

Agenda item:

**[No.]**

**Procurement Committee**

**On 27 April 2010**

Report Title. **Corporate learning and development programme – short courses and IT training: Framework agreements (Part A)**

Report of **Stuart Young, Assistant Chief Executive P&OD**

Signed :

Contact Officer : Karen Rowing, Employee Development Manager, Organisational Development and Learning

Wards(s) affected: **N/A**

Report for: **Non-Key Decision**

**1. Purpose of the report (That is, the decision required)**

- 1.1. To seek Member agreement to approve framework agreements with suppliers for the provision of the council's competency based corporate learning and development programmes.

**2. Introduction by Cabinet Member (if necessary)**

- 2.1. Effective employee development is critical to the achievement of the Council's aims and objectives. Organisational Development and Learning (OD&L) are responsible for commissioning a range of competency based learning and development programmes, including skills-based courses, management development courses and generic IT courses. It is proposed that such activities are supplied through a series of framework agreements.

### **3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1. By helping to provide employees with the skills and knowledge they need to work as efficiently and effectively as possible the learning and development work tendered for here will support the Council Plan priorities, Chapter 7: Valuing Our Staff

### **4. Recommendations**

- 4.1. That Members agree to enter into framework agreements with the suppliers detailed in para 7.20 of the Report as identified in part B of this report as allowed under Contract Standing Order (CSO) 11,
- 4.2. That the agreement be awarded for a period of two years with an option to extend for two further periods of one year on the basis detailed in the report.

### **5. Reason for recommendation(s)**

- 5.1. Effective employee development is key to ensuring that council staff have the skills they need to deliver excellent services. In support of this, the council wishes to source a range of suppliers who, between them, will provide a range of high-quality generic skills/competency learning and development services at competitive rates
- 5.2. Framework agreements applied across the whole Council have led to greater consistency in the way that learning and development is sourced, managed and monitored (both for performance and cost).

### **6. Other options considered**

- 6.1 The use of one contract for OD & L services: this option was not taken up as a framework gives greater flexibility in the range of services and mitigates the risk of service failure.
- 6.2 Investigation showed that already existing frameworks available through OGC Buying Solutions did not offer better value for money

### **7. Summary**

- 7.1 The aim of the tender is to undertake a competitive process that will ensure that the services procured represent Value for Money to the Council and provide a quality service. The approach is to continue to use framework agreements, covering all learning and development activities, including courses that are applicable across the council (ie excluding areas such as specialist, technical and professional training). The framework agreements cover two Lots:

- Short courses to support the council's Competency Framework, (Lot 1)
- IT training for standard MS office based applications or upgraded equivalents (Lot 2)

Lot 1 is a framework for multisuppliers and contains a process for call off or mini-competition. Lot 2 is a framework for a single supplier and contains a process for call-off.

- 7.2 The framework agreements will run for an initial period of two years, starting in May 2010. At the end of this period (May 2012) and again in May 2013 the Council may decide to exercise an option to continue the frameworks for another year. These decisions will be taken on the basis of the suppliers' performance and continued ability to demonstrate value for money for the services they provide.
- 7.3 In Lot 1 work will be allocated under the framework by call-off and (if required) by mini-competition. Mini-competitions will be run according to the following process: all capable providers will be invited to submit competitive bids against a statement of requirement. All bids received will be evaluated on the basis of the most economically advantageous tender and against pre-determined criteria, notified at the time of the invitation to tender.
- 7.4 Expenditure against the framework agreements will be monitored by OD&L and Corporate procurement
- 7.5 All suppliers on the frameworks have their own quality management systems
- 7.6 OD&L will collect and monitor feedback from participants on all courses and other activities provided under the frameworks.
- 7.7 OD&L will meet regularly with suppliers to discuss their performance
- 7.8 The anticipated budget for the work delivered by this tender, over the four years of the framework agreements, is £440,000. (Lot 1 £240,000, Lot 2 £200,000)
- 7.9 Most centrally provided courses will be paid for out of OD&L budget, which is charged to Directorates in proportion to their headcounts.
- 7.10 The cost of centrally provided IT courses is recharged to Directorates at a fixed rate per attendee.
- 7.11 Directorates will pay for services that they order for themselves under the framework agreements.
- 7.12 Places on courses will be available for delegates from partners and other public sector and third sector organisations. They will be charged for on a per-head basis

7.13 A restricted tender process was followed in accordance with Contract Standing Orders.

7.14 On 26 January 2010 an advert inviting expressions of interest appeared on the Haringey Website and supply2gov ([www.supply2gov.uk](http://www.supply2gov.uk)) a government portal for SME procurement opportunities. The advert also appeared in Muswell Hill Journal, the Hornsey & Crouch End Journal and the Tottenham, Wood Green & Edmonton Journal.

7.15 81 pre-qualification questionnaires (PQQs) were received through Competefor an E prequalification portal that automatically scores prospective bidders, allowing officers to only evaluate the top scoring companies, and saving companies from submitting all their documents unless they are one of the highest scoring companies.

7.16 The PQQs were assessed according to the following criteria: organisation; capability; quality; environmental/sustainability; financial status/legitimacy; diversity; health and safety. The PQQs were evaluated by Organisational Development and Learning and Finance.

7.17 The 19 potential suppliers who satisfied the criteria were invited to submit tenders. Bids were sought on the basis of the most economically advantageous tender and not simply the lowest tender.

