

Pathfinder

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Title: Pathfinder Shared Support Services Project – Overview of Key Issues on the Project

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Purpose of Report

The purpose of this report is to provide an overview of issues in relation to the Project which introduces specific issues for decision at the first meeting of the Joint Committee for the Shared Services Project in Buckinghamshire.

Recommendations

That the Bucks Shared Support Services Joint Committee consider this overview report and take it into account when the Committee considers the following issues on the agenda of the meeting:-

- Procurement Issues
 - Strategy
 - OJEU Notice
 - PQQ
 - Programme timetable
- Inter Authority Agreement
- Procurement costs

Executive Summary

1. As part of the Pathfinder a number of participating authorities have been working towards the “joining of back office services” through the procurement of a private sector partner with whom a Joint Venture Company (JV Co) will be established - the Pathfinder Shared Support Services Project referred to in this report as “the project”. The drivers for undertaking the project are the need for cost savings and for improved service delivery.

2. In September last year, Aylesbury Vale District Council, Buckinghamshire County Council, Buckinghamshire and Milton Keynes Fire Authority, South Bucks District Council and Wycombe District Council each indicated their commitment to supporting the development of a business case for a Joint Venture option.
3. Following detailed work, a number of decisions have now been taken by each participating authority and a matrix is attached showing their decision making.

The authorities made the following decisions in relation to this project:-

- 1) Agreement of the Strategic Business Case for all participating authorities
- 2) Agreement of the Procurement Strategy which includes the approach required in relation to the OJEU notice, named participating authorities, the procurement process (using competitive dialogue) and timetable.
- 3) Agreement to the setting up of a Joint Committee which is empowered to make decisions on behalf of constituent authorities (with the exception of the selection of the preferred bidder).
- 4) Associated delegations to the Leader, Chief Executive and Senior responsible Officer to make decisions to enable the successful achievement of the project.
- 5) Delegation of a budget to cover the pre contract costs of the project to the Joint Committee
- 6) Agreement to a Memorandum of Understanding being entered into (details to be agreed by the Joint Committee)
- 7) Agreement to the key issues in relation to the proposed JV Co (details to be agreed by the Joint Committee).

Reasons for the decision

The reason for the decision is the authority's wish to develop the Pathfinder partnership proposals, to secure costs savings, to ensure service efficiencies and to establish appropriate arrangements between participating authorities to deliver the project.

Structure of Agenda

This agenda contains the following items to provide full information on which members can agree the recommendations above and are confidential as they contain information relating to the financial and business affairs of the authority (paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972).

Procurement Issues and Strategy

- **Procurement Strategy**

The procurement strategy was agreed by each of the participating authorities subject to the Joint Committee agreeing any outstanding issues. There are two such issues to be finalised i.e. the scope of services to be included in the OJEU notice and which authorities are going to be included as the contracting authorities/potential clients.

These outstanding issues have been the subject of further work by officers and have been reported to and discussed by Leaders recently. As a consequence, the entire procurement strategy is included as part of agenda item 7, with annotated updates to reflect the subsequent discussions with Leaders on the two aforementioned outstanding issues.

- **OJEU notice, Pre Qualification Questionnaire**

These are standard documents which need to be agreed so that the next phase of the procurement process can commence. The amendments to the procurement strategy – namely the scope of services and participating authorities – have been fed through into these documents. The pre qualification questionnaire (PQQ) sets out our requirement for information from interested commercial partners. It also proposes the high level evaluation criteria for scoring responses to the PQQ and the relative weighting of those criteria. The Joint Committee is asked to agree the criteria and weighting, which will be applied in the next stage of the procurement.

- **Programme Timetable**

The Joint Committee will agree a high level timeline which sets out the key activities and proposed decisions up to and including the signing of the contract. Stages 2 and 3 cover the issuing of the OJEU notice, the shortlisting of bidders via pre qualification questionnaire and the preparation for the competitive dialogue stage. The dialogue stage will include conducting dialogue meetings, closing the dialogue and managing post dialogue issues. Stages 5 and 6 cover the submission of final tenders to the appointment of the preferred bidder, with the final stage being the award of the contract.

