

Annex A – Procurement process

Summary of Procurement process in respect of the Term Contracts and Framework Agreements for Hard Facilities Management.

1. The tender was been led by Surrey County Council for and on behalf of Orbis Partners and future clients. A Project Board consisting of Service managers from the 3 Orbis Partners was set up to manage the procurement process.
2. The existing contracts for the provision of Planned Maintenance Works, Planned Cyclical and Responsive Works expire on 30 May 3019 and the Periodic Cyclical and Responsive Works and Certification will expire on 30 June 2019. A full tender process compliant with the Public Contracts Regulations 2015 and Procurement Standing Orders has been carried out following the approval of the Sourcing Plan by the Sourcing Governance Board (SGB) on 27 March 2018.
3. The Procurement Sourcing and Governance Board considered the following options.

Options	Description <i>(Please give brief details, explaining relative risk of each option)</i>
<p>Option 1: PREFERRED OPTION Undertake a restricted procurement process in accordance with PCR 2015, for a combination of work streams, utilising both frameworks and term contracts.</p>	<p>This options offers the best approach to achieving the desired outcomes of the Hard FM Procurement Strategy. It will allow providers of different shapes and sizes to demonstrate their ability to deliver services on a single or multiple works and service basis. It is the most flexible procedure available to understand the best value approach to future delivery. It does provide difficulty in predicting outcomes of the procurement process and has added complexities at both Selection and Tender stage but these can be managed within the current programme.</p>
<p>Option 2: Establish frameworks for all work streams.</p>	<p>Whilst this has similar characteristics to Option 1, particularly with regards to a flexible approach to the market, it does not provide the optimum value for money approach. Orbis Partners can offer certainty to the market in terms of scope and contract length for some of the work streams. This certainty should be leveraged via a term contracts rather than a framework which provides less certainty to providers.</p>
<p>Option 3: Establish term contracts for all work streams.</p>	<p>Whilst this has similar characteristics to Option 1, it does not provide the optimum value for money approach. Orbis Partners cannot offer certainty to the market in terms of volume for some of the work streams. This would potentially expose Orbis Partners to additional costs as the market would view it as a risk.</p>
<p>Option 4: Access a procurement arrangement or framework let/managed by another authority.</p>	<p>Whilst some FM related frameworks exist there are none which match the model defined in the Procurement strategy and would not allow a full test of the market and engage large, small and local contractors.</p>

Option 5: Procure all works and services individually	This would give the required level of engagement for each element, but would not allow Orbis Partners to test combinations of works and services and would likely lead to a very mixed supply chain across all three Orbis Partners, which would be inefficient for OPS.
Option 6: Procure a single Provider for OPS	A single provider model would not meet the desired objectives of the Procurement Strategy or OPS. The market for this model is shrinking and there is uncertainty over the value for money this offers. It may create efficiencies in ongoing management but put OPS in a different leveraging position than the desired model. A single service provider would normally be a possible outcome through the option set out in Option 1 above, but this will be prevented through the use of Selection and Tender stage mechanisms to maximise opportunities for SME's.
Option 5: Do Nothing	This would not be compliant or in line with OPS desire for a new delivery model for these services

1. In order to implement Option 1, a restricted tender procedure was chosen. Participation in the restricted tender procedure is accessible to all companies who wish to take part but it enables the contracting authority to limit the number of suitably qualified candidates who would be invited to the tender stage to a small number. This leads to a more efficient process for both suppliers and the contracting authority in a market with many potential providers.
2. The Procurement was to identify the most appropriate combination of providers that could offer innovative best value outcomes to the OPS customer base including:
 - A customer focussed offering
 - The most effective and value for money offering which makes the best use of internal and external resources
 - Complementing the OPS authorities plans
 - The ability to flex to meet customer's needs and demands
 - Optimising the use of digital technology for the monitoring and where appropriate delivery of these services
 - A consistent level of performance and satisfaction
 - Using innovation appropriately to improve service performance and delivery
 - Strive for continuous improvement and improved cost of delivery
 - Contribute towards the Orbis Partners meeting their statutory duties
3. As part of the Strategic Business Case, stakeholder engagement was undertaken and the model for the tender documents developed.
4. Due to the compressed nature of the timescales involved by bringing the 3 partners' requirements together and the size of the resultant supplier base (2500+), it was not felt that it was possible to undertake a market engagement day. It was decided to undertake e-mail alerts to the existing suppliers currently contracted and / or were registered on the South East Shared Portal (In-Tend) for alerts in respect of these kind of services.

5. The Selection Questionnaire was published on the Official Journal of the European Union (OJEU) on 9 July 2018 and the documents made available on In-Tend the same day.
6. The Evaluating Panel which comprised of colleagues from Surrey Orbis Procurement and Property Services across the 3 Orbis partners was set up to evaluate all SQ and ITT responses.
7. As at the deadline of 18 July 2018 the Project Team received Selection Questionnaires:

The Questionnaires were evaluated to ensure that companies had the legal, financial and technical capacity to undertake the contract for the Partners, and that they had health & safety and equal opportunities policies in place. Subsequently, the Evaluating Panel shortlisted the companies listed were subsequently invited to the tender stage.

8. The tender stage commenced on 8 October 2018. By the closing date of 14 November 2018 the following results had been achieved. One tenderer, had declined to bid on the basis of an overall change in strategy to the FM Market.

Number of responses (ITT/min comp/etc.): BHCC Reactive Fabric Maintenance Works Framework	9 Suppliers Shortlisted and 7 ITT responses
Orbis Planned Maintenance Works Framework	80 Suppliers Shortlisted and 68 responses
Orbis Reactive and Cyclical Maintenance Works Term Contracts	31 Suppliers Shortlisted and 24 responses

9. The tenders were evaluated using the award criteria which comprised 60% of Commercial and 40% of Quality Score. The exception to this was the asbestos reporting and removal, which attracted a 40% of Commercial and 60% of Quality Score due to the specialist nature of the work.
10. In accordance with best practice each response to Quality/Technical questions was assessed by a minimum of 3 evaluators independently. The evaluators met to discuss and moderate their scores in the presence of an experienced moderator.
11. The results of the evaluation and proposed awards amongst the 3 Orbis Partners were reviewed by each partner to ensure that there would be sovereign approval from each partner to proceed to contract. The East Sussex and Brighton and Hove Partners within OPS decided that for them, the results of the tender exercise did not meet their overall needs and have declined to make awards.
12. Surrey's review found that even in a difficult market, the Framework agreements gave a good spread of competent suppliers providing a chance of at least maintaining the savings levels we currently enjoy (£1.2M pa) and that the Term Contracts would provide a cost neutral position compared to the current pricing (which is up to 5 years old).

13. Tender Exercise covered the full requirements of the three Orbis Partners. The documentation published did not promise that any or all of the lots shown in the tender documents would actually be awarded. As a result SCC will be able to contract for their requirements on their own and stay within their obligations stated in the terms of the tender documents.

14. The Evaluating Panels award recommendations are shown in the attached schedules:



Framework
Agreement Successful



Term Contract
Successful Suppliers

15. All tenderers were informed of the preliminary outcome of the procurement process and that the formal tender results are subject to the Cabinet approval to award contract(s)/frameworks.

16. Performance of contracts will be monitored through a series of Key Performance Indicators / Contract Performance Indicators. The KPIs for the Framework Agreements are attached below:



Section 9 -
Framework Schedule

The KPIs for the individual Term Contracts will be agreed with each supplier based on a typical example below which was incorporated into the scope in the tender documents:



Example of Term
Contract KPIs for Cal