

CABINET – 21 JUNE 2011

PROPERTY & FACILITIES, PROCUREMENT OF SERVICE PROVIDER

Report by the Director for Environment & Economy

Introduction

1. This report seeks Cabinet endorsement for the Property & Facilities service to continue with the procurement of a single service provider for property construction, multi-disciplinary design, estates management and total facilities management services to be in place by 1 April 2012.

Background

2. The current Integrated Construction and Property Related Professional Consultancy Services Contract with Mouchel expires on the 31 March 2012. In planning for this event Property & Facilities carried out a service review during the winter of 2009/10, which led to the publication of a business case in May 2010, entitled Oxfordshire Property Driving Change. This proposed establishing a new operating model (which was subsequently amended in November 2010) and a procurement strategy for the provision of property services from April 2012. The new operating model includes a broadening of the scope of services in the new contract to include construction contracting and facilities management services.
3. On the 6 October 2010 the County Council Management Team agreed to the procurement of these property services through a service partnering arrangement via the OJEU competitive dialogue process.
4. The outcome of the Oxfordshire Property Driving Change business case was presented to Star Chamber on 8 October 2010 as part of the Environment & Economy business strategy.
5. A Project Initiation Document was issued in December 2010 establishing the Project Board which includes Councillor Couchman (Cabinet Member for Finance & Property), Huw Jones (Director for Environment & Economy, Chair) and Sue Scane (Assistant Chief Executive & Chief Financial Officer) and representatives from Procurement, Human Resources, Legal Services and a Service representative. The Project Board first met on 15 December 2010.

Procurement Progress to Date and Planned Actions

6. The following key procurement activity has taken place to date:
 - OJEU Contract Notice published 31 January 2011
 - 14 Pre-Qualification Questionnaires received on 7 March 2011

- The Project Board approved a shortlist of 5 Participants from the PQQ Evaluation to be invited to participate in dialogue on 4 April 2011
 - The Invitation to Submit Outline Solutions Documents (ISOS) were released to short listed Participants on 15 April 2011
 - Participant Briefing (attended by Councillor Couchman) and ISOS Dialogue sessions took place between the 18 April and 20 May 2011.
7. The following key actions are planned over the next few months:
- ISOS submissions from the 5 Participants due to be received on the 2nd June 2011
 - 3 Participants invited to enter Detailed Solution dialogue on 6 July 2011
 - Detailed Solutions to be received from 3 Participants on 26 September 2011
 - Final Tenders to be received from 3 Participants on 4 November 2011
 - Recommendation to Cabinet for appointment of Contract Award on 20 December 2011

Key Issues for Agreement

8. In the event that the new contract arrangements are not in place at 1 April 2011, the existing Mouchel contract for Multi-Disciplinary Professional Property Services could be extended for an agreed period to allow the competitive dialogue to be concluded although this would require negotiation. In such an event the current Construction and Multi-Disciplinary Design Framework arrangements are also available to use on their current terms.
9. The Project Board has developed the tender questions and evaluation criteria required to secure effective assessment of the contract bidders. These will need to be effectively applied for all stages of the procurement and the whole process will be subject to independent scrutiny by audit review.
10. The Contract Notice advertised through the European Journal and Outline Solution documents issued to competitive dialogue Participants are drafted to allow other specified public sector bodies within a defined geographic area to access works and services within the scope of the exercise through either the new contract or the Framework Agreement. Through the Framework Agreement other bodies would contract directly with the Service Provider. In order to comply with procurement rules the Framework Agreement has a duration of 4 years, although services could be ordered under the Framework Agreement which would extend beyond the end of the term of the framework. Through the OCC Contract, other public sector bodies would access the works and services by requesting OCC to provide them, and OCC would then sub-contract them to the Service Provider. It is intended that a further report is brought to Cabinet before the OCC Contract route is utilised, as risk and liability issues must first be resolved and the arrangements approved by Cabinet.

Corporate Policies and Objectives

11. Alongside the introduction of the Corporate Landlord approach to the use of property assets, this exercise and the future operating model for Property & Facilities services after 1 April 2012 will provide better value for money. Also by improving support to the council's operational and front line services through better facilities management services particularly it will contribute to the Council's objective of providing Efficient Public Services.

Financial and Staff Implications

12. The Business Case is anticipated to deliver the £550k required in the Medium Term Financial Plan and that has the potential to make further savings. The professional consultancy fees associated with supporting the delivery of the project will be met through the services current budget allocation
13. Depending on the scope of service agreed with the successful Participants through the competitive dialogue process, there will be a number of Council directly employed staff who may transfer to the new Service provider under TUPE. It is a requirement to advise potential providers which staff could transfer, although this may change through the dialogue process. Currently details of the posts of staff within the Property & Facilities Delivery team within Speedwell House, all staff in the current Corporate FM team and all staff in Quest Cleaning Services and Food with Thought are listed for their information. Also, the details of Mouchel posts that may transfer to the new Service Partner are included.

Recommendations

14. Cabinet is recommended to agree:
 - (a) the continuation of the procurement of a single Service Provider for property construction, multi-disciplinary design, estates management and total facilities management services, to be in place by 1st April 2012; as set out in paragraphs 6 & 7 of this report; the process to be overseen by the Project Board;
 - (b) that the Director for Environment & Economy in conjunction with the Cabinet Member for Finance & Property agree the costs and terms of a Mouchel contract extension should this become necessary;
 - (c) that the Project Board may agree the tender questions and evaluation criteria and that they have been effectively applied for all stages of the procurement process so far; and
 - (d) the approach adopted to date for other public sector bodies to be able to access services under the Framework and OCC Contract agreements, and that a further report is brought to Cabinet before the OCC Contract facility is utilised for any other public sector body.

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HUW JONES
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June 2011