



**Haringey** Council

Agenda item:

**[No.]**

**Procurement Committee**

**On 26 February 2008**

Report Title: **Recreation Approved Suppliers Framework Contract**

Report of: **Director of Adult, Culture and Community Services**

Wards(s) affected: **All**

Report for: **Key Decision**

### **1. Purpose**

1.1 To seek Member agreement for a Framework Agreement for the provision of Sports Coaching and Tuition (herein referred to as 'the framework') to be formalised and implemented across the Council.

1.2 To seek Member agreement for those providers that comply with the Council's criteria (see Appendix A) to be awarded a place on the framework.

### **2. Introduction by Cabinet Member**

2.1 Sport and Physical Activity provision is taking on an increasingly high profile and priority for the Council.

2.2 The 2012 Olympic and Paralympic Games in nearby Stratford, the existing Local Area Agreement target to increase activity levels amongst adults by 4% and the recently announced government initiative to provide young people with the opportunity to take part in 5 hours a week of high quality PE and Active recreation all suggest that this initiative is timely.

2.3 What I am proposing in this report is the establishment of a Framework Agreement for the provision of Sports Coaching and Tuition to be used by all Council services and, should they choose to do so, by schools.

2.4 This will enable the Council to offer a consistently high standard of safe, high quality provision and hence to make a valuable contribution towards achieving success in the initiatives described above.

### **3. Recommendations**

3.1 That a framework is agreed as detailed in the report for a minimum period of 3 years with the option to extend for a further year.

3.2 That the organisations meeting the minimum score, as set out in Appendix A, paragraph 14.2.2, be placed on the Framework.

3.3 That the framework is implemented Council wide and managed through the new 'Category Management' arrangements.

Report Authorised by: **Mun Thong Phung, Director of Adult, Culture and Community Services**

Contact Officer: **Tanya Adair, Acting Senior Leisure Projects Officer, Recreation Services (Tel: 020 8489 5626)**

#### **4. Director of Finance Comments**

4.1 The Framework Agreement seeks to streamline the procurement of Sports coaching and tuition services across the Council. There is no financial commitment from the Council to the approved suppliers. The Agreement only obliges the Council to use the approved suppliers should the need for procuring such services arise.

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

5.1 The services to be provided under the Framework Agreement to which this report relates are classified as non-priority services under the Public Contracts Regulations, 2006, therefore there is no requirement to advertise the Framework Agreement in Europe.

5.2 In accordance with Contract Standing Order 6.05 the Framework Agreement was tendered domestically as the estimated value of the contracts to be let under the Framework is above £25,000.

5.3 Pursuant to CSO 11.3, Procurement Committee approval to establishment of the Framework Agreement is required because the estimated value of the contracts to be let under the Framework Agreement over the proposed three-year term exceeds £250,000.

5.4 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation in Paragraph 3 of this report.

#### **6. Head of Procurement Comments.**

6.1. The Procurement process has been undertaken in line with Procurement Code of Practice

6.2. Contract monitoring has been put in place to ensure the identification and rectification of any service delivery issues and reduce any risk of contract failure.

6.3. This Framework will ensure consistency of provision across the Council in regard to cost and quality achieving a Value for money service provision for the council.

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

7.1 Changing Lives: The Haringey children and young people's plan, Programme for 2007-8, *Haringey Strategic Partnership (2007)*

7.2 Haringey Participation Study, *Ashley Godfrey Associates, 2007*

## **8 Strategic Implications**

8.1 This report will detail the requirements for a Recreation Approved Suppliers Framework and recommend that it be implemented council wide with the exception of schools. As schools are run autonomously and the final decision of provision rests with Governors, it is suggested that schools use the framework as best practice, however, they are not obliged to do so.