7.18 15 valid tenders were received by the deadline, 1300 on Friday 22 March. The tenderers are listed in part B.

7.19 The tenders were assessed using the Council's agreed evaluation criteria and in compliance with Council Standing Orders. The following criteria were used:

- Understanding the Council's requirements 15%
- Technical ability 15%
- People 15%
- Working arrangements 5%
- Added value 10%
- Price 40%

Each of these criteria was judged on the following scale

- below expectation 1
- approaching expectation 2
- meets most expectation 3
- meets all expectations 4

- exceeds most expectations 5

7.20 The marks (out of 500) were as shown in Part B. Interviews were undertaken to enable the Council to clarify any areas of ambiguity in their tender. The interviews were held on 29 and 30 March and 1 April. The interview panel included officers from Organisational Development and Learning; Corporate Resources, Haringey Forward and Adult, Culture and Community Services. At the interviews each of the tenderers was asked the same set of standard questions to help check whether they could justify the marks that had been awarded on the basis of their method statements. As a result of their answers to these questions (and individual follow-up questions which were used to ensure that each of the tenderers had every opportunity to fully explain their answers to the standard questions) it was agreed by the interviewing panel that, in a number of cases, the original paper based marks should be adjusted, to reflect the actual practise of the organisations. This has all been documented to ensure a transparent process.

7.21 As a result of the tender evaluation process :

- Four suppliers (G,H, N and O) were selected for Lot 1 ;
- One supplier (E) selected for Lot 2;

Their schedules of rates are shown in Part B.

7.22 The prices quoted for delivering one day's training in Lot 1 range from £595 to £850 (including delegate material costs where these are charged for separately). These prices are overall lower than the last time this work was tendered for, three years ago, when the prices ranged from £585 to £1030

7.23 The price for Lot 2 at £495 day is higher than the last time this work was tendered for, but this tender exercise has revealed that it is highly competitive against the current market rate.

## **8. Chief Financial Officer Comments**

8.1 The Chief Financial Officer has been consulted over the contents of this report and confirms that budgetary provision exists within the OD&L business unit for the centrally provided courses. The framework contracts do not commit the Council to set levels of spend or volumes of work within the contract period

## **9. Head of Legal Services Comments**

- 9.1 The Services to which this report relates are Part B services for the purposes of the Public Contract Regulations 2006. Therefore it has not been necessary to advertise this contract in the Official Journal of the European Union (OJEU). Accordingly a domestic tender process was undertaken in accordance with the Council's Contract Standing Orders.
- 9.2 Tenders have been evaluated on the basis of the most economically advantageous tender in accordance with CSO 11.01 (b).
- 9.3 As the value of the frameworks is likely to exceed £250,000 they may only be awarded by Members in accordance with CSO 11.03.
- 9.4 The client has confirmed that the value of the frameworks will not exceed £500,000 and therefore this is not a key decision.
- 9.5 The Framework Agreements will be for a maximum of four years. This complies with the Public Contracts Regulations 2006 procurement legislation which states that the duration of framework agreements shall not exceed four years, except in exceptional circumstances.
- 9.6 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 4 of the report.

#### **10. Head of Procurement Comments –[ Required for Procurement Committee]**

- 10.1 The recommendations in this report are in line with the Procurement code of Practice
- 10.2 Contract management will be undertaken by OD&L to ensure that the service is delivered in line with the service specification.
- 10.3 The setting up of a Framework for lot 1 mitigates the risk of service failure and also allows the flexibility to run mini competitions for any ad hoc requirements.
- 10.4 Lot 2 has one supplier who has been assessed as being financially secure. However, experience of this market (for generic IT training) suggests that if this supplier does fail it will be possible to arrange short term cover at reasonable cost while a longer term replacement is identified.
- 10.5 The market has been tested through this competitive process to ensure that the Council receives a Value for Money service.

## **11. Equalities & Community Cohesion Comments**

11.1 The Equality & Diversity Team have been consulted in the preparation of this report and comment as follows:

11.2 The process included the Pre-Qualification Questionnaires (PQQ) to all the bidders and were assessed on criteria that included equality and diversity consideration.

11.3 Overall, the process was guided by the Council's equalities aims and objectives with regard to procurement as set out the Council's Equal Opportunities Policy document and in current Equality Public Duties Scheme.

## **12. Consultation**

12.1 Feedback forms from OD&L courses were used to inform the process. Consultation with members of staff and IT was undertaken to ensure the content of the courses were correctly specified.

## **13. Service Financial Comments**

13.1 The anticipated budget for the work delivered by this tender, over the four years of the agreements, is £440,000. (Lot 1 £240,000, Lot 2 £200,000). The framework agreement does commit the Council to any level of expenditure. Over the life of the agreement the expenditure against the agreement can be aligned against budgetary targets.

## **14 Use of appendices /Tables and photographs**

14.1 Part B of this report contains exempt information

## **15. Local Government (Access to Information) Act 1985**

15.1 Procurement Committee Report –27 April 2010. The following background papers were consulted in the preparation of this report:

- Contract specification and other contract documentation
- Tender and tender support documents returned by tenderers
- Evaluation assessments and other relevant papers and files

15.2 This report contains exempt and non-exempt information. Exempt information is

contained in Part B and is **not for publication**. The exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972)

- (3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

15.3 See Part B for exempt information.