

Report to	Resources & Performance Committee
Date	17 September 2013
By	Director of Planning
Title of Report	Scanning Managed Service Contract – Progress Report
Purpose of Report	To describe the procurement process leading to the award of the Scanning Managed Service Contract

Recommendation: The Committee is recommended to note the progression and outcome of the tender exercise leading to the award of a Scanning Managed Service Contract

1. Introduction

- 1.1 The awarded contract is for the scanning, redacting and indexing of all planning applications and related documents, taken both from the South Downs National Park Authority (SDNPA) and from the planning partner organisations.

2. Background

- 2.1 The current contract is let on a transaction basis with a cost per planning application. Various issues with the contract, including the failure to consolidate all of the paperwork to an appropriate application at the scanning stage, are inflating the cost of this contract to SDNPA.
- 2.2 The cost of the current contract is expected to be £100,000 in 2013/14. The current budget is £65,000. The contract will expire at the end of September 2013.
- 2.3 The Resources and Performance Committee approved a tendering process to replace the current contract with a Managed Service Contract at a meeting on 9 April 2013.

3. Approach to tendering the contract

- 3.1 In order to overcome some of the issues with cost uncertainty the principle of awarding the contract on a managed service basis was developed. This would create the potential to drive operating efficiencies from the contract and in order to do this, a three year term was agreed upon.
- 3.2 The value of the contract over the three year term was originally estimated at between £300,000 and £450,000 and therefore the contract would require to be let under the Public Procurement Rules.
- 3.3 In order to alert the market to the forthcoming tender a Prior Information Notice (PIN) was posted on the Official Journal of the European Union (OJEU) on 19 February 2013. There is no requirement for any supplier to respond to a PIN notice and very little advantage to them to do so, yet almost twenty responses were recorded, showing the level of interest in this contract.
- 3.4 The OJEU contract notice was subsequently posted to OJEU on the 17 April, 2013, with a deadline for return of tenders of 15 May, 2013, taking advantage of the shortened timescales allowed by the previous issue of the PIN.

4. Evaluation Criteria

- 4.1 The European Rules allow the use of both selection and quality criteria and both were used

within the Invitation to Tender

- 4.2 Suppliers are judged on a Pass or Fail basis on the selection criteria and the main requirement on this contract was that suppliers had to have experience of scanning new planning applications on an-ongoing basis with time constraints. A further requirement was that suppliers needed an agreement in place with Idox for transferring the scanned documents to the DMS.
- 4.3 Suppliers achieving a “Pass” on all elements of the selection criteria would be judged on the quality of their bid, both on the functional requirements of the operation and on their approach to the contract.
- 4.4 In pricing the contract it was recognised that Idox, as the provider of the DMS would have an inherent advantage as they could set the costs of providing the transfer mechanism for each supplier to upload their data to the DMS. To assist fair competition the costs of this were requested separately and suppliers were informed that this would be excluded from the evaluation of costs.
- 4.5 The balance of the award criteria was 60% quality to 40% price.

5. Responses

- 5.1 There were four responses received by the closing date for tenders (which had been extended to 17 May 2013)
- 5.2 Two tenders failed to meet the selection criteria and therefore were not evaluated on quality and cost. Those suppliers have been informed of this.
- 5.3 The other two tenders passed all of the selection criteria and proceeded to be evaluated on quality and cost. The evaluation panel for this consisted of Mike Bleakley, Vicky Lyndon and David Cranmer. Each scored the responses independently and their quality scores were averaged to arrive at the total weighted quality scores.
- 5.4 The outcome of the exercise is shown in **Appendix I** (Confidential Appendix).

6. Contract Management

- 6.1 The contractor’s good performance on this contract is essential to SDNPA’s overall performance in delivering a planning service in conjunction with its partner authorities. In view of this the contract will be monitored using a number of Key Performance Indicators.
- 6.2 A contract management framework is being developed and contract management meetings will be held each quarter, where performance measures will be discussed and improvement actions decided on as necessary.

7. Contract Award and Next Steps

- 7.1 The tender process was carried out under the Public Procurement Rules and in accordance with those a ten day mandatory standstill period was observed with all bidders receiving an Intention to Award notice on 8 August, commencing the standstill period which ended on 20 August 2013.
- 7.2 Formal contract documents are now being drawn up by West Sussex County Council and those will be signed under seal.
- 7.3 Contract implementation is now underway and it is expected that the scanning will move on to the new contract arrangement by the end of September. A formal contract management timetable will be established and regular meetings will be held. Formal relationships will be documented and an escalation process agreed to allow contractual issues to be resolved

8. Resources

- 8.1 The cost of the contract, at just under £80,000 per annum, exceeds the budget presently allocated for scanning but is considerably less than the actual costs of the current contract.
- 8.2 The Managed Service essentially provides a fixed cost contract and there should be budget certainty on the cost of scanning.

9. Risk management

- 9.1 The procurement risks identified in the paper of 9 April have now been superseded by performance risks, outlined in the following table;

Risks	Mitigation
The contractor does not perform to the minimum standards required	Key Performance Indicators govern the main outputs of this contract and a failure to perform can lead to termination of the contract
SDNPA resources are not available to manage the contract effectively	Staff members will be given clear roles and responsibilities under the contract management plan
Partner organisations do not deliver documents in a manner or time that allows the contractor to meet the minimum terms of the contract	This is a secondary form of contract management which is therefore less effective and dependant on the contractor having the systems to defend his performance

10. Human Rights, Equalities, Health and Safety

- 10.1 There are no implications arising from this report.

11. Sustainability

- 11.1 The contractor will use a data centre in the South of England (Poole) to handle all paper documentation.
- 11.2 The contractor is committed to, and has a direct financial interest in, encouraging the reduction in the volume of paper involved in the planning process.

12. External Consultees

- 12.1 None.

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Appendices	Appendix I Outcome of Tender Exercise (Confidential)
SDNPA Consultees	Chief Executive Officer, Director of Corporate Services, Director of Planning, Director of Strategy and Partnerships, Director of Operations, Chief Finance Officer, Deputy Chief Finance Officer, Monitoring Officer & Legal Services.
Background Documents	R&P Report 9 April 2013 entitled Scanning Managed Service Contract RPC12/13 (Agenda Item 11)