A key issue will be the feasibility of evaluating responses to the OJEU notice and PQQ prior to the August break – and the Joint Committee will be presented with timescale recommendations considered by the Programme Board at its meeting on June 3rd. Once a decision has been taken on the procurement timescales it will be vitally important to ensure that these milestones are adhered to. The evaluation process will be undertaken by officers across all participating authorities, in accordance with the criteria and weightings set by the Joint

Committee. The Joint Committee will need to discuss the means by which it wishes to obtain assurance and be consulted throughout this process.

Inter-authority Agreement

The inter-authority agreement covers the memorandum of understanding and the constitution of the Joint Committee. For completeness, a record of the decisions taken by the authorities in relation to the inter-authority agreement is attached to this report. The final draft of the inter-authority agreement is now ready for approval, subject to the Improvement and Review Commission of Wycombe District Council reviewing the draft. The Commission is due to meet on 1st June 2009 and its outcome will be reported to the Joint Committee.

Procurement costs

The IAA states that within 10 Working Days (or as soon as practicable) after the date of this Agreement, the Lead Finance Officer shall prepare and submit a report to the Joint Committee and all Authorities notifying them of all Procurement Costs properly incurred by the Authorities from January 2009 to the date of the report, together with an estimate of the Procurement Costs likely to be expended from the date of that report to the First Procurement Cost milestone (which milestone date shall be the anticipated date of the report to the Joint Committee on the outline solutions received from the competitive dialogue process). The purpose of the report is to ask the Joint Committee to agree that these costs shall be reimbursed by the participating authorities to the County Council in the agreed proportions.

Resource implications

These are set out in detail throughout the report and its Appendices.

Legal implications

These are set out in detail throughout the report and its Appendices.

Equality implications

There are no specific equality implications or statutory duties in relation to positive equalities duties or anti discrimination responsibilities to consider in relation to the specific decisions being proposed in this report. As the project progresses and issues relating to the specification of services, contract conditions and staffing arrangements are considered, it will be important for the equality implications of these to be fully considered and addressed in the light of the authority's responsibilities in this regard.

Sustainability and Biodiversity implications

There are no specific such implications to consider in relation to the specific decisions being proposed in this report. As the project progresses and issues relating to the specification of services, contract conditions and staffing arrangements are considered, it

will be important for the sustainability and bio diversity implications of these to be fully considered and addressed in the light of the authority's responsibilities in this regard.

Human Rights implications

There are no specific human rights implications to consider in relation to the specific decisions being proposed in this report. As the project progresses and issues relating to the specification of services, contract conditions and staffing arrangements are considered, it will be important for the human rights implications of these to be fully considered and addressed in the light of the authority's responsibilities in this regard.

Crime and Disorder implications

There are no specific crime and disorder implications or statutory duties in relation to this area to consider in relation to the specific decisions being proposed in this report. As the project progresses and issues relating to the specification of services, contract conditions and staffing arrangements are considered, it will be important for any crime and disorder implications of these to be fully considered and addressed in the light of the authority's responsibilities in this regard.

Consultations

Each authority is using its own consultation processes to address the required staff and trades union consultation. However the Bucks Personnel Officers Group have, in partnership with Unison, developed a framework for consulting across the county. This will enable swifter responses to issues and less duplication of activity.

As part of this process, Unison requested an opportunity to comment on the OJEU notice and PQQ. These documents have been shared with them in draft format and the Joint Committee will get an update on the collective response received from Unison.

Background Papers

Previous reports from each of the participating Authorities on the Shared Services Project.

Glossary of terms

Best and Final Offer (BAFO)

The detailed and fully priced offer submitted by the bidder for the contract following the Council's invitation to submit BAFO documentation. Where the Council accepts the offer, it becomes legally binding on both parties.