### **8.2 Encouraging lifetime well-being at home, work, play and learning**

8.2.1 There is currently a target within the Local Area Agreement (LAA) to increase the percentage of adults taking part in moderate physical activity for a continuous 30 minute period at least 3 times a week from 22.9% to 26.9% by 2010

8.2.2 Research commissioned by Recreation Services (using Active People data as supplied by Sport England) found a positive correlation between receiving quality coaching/tuition and participation (Godfrey et al, 2007). The Framework will address this by:

- increasing the quality of sports coaching and tuition provided by external suppliers;
- making physical activities and sport easier to commission throughout the Council; and
- encouraging organisation's to reach targets in regards to participation, reaching Black & Minority Ethnic (BME) communities, addressing gender participation and general inequalities.

### **8.3 Delivering excellent, customer focused, cost effective services**

8.3.1 The Framework will solidify the Council as one of the main commissioners within the Borough. This will strengthen its ability to ensure quality provision and value for money by driving up standards and encouraging excellence within the provider organisations. Support will also be offered to organisations in obtaining National Governing Body accreditation within their specific field.

### **8.4 Key Performance Indicators (KPIs)**

8.4.1 In addition to the LAA target, Government have set the following performance indicators (PIs) which fall within the Recreation Services remit.

1. At least 1 hour a week volunteering to support sport (all adults)
2. Member of a Club (all adults)
3. Received tuition from an instructor or coach in last 12 months (all adults)
4. Taken part in organised competitive sport in last 12 months (all adults)
5. Satisfaction with local sports provision (all adults)

The Framework will contribute towards improving performance in these PIs through strengthened networks with providers, an increased ability to ensure providers contribute to these targets and that the PIs become the provider's targets as set out in the issuing contract.

8.4.2 The Haringey children and young people's plan (Haringey Strategic Partnership, 2007) list the following as priorities:

- We will promote healthier lifestyles to children, young people and parents
- Develop better linkages between schools and the 2012 Olympics
- Ensure that 85% of 5-16 year olds in Haringey engage in a minimum of two hours of high quality PE and school sport every week by 2008

The framework will ensure that schools have the ability to commission quality provision in order to meet these targets.

8.5 TUPE is not applicable to the tender as sports and physical activity coaching is not currently commissioned on an ongoing basis, or though existing, directly employed staff.

## **8.6 Sustainability**

8.6.1 Submissions were evaluated in line with the Council's sustainability policy, ensuring that small businesses, especially those based within Haringey were encouraged to submit tenders thus improving economic growth and inclusion, strengthening community networks and offering role models from the Borough.

8.6.1.2 The Framework will engage with young adults across the borough by offering volunteering, training and employment opportunities via the tendering organisations.

## **9 Financial Implications**

- 9.1 The Council has not previously carried out a tendering process for the provision of Sports and Physical Activity coaching. The value of the framework has been estimated to be worth over £350k over the 3 year period. However, this amount only takes into account those activities commissioned by Recreation Services and may increase substantially depending on the cost of services being commissioned elsewhere in the Council.
- 9.2 Recreation Service currently commission approximately £100k of activity a year across the borough via funding from the Neighbourhood Renewal Fund and Neighbourhood Management. This is likely to increase due to the formulation of recent partnerships with local Housing Associations and the possibility of Schools using the Framework.
- 9.3 The cost and quality of commissioning sporting provision fluctuates greatly across the Council. The framework will ensure that all services across the Council will realise an increased and consistent quality of provision, while achieving greater value for money.
- 9.4 The financial risk posed to the Council by commissioning of this nature is low as the monetary cost of individual programmes tends to be small. This was reflected in the weighting of the marks allocated for this section in order to alleviate discrimination against the smaller and newer organisations who may not have marked well in this area.
- 9.5 The Framework will be managed through the Council's Contract Management System (CMS). This will ensure that a maximum spend per organisation can be set and that any commissioning over this amount is not allowed.
- 9.6 Details of the organisation's submissions are exempt under rule 10.4 of the London Borough of Haringey's Constitution and are therefore contained within Appendix A

## **10 Legal Implications**

- 10.1 This framework falls under Recreational, Cultural and Sporting Services which is considered a Residual (Part B) Service and is exempt from full compliance with European Procurement Directives.

