

Strategic Procurement

CHECKPOINT REPORT 1: PRE-PROCUREMENT APPROVAL

This form is for procurements of goods and services above the EU Threshold (£164,176) and for works above £500,000 in value. For procurements below this amount, a Procurement Engagement Form needs to be completed.

1. CONTRACT TITLE AND KEY PEOPLE

Contract Title		Cycle Training Skills					
capitalEsourcing Reference		Prj_OSN_9699			Report Date		09/10/2017
Tender Manager		Directorate			Buyer Assigned		
Martin Day Smarter Travel Officer		Development & Transport Planning			Mike Green		Interim Senior Category Specialist
Value of Contract		Targeted Financial Savings			Bankable Savings		
£180,000		£ Not applicable			£ Not applicable		
Is budget available to proceed with this procurement?	Yes, subject to LIP allocation from TfL.	*Please enter the budget code	A01.A2 6720.6 51780. 6025.0 00000. 600085 .00000 0	If yes, is this a Revenue or Capital allocation ?	Revenue	Procurement Approved by:	Steve Moore
Proposed Contract Start date	Proposed Contract End date	Is there an option to extend the contract?			If yes, give duration of extension option		
1 April 2018	31 March 2021	No					
Procurement route being undertaken	Have you or your team received training on Capital eSourcing?	**Is there a current contract in place?			If yes, insert expiry date		
Open competitive tender	Yes	Yes			31 March 2018		
Please state the Quality/Price threshold	Does TUPE apply to this exercise?	Have you considered Collaborative Working?			Will you be using an eAuction or DPS?		
30% Quality / 70% Price	No	Yes			No		
Checkpoint Summary							
<p>The Council has a cycle training delivery contract with Cycle Confident due to complete on 31 March 2018.</p> <p>The proposed new contract is to deliver all adult and school based cycle training in Havering, it will also include running cycle training and skills at the four cycling hubs in the Borough established this year.</p> <p>Anyone who lives, studies or works in the Borough can access the training for free. We also offer a range of other opportunities such as bike maintenance classes and led guided rides. The offer to schools and families starts in Years 1-4 with Learn to Ride and Cycle Awareness Days and goes through to Secondary school with National Standard Bikeability (on road training) offered from Year 5 up to Level 2 National Standard, and Level 3 from Year 7 in Secondary schools.</p> <p>The contract award has previously been for 12 months starting at the beginning of the financial year. This contract term however has not allowed more efficient long term planning of cycle training interventions across the schools and the wider community.</p> <p>We now wish to award a three year contract using an open competitive tender process through capitalEsourcing. A longer term contract is likely to be more attractive to the market;</p>							

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it will allow the successful supplier and Council officers to plan and deliver the training in a more effective manner and give a greater level of continuity for the recipients of the training, primarily the 50+ schools that regularly take the training. This will also significantly reduce costs of officer time to undertake an annual procurement process.

All of the funding for cycle training comes from Transport for London through the Local Implementation Plan (LIP) in support of the Mayor's Transport Strategy, the £180k over three years comes specifically from the Travel Awareness programme managed by the Smarter Travel officer.

The current funding in the LIP three year programme is at £60k per year for 2018-21, so £180k in total. This amount, and hence the actual contract value, could increase with in-year funding opportunities from Transport for London or redirected funding from other LIP programmes and this will be made clear in the ITT.

***Note:** Finance will be unable to approve the report unless budget code details are included.

****Note:** Where there is a current contract in place, ensure that sections 2.5 Personnel Matters and 6.5 Exit Strategy are fully completed.

CHECKPOINT PANEL RESPONSE

Date of Checkpoint Panel	13/10/2017
Panel Members Present	Virtual checkpoint

1. CONTRACT TITLE AND KEY PEOPLE

Checkpoint panel should insert any comments/and or recommendations here

Project Title:

Cycle Training Skills

Key people:

Martin Day - Smarter Travel Officer

Mike Green – Senior Category Specialist

2. BACKGROUND TO THE CONTRACT

Checkpoint panel should insert any comments/and or recommendations here

The proposed new contract is to deliver all adult and school based cycle training in Havering, it will also include running cycle training and skills at the four cycling hubs in the Borough established this year.

3. FINANCIAL: BUSINESS CASE & BENEFITS REALISATION

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Checkpoint panel should insert any comments/and or recommendations here

- Project funding to be obtained from TFL.

