

APPENDIX 2

OPTIONS FOR TENDER OPENING PROCEDURES CONSIDERED BY CHIEF EXECUTIVE'S MANAGEMENT BOARD ON 26 OCTOBER 2005

Option 1

Original Proposals but comply with the views of General Purposes Committee and have all tenders opened by a different Directorate from that commissioning the tender process

Advantages: (i) Saving on costs of using lawyers
(ii) Uniformity and perceived independence of process

Disadvantages: (i) Significant extra expense, difficulty and delay as compared to existing process because of the need to move tenders between Directorates
(ii) Problem of equalising burdens between Directorates i.e. some Directorates (notably Housing and the Children's Service) have more tenders to open than others

Option 2

Fresh Proposal to Centralise all tender opening away from all the Directorates that commission tendering

Details: (i) This would require the establishment of an "independent" officer team which would be difficult unless the task were outsourced away from all existing Council Directorates

Advantages: (i) Potential saving on staff costs, if outsourced
(ii) Uniformity and perceived independence of process, if outsourced

Disadvantages: (i) Hard to manage and assure quality control from a distance, if outsourced
(ii) Risks of additional delays, if outsourced

- (iii) If not outsourced, then a new “independent” team would be hard to accommodate within the Legal Service. The space requirement for extra staff and paper-work would be expensive and would add to existing acute pressures at Alexandra House or River Park House.

Option 3

Fresh Proposal to Outsource High Value (over £150,000) Tender Opening only

- Advantages:
- (i) Potential saving on staff costs
 - (ii) Perceived independence of outsourced part of tender process
- Disadvantages (i) and (ii)
- (i) Perpetuates a differential treatment of high and low value tenders that is not obviously logical
 - (ii) As for disadvantages (i) and (ii) under Option 2.

Option 4

Status Quo i.e. Legal Service Continues to Open High Value (over £150,000) Tenders

- Advantages (i)
- (i) No change to existing practice
- Disadvantages (i) and (ii)
- (i) Perpetuates a differential treatment of high and low value tenders that is not obviously logical
 - (ii) Continues the expensive use of commercial lawyers. There is no spare capacity and little scope for using existing administrative/clerical staff for these tasks.

Option 5

Status Quo but Increase Limit for High Value Tenders to be Opened by Legal Services from £150,000 to £500,000

- Advantages (i)
- (i) Limited change to existing practices

(ii) Some savings in staff costs

Disadvantages 4 As for disadvantages (i) and (ii) under Option

Option 6

Original Proposals but Persuade General Purposes Committee that their Concerns about Independence can be met

Advantages (i) Saving on costs of using lawyers
(ii) Uniformity of process

Disadvantages (i) Requires further meetings in the short term.