## **11 Equalities Implications**

- 11.1 Areas of particular inequality in regards to physical activity participation have been identified as (list is not exhaustive):
- being female (and in particular those from Asian or Black ethnicities);
  - on a low income; and
  - having a disability.

The Framework will offer the ability to address these particular inequalities through the provision of quality coaching based on the provider's understanding

and ability to deliver to these groups. This will (over time) increase the provider's knowledge and ability which will benefit them and should in turn increase participation rates.

- 11.2 The tender process was widely publicised to ensure that all organisations had the opportunity to register their interest.
- 11.3 It has been identified that the majority of sports and physical activity organisations based within the Borough are small. Help and encouragement was offered prior to the tender process to ensure that smaller providers were not discouraged from applying.
- 11.4 The understanding and ability of organisations to offer coaching to different communities was assessed through the tender process.
- 11.5 Organisations who currently offer a quality service but have not submitted a tender can be sub-contracted through an organisation on the Framework. The commissioning organisation will be contractually obligated to ensure that the sub-contractor abides by the terms as set out in the tender contract.

## **12 Consultation**

- 12.1 Neighbourhood Management were consulted in regards to the commissioning of physical activity coaching and it was found that the cost, quality of service and level of qualifications fluctuated between providers and that a quality assurance system was required to ensure a minimum quality level.
- 12.2 Neighbourhood Management and Children Services were asked for submissions of providers they had commissioned whom they felt should be advised of the tender process. These organisations along with those known to Recreation Services were advised of the forthcoming tender process.
- 12.3 HAVCO were advised of the tender and were asked for advice on the Pre-Qualification Questionnaire (PQQ) and the ease of small organisations to submit an application based on this document. HAVCO had the facility to distribute the PQQ to requesting voluntary organisations.
- 12.4 Sports Providers within the Borough were asked their views on the validity of the process prior to the Framework's inception.
- 12.5 The Council's legal department were consulted in regards to the Framework contract and accompanying documentation.
- 12.6 The Council's procurement and contract department were consulted prior to the commencement of the tender process.

## **13 Background**

- 13.1 Recreation Services currently spend approximately £100k on physical activity coaching in addition to commissioning activities for the Summer University programme, Youth and Children's Services and Neighbourhood Management.
- 13.2 Cost variations were identified between Council services commissioning the same or similar activity. Due to this, the ability to commission all Council activities through Recreation Services was investigated, however, this was found to be neither time nor cost effective and that a framework agreement would affect the same outcome but at less cost.
- 13.3 The Approved Suppliers Framework will operate separately to the arrangement in the Sports and Leisure centres, who employ individuals on a self-employed basis for use within their service and where the total contract does not surpass £25k per year.
  - 13.3.1 The Approved Suppliers Framework will give the Council the ability to commission small and large, quality and value for money physical activity programmes Borough wide.

## **14. Tender Methodology**

- 14.1 The tender process was restricted and split into two stages. The first stage being submission of the PQQ and the second, the submission of the tender.
- 14.2 Organisations already known to the council were advised of the impending tender process.
- 14.3 Adverts requesting expressions of interest were placed in a local paper and on the Haringey Council website in April 07. An advert was not placed in the Official Journal of the European Union (OJEU) due to the exemption as detailed at paragraph 9.1.
- 14.4 45 initial expressions of interest were registered within the timescale with all being sent out a PQQ. 19 completed PQQs were submitted and all were evaluated using the Council's agreed criteria. One organisation withdrew at this stage stating that they 'had misunderstood the nature of the provision'.
  - 14.4.1 The remaining 18 organisations were invited to tender with 12 providing submissions by the closing date of 11 December 2007
- 14.5 Organisations were asked to submit bids based on their ability to deliver in any of the sports or activities (referred to as lots) as set out in the tender pack. This included the coaching of 16 sports/activities and 2 types of qualifications (see Appendix B). Organisations could submit bids for as many or few 'lots' as they

felt able to deliver.