4. SOCIAL VALUES

Checkpoint panel should insert any comments/and or recommendations here

- The training has the potential to provide a long-term positive impact on the environment i.e. encourage children to continue cycling in the future and possibly use a car less.

5. PROJECT ORGANISATION

Checkpoint panel should insert any comments/and or recommendations here

N/A

6. CONTRACTING PROCESS

Checkpoint panel should insert any comments/and or recommendations here

- A contract manager has been identified to manage the contract.

7. ACHIEVABILITY

Checkpoint panel should insert any comments/and or recommendations here

N/A

CHECKPOINT PANEL OVERALL RECOMMENDATION AND COMMENT

Checkpoint panel should insert any comments/and or recommendations here

- To explain the process of engagement for local residents joining the scheme as well as children in schools within the introduction and section 5.2 'the communication plan'.
- To include some flexibility in the contract so that the council can revise/terminate the contract if TfL makes any changes to the funding arrangements in future years.
- To confirm with Legal/HR whether or not the incumbent provider has TUPE rights.
- To TfL have agreed the funding of £180k for the project.
- To explain why no savings are to be achieved within the report.

Procurement to proceed?

Yes

Red, Amber or Green Status?

Green

2. BACKGROUND TO THE CONTRACT

2.1 Market Conditions

What are the market conditions – e.g. monopolistic, or highly competitive? If there is limited competition, what will you do to get best value?

There is a competitive market for cycling training with a small number of larger, specialist companies operating in the Greater London area. In order to meet the terms and conditions of the TfL funding bidders will be required to be accredited through the Department for Transport's Bikeability scheme, the National Standard for cycle training, at the time of tender submissions.

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2.2 Collaboration

Does the contract cover all of the relevant requirements across all departments of the Council? Indicate yes or no. If no please provide justification if adopting a departmental, rather than corporate approach. Have you considered working with other Local Authorities?

The possibility of a joint tender exercise with LB Newham was considered in detail but following a number of meetings it was concluded that their need to look at other potential delivery options meant that we would need to proceed separately.

2.3 Sustainability

Please describe the main sustainability risks associated with the contract, and how they will be addressed. Please describe what actions you will take to ensure best practice in respect of Environmental protection, equalities, regeneration and corporate social responsibility. Please describe how these issues will be addressed in the contract.

By training greater numbers in cycle safely we hope to reduce single occupancy car use and therefore harmful emissions. The scheme can assist in meeting Council priorities through improving the healthy lifestyle of pupils and addressing obesity by encouraging cycling in general.

2.4 Diversity & Equality

Have the diversity and equality issues associated with this project been considered. Do the contract documents ensure best practice in respect of: Accessibility to service users, Monitoring of service users, Consideration of age, disability, transgender, pregnancy and maternity, race, religion/belief, sexual orientation, sex, marriage/Civil partnership, Reducing negative outcomes which result from class or socio economic disadvantage

Yes, the training is free to all and individual circumstances are taken account of in every case with the adult training offered. Disability groups also have full access to the training and adapted bikes can be used if required. Detailed monitoring is undertaken for every session and a consolidated monthly report is produced.

2.5 Personnel Matters

Will TUPE apply to this contract? What arrangements are in place to address TUPE with the incumbent supplier? Are all arrangements in place to ensure that this is managed effectively? Are there any other HR/Personnel considerations to be taken into account? How will these be accommodated? If in doubt, has advice been sought from Legal?

The incumbent provider has confirmed in writing that they do not believe TUPE will apply should they lose the contract. The nature of the cycle training market is such that trainers are employed on a sessional basis to work across a number of authorities. TUPE has not applied in previous contracts.

The likelihood is that trainers wishing to work in Havering will make themselves available to the successful tenderer.

2.6 Options Appraisal

Describe the different procurement options that were considered, including any outsourcing considerations. Have the main options been considered yet and if so why was the favoured option selected? Has a formal options appraisal been conducted, or is one planned?

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Ceasing the provision of cycle training was not considered an acceptable option.

As providers have to be accredited through the Bikeability scheme there are a limited range of delivery options and it would not be feasible to provide the service in-house.

As set out above, officers reviewed the possibility of letting a joint contract with colleagues from LB Newham but jointly concluded that this could not be achieved at the present time. Officers reviewed a cycling training framework being tendered by LB Enfield and LB Haringey but determined that its value was potentially too low should more money be available to LB Havering and its terms unfavourable.

