communities together.

## **2. Procurement Process**

### **2.1 Procurement Process Undertaken**

- 2.1.1 Since the approval at Cabinet on 1 October 2013, and in line with Medway Council's Contract Procedure Rules, this requirement was subject to a formal EU Open Procedure, whereby an OJEU notice was published within the Official Journal of the European Union (OJEU), and an advert was placed on the Kent Business Portal on 21 October 2013.
- 2.1.2 The Partnership Commissioning Team decided to follow an Open Procedure for this procurement opportunity to encourage as much interest as possible from the VCS. A specification was developed in consultation with VCS providers through an engagement event, on the 12 September 2013 held at the Corn Exchange, Rochester. In order to be more inclusive towards VCS organisations the timeframe to complete the tenders was extended, as requested by VCS providers at the engagement event. The OJEU Open process was therefore extended from the standard 45 days to 64 days.

### **2.2 Evaluation Criteria**

- 2.2.1 The OJEU Notice published and advertised on the Kent Business Portal on 21 October 2013 featured nine (9) criteria evaluation questions. From this advertisement there were eighteen (18) expressions of interest (EOI). From the eighteen EOIs only one (1) consortium bid was submitted by the deadline date of 23 December 2013. Four providers withdrew from the process ahead of the deadline.

Eight of the nine questions required providers to supply a method statement with supporting documentary evidence which were evaluated by a panel of officers. There was a presentation component to the ninth question.

2.2.2 The criterion was based on a quality/cost ratio of 60%/40%. One question in relation to safeguarding vulnerable adults was awarded either pass or fail. Providers were required to meet minimum criteria of 2 on a scale of 0-5 in order to pass this question.

| Criteria Questions   | Weighting % |
|----------------------|-------------|
| B1                   | 10%         |
| B2                   | 5%          |
| B3                   | 5%          |
| B4                   | 5%          |
| B5                   | 5%          |
| B6                   | 5%          |
| B7                   | 5%          |
| B8                   | Pass/Fail   |
| B9<br>(Presentation) | 10%         |
|                      | 10%         |
| <b>Total</b>         |             |

### 3. Business Case

#### 3.1 Delivery of Procurement Project Outputs / Outcomes

The following procurement outcomes/outputs identified as important at Gateway 1 to the delivery of this procurement requirement have been appraised in the table below to demonstrate how the recommended procurement contract award will deliver said outcomes/outputs.

| Outputs / Outcomes   | How will success be measured?                                       | Who will measure success of outputs/ outcomes               | When will success be measured?               | How will recommended procurement contract award deliver outputs/outcomes?  |
|--|---|---|--|--|
| <p><b>1. Provision of an infrastructure support service to the VCS in Medway</b></p> | <p>By provision of a sole successful contractor for the service</p> | <p>Partnership Commissioning Team / Category Management</p> | <p>Conclusion of the procurement process</p> | <p>The supplier as highlighted within Section 3.2 of the Exempt Appendix has demonstrated they can meet all of the requirements of the service specification.</p> <p>By combining three services into one contract, there will be a requirement for the lead provider of the consortium to monitor the performance of partner organisations to ensure outputs/outcomes are achieved.</p> <p>A robust mobilisation plan will be in place to ensure successful implementation of the contract.</p> <p>Implementation of Payment by Results (PbR)</p> |

| Outputs / Outcomes                                    | How will success be measured?   | Who will measure success of outputs/ outcomes               | When will success be measured?  | How will recommended procurement contract award deliver outputs/outcomes?  |
|---|---|---|---|--|
| <p><b>2. Provision of a better valued service</b></p> | <p>By a direct cost comparison with previous service costs, service content and other Local Authority funding levels.</p> <p>A robust mobilisation plan will be in place to ensure successful implementation of the contract.</p> <p>Regular and robust contract monitoring to ensure outputs/outcome are achieved.</p> <p>Feedback from VCS organisations and volunteers that receive support/services via the consortium.</p> | <p>Partnership Commissioning Team / Category Management</p> | <p>Conclusion of procurement process and at the one year anniversary of the contract implementation</p> | <p>By combining three services into one contract, there will be a requirement for the lead provider of the consortium to monitor the performance of partner organisations to ensure outputs/outcomes are achieved.</p> <p>Implementation of Payment by Results (PbR)</p> <p>Establishing targets to be achieved in order to meet the requirements of the service specification, for example:</p> <ol style="list-style-type: none"> <li>1. Annual survey is produced, circulated and responses analysed.</li> <li>2. Report results from customer satisfaction feedback forms</li> <li>3. Increased level of satisfaction by volunteers and service users</li> <li>4. The number of organisations supported</li> </ol> |

| Outputs / Outcomes                     | How will success be measured?  | Who will measure success of outputs/ outcomes        | When will success be measured?                                | How will recommended procurement contract award deliver outputs/outcomes?  |
|--|--|--|---|--|
| <b>3. Provision of quality service</b> | By an examination of KPI's and the providers on-going record in meeting the same | Partnership Commissioning Team / Category Management | Six month and one year anniversary of contract implementation | The supplier as highlighted within Section 3.2 of the Exempt Appendix has demonstrated they can meet all of the requirements of the service specification. |
| <b>4. Customer Satisfaction</b>        | Service user surveys and feedback level; level of complaints                     | Partnership Commissioning Team / Category Management | Six month and one year anniversary of contract implementation | KPIs are in place to measure performance against specification. Annual Survey.   |