- 14.6 The evaluation of Bids was conducted based on the criteria and weighting set out below. The requirement for organisations to provide information to allow for evaluation based on the below criteria were set out in the Instructions for Tendering document included in the issued tender pack.

<b>Weighting of Marks</b>	<b>Criteria</b>
15%	Understanding the London Borough of Haringey's requirements (including Equalities)
15%	Technical Ability
15%	People Resources
5%	Working Arrangements (including Health & Safety)
10%	Added Value
40%	Price

These criteria reflect the Council's objectives and priorities in regards to this service.

- 14.6.1 Responses were scored on a scale of 1 to 5 as follows:

<b>Mark</b>	
1	Below Expectations
2	Approaching Expectations
3	Meets most Expectations
4	Meets all Expectations
5	Exceeds most Expectations

- 14.6.2 The evaluation process involved the paper evaluation of all organisations submitting a tender, the aggregate score for each organisation was as follows:

<b>Company</b>	<b>Score</b>
Company A	789
Company B	771
Company C	768
Company D	735
Company E	729
Company F	672
Company G	636
Company H	591
Company I	565
Company J	447
Company K	392
<b>Company L</b>	<b>175</b>



- 14.6.3 The maximum score that could be obtained was 1000 (100%) with the minimum acceptable score being 250 (25%).
- 14.6.3 A 25% threshold was set to address any areas of inequality that may have been present based on the size of the organisation (e.g. the larger the company the better the quality of documentation). Any areas of concern or improvements required will be stipulated as a condition of award, with support being offered to these organisations. No organisation will be placed on the Framework until they reach the 50% mark.
- 14.6.3 Company L accumulated a score of less than 250 and so are recommended for omission from the shortlist of organisations to be placed on the Framework.
- 14.7 The financial information given for marketing of an activity fluctuated depending on the size of the programme. Upon investigation it was found that on average, across organisations, 10% was being added to the programme to cover marketing costs. Thus, to ensure consistency, 10% was added to those submissions that had not included costs for marketing. Further clarification of marketing costs will be obtained from organisations per programme when procuring them or at the mini competition stage, whichever is applicable.
- 14.8 Costings for the provision of sporting qualifications (teaching) were not included in the tender marking process as prices fluctuated between organisations based on variables such as the numbers of people included per course and equipment supplied. The qualification lot will be commissioned through a mini competition of those organisations who submitted a bid in this area.
- 14.8.1 None of the organisations submitted a bid to only provide teaching services.
- 14.9 The framework will run for 3 years with the option to extend for a further 1 year. The anticipated date of commencement is April 2008.
- 15. Framework Details**
- 15.1 The Framework will operate a 'call-off' procedure where organisations who submitted the most economically advantageous tender are procured without re-opening for competition.
- 15.2 The framework also offers the ability to go through a mini competition; this will only apply where all the terms of the proposed contract as laid down in the Framework are not able to be fulfilled. Competition will be re-opened between at least 3 organisations who are on the Framework and are capable of performing the contract.
- 15.3 The qualification lot will be commissioned through a mini competition as they were not included in the tender marking process.

## **16 Monitoring**

16.1 The Framework will be monitored by Recreation Services using the following methods:

- Organisation's documentation (e.g. insurance, accounts, CRB checks) will be updated on an annual basis (dates will be dependant upon expiry dates).
- Spot checks of coaching being undertaken by the organisations will be carried out on a quarterly basis.
- Feedback forms will be sent out quarterly to procuring Council Services and organisations on the framework.
- Recreation Services will action complaints using the Framework's complaints procedure.
- A 'benching' system will be used for those organisations whom have had a complaint levelled against them or have received negative feedback from 1+ Service (this is dependant upon the gravity of the charge). Organisations will be benched until a suitable resolution of the complaint has been reached by both parties.
- Procurement of sports coaching services will be undertaken using the Council's Contract Management arrangements.

## **17 Conclusion**

17.1 This report asks the Committee to approve the framework and the organisations shortlisted to be awarded a place.

## **18 Use of Appendices / Tables / Photographs**