A pan-London TfL cycling framework ended several years ago and has not been re-tendered. No other frameworks have been identified.

For the past few years a stand-alone LB Havering contract has been very successful and it is recommended that we continue this by tendering the new contract by way of an open competitive procurement exercise. The contract will be CPV code 80500000 Training services which is covered by Schedule 3 social and other specific services and is subject to chapter 8 of The Public Contract Regulations 2015 'below threshold procurements' and will be advertised in Contracts Finder.

3. FINANCIAL: BUSINESS CASE & BENEFITS REALISATION

If you have completed a large project business case, and the items outlined below are included in that, please state so and append the business case. (i.e. see attached business case)

3.1 Business Case

Please summarise the business case which should include an assessment of costs (including whole life costs) and benefits, show values and phasing of recurring costs and savings in cash terms, identify set-up and one off costs such as severances and windfalls, estimate pay-back on initial investment and include a sensitivity analysis for relevant factors (demand, unit price etc.).

Given the nature of the contract, its relatively low costs and the fact that it is supported and fully funded by TfL a large project business case has not been undertaken.

3.2 Cashable Savings

Please describe what actions you have taken to ensure that cashable savings are achieved through this project.

Please show estimated cashable savings across the lifespan of the contract (this may relate to the figures entered under Targeted Financial Savings on the first page)

Whilst there are no targeted or cashable savings to be achieved through this procurement as it is funded externally, the competitive process may mean that the Council is able to purchase a greater number of training hours within the available funds.

3.3 Headcount reductions

Please describe the anticipated savings as a result of headcount reductions. Are these cashable savings? Are they included in the calculations above?

Contract management is only a part of the lead officer's role and there are not any headcount reductions arising from the letting of this contract.

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3.4 Efficiency Gains

Describe other, NON cashable efficiencies including: minimising the cost of routine transactions, utilising IT to reduce costs and improve performance, the procurement process (i.e. electronic tendering/e-auctions), process rationalisation/simplification/reducing non-value added work, reducing other costs – consumption, wastage, price, specification, inventory / cash flow savings, getting more for less or the same, improved quality not included in cashable savings or headcount reductions above

Letting a longer term contract instead of annual ones will save officer time and costs. The procurement process will be run through the capitalEsourcing electronic tendering system. It is considered that this tender is not appropriate for an e-auction as the market does not have experience in their use and due to the relatively small scale of cycle training companies and their general lack of dedicated tendering teams.

3.5 Benefits Realisation

How will the money from cashable benefits be released? How will other benefits be demonstrated?

Performance of the contractor is monitored through monthly reports and pre agreed KPIs that run throughout the year. This includes trainees' feedback forms for both adults and schools.

4. SOCIAL VALUES

4.1 ESE Consideration

Please provide details of the considerations that have been made for economic, social and environmental well-being in connection with public services contracts and any connected purposes.

N/A

4.2 Securing Improvements

Describe how this procurement improves the economic, social and environmental well being of the borough, and how these improvements are secured.

The delivery of the training will not have a negative impact on the environment. The training has the potential to provide a long-term positive impact on the environment i.e. encourage children to continue cycling in the future and possibly use a car less. This would lead to a reduction in carbon emissions, nitrogen oxides and particulates across the borough. Training is free to all and individual circumstances are taken account of in every case with the adult training offered. Disability groups and individuals also have full access to the training.

5. PROJECT ORGANISATION

5.1 Roles & Responsibilities

Is the project team in place yet? Are roles and responsibilities clear? Which services are represented on the team? Please describe project sponsorship and governance

Yes. The LB Havering Smarter Travel Officer is the Project Manager and the Procurement team have been working on the tender from its initial stages. The evaluation team has been identified. Senior managers have been kept apprised of progress throughout.

5.2 Communication Plan

Describe how communications will be managed with internal customers staff affected by new ways of working, DMT and NEB, other stakeholders

The key stakeholders are schools and any change to the training provider will be notified to them by both the chosen supplier and the Council.

5.3 Stakeholder involvement

List the major stakeholders and describe how they will be engaged include members, residents, services, suppliers and other agencies. Summarise the consultation process

Anyone that works, studies, or lives, in the Borough can access the free (to them) training; the main stakeholder in terms of training delivery is the school community.