Bucks Shared Support Services Joint Committee

The Joint Committee has been set up to ensure that the project is managed and governed at a high level through a governance structure which incorporates Member involvement and oversees the management of specific programme workstreams or projects which may need to have their own Project Board arrangements. The Joint Committee is the overall guiding and decision making body which will be made up of the Leaders/Chairman of each of the participating authorities and they will be empowered to make certain key decisions on behalf of constituent authorities (though it is proposed that the decision on the preferred bidder shall be made by each participating authority).

Competitive Dialogue Procedure

This tender procedure is only used in particularly complex or highly specialised procurements where a specification for the goods, works or services cannot be established. A contract is advertised and interested parties complete a Pre-Qualification Questionnaire. The questionnaires are evaluated and a shortlist is drawn up. The short-listed organisations are then invited to develop one or more solutions with the Council to meet the requirements.

Due Diligence

A process undertaken by potential investors – individuals or institutions – to analyse and assess the desirability, value, and potential of an investment opportunity.

Expression of Interest (EOI)

The first stage in the procurement process. Consists of an advertisement or letter requesting responses from suitably qualified businesses or individuals, usually by a set date and usually in response to an information package containing the Terms of Reference. The term is normally used for the supply of professional services.

Invitation to Participate in Dialogue (IPD)

You have now selected the bidders who will participate in the Competitive Dialogue process, and you will need to issue an "Invitation to Participate in Dialogue". This opens the dialogue phase and the document will state your organisation's needs and requirements based on your stated evaluation criteria. It should be developed as fully as possible, and would normally include a number of components, such as a draft contract, the proposed commercial model and terms and conditions. It will also describe the way you will conduct the dialogue, and set out those topics and issues that will be subject to detailed dialogue.

Invitation to Tender (ITT)

Usually after a pre-qualifying or registration stage, a small number of businesses (often between five and eight) are invited to submit a tender bid or priced proposal. The ITT sets out the key criteria you need to meet, and tells you how to submit your tender.

Memorandum of Understanding (MoU)

A statement of commitment by each participating authority to its involvement in the project. Due to be signed in early 2009 for this project but superceded by the Inter Authority Agreement which is a legally binding more formal agreement between the authorities.

Official Journal of the European Union (OJEU)

Publication where all public sector contracts over specified values must be advertised.

Pre-qualification questionnaire (PQQ)

A questionnaire completed by businesses that want to be considered for a procurement activity. The PQQ assesses the company's general suitability in terms of financial and economic standing, technical capability and experience, quality assurance, health and safety procedures, environmental issues and equalities considerations. Sometimes referred to as a business questionnaire.

Prior Indicative Notice (PIN)

Used in the Official Journal of the European Union to indicate a buyer's intention of going to tender on a proposed contract in the future. Use of a PIN allows a buyer to use a shorter time frame for the actual tender notice.

Specification

A description of requirements and standards to which goods, works or services supplied to a buyer will have to conform. Also known as a statement of needs, a statement of requirements, an operational requirement, or a brief. Its purpose is to give possible suppliers a clear, accurate and full description of the buyer's needs, so that they can propose a solution to meet them.

Standstill period

Once they buyer has announced who it intends to award the contract to, a "standstill" period will follow. This is when suppliers can ask for feedback on the award decision and before the contract is officially awarded.

Tender

An official written offer to an invitation containing a cost proposal to perform the works, services or supplies required, provided in response to a tendering exercise. This normally involves the submission of the offer in a sealed envelope to a specified address by a specified time and date.

Tender documents

Documents provided to potential tenderers when they are invited to tender and which form the basis on which tenders are submitted, including instructions to tenderers, contract conditions, specification, pricing document, form of tender and tenderers' responses.

Tender evaluation

Detailed assessment and comparison of offers from contractors, suppliers or service providers. Normally focuses on examining how the tender proposals will deliver the service (quality) and the cost of the service (price).