#### 4. Risk Management

##### 4.1 Risk Categorisation

| 1. Risk Category: Contract Delivery   | Likelihood: D | Impact: 3 |
|---|---------------|-----------|
| <b>Outline Description:</b> Appointment of a provider that fails to deliver the required level of service   |               |           |
| <b>Plans to Mitigate:</b> The specification clearly prescribes 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. |               |           |

|  |                      |                  |
|--|----------------------|------------------|
| <b>2. Risk Category: Service Delivery</b>  | <b>Likelihood: E</b> | <b>Impact: 3</b> |
| <b>Outline Description:</b> Lack of specified performance  |                      |                  |
| <b>Plans to Mitigate:</b> A detailed specification with key milestones and performance indicators has been produced   Break and variation clauses are included in the contract to allow for change   The funding is based on Payment by Results (PbR)  |                      |                  |
| <b>3. Risk Category: Political/Reputation</b>  | <b>Likelihood: B</b> | <b>Impact: 2</b> |
| <b>Outline Description:</b> Resistance from key stakeholders to combine services into one contract   Combining services into one contract will result in the potential loss of two VCS organisations in Medway   The proposed procurement may destabilise valued small community groups supported by the CVS, such as MOPP   |                      |                  |
| <b>Plans to Mitigate:</b> Communication strategy setting out the Council's response to providers affected by the decisions   Open and transparent communication with all key stakeholders throughout the process   The volunteer centres have informed officers that they will continue to deliver services through alternative funding routes   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   One consortium bid was received, combining three services  Decision to progress with procurement made by Cabinet |                      |                  |

## **5. Procurement Board**

- 5.1 The Procurement Board considered this report on 18 February 2014 and supported the recommendation in paragraph 7 below.

## **6. Service Comments**

### **6.1 Financial Comments**

- 6.1.1 The procurement requirement and its associated delivery as per the recommendations at Section 7 will be funded from existing revenue budgets.
- 6.1.2 Further detail is contained within Section 2.1 Financial Analysis of the Exempt Appendix.

### **6.2 Legal Comments**

- 6.2.1 This services procurement has been undertaken and is compliant with the Public Contracts Procurement Regulations 2006 using the open procedure. As this procurement is categorised high risk, the decision to make an award is one for Cabinet pursuant to the Council's Contract Rules.

### **6.3 TUPE Comments**

- 6.3.1 The council is of the view that as the same service will be continuing by the consortium. It is likely that the TUPE regulations will apply to this award. The contractors would be required to comply with their respective obligations under the TUPE regulations.

### **6.4 Procurement Comments**

- 6.4.1 The value of the proposed contract is above the EU procurement threshold for Services of £173,934 and is therefore subject both to the Council's Contract Procedure Rules, and the formal EU procurement process.
- 6.4.2 The Category Management Team is satisfied that the procurement is compliant with the required EU procedures.

### **6.5 ICT Comments**

- 6.5.1 There are no ICT implications for this contract.

## **7. Recommendation**

- 7.1 The Cabinet is asked to award the contract to the supplier as highlighted within Section 3.2 of the Exempt Appendix.

## **8. Suggested Reasons For Decision**

- 8.1 The recommendation to award a three-year contract to the supplier as highlighted within Section 3.2 of the Exempt Appendix is consistent with

priorities outlined in the Council Plan and Sustainable Communities Strategy. These documents acknowledge the recommended supplier has 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. This procurement has provided an opportunity to revise the service specification to create a service which responds to and meets the diverse needs of Medway residents and to combine volunteer centre services and voluntary sector support services into one contract.

8.2 The proposed contract will deliver much improved volunteer centre and voluntary sector support services, and has achieved a cost saving by consolidating three current service contracts into one.

8.3 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.

**Lead officer contact:**

|                   |  |                    |   |
|-------------------|--|--------------------|---|
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**BACKGROUND PAPERS**

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

| <b>Description of document</b>   | <b>Location</b>   | <b>Date</b> |
|--|---|-------------|
| Gateway 1 – Infrastructure Support Services for the Voluntary and Community Sector | <a href="http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?lId=10909">http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?lId=10909</a> | 1/10/2013   |