TfL are made aware of our funding split and plans through the annual LIP process.

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5.4 Project Plan

- Complete tender documents – 13 October 2017
- Load onto capE w/c 16 October 2017
- Issue invitation to tender – 20 October 2017
- Tender returns – 24 November 2017
- Evaluation, clarification, moderation – end November / December 2017
- Checkpoint 2 – January 2018
- Approval report – January 2018
- Formal award – February 2018
- Lead-in – February - end March 2018
- Start – 1 April 2018

6. CONTRACTING PROCESS

6.1 Tender Documentation

Is all the tender documentation drafted including (as appropriate)

OJEU Advert	N/A
Instructions to tender	Yes
PQQ	N/A
Specification (including KPIs)	Yes
Evaluation Model	Yes
Conditions of Contract	No
Price Schedule	Yes
Variation from Contract Forms	No
Tender Form	No
Method Statements	Yes

6.2 Contract Award Criteria

Please provide full details of proposed weighted contract award criteria

Price 70% Quality 30%

6.3 Price Controls

Are price revisions permitted by the tender documents? No

If so on what basis? (Up or down or both, and by what margin)

N/A

6.4 Tender Evaluation

Has the tender evaluation team been formed?

Has the process for evaluation been agreed?

Describe the evaluation methodology, including how you will award points for quality and price submissions, and the weightings to be applied

The tender evaluation team has been identified and will comprise officers from the Smarter Travel and Road Safety sections. A member of the Procurement team will undertake the moderation.

The 30% quality element will be further broken down in percentage terms for each method statement which will be set out in the evaluation criteria provided to bidders. Whilst a final decision on the percentage allocations is yet to be made the method statements will cover service provision, capacity to deliver, management information systems, risk management and innovation. A minimum score of 3 will be required for key questions.

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Bidders will be required to provide hourly rates for a range of training activity covering critical aspects of the service. A weighting will be applied to recognise those elements which are most used.

6.5 Exit Strategy

This section is relevant where an existing contract is place. If not, go on to the next question. Do you have in place an appropriate exit strategy for the existing contract? Is the current supplier aware of the strategy and have you received confirmation that they will comply? Do you envisage any issues with the transition from the old contract to the new one?

The contract end date has been confirmed with the current provider who has committed to a smooth transition if they are unsuccessful. The Council already has access to user and programme details.

Provisional bookings for schools and other training will be made by the incumbent and the incoming provider will be expected to honour these. In practice this works well as it provides the new provider with an early workstream without the immediate need to secure a full programme itself. Users will be informed of any changes as early as possible.

6.6 Contract Management

Has resource for contract management been identified?

Have any issues with current arrangements been identified?

The contract will be managed by the Smarter Travel Officer who also manages the current arrangements. There have not been any issues or problems identified.

7. ACHIEVABILITY

7.1 Risk

Please describe the approach to risk management. What are the 5 key risks? If you have a risk log, state so and attach it to this checkpoint.

Funding uncertainty - The funding is ratified each year through the Local Implementation Plan from Transport for London, for the next three year reporting (from FY 18/19) period of the LIP £60k per year has been allocated, though additional in-year funding is possible, through TfL. The contract will include a break clause in case of a reduction or loss of that funding. The risk of that happening is very low.

Competition – although there are only a small number of larger providers in the market competition is generally strong and there has been interest expressed in the tender.

Affordability – the tender process should ensure that prices remain competitive. The pricing schedule will identify the rates of the individual training sessions with greater weighting allocated to those which have the greatest use. An increase in rates would mean that the Council is able to procure a reduced number of sessions rather than lead to the contract being unaffordable.

Transition – it is recognised that the handover period presents some risk but as set out

above the current provider has committed to help to deliver a smooth transition if they are unsuccessful and officers already have access to the necessary information to ensure continuity of service.

Service Delivery – risks of poor delivery should be mitigated by the requirement that only accredited National Standard providers can apply.

7.2 Governance Requirements

Please confirm that you are aware of and will comply with all procedural requirements including: Loading documents on Capital eSourcing, EU Procurement Directives, waivers of financial regulations (if appropriate), procedures for Contract Award and any other relevant requirements

Officers confirm that they are aware of and will comply with all procedural requirements and will work closely with procurement, legal and finance colleagues as appropriate.