

	<p style="text-align: center;">Executive 26 May 2009</p> <p style="text-align: center;">Report from the Director of Children and Families</p>
<p style="text-align: right;">Wards Affected: None</p>	
<p>Authority to award contract for the provision of education, employment, training and careers connexions services in Brent</p>	

Appendix 3 of this report is Not for Publication

Forward Plan Ref: C&F-08/9-023

1.0 Summary

1.1 This report requests authority to award a contract for the provision of education, employment, training and careers Connexions services to the Council as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

2.0 Recommendations

2.1 That the Executive award the contract for the provision of education, employment, training and careers Connexions services to Prospects Services Limited for an initial contract period of twenty months from 1st August 2009 to 31st March 2011 with an option for the Council to extend by any number of periods up to an aggregate of 2 years.

3.0 Detail

Background

- 3.1 The Connexions service provides a range of information, advice, guidance and support to young people aged from 13-19 (up to 25 for young people with learning difficulties and disabilities). This contract relates to the education, employment, training and careers aspects of the Connexions service.
- 3.2 These services are currently provided under contract to the Council by Prospects Services Ltd, who have held this contract in Brent since 1 August 2006 when they were awarded the contract for a period of two years until 31st July 2008 following a competitive tendering process.
- 3.3 The contract was later extended under delegated powers for a further year until 31 July 2009 to allow for the development of a service specification which would fully reflect future needs in the light of Integrated Youth Support Services developments and also so that the service specification could be developed to take full account of the national Quality Standards for Young People's Information, Advice and Guidance ("IAG"), which were launched on 31 October 2007. These IAG Standards were developed to set out the DCSF's expectations of the IAG services that local authorities would commission and manage after local authorities assumed responsibility for these services in April 2008, although in the case of Brent the local authority had already taken on this role from 2004.
- 3.4 Following a report to the Executive on 9 September 2008 officers were authorised to invite tenders for the Contract and evaluate them in accordance with the approved evaluation criteria.
- 3.5 As a high value contract, the contract was tendered in accordance with Council Standing Orders 88 and 89.

The tender process

- 3.6 The new contract will be let for an initial contract period of 20 months from 1st August 2009 to 31st March 2011.
 - 3.7 A two stage or restricted tender process was followed. Advertisements inviting initial expressions of interest were placed in the local press, trade journals and on the Council's website. The organisations that responded were sent the Council's standard pre qualification questionnaire. Three organisations completed pre qualification questionnaires. All three organisations were able to demonstrate that they were able to meet the Council's required standards in relation to business probity, economic and financial standing and technical capacity. All three organisations were invited to tender. Two organisations submitted tenders by the deadline for tender submissions on 9 March 2009. The names of the two organisations are attached at Appendix 3.
 - 3.8 The tendering instructions stated that the contract would be awarded on the basis of most economically advantageous offer to the Council and that in evaluating
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tenders, the Council would have regard to the following criteria approved by the Executive:

- a) Price/cost (this criterion had a 15% weighting)
- b) Proposed methods of service delivery including quality of service delivery and Service management (this criterion had a 70% weighting)
- c) Track record in similar types of work and how it impacts on the Contract (this criterion had a 4% weighting)
- d) Approach to staff recruitment, induction, training, supervision and Equalities issues and how they impact on the Contract (this criterion had a 4% weighting)
- e) Understanding of child protection issues and how they impact on the Contract (this criterion had a 5% weighting)
- f) Business continuity arrangements (this criterion had a 1% weighting)
- g) Approach to compliance with Health and Safety regulations and how they impact on the contract (this criterion had a 1% weighting)

3.9 Criterion b) above, namely the proposed methods of service delivery, including quality of service delivery and service management, had a weighting of 70%. In order to evaluate this criterion the following categories were used with the 70% weighting sub-divided as follows:

- a) Delivery of Services (15% weighting)
- b) Partnership Working (8% weighting)
- c) Targets and Performance Indicators (8% weighting)
- d) National Information Advice and Guidance (IAG) Standards (8% weighting)
- e) Involvement and Engagement of Young People (4% weighting)
- f) Staffing (6% weighting)
- g) Management Information and Client Caseload information System (CCIS) (4% weighting)
- h) Quality Assurance (4% weighting)
- i) Equality and Diversity (4% weighting)
- j) Service Management (4% weighting)
- k) Contract and Performance Management (4% weighting)
- l) Contract Mobilisation (1% weighting)

Evaluation process

- 3.10 Qualitative evaluation of tenders was carried out by a panel consisting of three managers from the service area (including the Assistant Director, Achievement and Inclusion), the 14-19 Strategic Co-ordinator, an officer from Procurement and Risk Management, a specialist consultant and two members of Brent Youth Matters2.
 - 3.11 All panel members read through tenders using evaluation sheets and noted down comments on how well each of the award criteria as shown in the Evaluation Grid at Appendix 1 was addressed by the tendering organisations.
 - 3.12 Both organisations attended a meeting with the panel as a means of clarifying the submitted tenders. This took place on Council premises on Friday, 20 March. An
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officer from Legal Services also attended the meeting to advise in respect of any legal issues. Following the clarificatory meeting, panel members agreed the final scoring of the quality aspect of the evaluation.

- 3.13 Detailed financial assessments of the tenders and financial scoring were then carried out by the local authority's Finance and Corporate Resources team. The scoring for price was calculated by reference to the mean of prices tendered. A score out of 100 was calculated for each tender, starting with 50 points and adding one point for each percentage point that the price was below the mean or deducting one point for each percentage point that the price was above the mean. These scores out of 100 were then multiplied by 0.15 to reflect the 15% weighting given for price. Tender Evaluation Grids for both tendering organisations are shown at Appendix 1.
- 3.14 The process was overseen by the Strategic Procurement Unit who provided the final weighted score.

Evaluation Conclusions

- 3.15 The prices submitted by tenderers and their quality scores are contained in Appendix 1. Details of the total scores of both tenderers is contained in Appendix 2. It will be noted that Tenderer A scored highest overall.
- 3.16 Having scored each tender, officers would recommend that Tenderer A, namely Prospects Services Limited, which scored highest overall, should be awarded the contract for the provision of education, employment, training and careers Connexions services.

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval of the award of the contract.
- 4.2 The proposed contract award to Prospects Services Ltd. for the 2009/10 financial year will be for a period of 8 months from 1 August 2009 to 31 March 2010. The indicative amount to be contracted for this period will be £993,333.
- 4.3 The annual maximum contract value for this services Contract will be approximately £1,490,000 per full contract year. Thus, the indicative contract value over the initial contract period will be £2,483,333 for the period 1 August 2009 to 31 March 2011. The indicative total value of the contract if extended by up to 2 years will be £5,463,333 (plus any agreed inflationary increases).
- 4.4 The estimated value of this contract provides a reduction of approximately £26k per annum over the current equivalent contract values. This saving will help cushion the impact of budget reductions on service delivery for young people, contributing to departmental cost savings required and to the savings needing to be made following a reduction of £117,000 in 2009 2010 and a further £14,104 in 2010 2011 in the Connexions element of the Area Based Grant. This reduction is
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as a result of the application of a new national funding formula for Connexions Service provision.

- 4.5 The local authority's Finance and Corporate Resources team carried out the financial assessment of the tenders, producing a scoring based on the total pricing figure for 1 August 2009 to 31 March 2011.
- 4.6 The existing contract is funded from the Connexions element in the Area Based Grant which is allocated to Brent using a nationally applied funding formula. These arrangements will continue throughout the initial period of this contract.

5.0 Legal Implications

5.1 The estimated value of the contract for the provision of education, employment, training and careers Connexions services exceeds the Public Contracts Regulations 2006 threshold for Services. The provision of education, employment, training and careers Connexions services are Part B Services for the purposes of the EU Services Regulations and as such are subject to partial application of the EU Regulations, including:

- (i). Non-discrimination in the technical specification.
- (ii). Notification of the contract award to the EU Publications Office.

The contract is not therefore subject to the full tendering requirements of EU Regulations.

- 5.2 The estimated value of this contract is above the Council's Standing Orders threshold for High Value Service Contracts (of £500,000), and the award of the contract is consequently subject to the Council's own Standing Orders and Financial Regulations in respect of High Value contracts. As a result, Executive approval is required for the award of the contract.
- 5.3 As the recommendation is to award the contract to Prospects Services Limited who are the current supplier, there are no implications relating to the Transfer of Employment (Protection of Employment) Regulations 2006 ("TUPE"), nor are there any implications arising from the Code of Practice on Workforce Matters in Local Authority Service Contracts.

6.0 Diversity Implications

- 6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.
 - 6.2 Equalities issues are a core requirement for this contract and formed part of the evaluation of the tendering organisations' technical capacity through the assessment of the PQQ and in the assessment of the quality of service both in the written tenders and questions from the panel during tenderers presentations.
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- 6.3 Brent Connexions service monitors usage of its services, and the progress and achievement that young people make, across a variety of parameters. Specific management information exists by gender, ethnicity and disability.
- 6.4 Brent Connexions service worked with the Brent Council Consultation Unit to seek feedback from young people in Brent about service provision.

7.0 Staffing/Accommodation Implications

- 7.1 This service is currently provided by an external contractor, Prospects Services Limited. There are no implications for Council staff arising from retendering the contract and staff delivering the current contract will continue their employment with the existing contractor.
- 7.2 The current contractor operates a Connexions centre accessible to young people and parents and which provides an important service delivery location, particularly for those young people who are not in education. This centre is based in Willesden. There are also a number of outreach service delivery locations within the Borough which will continue.

8.0 Background Papers

- 8.1 Executive Report of 9 September 2008: Authority to invite tenders for the provision of education, employment, training and careers Connexions services in Brent.
- 8.2 Quality Standards for Young People's Information, Advice and Guidance (IAG), DCSF October 2007
<http://www.everychildmatters.gov.uk/files/163AF9A2545A057763D1C8D7D6DA078C.pdf>
- 8.3 PSA Delivery Agreement 14: Increase the number of children and young people on the path to success October 2007
http://www.hm-treasury.gov.uk/media/1/1/pbr_csr07_psa14.pdf
- 8.4 September Guarantee - Guidance for local authorities and partners (including schools, colleges, training providers, Connexions providers, and the Learning and Skills Council) DCSF February 2008

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Appendix 1

**EDUCATION, EMPLOYMENT, TRAINING AND CAREERS CONNEXIONS SERVICES
CONTRACT**

TENDER EVALUATION GRID

TENDERER A

EVALUATION CRITERIA

Price

August 2009 - Mar 2010 (£)	April 2010 – March 2011 (£)	Total Aug 2009 - March 2011 (£)	Weighting %	Weighted Score
993,333	1,490,000	2,483,333	15%	7.67

Quality

Evaluation Criteria (Quality)	Weighting %	Max Score	Score	Weighted Score
Proposed methods of service delivery including quality of service delivery and service management	70%			
Delivery of Services	15%	5	5	15
Partnership Working	8%	5	5	8
Targets and Performance Indicators	8%	5	5	8
National Information Advice and Guidance (IAG) Standards	8%	5	5	8
Involvement and Engagement of Young People	4%	5	4	3.2
Staffing	6%	5	4	4.8
Management Information and CCIS	4%	5	5	4
Quality Assurance	4%	5	5	4
Equality and Diversity	4%	5	4	3.2
Service Management	4%	5	4.5	3.6
Contract and Performance Management	4%	5	4	3.2
Contract Mobilisation	1%	5	3	0.6
Track record in similar types of work and how it impacts on the Contract	4%	5	5	4
Approach to staff recruitment, induction, training, supervision and Equalities issues and how they impact	4%	5	4	3.2

on the Contract				
Understanding of child protection issues and how they impact on the Contract	5%	5	5	5
Business continuity arrangements	1%	5	4	0.8
Approach to compliance with Health and Safety regulations and how they impact on the contract	1%	5	4	0.8
Quality Total				79.4

Tenderer B**Price**

August 2009 - Mar 2010 (£)	April 2010 – March 2011 (£)	Total Aug 2009 - March 2011 (£)	Weighting %	Weighted Score
1,016,951	1,524,695	2,541,646	15%	7.33%

Quality

Evaluation Criteria (Quality)	Weighting %	Max Score	Score	Weighted Score
Proposed methods of service delivery including quality of service delivery and service management	70%			
Delivery of Services	15%	5	3	9
Partnership Working	8%	5	3	4.8
Targets and Performance Indicators	8%	5	3	4.8
National Information Advice and Guidance (IAG) Standards	8%	5	3	4.8
Involvement and Engagement of Young People	4%	5	3	2.4
Staffing	6%	5	3	3.6
Management Information and CCIS	4%	5	4	3.2
Quality Assurance	4%	5	4	3.2
Equality and Diversity	4%	5	3	2.4
Service Management	4%	5	3	2.4
Contract and Performance Management	4%	5	4	3.2
Contract Mobilisation	1%	5	3	0.6
Track record in similar types of work and how it impacts on the Contract	4%	5	3	2.4
Approach to staff recruitment, induction, training, supervision and Equalities issues and how they impact on the Contract	4%	5	3	2.4
Understanding of child protection issues and how they impact on the Contract	5%	5	4	4
Business continuity arrangements	1%	5	4	0.8
Approach to compliance with Health and Safety regulations and how they impact on the contract	1%	5	4	0.8
Quality Total				54.8

Appendix 2

**EDUCATION, EMPLOYMENT, TRAINING AND CAREERS CONNEXIONS SERVICES
CONTRACT**

TENDER EVALUATION GRID SUMMARY

	TENDERER	
	A	B
Quality Criteria Weighted Score	79.4 %	54.8%
Price/cost Weighted Score	7.67%	7.33%
<u>Total Score</u>	87.08 %	62.13%
